UniCredit S.p.A.

(incorporated with limited liability as a "Società per Azioni" under the laws of the Republic of Italy)

€25,000,000,000

Obbligazioni Bancarie Garantite Programme

Guaranteed by UniCredit OBG S.r.l.

(incorporated with limited liability as a "Società a responsabilità limitata" under the laws of the Republic of Italy)

Under the €25,000,000,000 Obbligazioni Bancarie Garantite Programme (the "**Programme**") described in this prospectus (the "**Prospectus**"), UniCredit S.p.A. (in its capacity as issuer of the OBG, as defined below, the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue *obbligazioni bancarie garantite* (the "**OBG**") guaranteed by UniCredit OBG S.r.l. (the "**OBG Guarantor**") pursuant to Article 7 *bis* of Italian law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (the "**Law 130**") and regulated by the Decree of the Ministry of Economy and Finance of 14 December 2006, No. 310, as amended from time to time (the "**MEF Decree**") and the supervisory instructions of the Bank of Italy set out in Part III, Chapter 3 of the "Disposizioni di Vigilanza per le Banche" (Circolare No. 285 of 17 December 2013), as amended and supplemented from time to time (the "**BoI OBG Regulations**").

The payment of all amounts due in respect of the OBG will be unconditionally and irrevocably guaranteed by the OBG Guarantor. Recourse against the OBG Guarantor is limited to the Available Funds (both as defined below).

The maximum aggregate nominal amount of OBG from time to time outstanding under the Programme will not at any time exceed €25,000,000,000, subject to increase as provided for under the Dealer Agreement.

The OBG issued under the Programme will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof or such other higher denomination as may be specified in the relevant Final Terms.

The OBG may be issued on a continuing basis to the Dealer(s) appointed under the Programme in respect of the OBG from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), the appointment of which may be for a specific issue or on an on-going basis. References in this Prospectus to the "**relevant Dealer**" shall, in the case of an issue of OBG being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such OBG.

This Prospectus constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (which includes the amendments made by Directive 2010/73/EU, to the extent that such amendments have been implemented in the relevant Member State of the European Economic Area) (the "**Prospectus Directive**") and the relevant implementing measures in the Grand Duchy of Luxembourg. This Prospectus will be available on the Luxembourg Stock Exchange website at www.bourse.lu.

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), which is the Luxembourg competent authority for the purposes of the Prospectus Directive and relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purposes of giving information with regard to the issue of OBG under the Programme during the period of twelve (12) months after the date hereof.

By approving this Prospectus, the CSSF assumes no responsibility as to the economic and financial soundness of the transaction and the quality and solvency of the Issuer in accordance with the provisions of Article 7 (7) of the Luxembourg law on prospectuses for securities.

Application has also been made to the Luxembourg Stock Exchange for the OBG issued under the Programme to be admitted during the period of 12 months from the date of this Prospectus to the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. References in this Prospectus to OBG being "listed" (and all related references) shall mean that such OBG have been admitted to the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. However, unlisted OBG may be issued pursuant to the Programme. The relevant Final Terms (as defined below) in respect of the issue of any OBG will specify whether or not such OBG will be listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market (or any other stock exchange).

Each Series or Tranche (both as defined below) of OBG may be issued without the consent of the holders of any outstanding OBG, subject to certain conditions. OBG of different Series may have different terms and conditions, including, without limitation, different maturity dates. Notice of the aggregate nominal amount of OBG, interest (if any) payable in respect of OBG, the issue price of OBG and any other terms and conditions not contained herein which are applicable to each Tranche will be set out in final terms (the "**Final Terms**") which, with respect to OBG to be listed on the Luxembourg Stock Exchange, will be delivered to the Luxembourg Stock Exchange on or before the date of issue of the OBG of such Series or Tranche.

The OBG will be issued in dematerialised form (*emesse in forma dematerializzata*), will be subject to the generally applicable terms and conditions of the OBG (contained in the section headed "Terms and Conditions of the OBG") and the applicable Final Terms and will be held in such form on behalf of the beneficial owners, until redemption and cancellation thereof, by Monte Titoli S.p.A. with registered office at Piazza degli Affari, 6, 20123 Milan, Italy ("**Monte Titoli**") for the account of the relevant Monte Titoli Account Holders. The expression "**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli (and includes any Relevant Clearing System which holds account with Monte Titoli or any depository banks appointed by the Relevant Clearing System). The expression "**Relevant Clearing Systems**" means any of Clearstream Banking, *société anonyme* with registered office at 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. as operator of the Euroclear System with registered office at 1 Boulevard du Roi Albert II, B-1210, Brussels, Belgium ("**Euroclear**"). The OBG of each Series or Tranche, issued in dematerialised form, will be deposited by the Issuer with Monte Titoli on the relevant Issue Date (as defined herein), will be in bearer form, will be at all times be in book entry form and title to the relevant OBG of each Series or Tranche will be evidenced by book entry in accordance with the provisions of Article 83-*bis* of Italian legislative decree No. 58 of 24 February 1998, as amended and supplemented (the "**Financial Services Act**"), and with regulation issued by the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") on 22 February 2008, as subsequently amended. No physical document of title will be issued in respect of the OBG of each Series or Tranche.

Each Series or Tranche of OBG may be assigned, on issue, a rating by Fitch Ratings Limited ("**Fitch**" or the "**Rating Agency**", which expression shall include any successor thereof) or may be unrated as specified in the relevant Final Terms. Where a Tranche or Series of OBG is to be rated, such rating will not necessarily be the same as the rating assigned to the OBG already issued. Whether or not a rating in relation to any Tranche or Series of OBG will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies as amended from time to time (the "**CRA Regulation**") will be disclosed in the relevant Final Terms. The credit ratings included or referred to in this Prospectus have been issued by Fitch, which is established in the European Union and registered under the CRA Regulation as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority ("**ESMA**") pursuant to the CRA Regulation (for more information please visit the ESMA webpage http://www.esma.europa.eu/page/List-registered-and-certified-CRAs). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended).

A credit rating is not a recommendation to buy, sell or hold OBG and may be subject to revision, suspension or withdrawal by any or all of the Rating Agencies and each rating shall be evaluated independently of any other.

The OBG of each Series or Tranche will mature on the date mentioned in the applicable Final Terms (each a "**Maturity Date**"). Before the relevant Maturity Date, the OBG of each Series or Tranche will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in the Conditions (as defined below)).

Subject to certain exceptions as provided for in Condition 10 (*Taxation*), payments in respect of the OBG to be made by the Issuer will be made without deduction for or on account of withholding taxes imposed by any tax jurisdiction. In the event that any such withholding or deduction is made the Issuer will be required to pay additional amounts to cover the amounts so deducted. In such circumstances and provided that such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the OBG will be redeemable (in whole, but not in part) at the option of the Issuer. See Condition 8(c). The OBG Guarantor will not be liable to pay any additional amount due to taxation reasons in case an Issuer Event of Default (as defined below) has occurred. See "*Taxation*", below.

Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Prospectus.

Sole Arranger

UniCredit Bank AG, London Branch

Dealer

UniCredit Bank AG

The date of this Prospectus is 10 November 2015.

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer, the OBG Guarantor and the OBG which, according to the particular nature of the OBG, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and of the OBG Guarantor and of the rights attaching to the OBG.

The Issuer accepts responsibility for the information contained in this 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 Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The OBG Guarantor has provided the information set out in the section headed "*Description of the OBG Guarantor*" below and any other information contained in this Prospectus relating to itself for which the OBG Guarantor, together with the Issuer, accepts responsibility. To the best of the knowledge of the OBG Guarantor (having taken all reasonable care to ensure that such is the case) the information and data in relation to which it is responsible as described above are in accordance with the facts and do not contain any omission likely to affect the import of such information and data. With respect to such information provided by the OBG Guarantor, the responsibility of the Issuer is limited to their correct reproduction.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Prospectus (and, therefore, acting in association with the Issuer) in connection with an offer of OBG are the persons named in the applicable Final Terms as the relevant Dealer(s).

Copies of the Final Terms will be available from the registered office of the Issuer and the specified office set out below of the Paying Agent (as defined below) and on the website of the Luxembourg Stock Exchange (www.bourse.lu).

This Prospectus is to be read in conjunction with any document incorporated herein by reference (see "*Documents Incorporated by Reference*" below). This Prospectus shall be read and construed on the basis that such documents are incorporated by reference in and form part of this Prospectus.

Full information on the Issuer, the OBG Guarantor and any Series or Tranche of OBG is only available on the basis of the combination of the Prospectus, any supplements, the relevant Final Terms and the documents incorporated by reference.

Unless otherwise defined in the relevant section of this Prospectus in which they are used, capitalised terms used in this Prospectus shall have the meaning ascribed to them in the section headed "*Terms and Conditions of the OBG*" below. For ease of reference, the section headed "*Index of Defined Terms*" below indicates the page of this Prospectus on which each capitalised term is defined.

None of the Dealers or the Sole Arranger makes any representation, expressed or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information in this Prospectus. Each potential purchaser of OBG should determine for itself the relevance of the information contained in this Prospectus and its purchase of OBG

should be based upon such investigation as it deems necessary. None of the Dealers or the Sole Arranger undertakes to review the financial condition or affairs of the Issuer or the OBG Guarantor during the life of the arrangements contemplated by this Prospectus or by any supplement or to advise any investor or potential investor in OBG of any information coming to the attention of any of the Dealers or the Sole Arranger.

This Prospectus contains industry and customer-related data as well as calculations taken from industry reports, market research reports, publicly available information and commercial publications. It is hereby confirmed that (a) to the extent that information reproduced herein derives from a third party, such information has been accurately reproduced and (b) insofar as the Issuer and the OBG Guarantor are aware and are able to ascertain from information derived from a third party, no facts have been omitted which would render the information reproduced inaccurate or misleading.

The following sources of information, among others, have been used:

(i) Bank of Italy: data used for the Issuer's internal estimate of the market shares for loans and direct deposits held in Italy; data on the Italian banking market, in particular the number of active bank branches and financial promoters;

(ii) Italian association of asset managers (*Assogestioni - Associazione del Risparmio Gestito*): data used for the Issuer's internal estimates of market shares in mutual funds in Italy;

(iii) Fitch: data and information used for the explanation of the factors addressed by the ratings assigned by Fitch; and

(iv) Italian Banking Association (*ABI - Associazione Bancaria Italiana*): data used for the Issuer's internal estimates of market shares in direct deposits in Italy.

Commercial publications generally state that the information they contain originates from sources assumed to be reliable, but that the accuracy and completeness of such information is not guaranteed, and that the calculations contained therein are based on a series of assumptions. External data has not been independently verified by the Issuer and the OBG Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the OBG and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the OBG Guarantor or any of the Dealer(s) or the Sole Arranger (as defined in "General Description of the Programme"). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the OBG Guarantor since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the OBG Guarantor since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme

is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any OBG shall in any circumstances imply that the information contained herein concerning the Issuer and the OBG Guarantor 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. The Dealer(s) and the Representative of the OBG Holders expressly do not undertake to review the financial condition or affairs of the Issuer or the OBG Guarantor during the life of the Programme or to advise any investor in the OBG of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Prospectus, as it may have been supplemented from time to time, when deciding whether or not to purchase any OBG.

Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Sole Arranger, the OBG Guarantor or the Dealer(s) that any recipient of this Prospectus or any other financial statements should purchase the OBG. Each potential purchaser of OBG should determine for itself the relevance of the information contained in this Prospectus and its purchase of OBG should be based upon such investigation as it deems necessary. None of the Dealer(s) or the Sole Arranger undertakes to review the financial condition or affairs of the Issuer or the OBG Guarantor during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the OBG of any information coming to the attention of any of the Dealer(s) or the Sole Arranger.

The distribution of this Prospectus and the offering or sale of the OBG in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the OBG Guarantor, the Dealer(s) and the Sole Arranger to inform themselves about and to observe any such restriction. For a description of certain restrictions on offers and sales of OBG and on distribution of this Prospectus, see "*Subscription and Sale*" below.

The OBG have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and include OBG in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, OBG may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder). For a description of certain restrictions on offers and sales of OBG and on distribution of this Prospectus, see "*Subscription and Sale*" below.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the OBG Guarantor or the Dealer(s) to subscribe for, or purchase, any OBG.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any OBG in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of OBG may be

restricted by law in certain jurisdictions. The Issuer, the OBG Guarantor, the Dealers, the Sole Arranger and the Representative of the OBG Holders do not represent that this Prospectus may be lawfully distributed, or that any OBG 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, the OBG Guarantor, the Dealers, the Sole Arranger or the Representative of the OBG Holders which is intended to permit a public offering of any OBG outside Luxembourg or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no OBG may be offered or sold, directly or indirectly, and neither this 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 Prospectus or any OBG may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of OBG. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of OBG in the United States, Japan and the European Economic Area (including the United Kingdom and the Republic of Italy). See also "*Subscription and Sale*", below.

Each initial and each subsequent purchaser of an OBG will be deemed, by its acceptance of such Note, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer thereof as described in this Prospectus and in any Final Terms and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases. See "*Subscription and Sale*", below.

In connection with the issue of any Series or Tranche under the Programme, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot the relevant Series or Tranche or effect transactions with a view to supporting the market price of the relevant Series or Tranche at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the OBG of the relevant Series or Tranche 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 Series or Tranche and 60 days after the date of the allotment of the relevant Series or Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

All references in this Prospectus to: (i) "**Euro**", "**€**" and "**euro**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March 1957), as

amended; (ii) "**U.S.$**" or "**U.S. Dollar**" are to the currency of the Unites States of America; (iii) "**£**" or "**UK Sterling**" are to the currency of the United Kingdom; (iv) "**PLN**" are to the currency of Poland; (v) "**Italy**" are to the Republic of Italy; (vi) laws and regulations are, unless otherwise specified, to the laws and regulations of Italy; and (vii) "**billions**" are to thousands of millions.

Certain monetary amounts and currency translations included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which preceded them.

The language of this 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.

The Sole Arranger is acting for the Issuer and no one else in connection with the Programme and will not be responsible to any person other than the Issuer for providing the protection afforded to clients of the Sole Arranger or for providing advice in relation to the issue of the OBG.

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RISK FACTORS

Each of the Issuer and the OBG Guarantor believes that the following factors may affect their ability to fulfil their obligations under the OBG issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuer nor the OBG Guarantor are in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which the Issuer and the OBG Guarantor believe may be material for the purpose of assessing the market risks associated with OBG issued under the Programme are also described below.

Each of the Issuer and the OBG Guarantor believes that the factors described below represent the principal risks inherent in investing in the OBG issued under the Programme, but the inability of the Issuer or the OBG Guarantor to pay interest, principal or other amounts on or in connection with any OBG may occur for other unkwnown reasons and neither the Issuer nor the OBG Guarantor represents that the risks of holding any OBG are exhaustive. In addition, prospective investors should also read the detailed information set out elsewhere in the Prospectus (including any document incorporated by reference) and reach their own views prior to making any investment decision.

1. Factors that may affect the Issuer's ability to fulfil its obligations under or in connection with the OBG issued under the Programme

Risks concerning liquidity which could affect the UniCredit Group's ability to meet its financial obligations as they fall due

The UniCredit Group (as defined below in the section headed "*Description of the Issuer*" below) is subject to liquidity risk, which can be split between funding liquidity risk, market liquidity risks, mismatch risk and contingency risk. Funding liquidity risk is the risk that the bank will not be able to meet efficiently its obligations, including funding commitments and deposit withdrawals, as they fall due. In this context, the procurement of liquidity for business activities and the ability to access long-term financing are necessary to enable the Group to meet its payment obligations in cash, scheduled or unscheduled, and avoid prejudice to its current activities and financial situation.

The global financial crisis and resulting financial instability have significantly reduced the levels and availability of liquidity provided by private placements which led to a significant intervention of government guaranteed bonds that have been pledged with the European Central Bank to access open market operations. Most of these specific instruments have expired and not rolled over as the global liquidity situation has significantly improved.

The perception of banking industry riskiness remained high even though reduced interbank lending implies a lower funding liquidity risk. It should be noted that market speculative behaviour, in particular towards peripheral countries, has been successfully dealt with by government intervention and ECB initiatives. Should this support vanish, the Group would be forced to rely on higher recourse to the wholesale market, which seems to be feasible in case of

a normalisation of the macroeconomic conditions. Also retail customers are expected to benefit from a more stable liquidity context. Indeed retail customers are interwoven with the banking system, since they invest in network bonds as well as place the deposits and other funding sources which grew significantly in the last period.

In this context, the Group has announced, as part of its Strategic Plan (as defined below), its intention to decrease the proportion of wholesale funding in favour of retail funding. However, reduced customer confidence could result in the Group's inability to access retail funding and to increased deposit outflows, which in turn could further limit the Group's ability to fund its operations and meet its minimum liquidity requirements. This strategy is in line with the expected requirements of the Basel Committee which favours banks to leverage on more stable funding sources such as core-retail.

As far as UniCredit borrowing from the European Central Bank (the "**ECB**") is concerned any adverse change to the ECB's lending policy, including changes to collateral requirements (particularly those with retroactive effect), or any changes to the funding requirements set by the ECB, could significantly affect the Group's results of operations, business and financial condition.

In terms of market liquidity, the effects of the immediate liquidity of the assets held as cash reserves should be considered. Sudden changes in market conditions (interest rates and creditworthiness in particular) can impact significantly on the time to sell even for high quality assets such as government bonds. "Size effects" play an important role for the Group as it is likely that a liquidation of significant amounts of assets, even if high quality ones, would affect the overall market conditions. Additionally possible ratings downgrades and the resulting effects on the securities value as well as the consequent difficulty in ensuring immediate liquidity in unfavourable economic conditions could also affect the Group's ability to meet its financial obligations as they fall due.

Apart from risks strictly related to funding and market liquidity, one additional risk that can affect the ordinary liquidity management is represented by the misalignment between the amounts and/or the maturities of cash inflows and outflows (Mismatch Risk). Out of the day-to-day liquidity management, the bank should handle the risk that future and unexpected obligations (i.e. drawing on committed facilities, deposit withdrawal, increase in collateral pledging) could require a greater amount of liquidity compared to what is considered the amount to run the ordinary business (Contingency risk).

Finally, it must be noted that the Group, in the management of short-term liquidity, adopted metrics that preserve its stability over a period of three months, while maintaining adequate liquidity reserves in terms of eligible and marketable securities.

Banks' liquidity risk management framework has been further strengthened by the introduction of 2 Basel III metrics: the liquidity coverage ratio (the "**LCR**") and the net stable funding ratio (the "**NSFR**"). The former has to be kept above the threshold of 100% in 2018; a phase in period in which banks have to keep a threshold of 60% in 2015 gradually increasing year by year up to 2018 target level.

The target of 100% of the NSFR has to be respected starting from 2018.

The LCR is already present in 2015 UniCredit's Risk Appetite Framework, with the definition of a limit, a trigger and a target value. The level of net stable funding ratio is currently calculated at the Group and Regional Centre levels and monitored, but it is still not inserted in the Risk Appetite Framework.

The UniCredit Group's results of operations, business and financial condition have been and will continue to be affected by adverse macroeconomic and market conditions

The Group's performance is influenced by the financial markets conditions and the macroeconomic situations of the countries in which it operates. In recent years, the global financial system has been subject to considerable turmoil and uncertainty and, as at the date of this Prospectus, the short and medium term outlook for the global economy remains uncertain. The recent scandal at Volkswagen is another risk factor that could hamper business confidence and affect growth negatively.

The repricing of sovereign risk following the recent economic crisis has contributed to keep volatility and uncertainty high, weighing negatively on the global financial system.

High uncertainty and risk aversion have led to significant distortions in global financial markets, including critically low levels of liquidity and availability of financing (resulting in high funding costs), historically high credit spreads, volatile capital markets and declining asset prices. In addition, the international banking system has been imperilled with unprecedented issues, which have led to sharp reductions in and, in some cases, the suspension of, interbank lending.

The businesses of many leading commercial banks, investment banks and insurance companies have been subject to significant pressure. Some of these institutions have failed or have become insolvent, have been integrated with other financial institutions, or have required capital injections from governmental authorities and supranational organisations. Additional adverse effects of the global financial crisis include the deterioration of loan portfolios, decreasing consumer confidence towards financial institutions, high levels of unemployment and a general decline in the demand for financial services.

Furthermore, the uncertain economic outlook in the countries in which the Group operates has had, and could continue to have, adverse effects on its operations, financing costs, share price and the value of its assets and has led to, and could continue to lead to, additional costs relating to devaluations and decreases in asset value.

All of the above could be further impacted by policy measures affecting the currencies of countries where the Group operates as well as by political instability in such countries and/or the inability of the governments thereof to take prompt action to confront the financial crisis.

The European sovereign debt crisis has adversely affected, and may continue to, adversely affect the Group's results of operations, business and financial condition

The sovereign debt crisis has raised concerns about the long-term sustainability of the European Monetary Union (the "**EMU**"). In the last few years, several EMU countries have

requested financial aid from European authorities and from the International Monetary Fund (the "**IMF**") and are currently pursuing an ambitious programme of reforms. The risk of a sharp upward repricing in sovereign credit spreads has significantly diminished after the ECB launched the "Outright Monetary Transactions" (the "**OMT**") and started to buy marketable debt instruments issued by euro area central government in the context of the "Public Sector Purchase Programme" (the "**PSPP**"); however it has not completely faded. The situation in Greece remains a risk factor in a medium term horizon that may negatively weigh on risk appetite and on sovereign spreads.

Market tensions might affect negatively the funding costs and economic outlook of some euro member countries. This, together with the risk that some countries (even if not very significant in terms of gross domestic product ("**GDP**")) might leave the euro area, would have a material and negative impact on the Group and/or on the Group's clients, with negative implications for the Group's business, results and financial position.

Lingering market tensions might affect negatively the global economy and hamper the recovery of the euro area. Moreover, the tightening fiscal policy by some countries might weigh on households disposable income and on corporate profits with negative implications for the Group's business, results and financial position. This trend will likely continue in the coming quarters.

Any deterioration of the Italian economy would have a material adverse effect on the Group's business, in light of the Group's significant exposure to the Italian economy. In addition, if any of the countries in which the Group operates witnessed a significant deterioration in economic activity, the Group's results of operations, business and financial condition would be materially and adversely affected.

The ECB's unconventional monetary policy tools have contributed to ease market tensions, limiting the refinancing risk for the banking system and leading to a tightening of credit spreads. Should the ECB halt or reconsider the current set up of unconventional measures, this would impact negatively the value of sovereign debt instruments. This would have a materially negative impact on the Group's business, results and financial position.

Despite several initiatives of supranational organisations to deal with the heightened sovereign debt crisis in the euro area, global markets remain characterised by high volatility. Any further acceleration of the European sovereign debt crisis could significantly affect, among other things, the recoverability and quality of the sovereign debt securities held by the Group as well as the financial resources of the Group's clients holding similar securities. The occurrence of any of the above events could have a material adverse effect on the Group's business, results and financial condition.

More recently, geopolitical tensions related to the developments in Crimea have resurfaced. These tensions have already created volatility in the Central and Eastern European ("**CEE**") region and are expected to weigh negatively on economic developments in the region. An escalation of these tensions would likely boost demand for safe assets, creating volatility in the level of credit risk premia in Europe – especially in the periphery.

The Group has exposure to European sovereign debt

With reference to the Group's sovereign exposures[1] the book value of sovereign debt securities as at 30 June 2015 amounted to €136,261 million, of which over 91 per cent. concentrated in eight countries of which Italy, with €60,801 million, represents about 45 per cent. of the total, Germany €24,380 million (18 per cent.); Spain €13,335 million (10 per cent.), Austria €10,449 million (8 per cent.); Poland €7,343 million (5 per cent.); France €3,653 million (2 per cent.); Czech Republic €2,745 million (2 per cent.); and Romania €1,415 million (1 per cent.). The remaining 9 per cent. of the total of sovereign debt securities, amounting to €12,140 million with reference to the book values as at 30 June 2015, is divided into 53 countries, including Russia (€752 million), Slovenia (€359 million), the US (€240 million), Portugal (€74 million), Ireland (€5 million) and Argentina (€5 million). The sovereign exposure to Greece, Cyprus and Ukraine is immaterial. With respect to these exposures, as at 30 June 2015 there were no indications that impairment may have occurred. In addition to the exposures to sovereign debt securities, loans, given to central and local governments and governmental bodies must be taken into account. The total amount as at 30 June 2015 of loans given to countries towards which the overall exposure exceeds €140 million, amounted to €26,427 million representing over 95% of the total: Germany €7,725 million (of which €1,398 million represented by financial assets held-for-trading or at fair value through P&L); Austria €6,424 million (of which €281 million represented by financial assets at fair value through P&L); Italy €6,288; Croatia €2,491 million; Poland €1,602 million, and others.

With reference to the Group's sovereign exposures[1], the book value of sovereign debt securities as at December 31, 2014 amounted to €122,347 million, of which over 90 per cent. was concentrated in eight countries of which: Italy, with €59,387 million, represents over 49 per cent. of the total; Germany €24,749 million (20 per cent.); Austria €10,117 million (8 per cent.); Poland €5,955 million (5 per cent.); Spain €3,305 million (3 per cent.), Czech Republic €2,653 million (2 per cent.); France €2,075 million (2 per cent.) and Romania €1,451 million (1 per cent.). The remaining 10 per cent. of the total of sovereign debt securities, amounting to €12,656 million with reference to the book values as at December 31, 2014 is divided into 53 countries, among which Russia (€586 million), Slovenia (€333 million), the United States (€294 million), Portugal (€75 million), Argentina (€4 million) and Ireland (€1 million). The sovereign debt securities exposures towards Cyprus, Greece and Ukraine are immaterial. With respect to these exposures, as at December 31, 2014 there were no indications that impairment may have occurred. In addition to the exposures to sovereign debt securities, loans[2], given to central and local governments and governmental bodies must be taken into account. The total amount as at 31 December 2014 of loans given to countries towards which the overall exposure exceeds €140 million amounted to €25,395 million, representing more than 95 per cent. of the total: Germany €7,366 million (of which €922 million represented by financial assets held-for-trading or at fair value through P&L); Austria €6,030 million (of which €270

[1] Sovereign exposures are bonds issued by and loans given to central and local governments and governmental bodies. Asset backed securities are not included.

[1] Sovereign exposures are bonds issued by and loans given to central and local governments and governmental bodies. Asset backed securities are not included.

[2] Excluding tax items.

million represented by financial assets at fair value through P&L); Italy €5,800; Croatia €2,482 million; Poland €1,598 million, and others.

The book value of sovereign debt securities as at 31 December 2013 amounted to €106,085 million, of which 89 per cent. concentrated in eight countries of which: Italy, with €47,202 million, represents over 44 per cent. of the total; Germany €25,842 million (24 per cent.); Austria €7,172 million (7 per cent.); Poland €6,888 million (6 per cent.); Czech Republic €2,547 million (2 per cent.); Turkey €2,501 million (2 per cent.); Romania €1,301 (1 per cent.) and Hungary €984 million (1 per cent.). The remaining 11 per cent. of the total of sovereign debt securities, amounting to €11,650 million with reference to the book values as at 31 December 2013 is divided into 65 countries, among which Spain (€504 million), Ukraine (€213 million), Slovenia (€202 million), the United States (€69 million), Ireland (€52 million) and Portugal (€30 million). As at 31 December 2013, the sovereign debt securities exposures to Greece and Cyprus are immaterial; with respect to these exposures, as at 31 December 2013, there were no indications that impairment may have occurred, with the exception of an Argentinian government bond, which was written down by €1.4 million. The book value of the net sovereign exposure to this country amounted to €3.1 million as at 31 December 2013.

In addition to the exposures to sovereign debt securities, loans[2] given to central and local governments and governmental bodies must be taken into account. The total amount as at 31 December 2013 of loans given to countries towards which the overall exposure exceeds €150 million amounted to €25,418 million, representing more than 95 per cent. of the total: Germany €7,742 million (of which €869 million represented by financial assets held-for-trading or at fair value through P&L); Italy €6,463 million; Austria €5,428 million (of which €222 million represented by financial assets held-for-trading or at fair value through P&L); Croatia €2,568 million; Poland €1,556 million, and others.

Lastly, it should be noted that derivatives are traded within the ISDA master agreement and accompanied by credit support annexes, which provide for the use of cash collaterals or low-risk eligible securities.

The liquidity available at country level could be subject to restrictions due to legal, regulatory and political constraints. For a clearer understanding of this aspect, a few explanations regarding the limits on intra-group liquidity circulation and on regulations covering upstream loans are necessary.

In common with other multi-jurisdictional banking groups, the UniCredit Group companies have historically provided funding to other members of the Group, resulting in potential transfer of excess cash liquidity from one member of the Group to another. In the past, one of the largest such outstanding exposures was from UniCredit Bank AG ("**UCB AG**") to UniCredit, although UCB AG also has exposures to other UniCredit Group members. In addition, as the UniCredit Group's investment banking activities are centralised within UCB AG, significant non-cash intra-group credit exposures exist on a day-to-day basis between UCB AG and other Group members resulting from, among other things, UCB AG acting as an intermediary between such Group members, on the one hand, and external counterparties, on the other hand, in connection with various financial risk hedging transactions. Due to the

nature of this business, the intra-group credit exposure of UCB AG is volatile and can change significantly on a daily basis.

As a general rule, the large exposure regime, provided by the CRD IV Regulation (as defined below) (from art. 395 onwards), limits interbank exposures to a maximum of 25 per cent. of the eligible capital, as defined by the CRD IV Regulation: this rule also applies to intra-group exposures, unless the national legislator, adopting the regulation at national level, envisages a specific exemption (i.e. the Holding Company under other EU State regulations).

As a result of the global financial crisis, banking regulators in many of the jurisdictions in which the Group operates have sought, and continue to seek, to reduce the exposure of banks operating within their jurisdictions to other affiliated banks operating in jurisdictions over which they have no legal and/or regulatory control. This could have a material adverse effect on the way in which the UniCredit Group funds its operations and provides liquidity to members of the Group. Accordingly, the Group begun an active improvement of regional self-sufficiency aimed mainly at improving the funding gap.

The local competent authorities have recognized some waivers by distinguishing between a full or partial exemption from the large exposures limit for intra-group exposures and a lower risk-weight applied to intra-group exposures in order to avoid an excess versus the large exposures limit.

In Germany, as a result of the level of UCB AG's intra-group cash and non-cash exposures and consequent discussions between UniCredit, UCB AG and BaFin, UniCredit and UCB AG have undertaken to reduce UCB AG's net intra-group exposure to the UniCredit Group.

The exposure of UCB AG towards UniCredit Group has been reducing as a consequence of the maturing intercompany financing deals that will not be renewed fully. The adoption of a self-sufficiency principle by Group sub-holdings led to the adoption of strict policy in terms of funding gap control and reduction, not only in Italy but in all subsidiaries.

Systemic risk could adversely affect the Group's business

In light of the relatively reduced liquidity and relatively high funding costs that have prevailed in the interbank lending market since the onset of the global financial crisis, the Group is exposed to the risk that the financial viability (actual or perceived) of the financial institutions with whom, and the countries in which, it carries out its activities could deteriorate. The Group routinely executes a high volume of transactions with numerous counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks and other institutional clients. Financial services institutions that transact with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships; concerns about the stability of anyone or more of these institutions or the countries in which they operate could lead to significant constraints on the availability of liquidity (including completely frozen interbank funding markets), losses or other institutional failures. In addition, should one of the counterparties of a certain financial institution suffer losses due to the actual or perceived threat of default of a sovereign country, that counterparty may be unable to satisfy its obligations to the above financial institution. The above risks, commonly referred to as

"systemic" risks, could adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with whom the Group interacts on a daily basis, which in turn could adversely affect the Group's ability to raise new funding. The occurrence of any "systemic" risks could adversely affect the Group's results of operations, business and financial condition.

In addition, in many of the countries in which the Group operates, it is required to participate in deposit guarantee and investor protection schemes. As a result, the insolvency of one or more of the participants in these schemes could result in UniCredit, or one of its banking subsidiaries', obligation to settle guaranteed customer claims against such insolvent participant(s) or to pay increased or additional contributions, which could materially adversely affect the Group's results of operations, business and financial condition.

Risks connected to an economic slowdown and volatility of the financial markets – credit risk

The Group is exposed to potential losses linked to credit risk, in connection with the granting of financing, commitments, credit letters, derivative instruments, currency transactions and other kinds of transactions. Credit risk typically resides in the assets of the banking book (loans and bonds held to maturity). The risk for banks in issuing loans is that the borrowers will not repay the amount that is owed in the time and in accordance with the terms specified by the loan agreement. If a substantial number of customers were to default on their loans, this could have an adverse effect on the Group.

The loss could be complete or partial and could arise in a number of circumstances, e.g. failure to make a payment due by a consumer or a business on a mortgage loan, credit card, line of credit or other loan; with reference to the Group's sovereign exposure, a loss could occur when a government becomes unwilling or unable to meet its loan obligations.

Any deterioration of a borrower's creditworthiness and financial standing, or of the performance of loans and other receivables, as well as any wrong assessment of creditworthiness or country risks may have an adverse effect on the Group's business, financial condition and results of operations, since these assets must be written off (in whole or in part).

Credit risk is present in both the traditional on-balance sheet uncollateralised and collateralised lending business and off-balance sheet business, for example when extending credit by means of a bank guarantee.

Credit risks have historically been aggravated during periods of economic downturn or stagnation, which are typically characterised by higher rates of insolvencies and defaults.

The banking and financial markets in which the Group operates have been hit by an unprecedented crisis, since 2007, which has seriously affected the economic growth, the fiscal and monetary policies, the market liquidity, the capital market's expectations and subsequently the consumers' behaviour in terms of investments and savings. The demand for financial products in traditional lending operations decreased and affected the overall quality of assets at Group level. This situation has impacted negatively the solvency of mortgage debtors and, in general, all Group's borrowers and their overall financial condition. As a consequence of that

situation, the level of insolvent clients compared to outstanding loans and obligations has increased, impacting on the levels of credit risk.

As part of their respective businesses, entities of the Group operate in countries (emerging markets) with a generally higher country risk profile than in their respective home markets, often directly holding assets located in these countries.

The Group's future earnings could also be adversely affected by depressed asset valuations resulting from a deterioration of market conditions in any of the markets in which the Group companies operate. As a result, volumes, revenues and net profits in banking and financial services business could be significantly volatile over time.

The Group monitors credit quality, manages specific risk of each counterparty and assesses the overall risk of the respective loan portfolios, and it will continue to do so. However, the weak signs of economic upturn cannot fully compensate for the negative effects of the still high market volatility which can negatively affect the Group risk management ability to keep the Group's exposure to credit risk at acceptable levels.

In addition, protracted or steep declines in the stock or bond markets in Italy and elsewhere may have an adverse impact on the Group's investment banking, securities trading and brokerage activities, the Group's asset management and private banking services, as well as the Group's investments and sales of products linked to financial assets performance.

Deteriorating asset valuations resulting from poor market conditions may adversely affect the Group's future earnings

The global economic slowdown and economic crisis in certain countries of the Euro-zone have exerted, and may exert downward pressure on asset prices, which has an impact on the credit quality of the Group's customers and counterparties. This may cause the Group to incur losses or to experience reductions in business activity, increases in non-performing loans, decreased asset values, additional write-downs and impairment charges, resulting in significant changes in the fair values of the Group's exposures.

A substantial portion of the Group's loans to corporate and individual borrowers are secured by collateral such as real estate, securities, ships, term deposits and receivables. In particular, as mortgage loans are one of the Group's principal assets, it is highly exposed to developments in real estate markets.

A general deterioration in economic conditions in the countries in which the Group operates, in any industry in which its borrowers operate or in other markets in which the collateral is located, may result in decreases in the value of collateral securing the loans to levels below the outstanding principal balance on such loans. A decline in the value of collateral securing these loans or the inability to obtain additional collateral may require the Group to reclassify the relevant loans, establish additional provisions for loan losses and increase reserve requirements. In addition, a failure to recover the expected value of collateral in the case of foreclosure may expose the Group to losses which could have a material adverse effect on its business, financial condition and results of operations. Moreover, an increase in financial market volatility or adverse changes in the liquidity of its assets could impair the Group's

ability to value certain of its assets and exposures or result in significant changes in the fair values of these assets and exposures, which may be materially different from the current or estimated fair value. Any of these factors could require the Group to recognise write-downs or realise impairment charges, any of which may adversely affect its financial condition and results of operations.

The economic conditions of the geographic markets in which the Group operates have had, and may continue to have, adverse effects on the Group's results of operations, business and financial condition

While the Group operates in many countries, Italy is the primary country in which it operates. Thus, the Group's business is particularly linked to the macroeconomic situation existing in Italy and could be materially adversely affected by any changes thereto. Recently, economic forecasts have suggested considerable uncertainty over the future growth of the Italian economy.

In addition to other factors that may arise in the future, declining or stagnating Italian GDP, rising unemployment and unfavourable conditions in the financial and capital markets in Italy could result in declining consumer confidence and investment in the Italian financial system, increases in the number of impaired loans and/or loan defaults, leading to an overall reduction in demand for the products and services offered by the Group.

Thus, a persistence of adverse economic conditions, political and economic uncertainty and/or a slower economic recovery in Italy compared with other Organisation for Economic Co-operation and Development countries could materially adversely affect the Group's results of operations, business and financial condition.

The Group also has significant operations in several Central and Eastern European countries ("**CEE countries**"), including Poland, Turkey, Russia, Croatia, Czech Republic, Bulgaria and Hungary. Within the CEE countries, the risks and uncertainties to which the UniCredit Group is exposed differ in nature and intensity, and a CEE country's membership in the European Union, or lack thereof, is only one of the key distinguishing factors that must be considered in assessing such risks and uncertainties. In addition, CEE countries, as a whole, have historically been characterised by highly volatile capital markets and exchange rates, a certain degree of political, economic and financial instability, as the set back between Ukraine and Russia also shows. In some cases, CEE countries are characterised by less developed political, financial and judicial systems.

While some of the CEE countries in the region experienced an economic recovery in recent years, also thanks to their reform efforts, other CEE countries continue to face macroeconomic challenges of a different nature and entity and the timing of full economic recovery remains more uncertain.

In addition, developments in Ukraine and Russia have increased the uncertainty over the outlook for these two countries, while in Turkey the recent domestic politics and geopolitical events have introduced an element of uncertainty over the short-term outlook. The Group may need to continue strengthening the equity of and/or transfer an increasing amount of funds to

its subsidiaries located in CEE countries, also considering the risk of being exposed to, among other things, regulatory or legal initiatives of local authorities in those countries. In addition, similar to the risks present in all countries in which the Group operates, local authorities in CEE countries could also adopt measures and/or initiatives such as: (a) requiring the waiver or reduction of loan repayment obligations, resulting in a level of risk provisions more significant than would normally apply under Group policies; (b) demanding additional capital; (c) increasing levies on banking activities. The Group may also be required to ensure that its subsidiaries located in CEE countries have greater levels of liquidity. An increase in loan impairments could be necessary in connection with levels of credit risk estimated by the Group. Furthermore, unfavourable developments in the growth rates of CEE countries compared to historical levels, together with the uncertainties surrounding Western European economies, could adversely affect the Group's achievement of its strategic goals.

Non-traditional banking activities expose the Group to additional credit risks

In addition to traditional banking activities such as lending and deposit-taking, the Group carries out non-traditional banking activities, which may expose it to additional credit and/or counterparty risk. Such additional risks may stem from, for example: executing securities, futures, interest rate, currency or commodity trades that fail to settle in a timely manner due to non-delivery by the counterparty or alternatively due to system failures by clearing agents, exchanges, clearing houses or other financial intermediaries (including the Group); owning securities of third parties; and extending credit through other arrangements.

Parties to these transactions, such as trading counterparties or counterparties issuing securities held by entities of the Group, may default on their obligations due to insolvency, political and economic events, lack of liquidity, operational failure or other reasons. Defaults by counterparties with respect to a significant number of transactions or one or more transactions that involve significant volumes would have a material adverse effect on the Group's results of operations, business and financial condition.

The Group has made a series of significant investments in other companies, including those resulting from the conversion of debt into equity in the context of restructuring processes. Any losses or risks, operational or financial, to which the invested companies may be exposed may restrict the Group's ability to dispose of the above mentioned investments, and may cause considerable reductions in their value, with possible adverse effects to the Group's results of operations, business and financial condition.

In addition, the Group, as a result of executing guarantees and/or signing agreements to restructure debt, holds, and could acquire in the future, control or minority stakes in companies operating in industries other than those in which the Group currently operates, including, for example, real estate, oil, transport and consumer goods. These industries require specific skills in terms of knowledge and management that are not among those skills currently held by the Group. Nevertheless, in the course of any disposals, the Group may have to deal with such companies. This exposes the Group to the risks inherent in the activities of an individual company or subsidiary and to the risks arising from the inefficient management of such

shareholdings, which could have adverse effects on the Group's results of operations, business and financial condition.

Unidentified or unanticipated risks, by their nature, might not be captured in the current Group's risk management policies

Banks belonging to the Group are subject to the risks inherent to banking and financial activities. The Group has structures, processes and human resources aimed at developing risk management policies, procedures and assessment methods for its activities in line with best market practices in the industry.

The Group's Risk Management Division provides strategic direction and defines the risk management policies implemented, locally, by the Group's risk management entities. Some of the methods used to monitor and manage these risks involve observations of historic market conditions and the use of statistical models for identifying, monitoring, controlling and managing risk.

However, these methods and strategies may be inadequate for the monitoring and management of certain risks, such as the risks attached to some complex financial products that are traded on unregulated markets (e.g., OTC derivatives), and, as a result, the Group could suffer greater losses than those contemplated by the methods or suffer losses not previously considered.

In addition, the occurrence of unforeseeable events or of events outside of the historical observation window, which have not been considered by the Risk Management Division and which may affect the performance of the markets in which the Group operates, could adversely affect the Group's results of operations, business and financial condition. These risks, and their effects, may be further aggravated by the complexities of integrating risk management policies into the Group's acquired entities.

At the date of this Prospectus, some of the relevant supervisory authorities are carrying out procedures to validate internal risk measurements that will be used for internal and regulatory purposes by UniCredit and other companies belonging to the Group. These procedures apply to models awaiting initial implementation as well as models already adopted, but for which the Group must demonstrate its maintenance of regulatory requirements.

In order to ensure the integrity and accuracy of the above measurement and risk management models, the Group employs a governance policy that is consistent with current applicable regulations in each of the markets in which it operates (for example, Bank of Italy, Circular No. 285 of 17 December 2013, as amended) as well as with international best practices.

Despite the maintenance and upgrading of these models, it is possible that, after investigation or verification by the supervisory authorities, the Group's internal models might no longer be adequate with respect to risks undertaken, which could adversely affect the Group, particularly with respect to its capital requirements.

Some regulators have conducted audits and/or reviews of risk management and internal control systems, and highlighted concerns (which were also the subject of additional internal and external audits) about the extent to which such systems are fully compliant with applicable

legal and regulatory requirements. Progress on actions undertaken have been, and will continue to be, regularly reported to the relevant regulators.

Nevertheless, even if UniCredit plans, system improvements and robust monitoring process are acknowledged by the relevant regulators, there can be no assurance that the actions taken, and planned to be taken, by UniCredit will be fully satisfactory to the relevant regulators that have oversight of these matters. While UniCredit will address all the material concerns raised, there is a risk that the relevant regulators could take additional measures against UniCredit and its management, including issuing fines, imposing limitations on the conduct, outsourcing or the expansion of certain business activities.

Fluctuations in interest and exchange rates may affect the Group's results

Fluctuations in interest rates in Europe and in the other markets in which the Group operates may influence the Group's performance. The results of the Group's banking operations are affected, inter alia, by the Group's management of interest rate sensitivity. Interest rate sensitivity refers to the relationship between changes in market interest rates and changes in net interest income. A mismatch of interest-earning assets and interest-bearing liabilities in any given period, which tends to accompany changes in interest rates, may have a material effect on the Group's financial condition and results of operations. Change in interest rates also affects the underlying value of the bank's assets, liabilities and off-balance-sheet instruments.

The interest rate risk position estimates include assumptions for assets and liabilities that do not have a well-defined maturity. Examples are listed below:

- sight and savings accounts: maturity assumptions are in place as these amounts are to some extent assumed to be irresponsive to movements in the interest rates. For these maturity assumptions several considerations are taken into account including: the volatility of sight item volume, as well as the observed and perceived correlation between market and client rates. Both statistical as well as qualitative evidence is taken into account in order to evaluate which hedge maturity profile would best eliminate the potential interest rate risk arising from the sight items. The maturity mapping aims to obtain a replicating profile that would minimise the margin volatility.
- residential real estate mortgages: the model estimates the future volumes of redemptions on an ongoing basis, in order to limit the risk that the bank is not appropriately hedged for the interest rate risk resulting from the outstanding fixed interest rate mortgages. The assumptions on early loan repayments are based on historical data as well as a qualitative assessment.

The relevance and the approach to capture this event varies per region.

Rising interest rates along the yield curve can increase the cost of the Group's borrowed funds faster and at a higher rate than the yield on its assets, due to, for example, a mismatch in the maturities of its assets and liabilities that are sensitive to interest rate changes or a mismatch in the degree of interest rate sensitivity of assets and liabilities with similar maturities. At the same time, decreasing interest rates can also reduce the yield on the Group's assets at a rate which may not correspond to the decrease in the cost of funding.

Furthermore, a significant portion of the UniCredit Group's operations, mainly capital investments, are conducted in currencies other than the Euro, principally the Polish Zloty, the Turkish Lira, the U.S. Dollar, the Swiss Franc and the Japanese Yen. Unfavourable movements in foreign exchange rates could, therefore, influence the Group's results of operations, business, financial condition and prospects. As a result, the Group is exposed to foreign currency exchange rates and foreign currency transaction risks.

The Group's consolidated financial statements (including its interim financial statements) are prepared in Euro and carry out the necessary currency translations in accordance with applicable international accounting standards.

The Group employs a hedging policy with respect to the profits and dividends of its subsidiaries operating outside the Euro area. The Group takes prevailing market conditions into account in implementing its hedging policy. Any negative change in exchange rates and/or a hedging policy that is ineffective at covering risk could significantly adversely affect the Group's results of operations, business and financial condition.

Changes in the Italian and European regulatory framework could adversely affect the Group's business

The UniCredit Group is subject to extensive regulation and supervision by several bodies in all jurisdictions in which it operates, including the European Central Bank (which is also responsible for supervision at a consolidated level), Bank of Italy, CONSOB, BaFin, PFSA, EBA, ESMA and the Austrian FMA. The rules applicable to banks and other entities in banking groups are mainly provided by implementation of measures consistent with the regulatory framework set out by the Basel Committee on Banking Supervision ("**BCBS**") and aim at preserving their stability and solidity and limiting their risk exposure. The UniCredit Group is also subject to regulations applicable to financial services that govern, among other things, the sale, placement and marketing of financial instruments as well as to those applicable to its bank-assurance activities. In particular, the UniCredit Group is subject to the supervision of CONSOB and the Institute for the Supervision of Private Insurance. The Issuer is also subject to the rules applicable to it as an issuer of shares listed on the Milan, Frankfurt and Warsaw Stock Exchanges.

In accordance with the regulatory frameworks defined by the supervisory authorities mentioned above and consistent with the regulatory framework being implemented at the European Union, the UniCredit Group has in place specific procedures and internal policies to monitor, among other things, liquidity levels and capital adequacy, the prevention and contrast of money laundering, privacy protection, transparency and fairness in customer relations and registration and reporting obligations. Despite the existence of these procedures and policies, there can be no assurance that violations of regulations will not occur, which could adversely affect the UniCredit Group's results of operations, business and financial condition. In addition, as at the date of this Prospectus, certain laws and regulations have only been recently approved and the relevant implementation procedures are still in the process of being developed.

The various regulatory requests may affect the activities of the UniCredit Group, including its ability to grant loans, or result in the need for further capital injections in order to meet capital requirements as well as require other sources of funding to satisfy liquidity requirements, which could result in adverse effects to the UniCredit Group's results of operations, business, assets, cash flows and financial condition, the products and services offered by the UniCredit Group as well as the UniCredit Group's ability to pay dividends.

In carrying out its activities, the UniCredit Group is subject to numerous regulations of general application such as those concerning taxation, social security, pensions, occupational safety and privacy.

In Italy, Article 3 of Decree 66/2014 increased up to 26 per cent. the rate of taxation for financial income. The increase regards both capital income (interest, dividends, yields on mutual funds, etc.) and capital gains and losses from investments in stocks, bonds and other products. The new tax rate has been applied from 1 July 2014. The risk associated with this measure is that it could discourage the inflow of foreign capital in Italy as well as affect the placement of bank bonds.

Article 11 of the same decree provides that the Italian Inland Revenue Agency reduces the conditions and compensations for payments made through bank channels presenting the "F24 Form", a form prepared by the Italian Revenue Agency for the payment of taxes ("**F24**"). This provision is critical because in the current situation the costs incurred by the banks for F24's payments and services are not covered by the compensation received. Moreover taxpayers often prefer to do more operations, causing operational peaks for banks. The same Article 11 provides that in the case of payments made by the customer on-line with F24 on behalf of third parties, a bank must retain the authorisation of the third party. The duty of retaining the authorisation is going to increase operational costs.

Any changes to these and other laws and regulations of general application and/or changes in their interpretation and/or their application by the supervisory authorities could adversely affect the UniCredit Group's results of operations, business and financial condition.

Basel III and CRD IV

In the wake of the global financial crisis that began in 2008, the BCBS approved, in the fourth quarter of 2010, revised global regulatory standards ("**Basel III**") on bank capital adequacy and liquidity, higher and better-quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards. The Basel III framework adopts a gradual approach, with the requirements to be implemented over time, with full enforcement in 2019.

In January 2013 the BCBS revised its original proposal in respect of the liquidity requirements in light of concerns raised by the banking industry, providing for a gradual phasing-in of the Liquidity Coverage Ratio with a full implementation in 2019 as well as expanding the definition of high quality liquid assets to include lower quality corporate securities, equities and residential mortgage backed securities. Regarding the other liquidity requirement, the Net

Stable Funding Ratio, the BCBS published the final rules in October 2014 which will take effect from 1 January 2018.

The Basel III framework has been implemented in the EU through new banking requirements: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "**CRD IV Directive**") and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013[3] on prudential requirements for credit institutions and investment firms (the "**CRD IV Regulation**" and together with the CRD IV Directive, "**CRD IV Package**"). Full implementation began on 1 January 2014, with particular elements being phased in over a period of time (the requirements will be largely fully effective by 2019 and some minor transitional provisions provide for phase-in until 2024) but it is possible that in practice implementation under national laws could be delayed. Additionally, it is possible that Member States may introduce certain provisions at an earlier date than that set out in the CRD IV Package. National options and discretions that were so far exercised by national competent authorities will be exercised by the SSM in a largely harmonized manner throughout the Banking Union. In November the SSM will publicly consult about the way it envisages to exercise these national option / discretions. Depending on the manner these options / discretions were so far exercised by the national competent authorities and on the manner the SSM will exercise them in the future, additional / lower capital requirements may result. In Italy, the Government approved the legislative decree on 12 May 2015 implementing the CRD IV Directive. Such legislative decree entered into force on 27 June 2015. The new regulation impacts, *inter alia*, on:

- proposed acquirers of credit institutions' holdings, shareholders and Members of the management body requirements (Articles 23 and 91 of the CRD IV Directive);
- competent authorities' powers to intervene in cases of crisis management (Articles 64, 65, 102 and 104 of the CRD IV Directive);
- reporting of potential or actual breaches of national provisions (so called whistleblowing, Article 71 of the CRD IV Directive); and
- administrative penalties and measures (Article 65 of the CRD IV Directive).

The Bank of Italy published new supervisory regulations on banks in December 2013 (Circular of the Bank of Italy No. 285 of 17 December 2013, as amended from time to time (the "**Circular No. 285**")), which came into force on 1 January 2014, implementing the CRD IV Package, and setting out additional local prudential rules. Italian banks are required to comply with a minimum CET1 Capital ratio of 4.5 per cent., Tier I Capital ratio of 6 per cent. and Total Capital Ratio of 8 per cent.. These minimum ratios are complemented by the following capital buffers to be met with CET1 Capital:

- *Capital conservation buffer*: set at 2.5 per cent. of risk weighted assets and applies to UniCredit from 1 January 2014 pursuant to Article 129 of the CRD IV Directive and Title II, Chapter I, Section II of Circular No. 285;

[3] Final Corrigendum published on 30 November 2013.

- *Counter-cyclical capital buffer*: set by the relevant competent authority between 0 per cent. - 2.5 per cent. (but may be set higher than 2.5 per cent. where the competent authority considers that the conditions in the member state justify this), with gradual introduction from 1 January 2016 and applying temporarily in the periods when the relevant national authorities judge the credit growth excessive (pursuant to Article 130 of the CRD IV Directive and Title II, Chapter I, Section III of Circular No. 285);
- *Capital buffers for globally systemically important institutions* ("**G-SIIs**"): set as an "additional loss absorbency" buffer ranging from 1.0 per cent. to 3.5 per cent. determined according to specific indicators (size, interconnectedness, substitutability of the services provided, global cross-border activity and complexity); to be phased in from 1 January 2016 (Article 131 of the CRD IV Directive) becoming fully effective on 1 January 2019. Based on the most recently updated list of G-SIIs published by the Financial Stability Board ("**FSB**") in November 2015 (updated annually), the UniCredit Group is a G-SII included in the bucket 1 and, therefore, has to comply with a higher loss absorbency requirement of 1 per cent.; and
- *Capital buffers for other systemically important institutions* ("**O-SIIs**"): up to 2.0 per cent. as set by the relevant competent authority (reviewed at least annually from 1 January 2016, to compensate for the higher risk that such banks represent to the financial system (Article 131 of the CRD IV Directive and Title II, Chapter I, Section IV of Circular No. 285).

In addition to the above listed capital buffers, under Article 133 of the CRD IV Directive each Member State may introduce a Systemic Risk Buffer of Common Equity Tier 1 capital for the financial sector or one or more subsets of that sector in order to prevent and mitigate long term non-cyclical systemic or macroprudential risks not covered by the CRD IV Regulation, in the meaning of a risk of disruption in the financial system with the potential of having serious negative consequences on the financial system and the real economy in a specific Member State.

Failure to comply with such combined buffer requirements triggers restrictions on distributions and the need for the bank to adopt a capital conservation plan on necessary remedial actions (Articles 140 and 141 of the CRD IV Directive). At this stage no provision is included on the systemic risk buffer under Article 133 of the CRD IV Directive as the Italian level‑1 rules for the CRD IV Directive implementation on this point have not yet been enacted.

As part of the CRD IV Package transitional arrangements, as implemented by Circular No. 285 regulatory capital recognition of outstanding instruments which qualified as Tier I and Tier II capital instruments under the framework which the CRD IV Package has replaced (CRD III) that no longer meet the minimum criteria under the CRD IV Package will be gradually phased out. Fixing the base at the nominal amount of such instruments outstanding on 1 January 2013, their recognition is capped at 80 per cent. in 2014, with this cap decreasing by 10 per cent. in each subsequent year.

The new liquidity requirements introduced under the CRD IV Package are the Liquidity Coverage Ratio and the Net Stable Funding Ratio. The Liquidity Coverage Ratio Delegated

Act has been adopted in October 2014 and published in the Official Journal of the European Union in January 2015. It became applicable from 1 October 2015, under a phase-in approach before becoming fully applicable from 1 January 2018. On the NSFR, the EBA is tasked under the CRD IV Regulation with reporting to the European Commission on whether and how to introduce a net stable funding ratio (including an impact assessment) by the end of 2015. This will then be taken into account by the Commission in submitting a legislative proposal by the end of 2016, with an aim to comply with NSFR implementation in 2018, as per the Basel rules.

The CRD IV Package introduces a new leverage ratio with the aim of restricting the level of leverage that an institution can take on to ensure that an institution's assets are in line with its capital. The Leverage Ratio Delegated Act was adopted in October 2014 and published in the Official Journal of the European Union in January 2015. Institutions have been required to disclose their leverage ratio from 1 January 2015. Full implementation and European harmonisation, however, is not expected until 1 January 2018 following the European Commission's review in 2016. The CRD IV Package contains specific mandates for the EBA to develop draft regulatory or implementing technical standards as well as guidelines and reports related to liquidity coverage ratio and leverage ratio in order to enhance regulatory harmonisation in Europe through the Single Rule Book.

Forthcoming regulatory changes

In addition to the substantial changes in capital and liquidity requirements introduced by Basel III and the CRD IV Package, there are several other initiatives, in various stages of finalisation, which represent additional regulatory pressure over the medium term and will impact the EU's future regulatory direction. These initiatives include, amongst others, a revised Markets in Financial Instruments EU Directive and Markets in Financial Instruments EU Regulation which entered into force on 2 July 2014 with implementation required at Member States level as from January 2017 subject to certain transitional arrangements. The BCBS has also published certain proposed changes to the current securitisation framework which may be accepted and implemented in due course.

One of the main proposed changes to the global regulatory framework is for G-SIIs to be required to have a minimum Total Loss Absorbing Capacity (the "**TLAC**"). In November 2014, the FSB published a consultation document setting out its proposals for TLAC, which were endorsed at the Group of Twenty's (G20) Brisbane conference in November 2014. The FSB is aiming for the G20 to adopt a final standard by November 2015, with application as of 2019 at the earliest.

The FSB's proposals would, if implemented, require all G-SIIs to meet, in addition to the capital buffers provided under the CRD IV Package and the relevant implementing laws and regulations, a minimum pillar 1 TLAC in the order of 16 per cent. – 20 per cent. of their Risk Weighted Assets (the "**RWA**") and 6 per cent. of leverage ratio requirement. Liabilities that are eligible for TLAC shall be capital instruments and instruments that are contractually, statutorily or structurally subordinated to certain "excluded liabilities" (including insured deposits and liabilities that cannot be effectively written down or converted into equity by relevant authorities) in a manner that does not give rise to a material risk of compensation

claims or successful legal challenges. The impact on G-SIIs may well come ahead of 2019, as markets may force earlier compliance and as such banks will need to adapt their funding structure in advance.

Based on the most recently updated FSB list of G-SIIs published in November 2015 (to be updated annually), the UniCredit Group is a G-SII and is therefore likely to be subject to the TLAC requirements if and when the FSB proposals are finalised and implemented into applicable law, provided that at that time the UniCredit Group will still be included in the list of G-SIIs.

Moreover, it is worth mentioning that the BCBS has embarked on a very significant RWA variability agenda. This includes the Fundamental Review of the Trading Book, revised standardised approaches (credit, market, operational risk) and a consultation paper on a capital floor. The regulator's primary aim is to eliminate unwarranted levels of RWA variance. The finalisation of the new framework is likely to be expected by 2016 year end for all the relevant workstreams, while their implementation will follow in 2019 at the earliest. The new setup will have a revolutionary impact on risk modelling: directly on the exposures assessed via standardized approach, but also indirectly on an internal ratings based approach ("**IRB**") RWA, due to the introduction of capital floors that, according to the new framework, will be calculated based on the revised standardized approach. The Basel Committee is also committed on introducing a new capital framework for the interest rate risk in the banking book (IRRBB), namely the risk of losses due to fluctuations of the interest rates of positions held-to-maturity in the bank's portfolio. It would entail Pillar 1 capital changes, calculated with a standardized or an internal model, and/or Pillar 2 requirements, which would basically foresee the public disclosure of both standardized and internal model outcomes.

In addition, as mentioned in the previous section, the European Commission intends to develop the net stable funding ratio with the aim of introducing it from 1 January 2018.

ECB Single Supervisory Mechanism

In October 2013, the Council of the European Union adopted regulations establishing a single supervisory mechanism (the "**ECB Single Supervisory Mechanism**" or "**SSM**") for all banks in the euro area, which have, beginning in November 2014, given the ECB, in conjunction with the national competent authorities of the eurozone states, direct supervisory responsibility over "banks of systemic importance" in the Banking Union as well as their subsidiaries in a participating non-euro area Member State. The SSM framework regulation (ECB/2014/17) setting out the practical arrangements for the SSM was published in April 2014 and entered into force in May 2014. Banks directly supervised by the ECB include, inter alia, any eurozone bank that has: (i) assets greater than €30 billion or – unless the total value of its assets is below €5 billion – greater than 20 per cent of its home country's gross domestic product; or (ii) is one of the three most significant credit institutions established in a Member State; or (iii) has requested or is a recipient of direct assistance from the European Financial Stability Facility or the European Stability Mechanism; or (iv) assets greater than €5 billion and is considered by the ECB to be of significant relevance where it has established banking subsidiaries in more

than one participating Member State and its cross-border assets/liabilities represent a significant part (over 20 per cent.) of its total assets/liabilities.

Notwithstanding the fulfilment of these criteria, the ECB, on its own initiative after consulting with the national competent authority, may declare an institution significant to ensure the consistent application of high quality supervisory standards.

The SSM is also exclusively responsible for key tasks concerning the prudential supervision of credit institutions, which includes, inter alia, the power to: (i) authorise and withdraw the authorisation of all credit institutions in the eurozone; (ii) assess acquisition and disposal of holdings in other banks; (iii) ensure compliance with all prudential requirements laid down in general EU banking rules; (iv) set, where necessary, higher prudential requirements for certain banks to protect financial stability under the conditions provided by EU law; (v) ensure compliance with robust corporate governance practices and internal capital adequacy assessment controls; and (vi) intervene at the early stages when risks to the viability of a bank exist, in coordination with the relevant resolution authorities. The ECB also has the right to impose pecuniary sanctions.

National competent authorities will continue to be responsible for supervisory matters not conferred on the ECB, such as consumer protection, money laundering, payment services, and branches of third country banks, besides supporting ECB in day-to-day supervision. In order to foster consistency and efficiency of supervisory practices across the eurozone, the EBA is developing a single supervisory handbook applicable to EU Member States (the "**EBA Single Supervisory Handbook**").

The bank recovery and resolution directive is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The implementation of the directive or the taking of any action under it could materially affect the value of any OBG

On 2 July 2014, the directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (the "**Bank Recovery and Resolution Directive**" or "**BRRD**") entered into force and Member States were expected to implement the majority of its provisions. The BRRD 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 would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) 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) 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 to equity (the "**general bail-in tool**"), which equity could also be subject to any future application of the general bail-in tool.

The BRRD also provides for a Member State as a last resort, after having assessed and exploited 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).

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments at the point of non-viability and before any other resolution action is taken ("**non-viability loss absorption**").

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution will no longer be viable unless the relevant capital instruments are written-down or converted or extraordinary public support is to be provided and without such support the appropriate authority determines that the institution would no longer be viable.

The BRRD provides that Member States should apply the new "crisis management" measures from 1 January 2015, except for the general bail-in tool which is to be applied from 1 January 2016. The BRRD is being implemented in Italy through the adoption of the Law 114/2015 (so called "European delegation law 2014") and two legislative decrees which are being examined by the Parliament and that are going to entry in force within December.

As of 2016 (or, if earlier, the date of national implementation of the BRRD), European banks will also have to comply with a Minimum Requirement for Eligible Liabilities (the "**MREL**"). The BRRD does not foresee an absolute minimum, but attributes the competence to set a minimum amount for each bank to national resolution authorities for most of the banks or to the Single Resolution Board (the "**SRB**") for banks considered of significant importance with the same criteria as for the direct supervision by the ECB (see above). Differently to the current discussions on TLAC (see more above under "*Forthcoming regulatory changes*")

MREL includes senior unsecured debt. The EBA has issued final draft Regulatory Technical Standards ("**RTS**") and on this base the Commission will decide before the end of 2015 about the way in which resolution authorities/the SRB shall calculate MREL. Before TLAC becomes applicable, the European Commission will evaluate how to make TLAC applicable within the EU and to which banks it shall apply.

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.

As of 2016 the UniCredit Group will be subject to the provisions of the Regulation establishing the Single Resolution Mechanism

In August 2014, the Regulation establishing a Single Resolution Mechanism (the "**SRM Regulation**") entered into force. The SRM is expected to be operational by 1 January 2016. There are, however, certain provisions, including those concerning the preparation of resolution plans and provisions relating to the cooperation of the Single Resolution Board (the "**Board**") which came into force on 1 January 2015.

The SRM Regulation, which will complement the SSM (as defined above), will apply to all banks under SSM supervision. It will mainly consist of the Board and a Single Resolution Fund (the "**Fund**").

A centralised decision-making process will be built around the Board and will involve the European Commission and the Council of the European Union – which will have the possibility to object to Board decisions – as well as the ECB and the national resolution authorities.

The Fund, which will back the SRM Regulation decisions mainly taken by the Board, will be divided into national compartments during an eight years transitional period, as set out by an intergovernmental agreement. Banks will start to pay contributions in 2015 to national resolution funds that will transform gradually into the Fund starting from 2016 (and will be additional to the contributions to the national deposit guarantee schemes).

This framework ensures that, instead of national resolution authorities, there will be a single authority – i.e. the Board – which will take all relevant decisions for banks being supervised by the SSM and part of the Banking Union.

There are other benefits that will derive from the SRM Regulation. Such benefits are aimed at providing: (a) a solution to home-host conflicts in resolution, and (b) a competitive advantage that Banking Union banks will have vis-à-vis non-Banking Union ones, due to the availability of a larger resolution fund.

The UniCredit Group may be subject to a proposed EU regulation on mandatory separation of certain banking activities

On 29 January 2014, the European Commission adopted a proposal for a new regulation following the recommendations released on 31 October 2012 by the High Level Expert Group (the Liikanen Group) on the mandatory separation of certain banking activities (the "**Banking Structural Reform Regulation**"). On 19 June 2015, following the rejection by the European

Parliament's Economic and Monetary Affairs Committee of the proposal, the Council has agreed its final position regarding the Banking Structural Reform Regulation, providing certain amendments to the proposal of 29 January 2014. The Council agreed position contains new rules which would prevent the biggest and most complex banks from causing a spill over effect of the losses caused by proprietary trading and other risky activities on the retail bank activity. The new rules would also give supervisors the power to require those banks to separate certain trading activities from their deposit-taking business if the pursuit of such activities compromises financial stability. Alongside this proposal, the Commission has adopted accompanying measures aimed at increasing transparency of certain transactions in the shadow banking sector.

The proposed regulation will apply to European banks designated as G-SIIs (as defined above), including UniCredit, or that exceed some thresholds defined in terms of total assets and total trading assets. The banks falling in the scope of application of the Banking Structural Reform Regulation will be allocated in two different tiers, depending on the amount of their trading activities, in order to assess the reporting requirements and the assessment of their trading activities. Moreover, the Banking Structural Reform Regulation requires that, in appropriate circumstances, certain trading activities are located in an entity that is legally, economically and operationally separate from the credit institution that carries out core retail banking activities.

The Parliament is still to define its own position on the dossier following the lack of an agreement during the relevant Committee (Economic and Monetary Affairs – ECON) session of 26 May. Once defined, this text will have to be voted by the relevant committee and will become the Parliament's stance in future talks with the Council. The bill becomes law only if both sides agree on an identical text.

Should a mandatory separation be imposed, additional costs at Group level are not ruled out, in terms of higher funding costs, additional capital requirements and operational costs due to the separation and lack of diversification benefits. Due to a relatively limited trading activity, Italian banks could be penalised and put at a relative disadvantage in comparison with their main global and European competitors (e.g. French and German banking institutions). As a result, the proposal could lead to the creation of an oligopoly where only the biggest players will be able to support the separation of the trading activities and the costs that will be incurred. The effective magnitude of the impact on the European banking sector will depend however upon several elements of the proposal currently highly debated at EU level. An additional layer of complexity, leading to uncertainty, is the high risk of diverging approaches throughout Europe on this issue.

The UniCredit Group may be affected by a proposed EU Financial Transactions Tax

On 14 February 2013 the European Commission published a legislative proposal on a new Financial Transactions Tax (the "**FTT**"). The proposal followed the Council's authorisation to proceed with the adoption of the FTT through enhanced cooperation, i.e. adoption limited to 11 countries - including Italy, France, Germany and Austria. Although implementation was originally envisaged for 1 January 2014, the process has been delayed. Joint statements issued

by participating Member States indicate an intention to implement the FTT by 1 January 2016. However, so far no agreement was reached and it can be expected that negotiations will continue in 2016. This means that the FTT is unlikely to become applicable before 1 January 2017.

If adopted, the impact on the "real economy" of the FTT as currently envisaged – especially for corporations – could be severe as many financial transactions are made on behalf of businesses that would bear the additional costs of the tax. For example, a transaction tax would raise the cost of the sale and purchase of corporate bonds and shares in a time where it is widely acknowledged that access to capital markets by corporate issuers has to be incentivised.

Moreover, it is a matter of concern for the UniCredit Group that the Commission's proposal does not exempt the transfers of financial instruments within a group. Thus, if a financial instrument is not purchased for a client but only moved within a banking group, each transaction would be subject to taxation. Also, the inclusion of derivatives and repos/lending transactions within the scope of taxation under the Commission's proposal clashes with the efficiency of financial markets.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

The UniCredit Group may be affected by new accounting and regulatory standards

Following the entry into force and subsequent application of new accounting standards, regulatory rules and/or the amendment of existing standards and rules, the UniCredit Group may have to revise the accounting and regulatory treatment of certain outstanding assets and liabilities (eg. deferred tax assets) and transactions (and the related income and expense). This may have potentially negative effects, also significant, on the estimates contained in the financial plans for future years and may cause the UniCredit Group to have to restate previously published financials. In this regard:

- A relevant change is expected in 2018 from the entry into force of IFRS 9, which has been issued on 24 July 2014. This standard will introduce significant changes with regard to classification, measurement, impairment and hedge accounting of instruments, including financial instruments, replacing IAS 39. International Accounting Standards Board (IASB) decided that the mandatory effective date of IFRS 9 will be 1 January 2018, following the endorsement by the European Union.
- For what concern deferred tax assets, these are subjected to probability tests taking into account economic projections foreseeable for future years and the peculiarities of the fiscal legislations of each country, in order to check whether there are future taxable incomes against which it is possible to use the same. With particular reference to UniCredit S.p.A., to which most of the Group's deferred tax assets are ascribable, the recoverability test takes into account, besides the economic projections, the forecasts for the conversion of deferred tax assets into tax credits under the terms of Italian Law No. 214/2011. Legislative Decree No. 83 issued on 27 June 2015 has modified the tax

deductibility regime for IRES and IRAP purposes applicable to loan loss provisions, not deriving from the disposal, pertaining to loans due from customers. The new regime sets the full and immediate deductibility in the year in which the provisions are recognized in the financial statements. The same decree has as well introduced transition rules applicable to both the above mentioned loss provisions recognized in the financial statements in 2015 (tax deductibility of 75 per cent. in the same year) and the loss provisions recognized in the previous years and not yet tax deducted. For the latter, together with the 25 per cent. of loan loss provisions recognized in 2015 and not immediately deductible, the decree sets the deductibility in the subsequent fiscal years until 2025, following percentages defined in the decree, while it remains confirmed the option to convert them into tax credits. There are no impacts, at present, on the probability test coming from these changes in tax regulation.

In addition, it should be noted that:

The European Commission during 2014 has endorsed the following accounting standards, amendments or interpretations that will be applicable in the future:

- Annual Improvements to IFRSs 2010-2012 Cycle (EU Regulation 28/2015); and
- Amendments to IAS 19 – Defined benefit plans: employee contributions (EU Regulation 29/2015).

As of 30 October 2015, the IASB issued the following standards, amendments, interpretations or revisions:

- IFRS 9 Financial Instruments (July 2014);
- IFRS 14 Regulatory Deferral Accounts (January 2014);
- IFRS 15 Revenue from Contracts with Customers (May 2014);
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception (December 2014);
- Amendments to IAS 1: Disclosure Initiative (December 2014);
- Annual Improvements to IFRSs 2012–2014 Cycle (September 2014);
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (September 2014);
- Amendments to IAS 27: Equity Method in Separate Financial Statements (August 2014);
- Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants (June 2014);
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation (May 2014); and
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (May 2014).

Operational and IT risks are inherent in the Group's business

The Group's operations are complex and geographically diverse, and require the ability to efficiently and accurately process a large number of transactions while complying with applicable laws and regulations in the countries in which it operates. The Group is exposed to operational risks and losses that can result from, among other things, internal and external fraud, unauthorized activities in the capital markets, inadequate or faulty systems and controls, telecommunications and other equipment failures, data security system failures, errors, omissions or delays of employees, including with respect to the products and services offered, unsuitable Group policies and procedures, including those related to risk management, customer complaints, natural disasters, terrorist attacks, computer viruses and violations of law.

In addition, acquisitions and organisational restructuring in Italy, Germany, Austria and Central and Eastern Europe, has led to the integration of the information, internal audit and accounting systems of the companies acquired, some of which were profoundly different from those used by the Group. As of the date of this Prospectus, the Group's commercial banking activities in Italy, Germany and Austria are integrated on the EuroSIG platform.

While the Group actively employs procedures to contain and mitigate operational risk and related adverse effects, the occurrence of certain unforeseeable events, wholly or partly out of the Group's control, could substantially limit their effectiveness. As a result, there can be no assurance that the Group will not suffer future material losses due to the inadequacy or failure of the above procedures. The occurrence of one or more of above risks could adversely affect the Group's results of operations, business and financial position.

Intense competition, especially in the Italian market, where the Group has a substantial part of its businesses, could have a material adverse effect on the Group's results of operations and financial condition

UniCredit and the companies belonging to the UniCredit Group are subject to risks arising from competition in the markets in which they operate, particularly in Italy, Germany, Austria, Poland and the CEE countries.

In particular, the Italian market represents the main market in which the Group operates. As at 30 June 2015, 41.8per cent. of direct funding and 51.5 per cent. of the revenues of the Group are related to the Italian market.

In general, the international banking and financial services industry is extremely competitive. Competitive pressure could increase as a result of regulatory actions, the behaviour of competitors, consumer demand, technological advances, aggregation processes which involve large groups like the UniCredit Group requiring ever larger economies of scale, the entry of new competitors and other factors not entirely within the Group's control. In addition, the aforementioned aggregation processes could intensify if instability in the financial markets persists. A worsening of the macroeconomic situation may also result in increased competitive pressure due to, for example, increased pressure on prices and lower volumes of activity.

In the event that the Group is not able to respond to increasing competitive pressure through, among other things, providing innovative and profitable products and services to meet the needs of customers, the Group could lose market share in the various sectors in which it is active.

In addition, as a result of such competition, the Group may fail to maintain or increase business volumes and profit levels that have been achieved in the past, resulting in adverse effects on the Group's results of operations, business and financial condition.

Information about the shareholding in the Bank of Italy

UniCredit holds 22.114 per cent. of the Share Capital of Bank of Italy, recognized under the Balance Sheet Item 40 - Available-for-sale financial assets at its fair value following the capital increase carried out with effectiveness 2013 through the issue of new shares to replace the previous ones. The capital increase had entailed (i) a positive effect on the profit for the year 2013 of €1,190 million (net of €184 million of taxes) and (ii) in 2014 additional tax charges of € 215 million, in relation to the increase in taxes on the transaction in question, introduced by Italian Law No. 89/2014.

With the capital increase a limit of 3 per cent. was introduced for the holding of shares, establishing that no voting rights or dividend rights would be attached to excess shares, and that there would be an adjustment period (within which to dispose of any surplus shares) of no more than 36 months (starting from December 2013), during which the excess shares would not have voting rights but would have dividend rights. As things stand, the Bank of Italy has not made any commitment to repurchase or intermediate the excess shares, and the operating procedures and conditions for such repurchase have not yet been defined, while initiatives aimed at selling the excess shares are being assessed. At 30 June 2015, the investment in the Bank of Italy was measured at fair value (for a value of €1,659 million), using a fundamentally level 3 measurement process, which confirmed a carrying amount in line with the figures of the previous year, without therefore resulting in any measurement impacts in the first half of 2015. The measurement, based on a long-term dividend discount model adjusted by a liquidity discount appropriate to reflect a limited circulation of shares, also takes into account the value at which the capital increase was carried out, which in turn reflects the outcome of the measurement process carried out last November 2013 by the committee of high-level experts on behalf of the Bank of Italy.

As is the case for all fair value measurements of unlisted securities performed using models and non-observable variables, there is a certain level of uncertainty and professional judgement. In addition, in the specific case of the investment in question, the observation of effective disposals of the shares, in the coming months, qualifies as a factor of uncertainty for the determination of fair value and its sustainability in the near future.

With regard to the regulatory treatment as of 30 June 2015 (effects on regulatory capital and capital ratios):

- to the value of the investment measured at fair value in the balance sheet, is applied a weighting of 100 per cent. (in accordance with Article 133 "Exposures in Equity Instruments" of the CRR);
- the revaluation recognised through profit or loss at 31 December 2013 is not subject to the filter.

Risks connected with failure to implement the Strategic Plan

On 11 March 2014, the Board of Directors of UniCredit approved the 2013-2018 Strategic Plan (the "**Strategic Plan**"), which contains the following actions and objectives:

- The Strategic Plan envisages a separate reporting of the Italian non-core portfolio which includes assets lines defined as not strategic and not in line with Group risk appetite, managed through a dedicated team and tailored credit process (the "**Non Core Portfolio**"); the Non Core Portfolio defined in approximately €87 billion[4] in gross loans, including both performing (33 per cent.) and impaired loans (67 per cent.), of which more than 80 per cent. originated before 2009. UniCredit is the first bank in Italy to be fully operative on a segregated portfolio and to provide full transparency on the run-down process on a quarterly basis.
- The Strategic Plan of the core bank business is based on three key pillars:
  1. the multi-channel transformation of commercial bank in western European markets and UniCredit's position as a European leader in corporate banking in order to further enhance non lending business;
  2. a strong focus on growth businesses such as selected CEE regions and capital-light businesses (like Asset Management and Asset Gathering); and
  3. consolidation of leadership position for the Corporate and Investment Banking (CIB) segment and of operational excellence.
- Investments spread through the Strategic Plan will drive network restructuring and digitalization in Western Europe, foster growth in CEE and achieve group synergies.
- Strict cost control will lead to cost savings on the time horizon of the Strategic Plan, thanks to dedicated initiatives targeting business simplification which include FTEs reductions.

The Strategic Plan is based on a series of estimates and projections relating to the occurrence of future events and actions that will have to be undertaken by the management on the time horizon of the Strategic Plan.

The main projections on which the Strategic Plan is based include those relating to the macroeconomic scenario, which cannot be influenced by the management, as well as hypothetical assumptions relating to the effects of specific actions or concerning future events which can only be partially influenced by the management and which may not happen or may

[4] Pro-forma as including Trevi consolidated since January 2014

change over the period of time covered in the plan. These circumstances could therefore mean that the actual results achieved may differ considerably from the forecasts, and could have significant repercussions on the Group's prospects.

In light of the uncertainty that characterises not only the projected data, but also the potential effects of the actions and managerial choices of the Group's management based on the Strategic Plan, investors are reminded that they should not make their investment decisions based exclusively on this data.

Risks related to the Goodwill Impairment Test

The impairment test result as at 31 December 2014 confirms the sustainability of the goodwill with no need for an impairment on the consolidated accounts of the UniCredit Group.

With the aim of assessing potential variations occurred in the first half of 2015 in the assumptions underlying latest impairment test calculation, a trigger analysis has been carried out as of 30 June 2015 and the results are being confirmed both for the cash generating units to which residual goodwill is allocated and for the Group.

The impairment test at 31 December 2014 was performed on the basis of the financial projections (Net Profit and RWA) embedded in the Strategic Plan approved by the Board of Directors on 11 March 2014 and the Budget for 2015. For more details about the impairment test and of the sensitivity of the recoverable amount to the key parameters please refer to Consolidated Report as at 31 December 2014.

It must also be emphasised that the parameters and information used to verify the recoverability of goodwill (in particular the expected cash flows for the various cash generating CGU [5], and the discount rates used) are significantly influenced by the macroeconomic and market situation, which may be subject, to currently unpredictable changes. In the coming reporting periods, the effect of these changes – and of changes in the corporate strategies – could therefore lead to a revision of the estimated cash flows of the various CGUs and of the assumptions about the main financial measures (discount rates, expected growth rates, Common Equity Tier 1 ratio, etc.) that could impact the results of the future impairment tests.

Ratings

UniCredit is rated by Fitch Italia S.p.A. ("**Fitch**"), by Moody's Italia S.r.l. ("**Moody's**") and by Standard & Poor's Credit Market Services Italy S.r.l. ("**Standard & Poor's**"), each of which is established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies as amended from time to time (the "**CRA Regulation**") as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority pursuant to the CRA Regulation (for more information please visit the ESMA webpage).

[5] The CGU (Cash Generating Units) are the Business Segments related to Segment Reporting reported in Integrative Note Section L of UCG Consolidated Report at 31 December 2014.

In determining the rating assigned to UniCredit, these rating agencies consider and will continue to review various indicators of UniCredit's creditworthiness, including (but not exhaustive) the Group's performance, profitability and its ability to maintain its consolidated capital ratios within certain target levels. If UniCredit fails to achieve or maintain any or a combination of more than one of the indicators, this may result in a downgrade of UniCredit's rating by Fitch, Moody's or Standard & Poor's.

Any rating downgrade of UniCredit or other entities of the Group would typically increase the re-financing costs of the Group and may limit its access to the financial markets and other sources of liquidity, all of which could have a material adverse effect on its business, financial condition and results of operations.

Risks in connection with legal proceedings

As at the date of this Prospectus, UniCredit S.p.A. and other UniCredit group companies are involved in numerous legal proceedings (which include commercial disputes, adversarial regulatory matters and investigations). From time to time, past and present directors, officers and employees may be involved in civil and/or criminal proceedings, the details of which the UniCredit group may not lawfully know about or communicate.

The Group is also required to deal appropriately with various legal and regulatory requirements in relation to issues such as conflicts of interest, ethical issues, anti-money laundering laws, US and international sanctions, client assets, competition law, privacy and information security rules and others. Actual or alleged failure to do so may lead, and in certain instances has led to additional litigation and investigations and subjects the Group to damages claims, regulatory fines, other penalties and/or reputational damage. In addition, one or more Group companies is subject to investigations by the relevant supervisory authority in a number of countries in which it operates. These include investigations relating to aspects of systems and controls and instances of actual and potential regulatory infringement by the relevant Group companies and/or its clients. Given the nature of the Group's business and the reorganization of the Group over time there is a risk that claims or matters that initially involve one Group company may affect or involve other Group entities.

In many cases, there is substantial uncertainty regarding the outcome of the proceedings and the amount of any possible losses. These cases include criminal proceedings, administrative proceedings brought by the relevant supervisory or prosecution authority and claims in which the petitioner has not specifically quantified the penalties requested (for example, in putative class actions in the United States). In such cases, given the impossibility of predicting possible outcomes and estimating losses (if any) in a reliable manner, no provisions have been made. However, where it is possible to reliably estimate the amount of possible losses and the loss is considered likely, provisions have been made in the financial statements based on the circumstances and consistent with international accounting standards (IAS).

To provide for possible liabilities that may result from pending legal proceedings (excluding labour law, tax cases and credit recovery actions), the UniCredit Group has set aside a provision for risks and charges of € 681 million as at 30 June 2015. The estimate for reasonably possible liabilities and this provision are based upon available information as at the

relevant date but, given the numerous uncertainties inherent in legal proceedings, involve significant elements of judgment. In some cases it is not possible to form a reliable estimate, for example where proceedings have not yet been initiated or where there are sufficient legal and factual uncertainties to make any estimate purely speculative. Therefore, it is possible that this provision may not be sufficient to entirely meet the legal costs and the fines and penalties that may result from pending legal actions, and the actual costs of resolving pending matters may prove to be substantially higher.

Consequently it cannot be excluded that an unfavourable outcome of such legal proceedings or such investigations may have a negative impact on the results of the UniCredit Group and/or its financial situation.

For further details please refer to the paragraph "*Legal and arbitration proceedings*" in the section "*Description of UniCredit and the UniCredit Group*".

The Group is involved in pending tax proceedings

At the date of the Prospectus, there are different tax proceedings pending against UniCredit and other companies belonging to the UniCredit Group.

For example, over the past decade, several Group banks have carried out structured finance transactions, including the "DB Vantage" transaction. In connection with such structured finance transactions, UniCredit and several Group banks have been audited or investigated by the Italian Tax Agency (*Agenzia delle Entrate*). Those audits and investigations presented tax and legal risks to the Group. Several of the above audits resulted in the issuance of tax assessment notices to UniCredit and other Group banks. with reference to the fiscal years 2004 and 2005. As regards the fiscal year 2005, UniCredit settled the tax assessment notices for amounts lower than originally assessed, while the fiscal year 2004 was challenged before the Provincial Tax Court and a settlement was subsequently reached.

There can be no assurance that UniCredit Group will not be subject to an adverse outcome of one or more of the tax proceedings to which it is subject or may be subject in the future. Such an adverse outcome could have a material adverse effect on the Group's results of operations, business and financial condition. In addition, should a member of the Group breach or allegedly breach tax legislation in one or more of the countries in which the Group operates, the Group could be exposed to increased tax risks, which in turn could increase the likelihood of further tax litigation and result in reputational damage.

2. Factors that may affect the OBG Guarantor's ability to fulfil its obligations under or in connection with the OBG issued under the Programme

OBG Guarantor only obliged to pay guaranteed amounts when the same are due for Payment

The OBG Guarantor has no obligation to pay any Guaranteed Amounts payable under the OBG Guarantee until service by the Representative of the OBG Holders on the Issuer and the OBG Guarantor of a Notice to Pay.

A Notice to Pay can only be served by the Representative of the OBG Holders if an Issuer Event of Default has occurred. A Guarantor Acceleration Notice can only be served if a Guarantor Event of Default has occurred.

Following service of a Notice to Pay under the terms of the OBG Guarantee (provided that (a) an Issuer Event of Default has occurred and (b) no Guarantor Acceleration Notice has been served), the OBG Guarantor will be obliged to pay any Guaranteed Amounts as and when the same are due for payment. Such payments will be subject to, and will be made in accordance with, the Post-Issuer Event of Default Priority. In these circumstances, other than the Guaranteed Amounts the OBG Guarantor will not be obliged to pay any amount, for example in respect of broken funding indemnities, penalties, premiums, default interest or interest on interest which may accrue on or in respect of the OBG.

Extendable obligations under the OBG Guarantee

If the Extended Maturity Date is applicable to a Series (or Tranche) and if the OBG Guarantor is obliged under the OBG Guarantee to pay any Guaranteed Amounts and has insufficient funds available under the relevant priority of payments to pay such amount on the relevant Maturity Date, then the obligation of the OBG Guarantor to pay such Guaranteed Amounts shall automatically be deferred to the relevant Extended Maturity Date. However, to the extent the OBG Guarantor has sufficient moneys available to pay in part the Guaranteed Amounts in respect of the relevant Series or Tranche of OBG, the OBG Guarantor shall make such partial payment in accordance with the relevant Priority of Payments, as described in Condition 8 (*Redemption and Purchase*) on the relevant Maturity Date and any subsequent Payment Date falling prior to the relevant Extended Maturity Date. Payment of the unpaid amount shall be deferred automatically until the applicable Extended Maturity Date. Interest will continue to accrue and be payable on the unpaid Guaranteed Amount on the basis set out in the applicable Final Terms or, if not set out therein, Condition 8 (*Redemption and Purchase*), mutatis mutandis. In these circumstances, except where the OBG Guarantor has failed to apply money in accordance with the relevant Priority of Payments in accordance with Condition 8 (*Redemption and Purchase*), failure by the OBG Guarantor to pay the relevant Guaranteed Amount on the Maturity Date or any subsequent OBG Payment Date falling prior to the Extended Maturity Date (or the relevant later date in case of an applicable grace period) shall not constitute a Guarantor Event of Default. However, failure by the OBG Guarantor to pay any Guaranteed Amount or the balance thereof, as the case may be, by the relevant Extended Maturity Date and/or pay any other amount due under the OBG Guarantee will (subject to any applicable grace period) constitute a Guarantor Event of Default.

No gross-up for taxes by the OBG Guarantor

Notwithstanding anything to the contrary in this Prospectus, if withholding of, or deduction of any present or future taxes, duties, assessments or charges of whatever nature is imposed by or on behalf of Italy, any authority therein or thereof having power to tax, the OBG Guarantor will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the OBG Holders, as the case may be, and shall not be obliged to pay any additional amounts to the OBG Holders.

Limited resources available to the OBG Guarantor

The obligation of the OBG Guarantor to fulfil its obligation under the OBG Guarantee will be limited recourse to the Available Funds

The OBG Guarantor's ability to meet its obligations under the OBG Guarantee will depend on the realisable value of the Portfolio and of the Eligible Investments (if any), the amount of principal and revenue proceeds generated by the Portfolio and Eligible Investments (if any) and the timing thereof and the Account Bank or in accordance with the Transaction Documents. The OBG Guarantor will not have any other source of funds available to meet its obligations under the OBG Guarantee.

The proceeds of the Portfolio, the Eligible Investments (if any), the Account Bank (as defined below) or in accordance with the Transaction Documents may not be sufficient to meet the claims of all the Secured Creditors, including the OBG Holders. If the Secured Creditors have not received the full amount due to them pursuant to the terms of the Transaction Documents, then they may still have an unsecured claim against the Issuer for the shortfall. There is no guarantee that the Issuer will have sufficient funds to pay that shortfall.

OBG Holders should note that the Amortisation Test - which applies after the occurrence of an Issuer Event of Default - has been structured to ensure that the outstanding nominal amount of the Eligible Portfolio, together with any Eligible Investments (if any), the Account Bank or in accordance with the Transaction Documents, shall be higher than or equal to the nominal amount of the outstanding OBG, which should reduce the risk of there ever being a shortfall. In addition the MEF Decree and the BoI OBG Regulations provide for certain mandatory tests aimed at ensuring, *inter alia*, that (a) the net present value of the Portfolio (net of certain costs) shall be higher than or equal to the net present value of the OBG; and (b) the amount of interests and other revenues generated by the Portfolio (net of certain costs) shall be higher than the interests and costs due by the Issuer under the OBG (see "Credit Structure" below for more details on the Mandatory Tests, the Over-Collateralisation Test and the Amortisation Test).

However there is no assurance that there will not be any shortfall in the amounts available to the OBG Guarantor to meet its obligations under the OBG Guarantee.

Reliance of the OBG Guarantor on third parties

The OBG Guarantor has entered into agreements with a number of third parties, which have agreed to perform services for the OBG Guarantor. In particular, but without limitation, the Servicer has been appointed to service the Portfolio and the Asset Monitor has been appointed to monitor compliance with the Over-Collateralisation Test, the Amortisation Test and the Mandatory Tests. In the event that any of those parties fails to perform its obligations under the relevant agreement to which it is a party, the realisable value of the Portfolio or any part thereof may be affected, or, pending such realisation (if the Portfolio or any part thereof cannot be sold), the ability of the OBG Guarantor to make payments under the OBG Guarantee may be affected. For instance, if the Servicer has failed to adequately administer the Portfolio, this may lead to higher incidences of non-payment.

The ability of the OBG Guarantor to make payments in respect of the OBG, where applicable, will depend upon the due performance by the parties to the Transaction Documents of their respective various obligations under the Transaction Documents to which they are each a party. In particular, without limitation, the punctual payment of amounts due on the OBG will depend on the ability of the Servicer to service the Portfolio. The performance of such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party. In each case, the performance by the OBG Guarantor of its obligations under the Transaction Documents is also dependent on the solvency of, *inter alios*, the Servicer.

If a Servicer Termination Event (as defined below) occurs the OBG Guarantor, upon indication by the Issuer and subject to the approval in writing of the Representative of the OBG Holders, shall appoint another entity which shall be an eligible entity as successor servicer (the "**Successor Servicer**") which shall perform the servicing activities required to be performed by the Servicer, in accordance with the terms of the Intercreditor Agreement and of the Servicing Agreement.

Upon the occurrence of a Servicer Termination Event, the obligors under the Portfolio will be instructed to pay all the amounts due in respect of the Portfolio directly on a bank account opened with an Eligible Institution in the name of the OBG Guarantor. The Representative of the OBG Holders is not obliged in any circumstances to act as a servicer or to monitor the performance by any servicer of its obligations.

Limited description of the Portfolio

OBG Holders will not receive detailed statistics or information in relation to the Assets in the Portfolio, because it is expected that the constitution of the Portfolio will frequently change due to, for instance:

(i) UniCredit (as Seller and Issuer) or the Additional Seller (if any) selling further Assets (or Assets, which are of a type that have not previously been comprised in the Portfolio to the OBG Guarantor);

(ii) UniCredit (as Seller and Issuer) or the Additional Seller (if any) repurchasing certain Assets in accordance with the Master Transfer Agreement (as defined below); and

(iii) UniCredit (as Seller and Servicer) or the Additional Seller (if any) being granted by the OBG Guarantor with a wide power to renegotiate the terms and conditions of the Assets or further Assets.

However, each Mortgage Receivables or further Mortgage Receivables will be required to meet the Criteria and to conform with the representations and warranties set out in the Warranty and Indemnity Agreement — see "*Description of the Transaction Documents — Warranty and Indemnity Agreement*" below. In addition, the Mandatory Tests and the Over-Collateralisation Test are intended to ensure that the Outstanding Principal Balance of the Eligible Portfolio is higher than or equal to the Outstanding Principal Balance of the OBG for so long as OBG remain outstanding and the Calculation Agent will provide on each relevant

OC Calculation Date a basis reports that will set out certain information in relation to the Mandatory Tests and the Over-Collateralisation Test.

In addition to the above, according to the Master Transfer Agreement, the Warranty and Indemnity Agreement and the Servicing Agreement, (i) UniCredit (as Seller and Issuer) (or the Additional Seller (if any) as the case may be) and the OBG Guarantor may, without the prior consent of the Representative of the OBG Holders or the OBG Holders approval, amend the General Criteria and the Specific Criteria (ii) UniCredit (as Seller and Issuer) (or the Additional Sellers (if any) as the case may be) and the OBG Guarantor may, without the prior consent of the Representative of the OBG Holders or the OBG Holders, amend certain representations and warranties granted in relation to newly assigned Mortgage Receivables if such amendment are necessary as a consequence of a change in the lending policies of the Seller (or the Additional Seller (if any) as the case may be), (iii) the Seller and the OBG Guarantor may, without the prior consent of the Representative of the OBG Holders or the OBG Holders' approval, amend the Specific Criteria and the representation and warranties in relation to the sale of further assets originated by entities belonging to the UniCredit Banking Group other than the Seller (and included within the Capitalia Group banks) and (iv) the Seller and the OBG Guarantor may, without the prior consent of the Representative of the OBG Holders or the OBG Holders approval, amend the Master Transfer Agreement and the other relevant Transaction Documents in case of a change in law or new interpretations, amendments or further guidelines issued by the Bank of Italy or any competent regulator, provided that any such above amendment will be subject to notification to the Rating Agency and the Representative of the OBG Holders and, if provided for under the relevant agreement, confirmation by the same Rating Agency that the relevant amendment does not impact the rating assigned to the OBG.

In accordance with the Portfolio Administration Agreement, any Additional Seller may sell to the OBG Guarantor, and the latter shall purchase, Assets and Integration Assets without the prior consent of the Representative of the OBG Holders or the OBG Holders and, *inter alia*, subject to (i) the written approval by UniCredit (as Issuer and Seller) in relation to such sale, (ii) with respect to the purchase of Assets and Integration Assets, prior notification to the Rating Agency that Additional Sellers will sell Assets and Integration Assets, (iii) the execution of a master transfer agreement by the Additional Seller, substantially in the form of the Master Transfer Agreement (as amended to take into account the characteristics of the Assets or the Integration Assets sold by it) or in such other form as may be agreed amongst the Additional Seller and the OBG Guarantor and (iv) the granting of a subordinated loan by the Additional Seller for the purpose of financing the purchase of Assets or Integration Assets from it in accordance with the provision of a subordinated loan agreement to be executed substantially in the form of the Subordinated Loan Agreement (as defined below).

Sale of Selected Assets following the service of a Notice to Pay

If a Notice to Pay is served on the OBG Guarantor, then the OBG Guarantor shall (if necessary in order to effect timely payments under the OBG, as determined by the Calculation Agent in consultation with the Portfolio Manager) sell Selected Assets (selected on a Random Basis) in accordance with, and subject to, the terms of the Portfolio Administration Agreement in order

to make payments to the OBG Guarantor's creditors including making payments under the OBG Guarantee, see "*Description of the Transaction Documents — Portfolio Administration Agreement*" below.

There is no guarantee that a buyer will be found to acquire Selected Assets at the times required and there can be no guarantee or assurance as to the price which may be able to be obtained for such Selected Assets, which may affect payments under the OBG Guarantee. However, the Selected Assets may not be sold by the OBG Guarantor for less than an amount equal to the Required Redemption Amount for the relevant Series or Tranche of OBG until six months prior to the Maturity Date in respect of such OBG or (if the same is specified as applicable in the relevant Final Terms) the Extended Maturity Date in respect of such OBG. In the six months prior to, as applicable, the Maturity Date or Extended Maturity Date, the OBG Guarantor is obliged to sell the Selected Assets for the best price reasonably available notwithstanding that such price may be less than the Required Redemption Amount.

Realisation of assets following the service of a Guarantor Acceleration Notice

If a Guarantor Acceleration Notice is served on the OBG Guarantor, then the OBG Guarantor is obliged to sell the Selected Assets as quickly as reasonably practicable taking into account the market conditions at that time (see "*Description of the Transaction Documents — Portfolio Administration Agreement*" below).

There is no guarantee that the proceeds of realisation of the Portfolio will be in an amount sufficient to repay all amounts due to creditors (including the OBG Holders) under the OBG and the Transaction Documents. If a Guarantor Acceleration Notice is served on the OBG Guarantor then the OBG may be repaid sooner or later than expected or not at all.

Factors that may affect the realisable value of the Portfolio or the ability of the OBG Guarantor to make payments under the OBG Guarantee

Following the occurrence of an Issuer Event of Default, the service of a Notice to Pay on the Issuer and on the OBG Guarantor, the realisable value of Selected Assets comprised in the Portfolio may be reduced (which may affect the ability of the OBG Guarantor to make payments under the OBG Guarantee) by:

(i) default by borrowers on the amounts due in respect of Assets and Integration Assets;

(ii) changes to the lending criteria of UniCredit (or the Additional Seller (if any) as the case may be);

(iii) set-off risks in relation to some types of Mortgage Receivables in the Portfolio;

(iv) limited recourse to the OBG Guarantor;

(v) possible regulatory changes by the Bank of Italy, Consob and other regulatory authorities;

(vi) adverse fluctuation of interest rates;

(vii) regulations in Italy that could lead to some terms of the Mortgage Receivables being unenforceable;

(viii) timing for the relevant sale of Assets; and

(ix) status of the real estate market in the areas where the Issuer operates.

Each of these factors is considered in more detail below. However, it should be noted that the Mandatory Tests, the Over-Collateralisation Test and the Amortisation Test are intended to ensure that there will be an adequate amount of Mortgage Receivables in the Portfolio and moneys standing to the credit of the Accounts (including any amount invested in Eligible Investments (if any) and without duplication to the above) to enable the OBG Guarantor to repay the OBG following an Issuer Event of Default, service of a Notice to Pay on the Issuer and on the OBG Guarantor and accordingly it is expected (although there is no assurance) that Selected Assets could be realised for sufficient values to enable the OBG Guarantor to meet its obligations under the OBG Guarantee.

Value of the Portfolio

The OBG Guarantee granted by the OBG Guarantor in respect of the OBG will be backed by the Portfolio and the recourse against the OBG Guarantor will be limited to such assets. Since the economic value of the Portfolio may increase or decrease, the value of the OBG Guarantor's assets may decrease (for example if there is a general decline in property values). The Issuer makes no representation, warranty or guarantee that the value of a Real Estate will remain at the same level as it was on the date of the origination of the related Mortgage Receivable or at any other time. If the residential property market in Italy experiences an overall decline in property values, the value of the Mortgage Receivable could be significantly reduced and, ultimately, may result in losses to the holders of the OBG if such security is required to be enforced.

No representations or warranties to be given by the OBG Guarantor if Selected Assets and their related security interests are to be sold

After the service of a Notice to Pay on the Issuer and the OBG Guarantor, but prior to service of a Guarantor Acceleration Notice, the OBG Guarantor shall, if necessary in order to effect timely payments under the OBG, sell the Selected Assets and their related security interests included in the Portfolio, subject to a right of pre-emption of the Seller and of any Additional Seller (if any) pursuant to the terms of the Master Transfer Agreement and of the Portfolio Administration Agreement. In respect of any sale of Selected Assets and their related security interests to third parties, however, the OBG Guarantor will not provide any warranties or indemnities in respect of such Selected Assets and related security interests and there is no assurance that the Seller and any Additional Seller (if any) would give or repeat any warranties or representations in respect of the Selected Assets and related security interests or if it has not consented to the transfer of such warranties or representations. Any representations or warranties previously given by the Seller in respect of the Mortgage Receivables in the Portfolio may not have value for a third party purchaser if the Seller or the relevant Additional Seller (if any) is then insolvent. Accordingly, there is a risk that the realisable value of the Selected Assets and related security interests could be adversely affected by the lack of representations and warranties which in turn could adversely affect the ability of the OBG Guarantor to meet its obligations under the OBG Guarantee.

Default by borrowers in paying amounts due on their Assets

Borrowers may default on their obligations due under the Assets or the Integration Assets for a variety of reasons. The Assets and Integration Assets are affected by credit, liquidity and interest rate risks. Various factors influence delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Certain factors may lead to an increase in default by the borrowers, and could ultimately have an adverse impact on the ability of borrowers to repay the Assets or Integration Assets. Loss of earnings, illness,divorce and other similar factors may lead to an increase in default by and bankruptcies of borrowers, and could ultimately have an adverse impact on the ability of borrowers to repay the Mortgage Receivables. In addition, the ability of a borrower to sell a property given as security for a Mortgage Receivable at a price sufficient to repay the amounts outstanding under that Mortgage Receivable will depend upon a number of factors, including the availability of buyers for that property, the value of that property and property values in general at the time. The recovery of amounts due in relation to a Mortgage Receivable classified as a Defaulted Receivables will be subject to the effectiveness of enforcement proceedings in respect of the Portfolio which in Italy can take a considerable time depending on the type of action required and where such action is taken and on several other factors, including the following: proceedings in certain courts involved in the enforcement of the Mortgage Receivables and Mortgages may take longer than the national average; obtaining title deeds from land registries which are in process of computerising their records can take up to two or three years; further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and if the relevant Debtor raises a defence to or counterclaim in the proceedings; and it takes an average of six to eight years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any Real Estate.

Italian Law No. 302 of 3 August 1998, Italian Law No. 80 of 14 May 2005, Italian Law No. 263 of 28 December 2005 and the Italian Civil Procedure Code permit notaries, chartered accountants or lawyers duly registered with the relevant register kept and updated from time to time by the president of the relevant court (*Presidente del Tribunale*). to conduct certain stages of the enforcement procedures in place of the courts in order to reduce the length of enforcement proceedings by between two and three years.

Changes to the lending criteria of the Seller

Each of the Mortgage Receivables originated by the Seller will have been originated in accordance with its lending criteria at the time of origination. Each of the Mortgage Receivables sold to the OBG Guarantor by the Seller, but originated by a person other than the Seller (an "**Originator**"), will have been originated in accordance with the lending criteria of such Originator at the time of origination. It is expected that the Seller's or the relevant Originator's, as the case may be, lending criteria will generally consider term of loan, indemnity guarantee policies, status of applicants and credit history. In the event of the sale or transfer of any Mortgage Receivables to the OBG Guarantor, the Seller will warrant that (a)

such Mortgage Receivables as were originated by it were originated in accordance with the Seller's lending criteria applicable at the time of origination and (b) such Mortgage Receivables as were originated by an Originator, were originated in accordance with the relevant Originator's lending criteria applicable at the time of origination. The Seller retains the right to revise its lending criteria from time to time subject to the terms of the Master Transfer Agreement. An Originator may additionally revise its lending criteria at any time. However, if such lending criteria change in a manner that affects the creditworthiness of the Mortgage Receivables, that may lead to increased defaults by borrowers and may affect the realisable value of the Portfolio and the ability of the OBG Guarantor to make payments under the OBG Guarantee.

Legal risks relating to the Assets

The ability of the OBG Guarantor to recover payments of interest and principal from the Assets is subject to a number of legal risks. These include the risks set out below.

Set-off risks

The assignment of receivables under Law 130 is governed by Article 58, paragraphs 2, 3 and 4, of the Banking Law (as defined below). According to the prevailing interpretation of such provision, such assignment becomes enforceable against the relevant debtors as of the later of (i) the date of the publication of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*), and (ii) the date of registration of the notice of assignment in the competent companies' register. Consequently, the rights of the OBG Guarantor may be subject to the direct rights of the borrowers against the Seller or, as applicable the relevant Originator, including rights of set-off on claims arising existing prior to notification in the Official Gazette and registration at the competent companies' register. Some of the Assets in the Portfolio may have increased risks of set-off, because the Seller or, as applicable, the relevant Originator is required to make payments to the relevant borrowers (including, without limitation, where the relevant borrower is an employee of the Seller or the relevant Originator). In addition, the exercise of set-off rights by borrowers may adversely affect the proceeds which may be realised from the sale of the Portfolio and, ultimately, the ability of the OBG Guarantor to make payments under the OBG Guarantee.

Usury Law

Italian Law number 108 of 7 March 1996, as amended, (the ("**Usury Law**") introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the ("**Usury Rates** ") set every three months on the basis of a decree issued by the Italian Treasury (the last such Decree having been issued on 24 September 2015). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates.

On 29 December 2000, the Italian Government issued law decree No. 394 (the "**Decree 394**"), converted into law by the Italian Parliament on 28 February 2001, which clarified the uncertainty about the interpretation of the Usury Law and provided, *inter alia*, that interest will be deemed to be usurious only if the interest rate agreed by the parties exceeded the Usury Rates at the time when the loan agreement or any other credit facility was entered into or the interest rate was agreed. The Decree 394, as interpreted by the Italian Constitutional Court by decision No. 29 of 14 February 2002, also provided that as an extraordinary measure due to the exceptional fall in interest rates in 1998 and 1999, interest rates due on instalments payable after 31 December 2000 on fixed rate loans (other than subsidised loans) already entered into on the date such decree came into force (such date being 31 December 2000) are to be substituted, except where the parties have agreed to more favourable terms, with a lower interest rate set in accordance with parameters fixed by such decree by reference to the average gross yield of multiannual treasury bonds (*Buoni Tesoro Poliennali*) in the period from January 1986 to October 2000.

According to recent court precedents of the Italian Supreme Court (*Corte di Cassazione*), the remuneration of any given financing must be below the applicable Usury Rate from time to time applicable. Based on this recent evolution of case law on the matter, it will constitute a breach of the Usury Law if the remuneration of a financing is lower than the applicable Usury Rate at the time the terms of the financing were agreed but becomes higher than the applicable Usury Rate at any point in time thereafter. Furthermore, those court precedents have also stated that default interest rates are relevant and must be taken into account when calculating the aggregate remuneration of any given financing for the purposes of determining its compliance with the applicable Usury Rate. That interpretation is in contradiction with the current methodology for determining the Usury Rates, considering that the relevant surveys aimed at calculating the applicable average rate never took into account the default interest rates. On 3 July 2013, also the Bank of Italy has confirmed in an official document that default interest rates should be taken into account for the purposes of the Statutory Usury Rates and has acknowledged that there is a discrepancy between the methods utilised to determine the remuneration of any given financing (which must include default rates) and the applicable Statutory Usury Rates against which the former must be compared. However the Guarantor is entitled to be indemnified by the Issuer pursuant to the Warranty and Indemnity Agreement for any loss suffered in connection with a breach of the Usury Law in relation to the loans.

Compounding of interest (anatocismo)

Pursuant to Article 1283 of the Italian Civil Code, accrued interest in respect of a monetary claim or receivable may be capitalised after a period of not less than six months only (i) under an agreement subsequent to such accrual or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian Civil Code allows derogation from this provision in the event that there are recognised customary practices (*usi*) to the contrary. Banks and financial companies in the Republic of Italy have traditionally capitalised accrued interest on a three-monthly basis on the grounds that such practice could be characterised as a customary practice (*uso normativo*). However, a number of recent judgments from Italian courts (including judgments from the Italian Supreme Court

(*Corte di Cassazione*) No. 2374/99, No. 2593/2003, No. 21095/2004, No. 4094/2005 and No. 10127/2005) have held that such practices are not *uso normativo*. Consequently, if customers of the Originator or of the Seller were to challenge this practice and such interpretation of the Italian Civil Code were to be upheld before other courts in the Republic of Italy, there could be a negative effect on the returns generated from the Mortgage Loans. UCI has, however, represented in the Warranty and Indemnity Agreement that the Mortgage Loans comply with Article 1283 of the Italian Civil Code

In this respect, it should be noted that Article 25, paragraph 3, of legislative decree No. 342 of 4 August 1999 ("**Law No. 342**"), enacted by the Italian Government under a delegation granted pursuant to law No. 142 of 19 February 1992, has considered the capitalisation of accrued interest (*anatocismo*) made by banks prior to the date on which it came into force (19 October 1999) to be valid. After such date, the capitalisation of accrued interest is no longer possible upon the terms established by a resolution of the CICR issued on 22 February 2000. Law No. 342 has been challenged and decision No. 425 of 17 October 2000 of the Italian Constitutional Court has declared as unconstitutional under the provisions of Law No. 342 regarding the validity of the capitalisation of accrued interest made by banks prior to the date on which Law No. 342 came into force.

Recently, Article 1, Paragraph 629 of Law No. 147 of 27 December 2013 (so called, "*Legge di Stabilità 2014*") amended Article 120, paragraph 2 of the Banking Law, providing that interests shall not accrue on capitalised interests. However, given the novelty of this new legislation and the absence of a clear jurisprudential interpretation, the impact of such new legislation may not be predicted as at the date of this Prospectus.

Mortgage Credit Directive

Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010 (the "**Mortgage Credit Directive**") sets out a common framework for certain aspects of the laws, regulations and administrative provisions of the Member States concerning agreements covering credit for consumers secured by a mortgage or otherwise relating to residential immovable property. The Mortgage Credit Directive provides for, amongst other things:

- standard information in advertising, and standard pre-contractual information;
- adequate explanations to the borrower on the proposed credit agreement and any ancillary service;
- calculation of the annual percentage rate of charge in accordance with a prescribed formula;
- assessment of creditworthiness of the borrower;
- a right of the borrower to make early repayment of the credit agreement; and
- prudential and supervisory requirements for credit intermediaries and non-bank lenders.

The Mortgage Credit Directive came into effect on 20 March 2014 and is required to be implemented in Member States by 21 March 2016.

On 1 June 2015, in accordance with Article 18, Article 20(1) and Article 28 of the Mortgage Credit Directive, the EBA published its final Guidelines on creditworthiness assessment, as well as its final Guidelines on arrears and foreclosure that support the national implementation by Member States of the Mortgage Credit Directive.

No assurance can be given that the final implementation of the Mortgage Credit Directive in the Republic of Italy will not adversely affect the ability of the OBG Guarantor to make payments under the OBG Guarantee.

Mortgage borrower protection

Article 120-ter of the Banking Law

Article 120-ter of the Banking Law provides that any provisions imposing a prepayments penalty in case of early redemption of mortgage loans is null and void with respect to loan agreements entered into, with an individual as borrower for the purpose of purchasing or restructuring real estate properties destined to residential purposes or to carry out the borrower's own professional or business activities.

The Italian banking association ("**ABI**") and the main national consumer associations have reached an agreement (the "**Prepayment Penalty Agreement**") regarding the equitable renegotiation of prepayment penalties with certain maximum limits calculated on the outstanding amount of the loans (the "**Substitutive Prepayment Penalty**") containing the following main provisions: (i) with respect to variable rate loan agreements, the Substitutive Prepayment Penalty should not exceed 0.50 per cent. and should be further reduced to (a) 0.20 per cent. in case of early redemption of the loan carried out within the third year from the final maturity date and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (ii) with respect to fixed rate loan agreements entered into before 1 January 2001, the Substitutive Prepayment Penalty should not exceed 0.50 per cent., and should be further reduced to: (a) 0.20 per cent., in case of early redemption of the loan carried out within the third year from the final maturity date; and (b) zero, in case of early redemption of the loan carried out within two years from the final maturity date, (iii) with respect to fixed rate loan agreements entered into after 31 December 2000, the Substitutive Prepayment Penalty should be equal to: (a) 1.90 per cent. if the relevant early redemption is carried out in the first half of loan's agreed duration; (b) 1.50 per cent. if the relevant early redemption is carried out following the first half of loan's agreed duration, provided however that the Substitutive Prepayment Penalty should be further reduced to: (x) 0.20 per cent., in case of early redemption of the loan carried out within three years from the final maturity date; and (y) zero, in case of early redemption of the loan carried out within two years from the final maturity date.

The Prepayment Penalty Agreement introduces a further protection for borrowers under a "safeguard" equitable clause (the "**Clausola di Salvaguardia**") in relation to those loan agreements which already provide for a prepayment penalty in an amount which is compliant with the thresholds described above. In respect of such loans, the Clausola di Salvaguardia

provides that: (1) if the relevant loan is either: (x) a variable rate loan agreement; or (y) a fixed rate loan agreement entered into before 1 January 2001; the amount of the relevant prepayment penalty shall be reduced by 0.20 per cent.; (2) if the relevant loan is a fixed rate loan agreement entered into after 31 December 2000, the amount of the relevant prepayment penalty shall be reduced by (x) 0.25 per cent. if the agreed amount of the prepayment penalty was equal or higher than 1.25 per cent.; or (y) 0.15 per cent., if the agreed amount of the prepayment penalty was lower than 1.25 per cent.

Finally the Prepayment Penalty Agreement sets out specific solutions with respect to hybrid rate loans which are meant to apply to the hybrid rates the provisions, as more appropriate, relating respectively to fixed rate and variable rate loans.

Prospective OBG Holders' attention is drawn to the fact that, as a result of the entry into force of the Prepayment Penalty Agreement, the rate of prepayment in respect of Mortgage Receivables can be higher than the one traditionally experienced by the Seller for mortgage loans and that the OBG Guarantor may not be able to recover the prepayment fees in the amount originally agreed with the borrowers.

Article 120-quater of the Banking Law

Article 120-quater of the Banking Law provides that any borrower may at any time prepay the relevant loan funding such prepayment by a loan granted by another lender which will be subrogated pursuant to article 1202 of the Italian civil code (*surrogato per volontà del debitore*) in the rights of the former lender, including the mortgages (without any formalities for the annotation of the transfer with the land registry, which shall be requested by enclosing a certified copy of the deed of subrogation (*atto di surrogazione*) to be made in the form of a public deed (*atto pubblico*) or of a deed certified by a notary public with respect to the signature (*scrittura privata autenticata*) without prejudice to any benefits of a fiscal nature.

In the event that the subrogation is not completed within thirty days from the relevant request from the succeeding lender to the former lender to start the relevant cooperation procedures, the original lender shall pay to the borrower an amount equal to 1 per cent. of the amount of the loan for each month or part thereof of delay, provided that if the delay is due to the succeeding lender, the latter shall repay to the former lender the delay penalty paid by it to the borrower.

As a consequence of the above and, as a result of the subrogation, the rate of prepayment of the Mortgage Receivables might materially increase.

Borrower's right to suspend payments under a mortgage loan

Pursuant to Article 2, paragraph 475 and ff. of Italian law number 244 of 24 December 2007 (the "**2008 Budget Law**") any borrower under a mortgage loan agreement executed for the purposes of acquiring a "first home" real estate property (*unità immobiliare da adibire ad abitazione principale*) giving evidence of its incapability to pay any instalments falling due under a mortgage loan is entitled to suspend payment of any such instalments for no more than two times during the life of the relevant mortgage loan and for a maximum duration of 18 months (the "**Borrower Payment Suspension Right**"). Upon exercise of the Borrower

Payment Suspension Right the duration of the relevant mortgage loan will be extended to a period equal to the duration of the relevant suspension period.

The 2008 Budget Law also provided for the establishment of a fund (so called "*Fondo di solidarietà*", the "**Fund**") created for the purpose of bearing certain costs deriving from the suspension of payments and refers to implementing regulation to be issued for the determination of: (i) the requirements that the borrowers must comply with in order to have the right to the aforementioned suspension and the subsequent aid of the Fund; and (ii) the formalities and operating procedures of the Fund. In order to extend the operation of the Fund, article 6 of Law Decree No. 102 of 31 August 2013, as converted into law by Italian Law No. 124 of 28 October 2013, has provided for the allocation of an additional amount of Euro 20.000.000 to the Fund for each of the years 2014 and 2015.

On 21 June 2010, the Ministry of Treasury and Finance (*Ministro dell'economia e delle finanze*) adopted ministerial decree No. 132 ("**Decree 132/2010**") detailing the requirements and formalities which any Borrower must comply with in order to exercise the Borrower Payment Suspension Right.

Pursuant to Decree 132/2010, the Ministry of Economy and Finance, on 27 October 2010, issued the guidelines (*Linee Guida*) (the "**Guidelines**") – published on the website *www.dt.tesoro.it* (for the avoidance of doubt, such website does not constitute part of this Prospectus) which establish the procedures that borrowers must follow in order to to exercise the Borrower Payment Suspension Right.

As specified in the Guidelines, pursuant to the provision of Decree 132, the Borrower Payment Suspension Right can be granted also in favour of mortgage loans which have been subject to covered bonds transactions pursuant to Law 130.

In light of the above, pursuant to the Decree of the General Director of Treasury Department of the Ministry of Economy and Finance issued on 14 September 2010, CONSAP (*Concessionaria Servizi Assicurativi S.p.A.*), was selected as managing company of the Fund. The request to access to the aid granted by the Fund must be presented by borrowers starting from 15 November 2010, by using the relevant form of suspension-request duly prepared in compliance with the Guidelines and accompanied by the relevant documentation indicated therein.

Any borrower who complies with the requirements set out in Decree 132 and the Guidelines, has the right to suspend the payment of the instalments of its Mortgage Receivables up to 18 months.

The agreement entered into on 18 December 2009 between the Italian Banking Association (*Associazione Bancaria Italiana - ABI*) and the Consumers Associations (*Associazioni dei Consumatori*) along with the relevant technical document attached therein adhered by the Issuer on 27 January 2010 (the "**Piano Famiglie**") provides for a 12-month period suspension of payment of instalments relating to mortgage loans, where requested by the relevant Debtor during the period from 1 February 2010 to 31 January 2013. The suspension is allowed only where the following events have occurred: (i) termination of employment relationship; (ii)

termination of employment relationships regulated under Article 409 No. 3 of the Italian civil procedure code; (iii) death or the occurrence of conditions pertaining to non-self sufficiency; and/or (iv) suspension from work or reduced working hours for a period of at least 30 days. The relevant events satisfying the subjective requirements must have occurred in respect of the relevant Debtor during the period from 1 January 2009 to 31 December 2012. The suspension can be requested on one occasion only, provided that the mortgage loans are granted for amounts not exceeding €150,000, granted for the purchase, construction or renovation of a primary residence (*mutui prima casa*), including: (i) mortgage loans assigned under securitisation or covered bond transactions pursuant to Law 130, (ii) renegotiated mortgage loans and (iii) mortgage loans whereby the relevant lender was subrogated. Finally, in order to obtain such suspension of payments, the borrower shall have an income not exceeding €40,000 per year. The document clarifies that, in the context of a securitisation or covered bond transaction, the special purpose vehicle, or the Issuer acting on its behalf, can adhere to the Piano Famiglie. The suspension can be limited to principal instalments only or can encompass both principal and interest instalments.

On 31 January 2012 ABI and the consumers' associations entered into a convention (*Nuovo Accordo*) that provides that the suspension of payment of instalments relating to mortgage loans may be applied for by 31 July 2012. Such convention amended the following conditions to be met in order to benefit from the suspension: (i) the conditions to benefit from the Piano Famiglie must be met by 30 June 2012; and (ii) the in payment delays of instalments cannot exceed 90 days (instead of 180 days).

On 31 July 2012 ABI and the consumers' associations entered into a Protocollo d'intesa, amending the "Nuovo Accordo" above mentioned as follows:

1) the final term to apply for the suspension of payment has been postponed to the earlier between (i) the date on which regulations implementing the Art. 2, paragraph 475 and followings of Law number 244 of 24 December 2007 relating to the Fund (as defined in the paragraph below) will be issued, and (ii) 31 January 2013.

2) the final term to meet the conditions necessary to benefit from the suspention of payment has been postponed to the earlier between (i) the date on which regulations implementing the Art. 2, paragraph 475 and followings of Law number 244 of 24 December 2007 relating to the Fund (as defined above) will be issued, and (ii) 31 December 2012.

On 30 January 2013 ABI and the consumers' associations entered into a new "*Protocollo d'intesa*" amending the aforementioned conventions, which provided that the suspension of payment of instalments relating to mortgage loans may be applied for no later than 31 March 2013 and, in order to benefit from the suspension, (i) the conditions must be met by 28 February 2013 and (ii) the payment delays of instalments cannot exceed 90 days.

Furthermore, pursuant to Article 8, paragraph 6, of Law Decree No. 70 of 13 May 2011, converted into law by law No. 106 of 12 July 2011 (the "**Decreto Sviluppo**"), certain borrowers may achieve (i) a renegotiation of mortgage loans which may result in the amendment of the interest calculation method from floating rate to fixed rate and (ii) the extension of the applicable amortisation plan of the relevant mortgage loan for a period not

longer than five years, provided that, as a result of such extension, the residual duration of the relevant mortgage loan does not exceed a period equal to 25 years.

On 31 March 2015, ABI and the consumers' associations, in accordance with the provisions of Law No. 190 of 23 December 2014 (so called, "*Legge di Stabilità 2015*"), entered into an agreement pursuant to which, by 31 December 2017, consumers who are in a situation of economic difficulties, as further specified by the agreement, may ask for the suspension of payment of instalments relating to mortgage loans having a maturity of at least 24 months, in accordance with the previous agreements reached between ABI and consumer associations.

Prospective investors' attention is drawn to the fact that the potential effects of the suspension schemes and the impact thereof on the amortisation and prepayment profile of the Portfolio cannot be predicted by the Issuer as at the date of this Prospectus.

Renegotiations of floating rate Mortgage Loans

Law Decree No. 93 of 27 May 2008 ("**Law Decree 93**"), converted into law No. 126 of 24 July 2008 ("**Law 126**") which came into force on 29 May 2008, regulates the renegotiation of floating rate mortgage loans granted for the purposes of purchasing, building or refurbishing real estate assets used as main houses.

According to Law 126, the *Ministero dell'Economia e delle Finanze* (*Minister of Economy and Finance*) and the ABI entered into a convention providing for the procedures for the renegotiation of such floating rate mortgage loans (the "**Convention**").

The Convention applies to floating rate mortgage loan agreements entered into or taken over (*accollati*), also further to the parcelling (*frazionamento*) of the relevant mortgages, before 29 May 2008. Pursuant to the Convention, the instalments payable by a borrower under any of such mortgage loan agreements will be recalculated applying (a) a fixed interest rate (equal to the average of the floating rate interest rates applied under the relevant mortgage loan agreement during 2006) on the initial principal amount and for the original final maturity date of the relevant mortgage loan, or (b) if the mortgage loan has been entered into, renegotiated or taken over (*accollato*) after 31 December 2006, the parameters used for the calculation of the first instalment due after the date on which the mortgage loan has been entered into, renegotiated or taken over (*accollato*). The difference between the amount to be paid by the borrower as a result of such recalculation and the amount that the borrower would have paid on the basis of the original instalment plan will be (a) if negative, debited to a bank account on which interest will accrue in favour of the lender at the lower of (i) the rate equal to 10 (ten) IRS (interest rate swap) plus a spread of 0.50, and (ii) the rate applicable pursuant to the relevant mortgage loan, each of them calculated, in a fixed amount, on the renegotiation date, or (b) if positive, credited to such bank account. After the original final maturity date of the mortgage loan, the outstanding debt on the bank account will be repaid by the borrower through constant instalments equal to the ones resulting from the renegotiation, and the amortisation plan will be determined on the basis of the lower of (a) the rate applicable on the bank account, and (ii) the rate applicable pursuant to the relevant mortgage loan, as calculated, in a fixed amount, on the original final maturity date of the mortgage loan.

The Seller has adhered to the Convention sending to its clients a renegotiation proposal in accordance with the Convention. Borrowers eligible for the renegotiation who have received the renegotiation proposal can accept the proposal by way of a written notification to be sent not later than 28 November 2008 (the "**Final Adhesion Term**").

The renegotiation becomes effective on the third month following the date when such proposal has been accepted by the relevant client, with reference to the instalments which fall due after 1 January 2009.

The pieces of legislation referred to in each paragraph under the section headed "*Mortgage borrower protection*" above may have an adverse effect on the Portfolio and, in particular, on any cash flow projections concerning the Portfolio as well as on the over-collateralisation required in order to maintain the then current ratings of the OBG. However, as this legislation is relatively new, as at the date of this Prospectus, the Issuer is not in a position to predict its impact.

3. Factors which are material for the purpose of assessing the market risks associated with OBG issued under the Programme

The OBG may not be a suitable investment for all investors

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

(i) have sufficient knowledge and experience to make a meaningful evaluation of the OBG, the merits and risks of investing in the OBG and the information contained or referred to in this Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the OBG and the impact the OBG 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 OBG, especially if the potential investor's currency is not the euro;

(iv) understand thoroughly the terms of the OBG and be familiar with the behaviour of 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.

Some OBG 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, appropriate addition of risk to their overall portfolios. A potential investor should not invest in OBG which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the OBG will perform under changing conditions, the resulting effects on the value of the OBG and the impact this investment will

have on the potential investor's overall investment portfolio. Investors may lose some or all of their investment in the OBG.

Risks related to the structure of a particular issue of OBG

OBG issued under the Programme will either be fungible with an existing Series or have different terms to an existing Series (in which case they will constitute a new Series). All OBG issued from time to time will rank *pari passu* with each other in all respects and will share equally in the security granted by the OBG Guarantor under the OBG Guarantee. If an Issuer Event of Default and a Guarantor Event of Default occur and result in acceleration, all OBG of all Series or Tranche will accelerate at the same time.

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

OBG subject to optional redemption by the Issuer

An optional redemption feature of OBG is likely to limit their market value. During any period when the Issuer may elect to redeem OBG, the market value of those OBG generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem OBG when its cost of borrowing is lower than the interest rate on the OBG. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the OBG being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Zero Coupon OBG

The Issuer may issue OBG which do not pay current interest but are issued at a discount from their nominal value or premium from their principal amount. Such OBG are characterised by the circumstance that the relevant OBG holders, instead of benefitting from periodical interest payments, shall be granted an interest income consisting in the difference between the redemption price and the issue price, which difference shall reflect the market interest rate. A holder of a zero coupon OBG is exposed to the risk that the price of such bond falls as a result of changes in the market interest rate. Prices of zero coupon OBG are more volatile than prices of fixed rate OBG and are likely to respond to a greater degree to market interest rate changes than interest bearing OBG with a similar maturity. Generally, the longer the remaining terms of such OBG, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Variable Rate OBG with a multiplier or other leverage factor

OBG with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps, floors or collars (or any combination of those features or other similar related features), their market values may be even more volatile than those for securities that do not include those features.

Fixed/Floating Rate OBG

Fixed/Floating Rate OBG may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the OBG since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate OBG may be less favourable than then prevailing spreads on comparable Floating Rate OBG tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other OBG. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its OBG.

OBG issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks related to OBG generally

Set out below is a brief description of certain risks relating to the OBG generally.

Certain decisions of OBG Holders taken at Programme level

Any Programme Resolution to direct the Representative of the OBG Holders to serve a Notice to Pay or a Guarantor Acceleration Notice, and any direction to the Representative of the OBG Holders to take any enforcement action must be passed at a single meeting of the holders of all OBG of all Series then outstanding as set out in the Rules of the Organisation of OBG Holders attached to the Conditions as Schedule 1 and cannot be decided upon at a meeting of OBG Holders of a single Series or Tranche. A Programme Resolution will be binding on all OBG Holders including OBG Holders who did not attend and vote at the relevant meeting and OBG Holders who voted in a manner contrary to the majority.

The Representative of the OBG Holders may agree to modifications to the Transaction Documents without the OBG Holders' or other Secured Creditors' (as defined below) prior consent.

The Representative of the OBG Holders may, without the consent or sanction of any of the OBG Holders or any of the other Secured Creditors, concur with the Issuer and/or the OBG Guarantor and any relevant parties in making any modification as follows:

(i) to the Conditions and/or the other Transaction Documents which in the opinion of the Representative of the OBG Holders may be expedient to make provided that the Representative of the OBG Holders is of the opinion that such modification will be proper to make and will not be materially prejudicial to the interests of any of the OBG Holders of any Series or Tranche;

(ii) to the Conditions or the other Transaction Documents which is of a formal, minor or technical nature or, which in the opinion of the Representative of the OBG Holders is to correct a manifest error or an error established as such to the satisfaction of the Representative of the OBG Holders or for the purpose of clarification; and

(iii) to the Conditions or the other Transaction Documents which is necessary to comply with mandatory provisions of law and regulation or a change of the OBG Regulations or any guidelines issued by the Bank of Italy in respect thereof.

The transaction documents provide that under certain circumstances (e.g. changes in the portfolio composition, changes in laws or in general interpretation of laws, amendments to the eligibility criteria, etc.) certain provisions of the Transaction Documents may be amended without the prior approval of the Representative of the OBG Holders and/or of the OBG Holders. For further details please refer to "*Limited description of the Portfolio*" in this Section and the "*Description of the Transaction Documents*".

Controls over the transaction

The BoI OBG Regulations require that certain controls be performed by the Issuer (also in its capacity as Seller) (see "*Selected aspects of Italian law - Controls over the transaction*" below), aimed, *inter alia*, at mitigating the risk that any obligation of the Issuer or the OBG Guarantor under the OBG is not complied with. Whilst the Issuer (also in its capacity as Seller) believes it has implemented the appropriate policies and controls in compliance with the relevant requirements, investors should note that there is no assurance that such compliance ensures that the aforesaid payment obligations are actually performed and that any failure to properly implement the relevant policies and controls could have an adverse effect on the Issuers' or the OBG Guarantor's ability to perform their obligations under the OBG.

Limits to the Integration

Under the BoI OBG Regulations, the Integration (as defined below), whether through Assets or through Integration Assets shall be carried out in accordance with the modalities, and subject to the limits, set out in the BoI OBG Regulations (see "*Selected aspects of Italian law - Tests set out in the MEF Decree*").

More specifically, under the BoI OBG Regulations, the Integration is allowed exclusively for the purpose of (a) complying with the Mandatory Tests (as defined below); (b) complying with any contractual overcollateralisation requirements agreed by the parties to the relevant agreements or (c) complying with the 15 per cent. maximum amount of Integration Assets within the Portfolio.

Investors should note that the Integration is not allowed in circumstances other than as set out in the BoI OBG Regulations and specified above.

Tax consequences of holding the OBG

Potential investors should consider the tax consequences of investing in the OBG and consult their tax adviser about their own tax situation.

Prospectus to be read together with applicable Final Terms

The terms and conditions of the OBG apply to the different types of OBG which may be issued under the Programme. The full terms and conditions applicable to each Series or Tranche of OBG can be reviewed by reading the Conditions as set out in full in this Prospectus, which constitute the basis of all OBG to be offered under the Programme, together with the applicable Final Terms which applies and/or disapplies and/or completes the generally applicable Conditions of the OBG in the manner required to reflect the particular terms and conditions applicable to the relevant Series of OBG (or Tranche thereof).

Liability to make payments when due on the OBG

The Issuer is liable to make payments when due on the OBG. The obligations of the Issuer under the OBG are direct, unsecured, unconditional and unsubordinated obligations, ranking *pari passu* without any preference amongst themselves and equally with its other direct, unsecured, unconditional and unsubordinated obligations. Consequently, any claim directly against the Issuer in respect of the OBG will not benefit from any security or other preferential arrangement granted by the Issuer. The OBG Guarantor has no obligation to pay the Guaranteed Amounts payable under the OBG Guarantee until the service on the OBG Guarantor of a Notice to Pay. Failure by the OBG Guarantor to pay amounts due under the OBG Guarantee in respect of any Series or Tranche would constitute a Guarantor Event of Default which would entitle the Representative of the OBG Holders to serve a Guarantor Acceleration Notice and accelerate the obligations of the OBG Guarantor under the OBG Guarantee and entitle the Representative of the OBG Holders to enforce the OBG Guarantee.

The OBG will not represent an obligation or be the responsibility of any of the Dealers, the Representative of the OBG Holders or any other party to the Transaction Documents, their officers, members, directors, employees, security holders or incorporators, other than the Issuer and, upon service of a Notice to Pay, the OBG Guarantor. The Issuer and the OBG Guarantor will be liable solely in their corporate capacity for their obligations in respect of the OBG and such obligations will not be the obligations of their respective officers, members, directors, employees, security holders or incorporators.

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 rate risk and credit risk.

Secondary Market

OBG may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their OBG easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for OBG that are especially sensitive to interest rate or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of OBG generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of OBG. In addition, OBG issued under the

Programme might not be listed on a stock exchange or regulated market and, in these circumstances, pricing information may be more difficult to obtain and the liquidity and market prices of such OBG may be adversely affected. In an illiquid market, an investor might not be able to sell his OBG at any time at fair market prices. The possibility to sell the OBG might additionally be restricted by country specific reasons.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the OBG in euro. 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 euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro 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 euro would decrease (1) the Investor's Currency-equivalent yield on the OBG, (2) the Investor's Currency equivalent value of the principal payable on the OBG and (3) the Investor's Currency equivalent market value of the OBG. 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, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate OBG involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate OBG.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the OBG. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the OBG. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

The ratings assigned to the OBG address the expectation of timely payment of interest and principal on the OBG on or before any payment date falling one year after the Maturity Date.

According to Fitch, the ratings assigned to the OBG may address:

(i) the likelihood of full and timely payment to OBG Holders of all payments of interest on each Guarantor Payment Date; and

(ii) the likelihood of ultimate payment of principal in relation to OBG on (a) the Maturity Date thereof or (b) if the OBG are subject to an Extended Maturity Date in respect of the OBG in accordance with the applicable Final Terms, the Extended Maturity Date thereof.

The ratings that may be assigned by Fitch incorporate both an indication of the probability of default and of the recovery given a default of the relevant OBG.

The expected ratings of the OBG are set out in the relevant Final Terms for each Series of OBG. Whether or not a rating in relation to any OBG will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms.

The Rating Agency may lower its rating or withdraw its rating if, in the sole judgment of the Rating Agency, the credit quality of the OBG has declined or is in question. If any rating assigned to the OBG is lowered or withdrawn, the market value of the OBG may reduce.

Furthermore, in accordance with the current rating criteria of the Rating Agency, the rating of the OBG may be linked, under certain circumstances, to the then current rating of the Issuer.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. A credit rating may not reflect the potential impact of all of the risks related to the structure, market, additional factors discussed above and other factors that may affect the value of the OBG.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registed under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU- registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

The return on an investment in OBG will be affected by charges incurred by investors

An investor's total return on an investment in any OBG will be affected by the level of fees charged by the nominee service provider and/or clearing system used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of OBG, custody services and on payments of interest, principal and other amounts. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant OBG.

European Savings Directive

On 3 June 2003, the Council of the European Union adopted the EU Directive No. 2003/48/EC regarding the taxation of savings income (the "**EU Savings Directive**"). According to the EU Savings Directive, each member State of the European Union (a "**Member State**") is required to provide to the Tax Authorities of other States of the European Union details of the interest payments by a person within its jurisdiction to individuals resident in that other State. However, Austria may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35% per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, including Switzerland and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent within its jurisdiction to, or collected by such a paying agent for an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a paying agent in a Member State to, or collected by such a paying agent for an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted a Council Directive amending the EU Savings Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the EU Savings Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

However, the Commission of the European Union has proposed the repeal of the EU Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the EU Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive No. 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive No. 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the OBG Guarantor or any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any OBG as a result of the imposition of such withholding tax. The Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the EU Savings Directive.

Investors who are in any doubt as to their position should consult their professional advisers.

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April 2005 (the "**Decree No. 84**"). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid starting from 1 July 2005 (including the case of interest accrued on the Notes at the time of their disposal) to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member

State or in certain associated territories of Member States, Italian paying agents (i.e., banks, investment firms ("società di intermediazione mobiliare – SIM"), fiduciary companies, Italian management company ("società di gestione del risparmio – SGR") resident for tax purposes in Italy, permanent establishments in Italy of non-resident persons and any other economic operator resident for tax purposes in Italy paying interest for professional or commercial reasons) shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner. In certain circumstances, the same reporting requirements must be complied with also in respect of interest paid to an entity established in another Member State, other than legal persons (with the exception of certain Finnish and Swedish entities), whose profits are taxed under general arrangements for business taxation and, in certain circumstance, undertakings for collective investments in transferable securities ("**UCITS**").

Either payments of interest on the OBG or the realisation of the accrued interest through the sale of the OBG would constitute "payments of interest" under Article 6 of the EU Savings Directive and, as far as Italy is concerned, Article 2 of Decree No. 84. Accordingly, such payments of interest arising out of the OBG would fall within the scope of the EU Savings Directive.

Change of law

The structure of the Programme and, *inter alia,* the issue of the OBG and the ratings assigned to the OBG are based on Italian law, tax and administrative practice in effect at the date of this Prospectus, and having due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given that Italian law, tax or administrative practice or its interpretation will not change after the Issue Date of any Series or Tranche or that such change will not adversely impact the structure of the Programme and the treatment of the OBG. This Prospectus will not be updated to reflect any such changes or events.

Legal investment considerations may restrict certain investments

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) OBG are legal investments for it, (2) OBG can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any OBG. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of OBG under any applicable risk-based capital or similar rules.

U.S. Foreign Account Tax Compliance *Withholding*

Pursuant to the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 ("**FATCA**"), the Issuer and other non-U.S. financial institutions through which payments on the OBGs are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made on or after 1 January 2017 in respect of (i) any OBGs issued or materially modified on or after the date that is six months after the date

on which the final regulations applicable to "foreign passthru payments" are filed in the Federal Register and (ii) any OBGs that are treated as equity for U.S. federal tax purposes, whenever issued. Under existing guidance, this withholding tax may be triggered on payments on the OBGs if (i) the Issuer is a foreign financial institution ("**FFI**") (as defined in FATCA, including any accompanying U.S. regulations or guidance) which enters into and complies with an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information on its account holders (making the Issuer a "**Participating FFI**"), (ii) the Issuer is required to withhold on "foreign passthru payments", and (iii)(a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is subject to withholding under FATCA, or (b) any FFI to or through which payment on such OBGs is made is not a Participating FFI or otherwise exempt from FATCA withholding.

In order to improve international tax compliance and to implement FATCA, Italy entered into an intergovernmental agreement with the United States on 10 January 2014, ratified by way of Law No. 95 on 18 June 2015, published in the Official Gazette – general series No. 155, on 7 July 2015. The Issuer is now required to report certain information on its U.S. account holders to the Italian Tax Authorities in order (i) to obtain an exemption from FATCA withholding on payments it receives and/or (ii) to comply with any applicable Italian law. However, it is not yet certain how the United States and Italy will address withholding on "foreign passthru payments" (which may include payments on the OBGs) or if such withholding will be required at all.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the OBGs as a result of FATCA, none of the Issuer, the OBG Guarantor, any paying agent or any other person would, pursuant to the terms and conditions of the OBGs be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive amounts that are less than expected.

EACH HOLDER OF OBGS SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents:

(1) Issuer's unaudited consolidated Interim Report as at 30 June 2015 (the "**June 2015 Financial Statements**");

(2) audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2014 (the "**December 2014 Financial Statements**");

(3) audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2013 (the "**December 2013 Financial Statements**");

(4) Issuer's current by-laws (*statuto*) (for information purposes only);

(5) the base prospectus dated 12 November 2014 relating to the UniCredit S.p.A. "€ 25,000,000,000 Obbligazioni Bancarie Garantite Programme" (the "**2014 OBG 2 Programme Prospectus**");

(6) OBG Guarantor annual financial statements (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2014 (the "**Guarantor 2014 Financial Statements**"); and

(7) OBG Guarantor annual financial statements (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2013 (the "**Guarantor 2013 Financial Statements**").

Such documents have been previously published or are published simultaneously with this Prospectus and have been filed with the CSSF. Such documents shall be incorporated by reference in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of all documents incorporated herein by reference may be obtained without charge at the head office of the Issuer and the Luxembourg Listing Agent and may be obtained via the internet at the websites of the Issuer (*www.unicreditgroup.eu*) (section "*Investors*") and the Luxembourg Stock Exchange (*www.bourse.lu*). Written or oral requests for such documents should be directed to the specified office of the Luxembourg Listing Agent.

The table below sets out the relevant page references for (i) the Issuer's unaudited consolidated Interim Report as at 30 June 2015; (ii) the audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2014; (iii) the audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) as of and for the

year ended 31 December 2013; (iv) the Issuer's current by-laws (*statuto*); (v) the 2014 OBG 2 Programme Prospectus; (vi) the OBG Guarantor's audited annual financial statements (including the auditors' report thereon and notes thereto) as of and for the financial year ended 31 December 2014; and (vii) the OBG Guarantor's audited annual financial statements (including the auditors' report thereon and notes thereto) as of and for the financial year ended 31 December 2013.

Issuer's unaudited consolidated Interim Report as at 30 June 2015

Document	Information contained	Page
Issuer's unaudited consolidated Interim Report as at 30 June 2015		
	Consolidated Balance Sheet	p. 48-49
	Consolidated Income Statement	p. 50-51
	Consolidated Statement of Comprehensive Income	p. 51
	Statement of changes in Shareholder's Equity	p. 52-55
	Consolidated Cash Flow Statement	p. 56-57
	Explanatory Notes	p. 59-302
	Report of the External Auditors	p. 327

Audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2014

Documents	Information contained	Page
Audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2014		
	Report on Operations	p. 27-63
	Consolidated Balance Sheet	p. 88-89
	Consolidated Income Statement	p. 90
	Consolidated Statement of	p. 91

	Comprehensive Income	
	Statement of Changes in Shareholders' Equity	p. 92-93
	Consolidated Cash Flows Statement	p. 94-95
	Notes to the Consolidated Accounts	p. 97-500
	Annexes	p. 501-514
	Certification	p. 519
	Report of the External Auditors	p. 521-523

Audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2013

Documents	**Information contained**	**Page**
Audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2013		
	Report on Operations	25-58
	Consolidated Balance Sheet	84-85
	Consolidated Income Statement	86
	Consolidated Statement of Comprehensive Income	87
	Statement of Changes in Shareholder's Equity	88-89
	Consolidated Cash Flows Statement	90-91
	Notes to the Consolidated Accounts	93-448
	Annexes	449-463
	Certification	467
	Report of External Auditors	469-471

Current by-laws (*statuto*) of the Issuer

Documents	Information contained	Page
By-laws (*statuto*)	Entire document	All pages

2014 OBG 2 Programme Prospectus

Documents	Information contained	Page
Base prospectus dated 12 November 2014 relating to the UniCredit S.p.A. "€ 25,000,000,000 Obbligazioni Bancarie Garantite Programme"		
	Terms and Conditions of the OBG	178-213
	Rules of the Organisation of the OBG Holders	214-234

Audited annual financial statements of the OBG Guarantor (including the auditors' report thereon and notes thereto) as of and for the financial year ended 31 December 2014

Documents	Information contained	Page
Audited financial statements of the OBG Guarantor (including the auditors' report thereon and notes thereto) for the financial year ended 31 December 2014		
	Statement of Financial Position	11
	Income Statement	12
	Statement of ComprehensiveIncome	13
	Statement of Changes in Equity	14
	Statement of Cash Flows	15-16
	Notes to the Financial Statements	17-59
	Auditor's Report	60-61

Audited annual financial statements of the OBG Guarantor (including the auditors' report thereon and notes thereto) as of and for the financial year ended 31 December 2013

Documents	Information contained	Page
Audited financial statements of the OBG Guarantor (including the auditors' report thereon and notes thereto) for the financial year ended 31 December 2013		
	Statement of Financial Position	10
	Income Statement	11
	Statement of ComprehensiveIncome	12
	Statement of Changes in Equity	13
	Statement of Cash Flows	14-15
	Notes to the Financial Statements	16-61
	Auditor's Report	62-63

The information contained in the documents that is not included in the cross-reference list above is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) No. 809/2004 (as amended) implementing the Prospectus Directive.

Any documents which are incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus and is either not relevant for the investor or it is covered elsewhere in this Prospectus.

The consolidated financial statements of the Issuer as at and for the year ended on 31 December 2013 and on 31 December 2014 have been audited by Deloitte & Touche S.p.A., in its capacity as independent auditor of the Issuer for the relevant financial year, as indicated in its reports thereon.

Deloitte & Touche S.p.A. has reviewed and issued an unqualified review report on the unaudited consolidated financial statements of the Issuer as of and for the six-month period ended on 30 June 2015.

The financial statements referred to above have been prepared in accordance with the International Accounting Standards/International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and the relative interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as endorsed and adopted by the European Union under Regulation (EC) 1606/2002.

The OBG Guarantor annual financial statements as of and for the years ended, respectively, on 31 December 2013 and 31 December 2014 were prepared in accordance with the International Accounting Standards/International Financial Reporting Standards (IAS/IFRS) and have been

audited by Deloitte & Touche S.p.A., in its capacity as independent auditors of the OBG Guarantor, as indicated in its reports thereon.

PROSPECTUS SUPPLEMENT

If at any time the Issuer shall be required to prepare a prospectus supplement pursuant to Article 13 of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, the Issuer will prepare and make available an appropriate supplement to this Prospectus which, in respect of any subsequent issue of OBG to be listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market, shall constitute a prospectus supplement as required by Article 13 of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities.

Without prejudice to its statutory obligations, each of the Issuer and the OBG Guarantor has given an undertaking to the Dealer(s) that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any OBG and whose inclusion in or removal from this Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the OBG Guarantor, and the rights attaching to the OBG, the Issuer shall prepare a supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the OBG and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

GENERAL DESCRIPTION OF THE PROGRAMME

This section constitutes a general description of the Programme for the purposes of article 22.5(3) of Commission Regulation (EC) No. 809/2004 (as amended) implementing the Prospectus Directive. As such the following overview does not purport to be complete and is qualified in its entirety by the remainder of this Prospectus and, in relation to the terms and conditions of any Series or Tranche, the applicable Final Terms. Prospective purchasers of OBG should carefully read the information set out elsewhere in this Prospectus prior to making an investment decision in respect of the OBG. In this section, references to a numbered condition are to such condition in the section headed 'Terms and Conditions of the OBG' below.

Certain terms used in this section, but not defined, may be found in other sections of this Prospectus, unless otherwise stated. An index of defined terms is contained in the section headed "Index of Defined Terms" commencing on page 349.

1 The Principal Parties

Issuer	UniCredit S.p.A. (the "**Issuer**" or "**UniCredit**") is a bank organised and existing under the laws of the Republic of Italy, whose registered office is at Via A. Specchi 16, 00186, Rome, Italy, head office at Piazza Gae Aulenti, 3 Tower A, 20154 Milan, Italy with Fiscal Code, VAT number and registration number with the companies' register of Rome 00348170101 and registered with the Bank of Italy pursuant to Article 13 of Italian legislative decree No. 385 of 1 September 1993 (the "**Banking Law**") under number 02008.1, parent company of the "*Gruppo Bancario UniCredit*" registered with the register of banking groups held by the Bank of Italy pursuant to Article 64 of the Banking Law under number 02008.1 (the "**UniCredit Banking Group**" or the "**Group**" or the "**UniCredit Group**"), member of the *Fondo Interbancario di Tutela dei Depositi* and the *Fondo Nazionale di Garanzia*. See "*Description of the Issuer*", below.
OBG Guarantor	UniCredit OBG S.r.l. (the "**OBG Guarantor**") is a limited liability company incorporated in the Republic of Italy under Article *7-bis* of Italian law No. 130 of 30 April 1999 (*disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (the "**Law 130**"). The OBG Guarantor is registered with the companies' register of Verona under number 04064320239. The registered office of the OBG

	Guarantor is at Piazzetta Monte, 1, I-37121 Verona, Italy and its tax identification number (*codice fiscale*) is 04064320239. The OBG Guarantor is subject to UniCredit S.p.A.'s management and coordination activity (*soggetta all'attività di direzione e coordinamento*) and belongs to the UniCredit Banking Group. The issued capital of the OBG Guarantor is equal to €10,000, 60 per cent. owned by UniCredit and 40 per cent. owned by SVM Securitisation Vehicles Management S.r.l. (the "**Shareholder**"), an Italian limited liability company (*società a responsabilità limitata*), with registered office at Via Alfieri, 1, I-31015 Conegliano (Treviso), Italy. See "*Description of the OBG Guarantor*", below.
Seller	UniCredit is the seller (in such capacity, the "**Seller**"). See "*Description of the Issuer*", below. Pursuant to the terms of a master transfer agreement dated 13 January 2012 as amended from time to time (the "**Master Transfer Agreement**") between the OBG Guarantor and the Seller, the Seller (a) sold an initial portfolio comprising Residential Mortgage Receivables (the "**Initial Portfolio**") to the OBG Guarantor and (b) agreed the terms upon which it may assign and transfer Assets and/or Integration Assets (in each case as defined below) satisfying the Criteria (as defined below) to the OBG Guarantor from time to time, on a revolving basis in the cases and subject to the limits referred to in section "*Creation and administration of the Portfolio*" below.
Subordinated Loan Provider	UniCredit is the subordinated loan provider (in such capacity, the "**Subordinated Loan Provider**") pursuant to the terms of a subordinated loan agreement dated 13 January 2012 as amended from time to time (the "**Subordinated Loan Agreement**") between the OBG Guarantor, the Representative of the OBG Holders and the Subordinated Loan Provider pursuant to which the Subordinated Loan Provider has agreed to grant to the OBG Guarantor a subordinated loan in an aggregate maximum amount, save for further increases which may determined unilaterally by the Subordinated Loan Provider,

	equal to € 25,000,000,000 (the "**Subordinated Loan**").
Dealers	UniCredit Bank AG is a German bank incorporated under German law as a public company limited by shares (*Aktiengesellschaft*), registered with the Commercial Register administered by the Local Court of Munich, Federal Republic of Germany at number HR B 421 48. It belongs to the UniCredit Banking Group and has its registered office at Kardinal-Faulhaber-Strasse 1, D-80333 Munich, Federal Republic of Germany. UniCredit Bank AG is the dealer ("**UniCredit Bank**"). The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranche, one or more Series, or in respect of the whole Programme.
Sole Arranger	UniCredit Bank AG, London Branch is registered as a foreign branch with the Companies House of England and Wales under number BR001757. UniCredit Bank AG, London Branch, acting through its offices at Moor House 120, London Wall, London EC2Y 5ET, United Kingdom, is the sole arranger (in such capacity, the "**Sole Arranger**").
Servicer	UniCredit (in such capacity, the "**Servicer**") will administer the Portfolio on behalf of the Issuer pursuant to the terms of a servicing agreement dated 13 January 2012, as amended from time to time, between the Issuer and the Servicer (the "**Servicing Agreement**").
Administrative Services Provider	UniCredit Credit Management Bank S.p.A. is a bank incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy, fiscal code and registration number with the companies' register of Verona 00390840239, VAT number 02659940239, with registered office at Piazzetta Monte, 1, I-37121 Verona, Italy, registered under number 10639.3 (*codice meccanografico*) with the register of banks (*albo delle banche*) held by the Bank of Italy pursuant to Article 13 of the Banking Law, member of the *Fondo Interbancario di Tutela dei Depositi* and of the *Fondo Nazionale di Garanzia*

	("**UCMB**"). UCMB is a company with a sole shareholder and is directed and co-ordinated (*soggetta all'attività di direzione e coordinamento*) by UniCredit and belongs to the UniCredit Banking Group. UCMB is the administrative services provider to the OBG Guarantor (the "**Administrative Services Provider**"). Pursuant to the terms of an administrative services agreement dated 13 January 2012 as amended from time to time (the "**Administrative Services Agreement**"), the Administrative Services Provider has agreed to provide certain administrative and secretarial services to the OBG Guarantor.
Portfolio Manager	The entity to be appointed under the Portfolio Administration Agreement (as defined below) in order to carry out certain activities in connection with the sale of the Assets or Integration Assets, following the occurrence of an Issuer Event of Default (as defined below) (the "**Portfolio Manager**").
Asset Monitor	BDO Italia S.p.A., is incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy, having its registered office at Viale Abruzzi, 94, 20131, Milan, Italy, fiscal code, VAT number and enrolment number with the companies' register of Milan no. 07722780967 and enrolled under number 167911 with the register of statutory auditors (*Registro Dei Revisori Legali*) maintained by the Minister of Economy and Finance, is the asset monitor under the Programme (the "**Asset Monitor**").
Cash Manager	UniCredit, or any other person for the time being acting as such, is the cash manager to the OBG Guarantor (in such capacity, the "**Cash Manager**") pursuant to the terms of a cash management and agency agreement dated 19 January 2012, as amended from time to time, between the Issuer, the OBG Guarantor, the Representative of the OBG Holders, the Calculation Agent, the Additional Calculation Agent, the Cash Manager, the Paying Agent and the Administrative Services Provider (the "**Cash Management and Agency Agreement**"). The Cash Manager will perform certain cash management functions on behalf of the OBG Guarantor. See "*General Description of the Programme — Description of the Transaction Documents*",

	"*Accounts and Cash Flows*", "*Description of the Transaction Documents*" and "*Description of the Issuer*", below.
Account Bank	BNP Paribas Securities Services, a French *société en commandite par actions* with capital stock of €177,453,913, having its registered office at Rue d'Antin, Paris, France, operating for the purposes hereof through its Milan Branch located in Via Ansperto, 5, I-20123 Milan, Italy, registered with the companies' register held in Milan, Italy at number 13449250151, fiscal code and VAT number 13449250151, registered with the register of banks (*albo delle banche*) held by the bank of Italy at number 5483, or any other person for the time being acting as such, is the account bank to the OBG Guarantor in respect of certain of the OBG Guarantor's bank accounts (in such capacity, the "**Account Bank**") pursuant to the terms of the Cash Management and Agency Agreement. The Account Bank has opened, and will maintain, certain bank accounts in the name of the OBG Guarantor and will operate such accounts in the name and on behalf of the OBG Guarantor. See "*General Description of the Programme — Description of the Transaction Documents*", "*Accounts and Cash Flows*", "*Description of the Transaction Documents*" and "*Description of the Issuer*", below.
Calculation Agent	UniCredit Bank AG, acting through its London branch with offices at Moor House 120, London Wall, London EC2Y 5ET, United Kingdom, or any other person for the time being acting as such, is the calculation agent (in such capacity, the "**Calculation Agent**") pursuant to the terms of the Cash Management and Agency Agreement. See "*General Description of the Programme — Description of the Transaction Documents*", "*Accounts and Cash Flows*" and "*Description of the Transaction Documents - Description of the Cash Management and Agency Agreement*", below.
Additional Calculation Agent	Capital and Funding Solutions S.r.l. is a company incorporated as a limited liability company with sole quotaholder (*società a responsabilita limitata uninominale*) organised under the laws of the

	Republic of Italy, registered with the companies' register held in Bergamo, Italy, at number 03560990164, fiscal code 03560990164 and VAT number 03560990164 ("**Capital Solutions**"). Capital Solutions, or any other person for the time being acting as such, is the additional calculation agent (the "**Additional Calculation Agent**"). See "*General Description of the Programme — Description of the Transaction Documents*", "*Accounts and Cash Flows*" and "*Description of the Transaction Documents - Description of the Cash Management and Agency Agreement*", below.
Paying Agent	BNP Paribas Securities Services, a French *société en commandite par actions* with capital stock of €177,453,913, having its registered office at Rue d'Antin, Paris, France, operating for the purposes hereof through its Milan Branch located in Via Ansperto, 5, I-20123 Milan, Italy, registered with the companies' register held in Milan, Italy at number 13449250151, fiscal code and VAT number 13449250151, registered with the register of banks (*albo delle banche*) held by the bank of Italy at number 5483, or any other person for the time being acting as such, is the paying agent in respect of the OBG and on behalf of the Issuer (the "**Paying Agent**") pursuant to the terms of the Cash Management and Agency Agreement. The Paying Agent has opened, and will maintain the Payments Account, the Eligible Investments Account and the Securities Account (in each case as defined below) in the name of the OBG Guarantor and will operate such accounts in the name and on behalf of the OBG Guarantor. See "*General Description of the Programme — Description of the Transaction Documents*", "*Accounts and Cash Flows*" and "*Description of the Transaction Documents*", below.
Luxembourg Listing Agent	BNP Paribas Securities Services, Luxembourg Branch, a French *société en commandite par actions* with capital stock of €177,453,913, having its registered office at Rue d'Antin, Paris, France, operating for the purpose hereof through its Luxembourg Branch located in 33, Rue de Gasperich, L-5826 Hesperange, Luxembourg, or any other person

	for the time being acting as such, is the Luxembourg listing agent (in such capacity, the "**Luxembourg Listing Agent**").
Representative of the OBG Holders	Securitisation Services S.p.A. is the representative of the holders of the OBG (the "**Representative of the OBG Holders**"). Securitisation Services S.p.A. is a joint stock company (*società per azioni*) organised under the laws of the Republic of Italy, with a share capital of €1,595,055.00 (fully paid-up), registered with the companies' register of Treviso under number 03546510268, fiscal code and VAT number 03546510268, registered with the general register (*elenco generale*) pursuant to Article 106 of the Banking Law under number 31816 and has its registered office at via Alfieri, 1, I-31015 Conegliano (Treviso), Italy, subject to the activity of management and coordination ("*attività di direzione e coordinamento*") of Banca Finanziaria Internazionale S.p.A.
Rating Agency	Fitch Ratings Limited ("**Fitch**" or the "**Rating Agency**"). Whether or not a rating in relation to any Tranche or Series of OBG will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. The credit ratings included or referred to in this Prospectus have been issued by Fitch, which is established in the European Union and registered under the CRA Regulation as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority ("**ESMA**") pursuant to the CRA Regulation (for more information please visit the ESMA webpage http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).
Additional Sellers	Any bank (each an "**Additional Seller**") other than the Seller which is a member of the UniCredit Banking Group that will sell Assets or Integration Assets (as defined below) to the OBG Guarantor, subject to satisfaction of certain conditions, and that, for such purpose, shall, *inter alia,* enter into a master transfer agreement, substantially in the form

	of the Master Transfer Agreement and shall, *inter alia*, accede the Intercreditor Agreement (which will be amended in order to take into account the granting of additional subordinated loans) and become a party to the Portfolio Administration Agreement.
Ownership or control relationships between the principal parties	As of the date of this Prospectus, no direct or indirect ownership or control relationships exist between the principal parties described above in this Section, other than the relationships existing between the Issuer (which, in the context of the Programme, acts also as Servicer, Seller, Subordinated Loan Provider and Cash Manager), the OBG Guarantor, the Sole Arranger, the Calculation Agent, the Dealer and the Administrative Services Provider, all of which belong to the UniCredit Banking Group. The entities belonging to the UniCredit Banking Group are subject to the direction and coordination *(direzione e coordinamento)* of the Issuer.

2 Key Features of the OBG and the Programme

Description	€25,000,000,000 OBG Programme.
Size	Up to €25,000,000,000 at any time in aggregate principal amount of OBG outstanding at any time (the "**Programme Limit**"). The Programme Limit may be increased in accordance with the terms of the Dealer Agreement.
Distribution	The OBG may be distributed on a syndicated or non-syndicated basis.
Issue Price	OBG of each Series or Tranche may be issued at an issue price which is at par or at a discount to, or premium over, par, as specified in the relevant Final Terms (in each case, the "**Issue Price**" for such Series or Tranche).
Form of OBG	The OBG may be issued in dematerialised form. The OBG issued in bearer form and in dematerialised form *(emesse in forma dematerializzata)* will be wholly and exclusively deposited with Monte Titoli in accordance with Article 83-*bis* of Italian legislative decree No. 58 of 24 February 1998, as amended, through the authorised institutions listed in Article 83-*quater* of such legislative decree. The OBG will be held by

	Monte Titoli on behalf of the OBG Holders until redemption and cancellation for the account of each relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream, Luxembourg and Euroclear. The OBG will at all times be in book entry form and title to the OBG will be evidenced by book entries in accordance with: (i) the provisions of Article 83-*bis* of Italian legislative decree No. 58 of 24 February 1998, as amended; and (ii) the regulation issued by the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") on 22 February 2008, as subsequently amended. No physical document of title will be issued in respect of the OBG.
Currency of denomination	The OBG may only be denominated in Euro.
Maturities	Subject to compliance with all relevant laws, regulations and directives, any maturity not lower than 24 months.
Denominations	In accordance with the Conditions, and subject to the minimum denomination requirements specified below, OBG will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal or regulatory or central bank requirements and provided that each Series will have OBG of one denomination only.
Minimum Denomination	The minimum denomination of the OBG to be issued from the date hereof will be €100,000 and integral multiples of €1,000 in excess thereof or such other higher denomination as may be specified in the relevant Final Terms.
Issue Date	The date of issue of a Series or Tranche pursuant to and in accordance with the Dealer Agreement (in each case, the "**Issue Date**" in relation to such Series or Tranche). The relevant Issue Date of a Series or Tranche will be specified in the relevant Final Terms.
OBG Payment Date	The date specified as such in, or determined in accordance with the provisions of, the relevant Final Terms, provided however that each OBG Payment Date must also be a Guarantor Payment

Date and subject in each case, to the extent provided in the relevant Final Terms, to adjustment in accordance with the applicable Business Day Convention (each such date, an "**OBG Payment Date**").

OBG Interest Period

Each period beginning on (and including) an Interest Commencement Date or, in respect of any OBG Interest Period other than the first OBG Interest Period of each Series or Tranche, any OBG Payment Date and ending on (but excluding) the next following OBG Payment Date, provided that the initial OBG Interest Period of the First Series or Tranche shall begin on (and include) the Initial Issue Date and end on (but exclude) the first OBG Payment Date ("**OBG Interest Period**").

"**Interest Commencement Date**" means, in relation to any Series or Tranche of OBG, the Issue Date of the relevant Series or Tranche of OBG or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms.

Types of OBG

In accordance with the relevant Final Terms, the relevant Series or Tranche of OBG may be Fixed Rate OBG, Floating Rate OBG, Zero Coupon OBG or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms. The relevant Series or Tranche of OBG may be OBG repayable in one or more instalments or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms. Each Series shall be comprised of Fixed Rate OBG only or Floating Rate OBG only or Zero Coupon OBG only as may be so specified in the relevant Final Terms.

Fixed Rate OBG: fixed interest on the Fixed Rate OBG will be payable in arrear on such date or dates specified in the relevant Final Terms and as may be agreed between the Issuer and the relevant Dealers. Fixed interest will be calculated on the basis of such Day Count Fraction provided for in the Conditions and the relevant Final Terms.

Floating Rate OBG: Floating Rate OBG will bear interest determined separately for each Series as

follows:

(i) on the same basis as the floating rate under a notional interest rate swap transaction in euro governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., or

(ii) by reference to LIBOR, LIBID, LIMEAN,CMS or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable Margin, in each case as provided for in the relevant Final Terms.

The applicable OBG Interest Periods will be specified in the relevant Final Terms.

The Margin (if any) relating to such floating rate OBG will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate OBG and will be specified in the relevant Final Terms.

Other provisions in relation to Floating Rate OBG: Floating Rate OBG may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate OBG in respect of each OBG Interest Period, as agreed prior to issue by the Issuer and the relevant Dealers, will be payable on each OBG Payment Date, and will be calculated on the basis of such Day Count Fraction provided for in the Conditions and the relevant Final Terms.

Zero Coupon OBG: Zero Coupon OBG may be issued and sold at their nominal value or at a discount and will not bear interest.

The issuance of certain types of OBG may require a prior amendment to the Transaction Documents by means of the written agreement among the relevant parties thereto and will not require the consent of the Representative of the OBG Holders or the approval of the OBG Holders.

Issuance in Series

OBG will be issued in series (each a "**Series**"), but on different terms from each other, subject to the terms set out in the relevant Final Terms in respect of such Series. OBG of different Series will not be

	fungible among themselves. Each Series may be issued in tranches (each a "**Tranche**") which will be identical in all respects, but having different issue dates, interest commencement dates and issue prices. The specific terms of each Tranche will be completed in the relevant Final Terms. The Issuer will issue OBG without the prior consent of the holders of any outstanding OBG but subject to certain conditions (See "*General Description of the Programme - Conditions Precedent to the Issuance of a new series of OBG*" below).
Final Terms	Specific final terms will be issued and published in accordance with the generally applicable terms and conditions of the OBG (the "**Conditions**") prior to the issue of each Series or Tranche detailing certain relevant terms thereof which, for the purposes of that Series only or Tranche only (as the case may be), completes the Conditions and the Prospectus and must be read in conjunction with the Conditions and the Prospectus (each a "**Final Terms**"). The terms and conditions applicable to any particular Series or Tranche of OBG are the Conditions as completed by the relevant Final Terms.
Interest on the OBG	Except for the Zero Coupon OBG and unless otherwise specified in the Conditions and the relevant Final Terms, the OBG will be interest-bearing and interest will be calculated, on the relevant dates, on the Outstanding Principal Balance of the relevant OBG. Interest will be calculated on the basis of the relevant Day Count Fraction as provided for in the Conditions and in the relevant Final Terms. Interest may accrue on the OBG at a fixed rate or a floating rate and at such rate as may be so specified in the relevant Final Terms and the method of calculating interest may vary between the Issue Date and the Maturity Date of the relevant Series or Tranche. The length of the interest period for the OBG and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series or Tranche. OBG may have a maximum interest rate, a minimum interest rate, or both. All such information will be set out in the

	relevant Final Terms.
Redemption of the OBG	The applicable Final Terms will indicate either (a) that the OBG cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or in other specified cases, e.g. taxation reasons, or Guarantor Events of Default), or (b) that such OBG will be redeemable at the option of the Issuer upon giving prior written notice to the Representative of OBG Holders on behalf of the holders of the OBG (the "**OBG Holders**") and in accordance with the provisions of Condition 8 *(Redemption and Purchase)* and of the relevant Final Terms, on a date or dates specified prior to such maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms) or (c) that such will be redeemable at the option of the OBG Holders in accordance with Condition 8(f). The relevant Final Terms will specify the basis for calculating the redemption amounts payable.
Redemption by instalments	The Final Terms issued in respect of each issue of OBG that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such OBG may be redeemed.
Optional Redemption	The Final Terms issued in respect of each issue of OBG will state whether such OBG may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the OBG Holders, and if so the terms applicable to such redemption.
Early redemption	Except as provided in "Optional Redemption" above, OBG will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See Condition 8 *(Redemption and Purchase)*, below.
Tax gross up and redemption for taxation reasons	Subject to certain exceptions as provided for in Condition 10 *(Taxation),* payments in respect of the OBG to be made by the Issuer will be made without deduction for or on account of withholding taxes imposed by any tax jurisdiction, subject as provided in Condition 10 *(Taxation).* In the event that any such withholding or

	deduction is made the Issuer will be required to pay additional amounts to cover the amounts so deducted. In such circumstances and provided that such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the OBG will be redeemable (in whole, but not in part) at the option of the Issuer. See Condition 8(c). The OBG Guarantor will not be liable to pay any additional amount due to taxation reasons in case an Issuer Event of Default (as defined below) has occurred.
Maturity Date	The final maturity date for each Series or Tranche (the "**Maturity Date**") will be specified in the relevant Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer. Unless previously redeemed as provided in Condition 8 *(Redemption and Purchase),* the OBG of each Series will be redeemed at their Outstanding Principal Balance on the relevant Maturity Date.
Extendable maturity and Pass-Through OBG	The obligations of the OBG Guarantor to pay all or (as applicable) part of the Final Redemption Amount (as defined below) payable on the Maturity Date will be deferred pursuant to Condition 8(b) *(Extension of maturity)* for a maximum period of 38 years following the applicable Maturity Date (the "**Extended Maturity Date**"). Such deferral will occur automatically in respect of any given Series if: (a) the Issuer fails to repay in whole or in part such Series on the applicable Maturity Date and a Notice to Pay has been served on the OBG Guarantor; and (b) the OBG Guarantor has insufficient moneys available under the relevant Priority of Payments to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in full in respect of the relevant Series of OBG as set out in the

relevant Final Terms (the "**Final Redemption Amount**") on the Maturity Date,

(each such Series, a "**Pass-Through OBG**").

In these circumstances, to the extent that the OBG Guarantor has sufficient Available Funds to pay in part - on the relevant Maturity Date - the Final Redemption Amount in respect of the relevant Series of OBG, the OBG Guarantor shall make partial payment of the relevant Final Redemption Amount in respect of the relevant Pass-Through OBG, in accordance with the Post-Issuer Event of Default Priority (as defined below), without any preference among the Pass-Through OBG and the other Series of OBG then outstanding.

Payment of all unpaid amounts shall be deferred automatically until the applicable Extended Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Maturity Date in respect of the relevant Pass-Trough OBG may be paid by the OBG Guarantor on any OBG Payment Date thereafter, up to (and including) the relevant Extended Maturity Date for such Pass-Through OBG.

The OBG Guarantor will be obliged to apply any Available Funds (i) towards redemption in full of all Pass-Through OBG and (ii) to make provisions towards accumulation up to an amount equal to the Required Redemption Amount for the Earliest Maturing OBG then outstanding in accordance with the Post-Issuer Event of Default Priority of Payment and the OBG Guarantor will also be obliged to use its best efforts to sell Selected Assets on a semi-annual basis in accordance with the provisions of the Portfolio Administration Agreement to enable it to redeem all Pass-Through OBG prior to the applicable Extended Maturity Date and to make provisions towards accumulation up to an amount equal to the Required Redemption Amount for the Earliest Maturing OBG then outstanding, provided that it can sell Selected Assets and consequently redeem the Pass-Through OBG subject to ensuring compliance with the Amortisation Test. Failure by

the OBG Guarantor to sell Selected Assets in the Portfolio in accordance with the Portfolio Administration Agreement shall not constitute a Guarantor Event of Default.

If:

(a) an Issuer Event of Default has occurred and a Notice to Pay has been served on the OBG Guarantor; and

(b) a breach of the Amortisation Test according to a Negative Report issued by the Calculation Agent as confirmed by the Asset Monitor Report has occurred and a Breach of the Amortisation Test Notice has been served on the OBG Guarantor,

then a Guarantor Event of Default shall occur and, subject to the service of a Guarantor Acceleration Notice on the OBG Guarantor, all Series of OBG then outstanding shall become immediately due and payable in accordance with the Post-Guarantor Event of Default Priority (as defined below) without any preference among the OBG then outstanding.

Status and ranking of the OBG

The OBG constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* without preference among themselves and (save for any applicable statutory provisions) at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding. In the event of a compulsory winding-up (*liquidazione coatta amministrativa*) of the Issuer, any funds realised and payable to the OBG Holders will be collected by the OBG Guarantor on their behalf.

The OBG will be guaranteed by the OBG Guarantor pursuant to the terms of the OBG Guarantee (as defined below) with limited recourse to the Available Funds.

The OBG will rank *pari passu* and without any preference among themselves, except in respect of the applicable maturity of each Series or Tranche, and (save for any applicable statutory provisions) at

	least equally with all other present and future unsecured, unsubordinated obligations of the Issuer having the same maturity of each Series or Tranche of OBG, from time to time outstanding.
Limited recourse	In accordance with the legal framework established by Law 130 and the MEF Decree and with the terms and conditions of the relevant Transaction Documents (as defined below), the OBG Holders will have (i) recourse to the Issuer and (ii) limited recourse to the OBG Guarantor limited to the Available Funds. See "*Credit Structure*" below.
Conditions precedent to the issuance of OBG	The Issuer may at its option (but shall not be under any obligation to do so), on any date and without the prior consent of the holders of the OBG issued beforehand and of any other creditors of the OBG Guarantor or of the Issuer, issue further Series (or Tranches) of OBG other than the first Series, within the date that falls ten calendar years after the Initial Issue Date and subject to: (i) satisfaction of the Over-Collateralisation Test and of the Mandatory Tests, also taking into account the amount of OBG outstanding further to the relevant new issue of OBG; (ii) compliance with (a) the requirements of issuing/assigning banks *(Requisiti delle banche emittenti e/o cedenti;* see Section II, Para. 1 of the BoI OBG Regulations; the "**Conditions to the Issue**") and (b) the limits to the assignment of further Assets set forth in the BoI OBG Regulations *(Limiti alla cessione;* see Section II, Para. 2 of the BoI OBG Regulations; the "**Limits to the Assignment**"), if applicable; (iii) the corporate duration of the Issuer, or of any successor, has not expired; (iv) no Programme Suspension Period has occurred and is continuing; and (v) no OBG with an extension of the Maturity Date shorter than 38 years are outstanding. The payment obligations under the OBG issued under all Series shall be cross-collateralised by all the assets included in the Portfolio, through the

OBG Guarantee (as defined below). See also "General description of the Programme - *Ranking and status of the OBG*", below.

Programme Termination Date

"**Programme Termination Date**" means the later of:

(i) the date that falls ten calendar years after the Initial Issue Date; and

(ii) the date on which all Series of OBG issued under the Programme have been fully redeemed.

Programme Suspension Period

During the period starting from the date on which a breach of the Over-Collateralisation Test or any of the Mandatory Tests has been ascertained through the delivery of (i) a Negative Report by the Calculation Agent and (ii) an Asset Monitor Report by the Asset Monitor and ending on the later of (1) the date on which such breach has been cured, (2) the tests are satisfied provided that no Issuer Event of Default (caused by an event other than a breach of any of the Mandatory Test or the Over-Collateralisation Test) has occurred and is continuing (each such period a "**Programme Suspension Period**"):

(a) no further payments of interest or repayment on principal to the Seller under the Subordinated Loan (as defined below) (or to any Additional Seller under the relevant additional subordinated loan, if applicable) shall be effected in accordance with the provisions of the relevant subordinated loan agreement and all cash owned by the OBG Guarantor shall be deposited on the relevant Accounts opened in the name of the OBG Guarantor with the Account Bank, according to the Transaction Documents, (until all OBG are fully repaid or an amount equal to the Required Redemption Amount for each OBG outstanding has been accumulated); and

(b) no more purchase price for further Assets and/or Integration Assets (as defined below) will be paid to the Seller (or to the Additional Seller, if applicable), other than through the

	drawdown of additional advances under the Subordinated Loan or the relevant additional subordinated loan granted by the Additional Seller (if any and as the case may be) but subject to the Limits to the Assignment; and (c) no more OBG may be issued.
Listing and admission to trading	Application has been made to the Luxembourg Stock Exchange for OBG to be issued under the Programme to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of OBG may be unlisted. The applicable Final Terms will state whether or not the relevant OBG are to be listed and, if so, on which stock exchange(s).
Settlement	Monte Titoli S.p.A.
Governing law	The OBG and any non-contractual obligations arising out of, or in connection with them, are governed by Italian law.
Ratings	Each Series or Tranche issued under the Programme may be assigned a rating by Fitch or may be unrated as specified in the relevant Final Terms. Where a Tranche or Series of OBG is to be rated, such rating will not necessarily be the same as the rating assigned to the OBG already issued. Whether or not a rating in relation to any Tranche or Series of OBG will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning credit rating agency.**
Selling restrictions	The offer, sale and delivery of the OBG and the distribution of offering material in certain jurisdictions including Italy, the United States of America, the United Kingdom shall be subject

to the selling restrictions applicable in such countries. See "*Subscription and Sale*" below.

3 OBG Guarantee

Security for the OBG

In accordance with Law 130, pursuant to the OBG Guarantee, the OBG Holders will benefit from a guarantee issued by the OBG Guarantor over a portfolio of receivables transferred or to be transferred by the Seller and the Additional Sellers (if any), arising from some or all of the following assets:

(i) residential mortgage receivables, where the relevant amount outstanding, added to the principal amount outstanding of any previous mortgage loans secured by the same property, owed to the Seller (or to the Additional Sellers, as applicable), does not exceed 80 per cent. of the value of the mortgaged property (the "**Residential Mortgage Receivables**");

(ii) non residential mortgage receivables, where the relevant amount outstanding, added to the principal amount outstanding of any previous mortgage loans secured by the same property, owed to the Seller (or to the Additional Sellers, as applicable), does not exceed 60 per cent. of the value of the property (the "**Non-Residential Mortgage Receivables**" and, together with the Residential Mortgage Receivables, the "**Mortgage Receivables**");

(iii) securities satisfying the requirements set forth under Article 2, paragraph 1, letter c) of the MEF Decree (as defined below) (the "**Public Securities**"); and

(iv) asset backed securities issued in the framework of securitisations having the characteristics of article 2, para. 1, lett. d), of the MEF Decree whose underlying assets are comprised of Mortgage Receivables and provided that such asset backed securities comply with all the following: (a) the cash-flow generating assets backing the securitisation transactions securities meet the criteria laid down in Article 129(1)(d) to (f) of Regulation (EU) No

575/2013 in respect of securitisation transactions securities backing covered bonds, (b) the cash-flow generating assets were originated by an entity closely linked to the issuer of the covered bonds, as described in Article 138 of the Guideline of the European Central Bank dated 19 December 2014 ((UE) 510/2015), (c) they are used as a technical tool to transfer mortgages or guaranteed real estate loans from the originating entity into the cover pool of the respective covered bond; and (d) the requirements provided by Circular n. 285 of 17 December 2013 of the Bank of Italy (Supervisory Guidelines for the Banks) (the "**ABS Securities**" and, together with the Mortgage Receivables and the Public Securities, the "**Assets**"), and, within certain limits, Integration Assets (as defined below). The Assets and the Integration Assets are jointly referred to as the "**Portfolio**").

Under the terms of the OBG Guarantee, following the service of a Notice to Pay (as defined below) on the OBG Guarantor as a result of the occurrence of an Issuer Event of Default (as defined below), the OBG Guarantor will be obliged to pay any amounts due under the OBG as and when the same were originally due for payment by the Issuer.

The obligations of the OBG Guarantor under the OBG Guarantee constitute an autonomous guarantee *(garanzia autonoma)* and certain provisions of the civil code relating to non-autonomous personal guarantees *(fidejussioni),* as specified in the MEF Decree, shall not apply. Accordingly, the obligations of the OBG Guarantor under the OBG Guarantee constitute direct, unconditional, unsubordinated obligations of the OBG Guarantor, limited recourse to the Available Funds, regardless of any invalidity, irregularity, genuiness or unenforceability of any of the guaranteed obligations of the Issuer.

Issuer Events of Default

Each of the following events with respect to the Issuer shall constitute an "**Issuer Event of Default**":

(i) default is made by the Issuer for a period of 7 days or more in the payment of any principal or redemption amount, or for a period of 14 days or more in the payment of any interest on the OBG of any Series when due; or

(ii) the Issuer has incurred into a material default in the performance or observance of any of its obligations under or in respect of the OBG (of any Series outstanding) or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the OBG) and (except where, in the opinion of the Representative of the OBG Holders, such default is not capable of remedy in which case no notice will be required), such default remains unremedied for 30 days after the Representative of the OBG Holders has given written notice thereof to the Issuer, certifying that such default is, in its opinion, materially prejudicial to the interests of the OBG Holders and specifying whether or not such default is capable of remedy; or

(iii) an Insolvency Event (as defined in the Conditions) occurs in respect of the Issuer; or

(iv) the Mandatory Tests or Over-Collateralisation Test have been breached and not cured within 1 month following the delivery by the Calculation Agent of a Negative Report as confirmed by the Asset Monitor Report; or

(v) a resolution pursuant to Article 74 of the Banking Law is issued in respect of the Issuer.

If an Issuer Event of Default occurs:

(a) the Representative of the OBG Holders shall promptly serve a notice (the "**Notice to Pay**") on the OBG Guarantor declaring that an Issuer Event of Default has occurred and specifying, in case of the Issuer Event of Default referred to under paragraph (v) above, that the Issuer Event of Default may have temporary nature;

(b) after the service of a Notice to Pay, each Series of OBG will accelerate against the Issuer and they will rank *pari passu* amongst themselves against the Issuer, provided that (i) such events shall not trigger an acceleration against the OBG Guarantor, (ii) in accordance with Article 4, Para. 3, of the MEF Decree, the OBG Guarantor shall be solely responsible for the exercise of the rights of the OBG Holders *vis-à-vis* the Issuer and (iii) in case of the Issuer Event of Default referred to under paragraph (v) above (x) the OBG Guarantor, in accordance with the MEF Decree, shall be responsible for the payments of the amounts due and payable under the OBG within the suspension period and (y) upon the end of the suspension period the Issuer shall be responsible for meeting the payment obligations under the OBG (and for the avoidance of doubt, the OBG then outstanding will not be deemed to be accelerated against the Issuer);

(c) after the service of a Notice to Pay, the OBG Guarantor will pay any amounts due under the OBG as and when the same were originally due for payment by the Issuer pursuant to the OBG Guarantee and in accordance with the originals terms and maturity set out in the Conditions and the relevant Final Terms;

(d) after the service of a Notice to Pay, no further payments to the Seller and/or the Additional Sellers (if any) under the Subordinated Loan and/or, as the case may be, the relevant subordinated loan shall be effected and, until all OBG are fully repaid or an amount equal to the Required Redemption Amount for each Series of OBG outstanding has been accumulated, any residual cash of the OBG Guarantor after making the payments or provisions provided for under items (i) to (iv) of the Post-Issuer Event of Default Priority shall be deposited on the

Accounts;

(e) after the service of a Notice to Pay and until all OBG are fully repaid or an amount equal to the Required Redemption Amount for each Series of OBG outstanding has been accumulated, no more purchase price for further Assets and/or Integration Assets (as defined below) will be paid to the Seller and/or the Additional Sellers (if any), other than through the drawdown of additional advances under the Subordinated Loan or, as the case may be, the relevant subordinated loan; and

(f) after the service of a Notice to Pay, no further Series of OBG may be issued.

Guarantor Events of Default

Following an Issuer Event of Default and the service of a Notice to Pay, each of the following events shall constitute a "**Guarantor Event of Default**":

(i) non payment of principal and interest in respect of the relevant Series of OBG in accordance with the OBG Guarantee, subject to an 8 days cure period in respect of principal or redemption amount and a 15 days cure period in respect of interest payment the OBG Guarantor; or

(ii) an Insolvency Event occurs in respect of the OBG Guarantor; or

(iii) a breach of the obligations of the OBG Guarantor under the Transaction Documents (other than (i) above) occurs which breach is incapable of remedy or, if in the opinion of the Representative of the OBG Holders capable of remedy, is not in the opinion of the Representative of the OBG Holders remedied within 30 days after notice of such breach shall have been given to the OBG Guarantor by the Representative of the OBG Holders; or

(iv) a breach of the Amortisation Test according to a Negative Report issued by the Calculation Agent as confirmed by the Asset Monitor Report.

If a Guarantor Event of Default occurs, the Representative of the OBG Holders:

(a) in cases under (i), (ii) and (iv) above, may but shall, if so directed by an Extraordinary Resolution (as defined in the Conditions) of the OBG Holders, and

(b) in case under (iii) above, shall, if so directed by an Extraordinary Resolution of the OBG Holders,

serve a notice on the OBG Guarantor (the "**Guarantor Acceleration Notice**") and all OBG will accelerate against the OBG Guarantor, becoming immediately due and payable, and they will rank *pari passu* amongst themselves.

"**Calculation Date**" means, in relation to a Guarantor Payment Date, the day falling 4 Business Days prior to such Guarantor Payment Date.

"**Guarantor Payment Date**" means (i) before the occurrence of an Issuer Event of Default, 31 January, 30 April, 31 July and 31 October of each year, (ii) following the occurrence of an Issuer Event of Default, the last day of each month starting from the calendar month immediately following the calendar month in which the Issuer Event of Default has occurred, subject in all instances to adjustment in accordance with the Modified Following Business Day Convention and (iii) following the occurrence of a Guarantor Event of Default, each Business Day.

Cross acceleration

If a Guarantor Event of Default has occurred, each OBG will accelerate at the same time against the OBG Guarantor, provided that the OBG does not otherwise contain a cross default provision and will thus not cross accelerate in case of an Issuer Event of Default.

Pre-Issuer Event of Default Interest Priority

On each Guarantor Payment Date, prior to the service of a Notice to Pay, the OBG Guarantor will use Interest Available Funds (as defined below) to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof: (a) any OBG Guarantor's documented fees, costs, expenses and taxes to maintain it in good standing, to comply with applicable legislation and to preserve its corporate existence (the "**Expenses**"), to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, and (b) all amounts due and payable to the Seller and/or to the Additional Seller (if any) or the party indicated by the Seller or by the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the preceding Collection Period (as defined below) with respect to the outstanding Asset;

(ii) *second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable (including fees, costs and expenses) to the Representative of the OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Servicer and the Additional Servicer (if any), and to credit the Target Expenses Amount into the Expenses Account;

(iii) *third*, to replenish the Reserve Account up to the Total Target Reserve Amount;

(iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount necessary to cover the amounts transferred from the Pre-Issuer Event of Default Principal Priority according to item (i) on any preceding Guarantor Payment Date and not paid yet;

(v) *fifth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts

thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment;

(vi) *sixth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment;

(vii) *seventh*, provided that a Programme Suspension Period is not continuing and after the repayment request made by the Subordinated Loan Provider under the Subordinated Loan (or additional subordinated loan provider, if any, under any additional subordinated loan), to pay *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or the relevant additional subordinated loan, if any) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment;

(viii) *eighth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Subordinated Loan Interest Amount due and payable under the Subordinated Loan (or additional subordinated loan, if any) provided that the Over-Collateralisation Test and the Mandatory

Tests would still be satisfied after such payment,

(the "**Pre-Issuer Event of Default Interest Priority**").

"**Target Expenses Amount**" means at each Guarantor Payment Date the amount of €50,000.

"**Total Target Reserve Amount**" means, on each Guarantor Payment Date, the sum of (A), (B) and (C),

where

A. is the amount of interest accrued on the OBG until that Guarantor Payment Date (inclusive) and not yet paid by the Issuer or the OBG Guarantor;

B. is the amount of interest due and payable on the OBG on the immediately succeeding Guarantor Payment Date without double counting (A) above; and

C. is an amount equal to 0.50% of the Outstanding Principal Balance of the Portfolio as at the end of the immediately preceding Collection Period.

Pre-Issuer Event of Default Principal Priority

On each Guarantor Payment Date, prior to the service of a Notice to Pay, the OBG Guarantor will use Principal Available Funds (as defined below) to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *first,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable under items (i) and (ii) (other than any amount due according to (i) b)) of the Pre-Issuer Event of Default Interest Priority, to the extent that the Interest Available Funds are not sufficient, on such Guarantor Payment Date, to make such payments in full;

(ii) *second,* provided that a Programme Suspension Period is not continuing, *pari passu* and *pro rata* according to the respective

amounts thereof, (a) to pay the purchase price of the Assets and Integration Assets offered for sale by the Seller and/or by the Additional Seller (if any) in the context of a Revolving Assignment in accordance with the provisions of the Master Transfer Agreement; (b) if the payment of any such purchase price shall be deferred in accordance with the provisions of the Master Transfer Agreement, to credit to the Payment Account the Purchase Price Accumulation Amount; and (c) to pay any amount due and payable to the Seller and/or the Additional Seller (if any) in accordance with the provisions of the Master Transfer Agreement as purchase price of the Assets and Integration Assets offered for sale by the Seller and/or by the Additional Seller (if any) in the context of a Revolving Assignment to the extent not previously paid by using the funds credited to the Payment Account as Purchase Price Accumulation Amount on the immediately preceding Guarantor Payment Date;

(iii) *third,* if a Programme Suspension Period has occurred and is continuing, to deposit on the Principal Collection Account any residual Principal Available Funds until an amount up to the Required Redemption Amount of any Series of OBG outstanding has been accumulated;

(iv) *fourth,* provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment, to the extent not already paid under item (v) of the Pre-Issuer Event of Default Interest Priority;

(v) *fifth,* provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment, to the extent not already paid under item (vi) of the Pre-Issuer Event of Default Interest Priority;

(vi) *sixth,* provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any), the amount due as principal redemption under the Subordinated Loan (or additional subordinated loan, if any) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment,

(the "**Pre-Issuer Event of Default Principal Priority**").

On each Guarantor Payment Date the "**Interest Available Funds**" shall include ((a) any interest received from the Portfolio during the Collection Period immediately preceding such Guarantor Payment Date, (b) any interest amount received by the OBG Guarantor as remuneration of the Accounts during the Collection Period immediately preceding such Guarantor Payment Date, (c) any amount received as interest by the OBG Guarantor from any party to the Transaction Documents (other than amounts already allocated under items (a) and (b)) during the Collection Period immediately

preceding such Guarantor Payment Date, (d) any amount deposited in the Reserve Account as at the Calculation Date immediately preceding such Guarantor Payment Date (other than the amount already allocated under item (b)), (e) any amount deposited in the Interest Collection Account, as at the preceding Guarantor Payment Date, (f) the amount standing to the credit of the Expenses Account (other than amounts already allocated under item (b)) at the end of the Collection Period preceding such Guarantor Payment Date (which is not a Programme Termination Date), (g) any net interest amount or income from any Eligible Investments or of the Securities (without duplication with the Eligible Investments) liquidated at the immediately preceding Liquidation Date.

On each Guarantor Payment Date the "**Principal Available Funds**" shall include: (a) any principal payment received during the Collection Period immediately preceding such Guarantor Payment Date; (b) any principal amount received by the OBG Guarantor as reimbursement of the Eligible Investments liquidated on the immediately preceding Liquidation Date arising from investment made using principal collection; (c) any principal amount received by the OBG Guarantor from any party to the Transaction Documents (other than the amounts already allocated under items (a) and (b)) during the Collection Period immediately preceding such Guarantor Payment Date; (d) any amount standing to the credit of the Principal Collection Account (other than the amounts already allocated under item (a)) at the end of the Collection Period preceding such Guarantor Payment Date net of any interest accrued thereon; (e) the amount standing to the credit of the Expenses Account on the Programme Termination Date; (f) any principal amount arising out from the liquidation of Securities (without duplication with the (b) above) liquidated at the immediately preceding Liquidation Date arising from investment made using principal collection and (g) the positive difference (if any)

between (1) the Purchase Price Accumulation Amount credited to the Payment Account on the immediately preceding Guarantor Payment Date and (2) the monies paid to the Seller and/or the Additional Seller in the context of a Revolving Assignment, in accordance with the Master Transfer Agreement, during the period between the preceding Guarantor Payment Date and the immediately following Guarantor Payment Date, as consideration for the purchase of the New Portfolio by using the Purchase Price Accumulation Amount credited to the Payment Account on the immediately preceding Guarantor Payment Date.

"**Collection Period**" means (a) prior to the occurrence of a Guarantor Event of Default, any period between each Collection Date (included) and the following Collection Date (excluded), save for the first Collection Period, where the Collection Period is comprised between the Evaluation Date (included) in respect to the transfer of the first Portfolio and 1 April 2012 (excluded) and (b) after the occurrence of a Guarantor Event of Default, any period between two Business Days.

"**Collection Date**" means 1 January, 1 April, 1 July and 1 October of each year and, following an Issuer Event of Default, the first calendar day of each month.

"**Evaluation Date**" means (i) in respect of the Initial Portfolio the beginning of 1 January 2012 and (ii) in respect of any New Portfolio, the date indicated as such in the relevant offer for the transfer of New Portfolios.

"**Purchase Price Accumulation Amount**" means an amount equal to the Provisional Purchase Price of the New Portfolio as determined with reference to a New Portfolio under the relevant Offer of Transfer.

"**Provisional Purchase Price of the New Portfolio**" has the meaning ascribe to the expression "*Corrispettivo Provvisorio del Portafoglio Successivo*" under the Master Transfer Agreement.

Post-Issuer Event of Default

On each Guarantor Payment Date, following the

Priority

service of a Notice to Pay, but prior to the occurrence of a Guarantor Event of Default, the OBG Guarantor will use the Available Funds, to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *first,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof (a) the Expenses, to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, (b) all amounts due and payable to the Seller and/or by the Additional Seller (if any) or the party indicated by the Seller or the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the preceding Collection Period with respect to the outstanding Asset still owned by the OBG Guarantor;

(ii) *second,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable (including fees, costs and expenses) to the Representative of the OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Servicer and the Additional Servicer (if any), and to credit the Target Expenses Amount into the Expenses Account;

(iii) *third,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable as interest on the Pass-Through OBG and on the OBG on their relevant OBG Payment Dates;

(iv) *fourth,* to replenish the Reserve Account up to the Total Target Reserve Amount;

(v) *fifth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof,

any amount due and payable as principal on the Pass-Through OBG and on the OBG on their relevant OBG Payment Dates;

(vi) *sixth,* to deposit on the relevant OBG Guarantor's Accounts any residual amount until all Series of OBG outstanding have been repaid in full;

(vii) *seventh,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement;

(viii) *eighth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments);

(ix) *ninth,* after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated provider, if any), to pay *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any);

(x) *tenth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any interest amount due under the Subordinated Loan (or additional subordinated loan, if any);

(xi) *eleventh,* after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated

loan, if any), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due under the Subordinated Loan (or additional subordinated loan, if any),

(the "**Post-Issuer Event of Default Priority**").

"**Available Funds**" shall include (a) the Interest Available Funds, (b) the Principal Available Funds and (c) following the occurrence of an Issuer Event of Default, the Excess Proceeds.

"**Excess Proceeds**" means the amounts received by the OBG Guarantor as a result of any enforcement taken against the Issuer in accordance with Article 4, Para. 3 of the MEF Decree.

"**Negative Carry Corrector**" means a percentage calculated by reference to the average margin payable on the outstanding Series of OBG weighted for the Principal Amount Outstanding of each outstanding Series of OBG plus 0.5 per cent.

"**Principal Amount Outstanding**" means, on any date in respect of any Series of OBG or, where applicable, in respect of all Series of OBG: the principal amount of such series or, where applicable, all such Series upon issue, *minus* the aggregate amount of all principal which as been repaid prior to such date in respect of such Series or, where applicable, all such Series.

"**Required Redemption Amount**" means in respect of any relevant Series or Tranche of OBG, the amount calculated as follows:

the Outstanding Principal Balance of the relevant Series or Tranche of OBG

Multiplied by

(1+(Negative Carry Corrector * (with respect to OBG which are not Pass-Through OBG, days to the Maturity Date of the relevant Series or Tranche of OBG/365 or, with respect to Pass-Through OBG, 31 days)).

Post-Guarantor Event of Default Priority

On each Guarantor Payment Date, following the service of a Guarantor Acceleration Notice, the OBG Guarantor will use the Available Funds, to make payments in the order of priority set out

below (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *first,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof (a) any Expenses, to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, and (b) all amounts due and payable to the Seller and/or to the Additional Seller (if any) or the party indicated by the Seller or by the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the preceding Collection Period with respect to the outstanding Asset;

(ii) *second,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable (including fees, costs and expenses) to the Representative of the OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Servicer and the Additional Servicer (if any) and to credit the Target Expenses Amount into the Expenses Account;

(iii) *third,* to pay, *pari passu* and *pro rata* any interest and principal amount due and payable on the Pass-Through OBG and on the OBG;

(iv) *fourth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement;

(v) *fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the

OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments);

(vi) *sixth,* after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan Agreement (or additional subordinated loan agreement), to pay *pari passu and pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any);

(vii) *seventh,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any interest amount due under the Subordinated Loan (or additional subordinated loan, if any); and

(viii) *eighth,* to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due under the Subordinated Loan (or additional subordinated loan, if any),

(the "**Post-Guarantor Event of Default Priority**" and, together with the Pre-Issuer Event of Default Principal Priority, the Pre-Issuer Event of Default Interest Priority, the Post-Issuer Event of Default Priority, are collectively referred to as the "**Priority of Payments**").

4 Creation and administration of the Portfolio

Transfer of the Portfolio

Pursuant to the Master Transfer Agreement, the Seller (a) transferred to the OBG Guarantor the Initial Portfolio and (b) may assign and transfer Assets and/or Integration Assets satisfying the Criteria to the OBG Guarantor from time to time, on a revolving basis, in the cases and subject to the limits for the transfer of further Assets referred to below.

The purchase price in respect of the Initial Portfolio has been determined pursuant to the

Master Transfer Agreement. Under the Master Transfer Agreement the relevant parties thereto have acknowledged that the purchase price in respect of the Initial Portfolio shall be funded through the proceeds granted in accordance with the Subordinated Loan Agreement.

Pursuant to the Master Transfer Agreement, the OBG Guarantor shall acquire, further Assets or Integration Assets, as the case may be, in order to:

(a) collateralise and allow the issue of further series of OBG by the Issuer, subject to the Limits to the Assignment (the "**Issuance Collateralisation Assignment**"); and/or

(b) invest the Principal Available Funds through the purchase of further Assets or Integration Assets, provided that a Programme Suspension Period is not continuing (the "**Revolving Assignment**"); and/or

(c) comply with the Over-Collateralisation Test and the Mandatory Tests in accordance with the Portfolio Administration Agreement (the "**Integration Assignment**"), subject to the limits referred to in sub-section "*Integration Assets*" below.

The Assets and the Integration Assets will be assigned and transferred to the OBG Guarantor without recourse *(pro soluto)* in accordance with Law 130 and subject to the terms and conditions of the Master Transfer Agreement.

Pursuant to the Master Transfer Agreement, and subject to the conditions provided therein, the Seller has been granted with a call option and pre-emption right to repurchase Assets which have been assigned to the OBG Guarantor of the Assets forming part of the Portfolio.

Furthermore, the Seller has been granted by the OBG Guarantor with a wide power to renegotiate the terms and conditions of the Assets transferred pursuant to the Master Transfer Agreement.

Representations and Warranties of the Seller

Under the Warranty and Indemnity Agreement, the Seller has made certain representations and warranties regarding itself and the Assets

including, *inter alia:*

(i) its status, capacity and authority to enter into the Transaction Documents and assume the obligations expressed to be assumed by it therein;

(ii) the legality, validity, binding nature and enforceability of the obligations assumed by it;

(iii) the existence of the Assets, the absence of any lien attaching the Assets; subject to the applicable provisions of laws and of the relevant agreements, the full, unconditional, legal title of the Seller to the Initial Portfolio; and

(iv) the validity and enforceability, subject to the applicable provisions of laws and of the relevant agreements, against the relevant Debtors of the obligations from which the Initial Portfolio arises.

General Criteria

Each of the Mortgage Receivables comprised in the Portfolio shall comply with the following general criteria (the "**General Criteria**") as at the relevant Evaluation Date (to be deemed cumulative unless otherwise provided) (or at such other date specified below):

(i) mortgage loans in respect of which the ratio between loan's outstanding principal on the Evaluation Date and the value of the real estate upon which the guarantee has been created, calculated on the Execution Date or on the date of the apportionment (*frazionamento*) in case of loans arising from the apportionment (*frazionamento*) of a prior quota loan, is:

(a) equal to or lower than 80 per cent. in case of Residential Mortgage Loans, or

(b) equal to or lower than 60 per cent. in case of Commercial Mortgage Loans;

(ii) loans in respect of which the principal debtors (including further to a novation (*accollo liberatorio*) and/or apportionment (*frazionamento*)) are:

(a) in case of Residential Mortgage Loans, one or more individuals or one or more entities, of which at least one having his residence in Italy or, as applicable, its corporate seat in Italy; or

(b) in case of Commercial Mortgage Loans, one or more entities, of which at least one having its corporate seat in Italy or one or more individuals in their capacity of entrepreneurs of which at least one having its residence in Italy;

(iii) loans secured by a mortgage on real estates located in Italy in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage is elapsed on the Evaluation Date or prior to it;

(iv) loans which are governed by Italian law;

(v) loans denominated in Euro (or originally disbursed in a different currency and subsequently re-denominated in Euro);

(vi) loans having at least one instalment (even an only interest one) fallen due and paid;

(vii) in case of Residential Mortgage Loans, loans whose residual tenor is not in excess of 30 years; or in case of Commercial Mortgage Loans, loans whose residual tenor is not in excess of 25 years.

The Portfolio does not include Mortgage Receivables arising from:

(i) loans granted to, or secured by, a public administration entity (*ente pubblico*)

(ii) loans granted to an ecclesiastic entity (*ente ecclesiastico*);

(iii) loans which were classified as agricultural credit (*mutui agrari*) pursuant to Article 43 of the Banking Law, as at the relevant Execution date.

The Mortgage Receivables to be comprised in the Portfolio shall comply also with the Specific Criteria in addition to the General Criteria.

"**Execution Date**" means the date on which the

relevant loan agreement has been executed, without taking into account potential *accolli* or restructuring or *frazionamenti* that have been executed after such date.

"**Commercial Mortgage Loans**" means those mortgage loans which, pursuant to the MEF Decree, are secured over a property destined to commercial or office use and located in an Eligible State.

"**Residential Mortgage Loans**" means those mortgage loans which, pursuant to the MEF Decree, are secured over a property destined to residential use and located in an Eligible State.

"**Specific Criteria**" means the criteria for the selection of the Mortgage Receivables to be included in the portfolios to which such criteria are applied, as set forth in annex 2 to the Master Transfer Agreement for the Initial Portfolio and in the relevant transfer agreement for sale of each further portfolio of Mortgage Receivables.

"**Criteria**" means jointly the General Criteria and the Specific Criteria.

Eligible Investments

The Cash Manager may invest funds standing to the credit of the Eligible Investment Account in Eligible Investments.

"**Eligible Investments**" means (i) Euro denominated Integration Assets, (ii) Public Securities, (iii) ABS Securities and (iv) any other instruments meeting the requirements set out under the laws and regulations applicable from time to time to the OBG, provided that such investments shall have a minimum short-term or long-term rating (as applicable) equal to the ones reported in the following table, a remaining maturity date (where applicable) equal to the earlier of (i) the maturity reported in the table and (ii) (a) either the Liquidation Date immediately preceding the OBG Payment Date of the Earliest Maturing Series or Tranche of OBG in case of Eligible Investments purchased with amounts deposited in the Principal Collection Account or (b) the Liquidation Date immediately preceding the next Guarantor Payment Date in case of Eligible Investments purchased with amounts deposited in the Accounts (other than the

Principal Collection Account).

Maturity	Fitch
Less than 365 calendar days	"AA-" and/or F1+
Less than 60 calendar days	"AA-" and/or F1+
Less than 30 calendar days	"A-" and/or F2

Integration Assets

In accordance with the provisions of the MEF Decree and the BoI OBG Regulations, "**Integration Assets**" shall include:

(i) deposits with banks which qualify as Eligible Institutions residing in Eligible States; and

(ii) securities issued by banks which qualify as Eligible Institutions residing in Eligible States with residual maturity not longer than one year.

The integration of the Portfolio through Integration Assets shall be allowed within 15 per cent. of the aggregate Outstanding Principal Balance of the Eligible Portfolio (in accordance with section II, para. 3, of the BoI OBG Regulations) (such limit, the "**Limit to the Integration**"). The integration of the Portfolio (whether through Integration Assets or through Assets) shall be allowed exclusively for the purpose of complying with the Mandatory Tests and the Over-Collateralisation Test or for the purpose of complying with the Limit to the Integration or for the purpose of perfecting a Revolving Assignment.

"**Eligible Institutions**" means any banks in relation to which the short term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "F2" by Fitch and with respect to the long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "A-" by Fitch or are guaranteed by an entity in relation to which the short term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "F2" by Fitch and with respect to the long term unsecured, unsubordinated and unguaranteed debt obligations "A-" by Fitch.

"**Eligible States**" shall mean any States

belonging to the European Economic Space, Switzerland and any other state attracting a zero per cent. risk weight factor under the "standard approach" provided for by the Basel II rules.

Mandatory Tests under the MEF Decree

In accordance with the provisions of the MEF Decree, for so long as the OBG remain outstanding, the Issuer (also in its capacity as Seller) shall procure on a continuing basis and on each Calculation Date or on any other date on which the verification of the Mandatory Tests is required pursuant to the Transaction Documents that:

(i) the Outstanding Principal Balance of the Eligible Portfolio (net of any amount standing to the credit of the Accounts other than the Principal Collection Account) from time to time owned by the OBG Guarantor shall be higher than or equal to the Outstanding Principal Balance of the OBG at the same time outstanding;

(ii) the Adjusted Net Present Value of the Eligible Portfolio shall be higher than or equal to the Present Value of the outstanding OBG;

(iii) the Expected Income shall be higher than or equal to the Expected Payments,

the tests above are jointly referred to as the "**Mandatory Tests**".

The compliance with the Mandatory Tests will be verified by (i) the Calculation Agent and subsequently checked by the Asset Monitor pursuant to the Asset Monitor Agreement; and (ii) the internal risk management functions of the UniCredit Banking Group (under the supervision of the management body of the Issuer). For a detailed description of the Mandatary Tests (including a description of the defined terms used herein) see "*Credit Structure - Mandatory Tests*" below.

Over-Collateralisation Test

For so long as the OBG remain outstanding, the Issuer (also in its capacity as Seller), the Additional Sellers (if any) shall procure on a continuing basis and on each OC Calculation Date that the OC

Adjusted Eligible Portfolio shall be equal to or higher than the Outstanding Principal Balance of the OBG.

"**OC Calculation Date**" means on any give date, (a) if no Negative Report is delivered by the Calculation Agent (or a Negative Report is delivered and the relevant breach has been cured), 4 (four) Business Days prior to each Guarantor Payment Date, or (b) if a Negative Report is delivered and until the relevant breach has been cured, 4 (four) Business Days before the end of each calendar month.

"**Reconciliation Date**" means the last calendar day of each Collection Period or, fo so long a breach of any of the Tests is outstanding, the last calendar day of each calendar month.

For a detailed description of the Mandatary Tests (including a description of the defined terms used herein) see "*Credit Structure – Over-Collateralisation Test*" below.

Breach of the Mandatory Tests or of the Over-Collateralisation Test

A breach of the Over-Collateralisation Test or of the Mandatory Tests shall constitute an Issuer Event of Default to the extent that such breach has not been cured within Mandatory Test Cure Period or the OC Cure Period, respectively.

In order to cure the breach of the Mandatory Tests and/or the Over-Collateralisation Test, the Issuer (also in its capacity as Seller) and the Additional Sellers (if any) (a) shall sell or procure a third party to sell Assets or Integration Assets to the OBG Guarantor in accordance with the Master Transfer Agreement and the Portfolio Administration Agreement in an aggregate amount sufficient to ensure that the relevant Mandatory Tests and/or the Over-Collateralisation Test are satisfied as soon as practicable and in any event within the Mandatory Test Cure Period and/or OC Cure Period (as applicable) and, to this extent, (b) shall grant the funds necessary for payment of the purchase price of the assets mentioned above to the OBG Guarantor in accordance with the Subordinated Loan Agreement (or, in the case of the Additional Seller pursuant to the terms of a

	subordinated loan granted to the OBG Guarantor in accordance with the Portfolio Administration Agreement).
Role of the Asset Monitor	The Asset Monitor will, subject to receipt of the relevant information from the Calculation Agent, test the calculations performed by the Calculation Agent in respect of the Over-Collateralisation Test, the Mandatory Tests on a monthly basis and more frequently under certain circumstances. The Asset Monitor will also perform the other activities provided under the Asset Monitor Agreement. See "*Description of the Transaction Documents - Description of the Asset Monitor Agreement*" below.
Sale of Assets following the occurrence of an Issuer Event of Default	Following the delivery of a Notice to Pay (and prior to the occurrence of a Guarantor Event of Default), starting from the first Maturity Date on which any amount in respect of a Series remained unpaid and on any date falling six months thereafter until the day on which a Negative Report for breach of the Amortisation Test has been served on the OBG Guarantor (each such date, a "**Refinance Date**"), the OBG Guarantor shall (if necessary in order to effect payments under the Pass-Through OBG and the OBG which are not Pass-Through OBG, in such last case as originally scheduled in the relevant Final Terms, as determined by the Calculation Agent in consultation with the Portfolio Manager), direct the Servicer or the Substitute Servicer (and the Portfolio Manager) to sell as soon as practicable all or part of the Selected Assets in accordance with the Portfolio Administration Agreement, and the proceeds realised in respect of any such sale shall be applied to (i) redeem the relevant Series of Pass-Through OBG in full and (ii) make provisions towards accumulation up to an amount equal to the Required Redemption Amount for the Earliest Maturing OBG then outstanding, in each case on any Guarantor Payment Date thereafter. Any such sale shall be subject to any pre-emption right of the Issuer (also as Seller) and any Additional Seller (if any) pursuant to the Master Transfer Agreement or any other Transaction

Documents. The proceeds of any such sale shall be credited to the Principal Collection Account and invested in accordance with the terms of the Cash Management and Agency Agreement.

If the proceeds of such sale are insufficient to (i) redeem the relevant Series of Pass-Through OBG in full and (ii) make provisions towards accumulation up to an amount equal to the Required Redemption Amount for the Earliest Maturing OBG then outstanding, the OBG Guarantor shall direct the Servicer and the Portfolio Manager to repeat its attempt to sell the Selected Assets on the immediately following Refinance Date until the proceeds are sufficient to redeem the relevant Series of Pass-Through OBG in full and to make provisions towards accumulation up to an amount equal to the Required Redemption Amount for the Earliest Maturing OBG then outstanding.

See "*Description of the Transaction Documents - Description of the Portfolio Administration Agreement*" below.

5 Key Features of the Transaction Documents

Master Transfer Agreement

Pursuant to the Master Transfer Agreement, the Seller (a) transferred to the OBG Guarantor, without recourse (*pro soluto*) and in accordance with Law 130, the Initial Portfolio and (b) agreed the terms upon which it may assign and transfer Assets and/or Integration Assets satisfying the Criteria to the OBG Guarantor from time to time, on a revolving basis, in the cases and subject to the limits for the transfer of further Assets described above. See "*Description of the Transaction Documents - Description of the Master Transfer Agreement*" below.

Warranty and Indemnity Agreement

On 13 January 2012, the Seller and the OBG Guarantor entered into a warranty and indemnity agreement (such agreement, as from time to time amended, the "**Warranty and Indemnity Agreement**"), pursuant to which, the Seller made certain representations and warranties in favour of the OBG Guarantor. See "*Description of the Transaction Documents - Description of the*

Warranty and Indemnity Agreement" below.

Subordinated Loan Agreement

On 13 January 2012, the Seller and the OBG Guarantor entered into a subordinated loan agreement (such agreement, as from time to time amended, the "**Subordinated Loan Agreement**"), pursuant to which the Subordinated Loan Provider granted to the OBG Guarantor a subordinated loan (the "**Subordinated Loan**") with a maximum amount equal to € 25,000,000,000, save for further increases which may be granted unilaterally by the Subordinated Loan Provider. Under the provisions of such agreement, the Seller shall make advances to the OBG Guarantor in amounts equal to the relevant price of the Portfolios transferred from time to time to the OBG Guarantor, including the Integration Assets transferred in order to prevent a breach of the Over-Collateralisation Test or/and of the Mandatory Tests. The interest payable on the Subordinated Loan shall be an amount equal to the algebraic sum of:

(i) (+) the higher of (a) the amount of interest accrued on the Portfolio during the relevant Interest Period of the Subordinated Loan and (b) the Interest Available Funds;

(ii) (-) (a) the sum of any amount paid under items from (i) to (vii) of the Pre-Issuer Event of Default Interest Priority or (b) following the occurrence of an Issuer Event of Default and the service of a Notice to Pay, the sum of any amount paid under items from (i) to (viii) of the Post- Issuer Event of Default Priority or (c) following the occurrence of a Guarantor Event of Default, the sum of any amount paid under items from (i) to (vi) of the Post-Guarantor Event of Default Priority,

such amount is referred to as the "**Subordinated Loan Interest Amount**". See "*Description of the Transaction Documents - Description of the Subordinated Loan*" below.

OBG Guarantee

On 19 January 2012 the OBG Guarantor issued a guarantee securing the payment obligations of the Issuer under the OBG (the "**OBG Guarantee**"), in

	accordance with the provisions of Law 130 and of the MEF Decree. See "*General Description of the Programme - OBG Guarantee*" and "*Description of the Transaction Documents - Description of the OBG Guarantee*" below.
Servicing Agreement and Collection Policies	Pursuant to the terms of the Servicing Agreement, the Servicer has agreed to administer and service the Portfolio, on behalf of the OBG Guarantor. For a description of the collection policies and procedures please see "*Description of the Transaction Documents -Description of the Servicing Agreement*" and "*Credit and Policies*" below.
Administrative Services Agreement	Pursuant to the terms of the Administrative Services Agreement, the Administrative Services Provider has agreed to provide the OBG Guarantor with a number of administrative services, including the keeping of the corporate books and of the accounting and tax registers. See "*Description of the Transaction Documents - Description of the Administrative Services Agreement*" below.
Intercreditor Agreement	Pursuant to the terms of an intercreditor agreement entered into on 19 January 2012, as amended from time to time, (the "**Intercreditor Agreement**") between the OBG Guarantor, the Representative of the OBG Holders (in its own capacity and as legal representative of the Organisation of the OBG Holders), the Issuer, the Seller, the Subordinated Loan Provider, the Servicer, the Administrative Services Provider, the Account Bank, the Paying Agent, the Cash Manager, the Asset Monitor, the Portfolio Manager, the Calculation Agent and the Additional Calculation Agent (collectively, with the exception of the OBG Guarantor, the "**Secured Creditors**"), the parties thereto agreed that all the Available Funds of the OBG Guarantor will be applied in or towards satisfaction of the OBG Guarantor's payment obligations towards the OBG Holders as well as the Secured Creditors, in accordance with the relevant Priority of Payments provided in the Intercreditor Agreement. According to the Intercreditor Agreement, the

Representative of the OBG Holders will, subject to a Guarantor Event of Default having occurred and a Guarantor Acceleration Notice having been served on the OBG Guarantor, ensure that all the Available Funds are applied in or towards satisfaction of the OBG Guarantee's payment obligations towards the OBG Holders as well as the Secured Creditors, in accordance with the Post-Guarantor Event of Default Priority provided in the Intercreditor Agreement.

The obligations owed by the OBG Guarantor to each of the OBG Holders and each of the Secured Creditors will be limited recourse obligations of the OBG Guarantor limited to the Available Funds. The OBG Holders and the Secured Creditors will have a claim against the OBG Guarantor only to the extent of the Available Funds, in each case subject to and as provided for in the Intercreditor Agreement and the other Transaction Documents. See "*Description of the Transaction Documents - Description of the Intercreditor Agreement*" below.

Cash Management and Agency Agreement

Pursuant to the terms of a cash management and agency agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor, the Issuer, the Cash Manager, the Account Bank, the Paying Agent, the Servicer, the Administrative Services Provider, the Calculation Agent, the Additional Calculation Agent and the Representative of the OBG Holders (the "**Cash Management and Agency Agreement**"), the Account Bank, the Paying Agent, the Servicer, the Administrative Services Provider, the Calculation Agent and the Additional Calculation Agent will provide the OBG Guarantor with certain calculation, notification and reporting services together with account handling and cash management services in relation to moneys from time to time standing to the credit of the Accounts.

See "*Description of the Transaction Documents - Description of the Cash Management and Agency Agreement*" below.

Asset Monitor Agreement	Pursuant to the terms of an asset monitor agreement entered into on 19 January 2012, as amended from time to time, between the Issuer, the Asset Monitor, the OBG Guarantor and the Representative of the OBG Holders (the "**Asset Monitor Agreement**"), the Asset Monitor will conduct independent tests in respect of the calculations performed for the Over-Collateralisation Test or the Mandatory Tests with a view to verifying the compliance by the OBG Guarantor with such tests. See "*Description of the Transaction Documents - Description of the Asset Monitor Agreement*" below.
Portfolio Administration Agreement	Pursuant to the terms of a portfolio administration agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor, the Issuer, the Seller, the Representative of the OBG Holders, the Calculation Agent, the Cash Manager and the Asset Monitor (the "**Portfolio Administration Agreement**"), the Seller has, *inter alia,* undertaken to ensure on an on-going basis that the Mandatory Tests and the Over-Collateralisation Test are complied with and has assumed certain obligations to sell further Assets and/or Integration Assets upon the occurrence of certain events. See "*Description of the Transaction Documents - Description of the Portfolio Administration Agreement*" below.
Quotaholders' Agreement	Pursuant to the terms of a quotaholders' agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor, the Seller, SVM and the Representative of the OBG Holders (the "**Quotaholders' Agreement**"), the quotaholders of the OBG Guarantor have assumed certain undertakings in relation to the management of the OBG Guarantor. In addition, pursuant to the Quotaholders' Agreement, SVM granted a call option in favour of the Seller to purchase from SVM and the Seller granted a put option in favour of SVM to sell to the Seller the quotas of the OBG Guarantor corporate capital held by SVM. See "*Description of the Transaction Documents - Description of the Quotaholders' Agreement*"

below.

Deed of Pledge

Pursuant to the terms of a Italian law deed of pledge entered into on 19 January 2012 between, *inter alios*, the OBG Guarantor and the Representative of the OBG Holders (the "**Deed of Pledge**") the OBG Guarantor has pledged in favour of the OBG Holders and the other Secured Creditors all the monetary claims and rights and all the amounts payable from time to time (including payment for claims, indemnities, damages, penalties, credits and guarantees) to which the OBG Guarantor is entitled pursuant to or in relation with the Transaction Documents (other than the Conditions and the Deed of Pledge), excluding the monetary claims and rights relating to the amounts standing to the credit of the Accounts and any other account established by the OBG Guarantor in accordance with the provisions of the Transaction Documents. See "*Description of the Transaction Documents - Description of the Deed of Pledge*" below.

Dealer Agreement

Pursuant to the terms of a dealer agreement entered into on 19 January 2012, as amended from time to time, between the Issuer, the Representative of OBG Holders and UniCredit Bank (the "**Dealer Agreement**"), the Issuer has appointed UniCredit Bank as Initial Dealer. The Dealer Agreement will contain, *inter alia,* provisions for the resignation or termination of appointment of existing Dealer(s) and for the appointment of additional or other dealers either generally in respect of the Programme or in relation to a particular Series. See "*Description of the Transaction Documents - Description of the Dealer Agreement*" below.

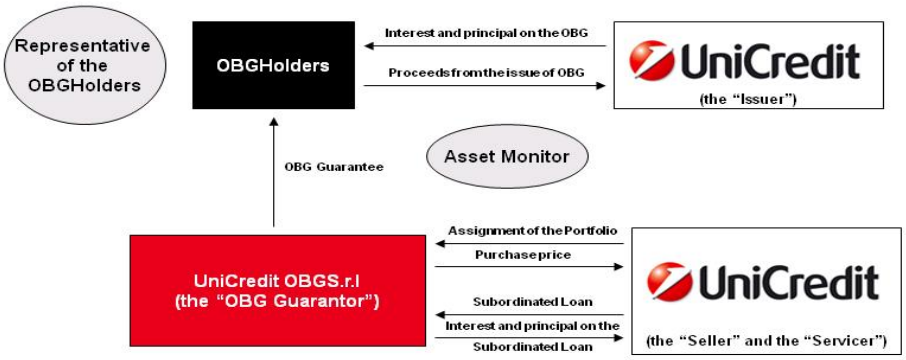
Subscription Agreement

The Dealer Agreement also contains a *pro forma* subscription agreement to be entered into in relation to OBG issued on a syndicated basis.

On or prior to the relevant Issue Date, the Issuer, the Dealers who are parties to such subscription agreement (the "**Relevant Dealers**") and the Representative of the OBG Holders will enter into a subscription agreement (each a "**Subscription Agreement**"), under which the Relevant Dealers will agree to subscribe for the relevant Series or

	Tranche of OBG, subject to the conditions set out therein. See "*Description of the Transaction Documents - Description of the Subscription Agreement*" below.
Provisions of the Transaction Documents	The OBG Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all provisions of the Transaction Documents applicable to them. In particular, each OBG Holder, by reason of holding OBG, recognises the Representative of the OBG Holders as its representative and accepts to be bound by the terms of each of the Transaction Documents signed by the Representative of the OBG Holders as if such OBG Holder was a signatory thereto.

STRUCTURE DIAGRAM



DESCRIPTION OF THE ISSUER

Description of UniCredit and the UniCredit Group

UniCredit S.p.A. ("**UniCredit**"), established in Genoa, Italy by way of a private deed dated 28 April 1870 with a duration until 31 December 2100, is incorporated as a joint-stock company under Italian law, with registered office at Via A. Specchi 16, 00186, Rome, Italy and is registered with the Company Register of Rome under registration number, fiscal code and VAT number 00348170101. UniCredit is registered with the National Register of Banks and is the parent company of the UniCredit Group. UniCredit's head office and principal centre of business is at Piazza Gae Aulenti, 3 Tower A 20154 Milan, Italy, telephone number +39 028862 8715 (Investor Relations). The fully subscribed and paid-up share capital of UniCredit as of October 2015 amounted to € 20,257,667,511.62.

The UniCredit Banking Group, registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Banking Law under number 02008.1 (the "Group" or the "**UniCredit Group**") is a leading financial services group operating in 20 countries: commercial banking activities in Italy, Germany, Austria, Poland and 13 Central and Eastern European ("**CEE**") countries; leasing activities in the 3 Baltic countries. As at 30 June 2015, UniCredit Group is present in approximately 50 markets with about 146,600[6] full time equivalent employees ("**FTEs**"). The Group's portfolio of activities is highly diversified by segments and geographical areas, with a strong focus on commercial banking. Its wide range of banking, financial and related activities includes deposit-taking, lending, asset management, securities trading and brokerage, investment banking, international trade finance, corporate finance, leasing, factoring and the distribution of certain life insurance products through bank branches (*bancassurance*).

The Group is one of the leading banks in Italy, in terms of number of branches, and among the leading banks, in terms of total assets, in many of the CEE countries in which it operates.

HISTORY

Formation of the Group

UniCredit (formerly Unicredito Italiano S.p.A.) and the UniCredit Group of which UniCredit is the parent are the result of the October 1998 business combination between the Credito Italiano national commercial banking group (established in 1870 with the name of *Banca di Genova*) and Unicredito S.p.A. (at the time the holding company owning a controlling interest in Banca CRT (*Banca Cassa di Risparmio di Torino S.p.A.*), CRV (*Cassa di Risparmio di Verona Vicenza Belluno e Ancona Banca S.p.A.*) and Cassamarca (*Cassa di Risparmio della Marca Trivigiana S.p.A.*).

Since its formation, the Group has continued to expand in Italy and Eastern Europe through both organic growth and acquisitions, consolidating its role also in relevant sectors outside Europe, such as the asset management sector in the United States.

[6] Figures include employees of Koç Financial Group calculated at 100%.

Such expansion has been characterised, in particular:

- by the business combination with HypoVereinsbank, realised through a public tender offer launched in summer 2005 by UniCredit to acquire the control over Bayerische Hypo- und Vereinsbank AG ("**HVB**") – subsequently renamed UniCredit Bank AG – and its subsidiaries, such as Bank Austria Creditanstalt AG, subsequently renamed "UniCredit Bank Austria AG" ("**BA**" or "**Bank Austria**"). At the conclusion of the offer perfected during 2005, UniCredit acquired a shareholding for an amount equal to 93.93 per cent. of the registered share capital and voting rights of HVB. On 15 September 2008 the squeeze-out of HVB's minority shareholders, resolved upon by the bank's shareholders' meeting in June 2007, was registered with the Commercial Register of Munich. Therefore, the HVB shares held by the minority shareholders – equal to 4.55 per cent. of the share capital of the company – were transferred to UniCredit by operation of law and HVB became a UniCredit wholly-owned subsidiary. In summer 2005 UniCredit also conducted an exchange offer for the acquisition of all shares of BA not held by HVB at the time. At the conclusion of the offer, the Group held 94.98 per cent. of the aggregate share capital of BA. In January 2007, UniCredit, which at the time held 96.35 per cent. of the aggregate share capital of BA, including a stake equal to 77.53 per cent. transferred to UniCredit by HVB, resolved to commence the procedures to effect the squeeze-out of the minority shareholders of BA. As at the date of this Prospectus, UniCredit's interest in BA is equal to 99.996 per cent.; and
- by the business combination with Capitalia S.p.A. ("**Capitalia**"), the holding company of the Capitalia banking group (the "**Capitalia Group**"), realised through a merger by way of incorporation of Capitalia into UniCredit effective as of 1 October 2007.

In 2008 the squeeze outs[7] of the ordinary BA and HVB shares held by minority shareholders were completed.

Proceedings as to the adequacy of the squeeze-out price and in relation to the challenge to the relevant shareholders' resolutions promoted by certain BA and HVB shareholders are still pending. For more details please refer to the audited consolidated financial statements of UniCredit (including auditors' report) as of and for the year ended 31 December 2014 incorporated by reference herein.

UniCredit S.p.A. ordinary shares are listed on the Milan Stock Exchanges organised and managed by Borsa Italiana S.p.A., on the Frankfurt Stock Exchanges, segment *General Standard* and on the Warsaw Stock Exchanges.

THE CURRENT ORGANISATIONAL STRUCTURE

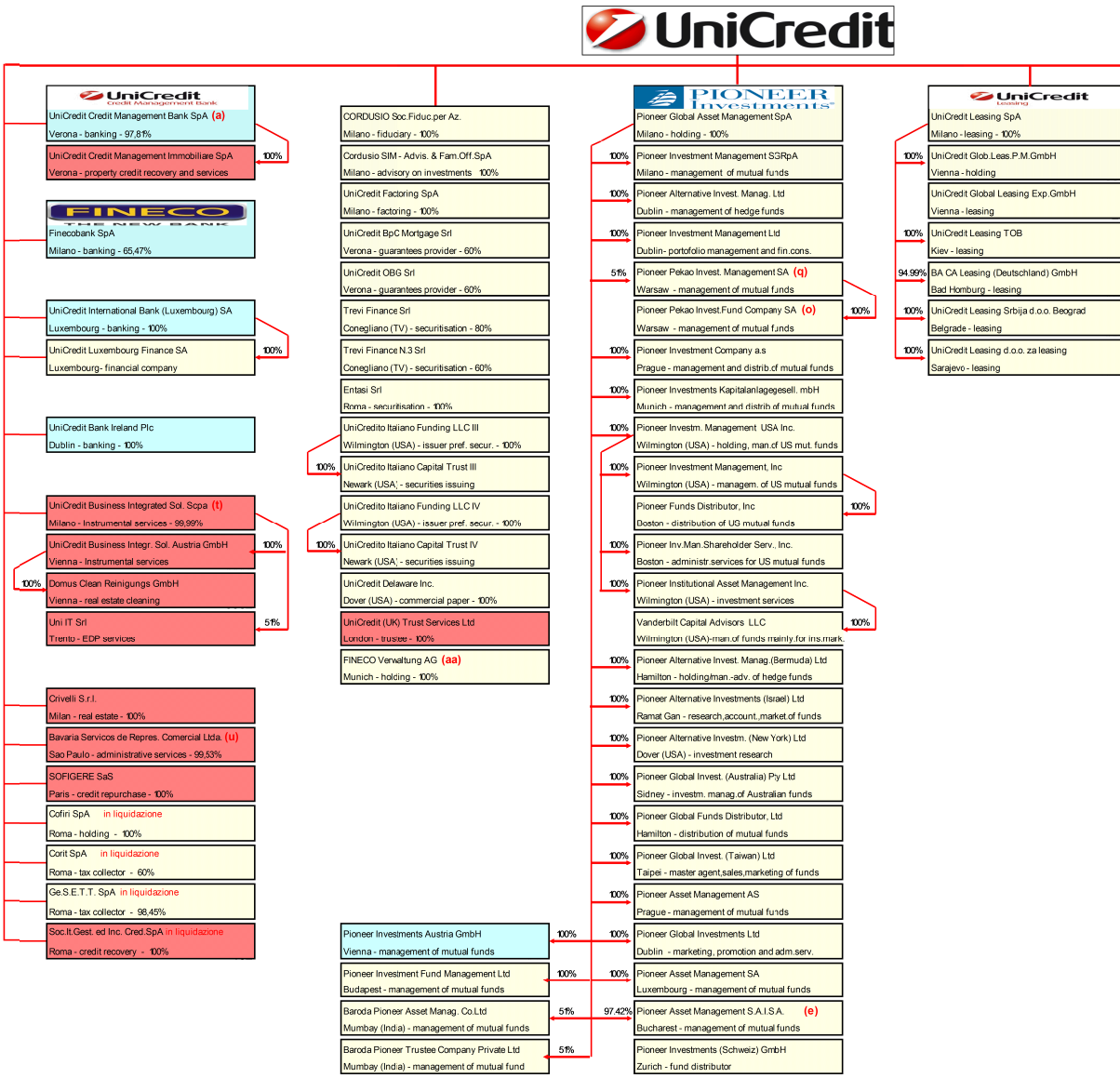
UniCredit is the parent company of the UniCredit Group and, in addition to banking activities, it carries out organic policy, governance and control functions in respect of its subsidiary banking, financial and instrumental companies.

[7] The squeeze-out is the process whereby a pool of shareholders owning at a certain amount of a listed company's shares (in Germany 95 per cent. and in Austria 90 per cent.) exercises its right to "squeeze out" the remaining minority of shareholders from the company paying them an adequate compensation

UniCredit, as a bank which undertakes management and co-ordination activities for the UniCredit Group, pursuant to Article 61 of the Banking Law issues, when exercising the management and co-ordination activities, instructions to the other members of the banking group in respect of the fulfilment of the requirements laid down by the supervisory authority in the interest of the banking group's stability.

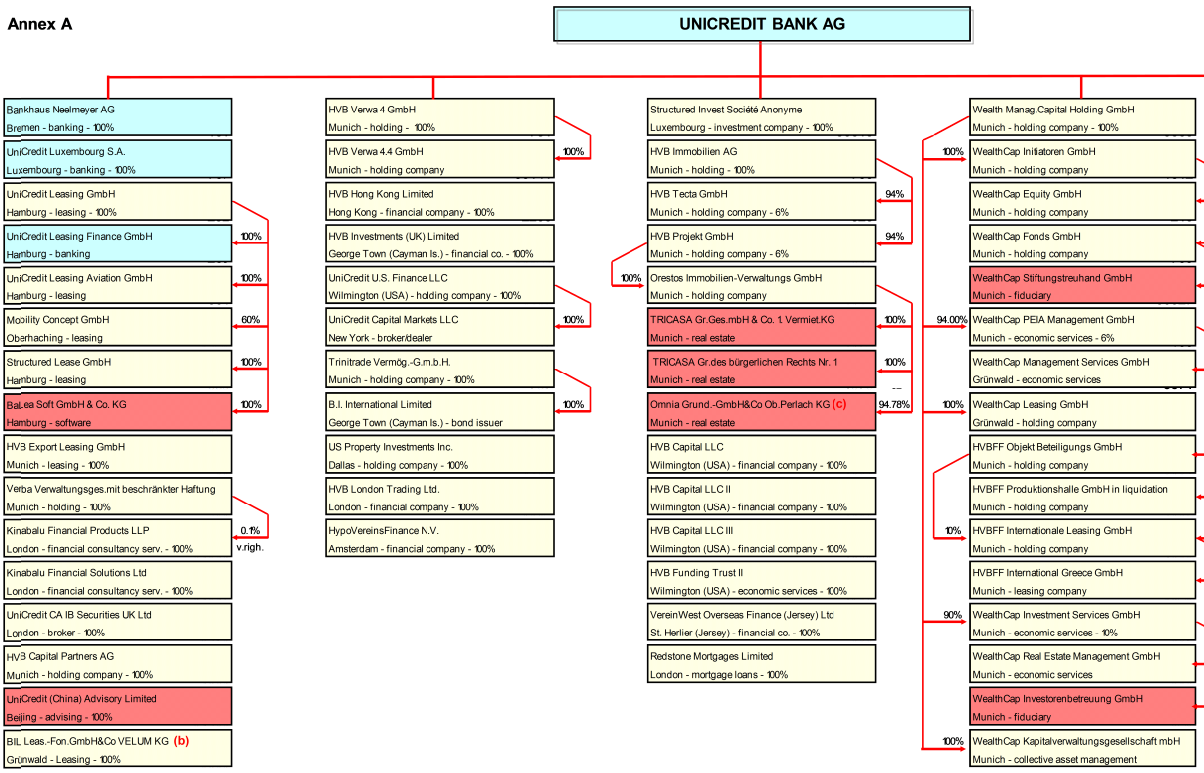
The following diagram illustrates the banking group companies as at 14 October 2015:

Banking Group (cod. 2008.1)



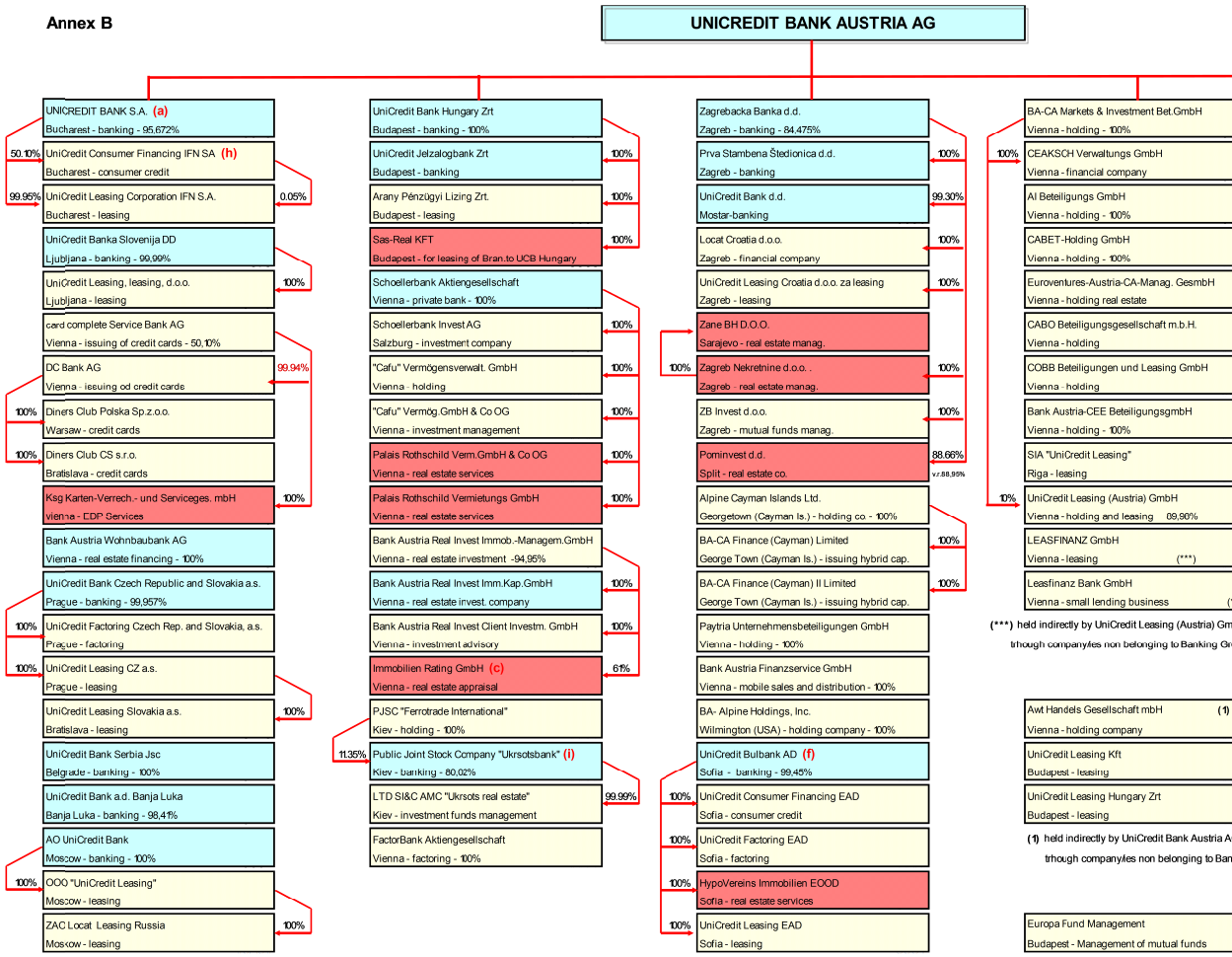
(a) # 175.000 shares owned by UniCredit Credit Management Bank SpA **(e)** 2,575% held by UNICREDIT BANK SA **(l)** 50% owned directly by UniCredit
(o) in Polish: Pioneer Pekao TFI SA **(q)** 49% held by Bank Pekao SA **(r)** 35% held by Pioneer Global Asset Management SpA **(t)** Other companies belonging to UniCredit Group and third parties hold 10/20 shares of 0,47% held by UniCredit Delaware Inc **(aa)** under liquidation process
(z) Requested to Bank of Italy the inclusion in the Banking Group

Annex A



(b) Voting rights held by UCB AG (33,33%) and by BIL Leasing-Fonds Verwaltungs GmbH (33,33%) **(c)** 5,22% held by WealthCap Leasing GmbH
(z) Requested to Bank of Italy the inclusion in the Banking Group

Annex B



(a) % considering shares held by other Companies controlled by BA **(c)** 19% held by BA and 19% held by UniCredit Leasing (Austria) GmbH **(f)** 0,004% held by Unicredit SpA **(h)** 49,9% held by
8,44% held by UniCredit SpA
(z) Requested to Bank of Italy the inclusion in the Banking Group

STRATEGY OF THE GROUP

As the parent company of the Group, pursuant to the provisions of Article 61 of the Banking Law and in compliance with local law and regulations, UniCredit undertakes management and co-ordination activities in respect of the Group to ensure the fulfilment of requirements laid down by the Bank of Italy in the interest of the Group's stability.

UniCredit engages in the following main strategic functions:

- managing the Group's business expansion by developing appropriate domestic and international business strategies and overseeing acquisitions, divestitures and restructuring initiatives;
- defining objectives and targets for each area of business and monitoring performance against these benchmarks;
- defining the policies and standards relating to the Group's operations, particularly in the areas of credit management, human resources management, risk management, accounting, planning, legal and compliance and auditing;
- managing relations with financial intermediaries, the general public and investors;
- managing selected operating activities directly or through specialised subsidiaries in order to achieve economies of scale, including asset and liability management, funding and treasury activities and the Group's foreign branches;
- directly managing business operations in Italy from 1 November 2010, following absorption of the Group's Italian banks[8] pursuant to the One for Clients Programme.

Furthermore, UniCredit intends to create value by pursuing the following principal strategic initiatives at the Group level:

- leveraging on its business model based on diversification both geographically and in terms of business;
- further increasing cost efficiency and simplification in Group structure and intra-group services;
- leveraging on global product lines throughout the Group's commercial networks;
- optimising the return on risk-weighted assets, while strengthening the Group's capital ratios, through a highly selective investment policy and a strong focus on risk-monitoring processes;
- strengthening profitability and cost control in Western Europe with a constant and strong commitment to support both families and companies;
- further strengthening the Group's results in Central and Eastern Europe while keeping risks under strict control;

[8] *UniCredit Banca, UniCredit Banca di Roma, Banco di Sicilia, UniCredit Corporate Banking, UniCredit Private Banking, UniCredit Family Financing Bank, UniCredit Bancassurance Management & Administration.*

- greater focus on customers' needs, increased proximity to local markets through higher responsibility of local Banks/Countries and faster decision processes with the implementation of GOLD project, defining a new organizational set-up aimed also at strengthening the steering, coordination and control role of UniCredit as holding company of the Group[9].

BUSINESS AREAS[10]

Brief descriptions of the business segments through which the UniCredit Group operates are provided below.

Commercial Banking Italy

Commercial Banking Italy is composed by UniCredit S.p.A. commercial network related to Core clients (excluding Large Corporate and Multinational clients, supported by Corporate and Investment Banking division) Leasing (excluding Non-Core clients), Factoring product factories and local Corporate Center with supporting functions for the Italian business.

In relation to individual clients (Households and clients of specialized network Private Banking), Commercial Banking Italy's goal is to offer a full range of products and services to fulfill transactional, investments and credit needs, relying on about 3600 branches and multichannel services provided by new technologies.

In relation to corporate customers, Commercial Banking Italy operates trying to guarantee both the support to the economic and entrepreneurial system and the profitability and quality of its portfolio. The current Corporate Channel is organized on the territory with about 773 Managers divided in 127 Corporate centers.

The territorial organization promotes a Bank closer to customers and faster decision-making processes, while the belonging to UniCredit Group allows to support companies in developing International attitudes.

Commercial Banking Germany

Commercial Banking Germany provides all German customers - except CIB clients (Large Corporate and Multinational clients) - with a complete range of banking products and services through a network of around 590 branches.

Commercial Banking Germany holds large market shares and a strategic market position in retail banking, in private banking and especially in business with local corporate customers (including factoring and leasing).

Different service models are applied in line with the needs of its various customer groups: retail customers, private banking customers, small business and corporate customers, commercial real estate customers, and Wealth Management customers. In detail the corporates segment employs a different "Mittelstand" bank model to its competitors in that it serves both business and personal needs across the whole bandwidth of German enterprises and firms

[9] On 18 December 2012 the Board of Directors approved the implementation, from January 2013, of the new organizational set-up.

[10] The following description of Business Areas is in line with the Segment Reporting of the Consolidated Group Results as of 30 June 2015.

operating in Germany. The private clients segment serves retail customers and private banking customers with banking and insurance solutions across all areas of demand. The specific, all-round advisory offering reflects the individual and differentiated needs of these customer groups in terms of relationship model and product offering.

The Segment also includes the local Corporate Center, which performs tasks as sub-holding towards other Subgroup legal entities.

Commercial Banking Austria

Commercial Banking Austria provides all Austrian customers – except CIB clients (Large Corporate and Multinational clients) – with a complete range of banking products and services. It is composed of: Retail, Corporate (excluding CIB clients), Private Banking (with its two well-known brands Bank Austria Private Banking and Schoellerbank AG), the product factories Factoring and Leasing and the local Corporate Center which also performs tasks in connection with UniCredit Bank Austria's sub-holding function.

Retail covers business with private individuals, ranging from mass-market to affluent customers. Corporates covers the entire range of business customers, SMEs and medium-sized and large companies which do not access capital markets (including Real Estate and Public Sector).

A broad coverage of the Retail and Corporate business lines is ensured through a network of about 230 branches.

The goal of Commercial banking Austria is to strengthen regional responsibility, to increase synergies, effectiveness and to improve time-to-market; therefore customer service teams can now adjust more quickly to local market changes.

Commercial Banking Austria holds significant market shares and a strategic market position in retail banking, private banking and especially in business with local corporate customers and is one of the leading providers of banking services in Austria.

In response to changing customer needs and behaviors, Commercial Banking Austria has launched Smart Banking Solutions, an integrated new service model, allowing clients to decide when, where and how they contact UniCredit Bank Austria. This approach combines classic branches, new formats of advisory service centres and modern self-service branches with internet solutions, Mobile Banking with innovative apps and video-telephony.

Poland

The segment Poland manages the UniCredit Group's operations within the Bank Pekao S.A. Group in Poland.

Bank Pekao S.A. Group includes financial institutions operating in banking, asset management, pension funds, brokerage services, transactional advisory, leasing and factoring markets.

Bank Pekao S.A. operates for over 85 years and is one of the largest financial institutions in Central and Eastern Europe. In particular, Bank Pekao is a universal commercial bank providing a full range of banking services to individual and institutional clients.

The Bank offers to its clients a broad distribution network with ATMs and over one thousand branches conveniently located throughout Poland. In relation to individual customers, the Bank is focused on the strengthening the position on consumer goods financing market and mortgage loans market while maintaining a prudent credit risk policy. The advantages of the Bank's mortgage loans offer are first of all fast credit decision, attractive financing conditions and competent advisors supporting customers in loans granting process.

The Bank actively promotes innovative solutions and modernity and provides clients with state-of-the art and user-friendly solutions in the area of mobile banking, which are top rated for high quality of service and innovativeness by several Polish institutions.

In relation to corporate and institutional clients, Bank Pekao S.A. is the leader in servicing large and medium-sized companies and has one of the widest product offer for corporate clients on the market. The Bank offers a wide range of products of money markets and currency exchange, both within the scope of current operations and long-term hedging structures of client's exposures such as currency risk and interest rate risk. Bank Pekao S.A. is a leading organizer of investment project financing, mergers and acquisitions and debt securities issues. The Bank's product offer for corporate clients also includes financial services such as granting guarantees in national and international turnover and financial services provided through leasing and factoring subsidiaries.

In 2015 Bank's activities continuously focused on acquisition of new customers and strengthening of relationships with existing customers which results in a further growth in number of customers.

Corporate & Investment Banking ("CIB")

The CIB division targets multinational and large corporate clients with highly sophisticated financial profile and needs for investment banking services, as well as institutional clients of UniCredit Group. CIB serves UniCredit Group's clients across 50 countries and supports such clients in their growth, internationalization projects and restructuring phases.

The organizational structure of CIB is based on a matrix that distinguishes (i) market coverage (carried out through the Group's country-specific commercial networks: Italy, Germany and Austria) and (ii) product offering (divided into three Product Lines that consolidate the breadth of the Group's CIB know-how).

The dedicated country-specific commercial networks (CIB Network Italy, CIB Network Germany and CIB Network Austria) are responsible for the relationships with corporate clients, banks and financial institutions as well as the sale of a broad range of financial products and services, ranging from traditional lending and merchant banking operations to more sophisticated services with high added value, such as project finance, acquisition finance and other investment banking services and operations in international financial markets.

The three Product Lines supplement and add value to the activities of the commercial networks and the marketing of the relevant products. The Product Lines are broken down as follows:

Financing and Advisory ("F&A")

F&A is the centre for all business operations related to credit and advisory services for corporate and institutional clients. It is responsible for providing a wide variety of services ranging from plain vanilla and standardized products, extending to more sophisticated products such as Capital Markets (Equity and Debt Capital Markets), Corporate Finance and Advisory, Syndications, Leverage Buy-Out, Project and Commodity Finance, Real Estate Finance, Shipping Finance, Structured Trade and Export Finance and Principal Investments.

Markets

Markets is the centre specialized for all financial markets activities and serves as the Group's access point to the capital markets. This results in a highly complementary international platform with a strong presence in emerging European financial markets. As a centralized "product line", it is responsible for the coordination of financial markets-related activities, including the structuring of products such as FX, Rates, Equities and credit related activities.

Global Transaction Banking ("GTB")

GTB is the centre for Cash Management and e-banking products, Supply Chain Finance and Trade Finance products and global securities services.

Asset Management

Asset Management business segment operates through Pioneer Investments, the company within the UniCredit Group specializing in the management of customer investments worldwide.

The business segment acts as a centralized product factory and, in addition, directs, supports and supervises the development of local business at regional level.

Leveraging on different investment partnerships with third-party financial institutions at international level, Asset Management offers a wide range of financial solutions, including mutual funds, asset administration services and portfolios for institutional investors.

Central and Eastern Europe ("CEE")

The Group operates, through the CEE business segment, in 13 Central and Eastern Europe countries: Azerbaijan, Bosnia & Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine; having, in addition, Leasing activities in the 3 Baltic countries. The CEE business segment operates through approximately 2,500 branches (including more than 1,000 branches of the Turkish subsidiaries which are consolidated at equity) and offers a wide range of products and services to retail, corporate and institutional clients in these countries. UniCredit Bank Austria manages this segment and acts as sub-holding for the banking operations in the CEE countries through its CEE Division.

The UniCredit Group is able to offer its retail customers in the CEE countries a broad portfolio of products and services similar to those offered to its Italian, German, Austrian and Polish customers.

With respect to corporate clients, the UniCredit Group is constantly engaged in standardizing the customer segments and range of products. The Group shares its business models on an international level in order to ensure access to its network in any country where the Group is present. This approach is vital due to the variety of global products offered, particularly cash management and trade finance solutions, to corporate customers operating in more than one CEE country.

Asset Gathering

Asset gathering is a business segment specialized in wealth management through the direct channel and the financial advisors network, mainly focused on the retail customer segment.

Asset Gathering operates through Fineco Bank, UniCredit Group's direct multichannel bank. It has one of the largest advisory networks in Italy and is the first broker in Italy for equity trades in terms of volume of orders. Fineco Bank offers an integrated business model combining direct banking and financial advice, with a single free-of-charge account including a full range of banking, credit, trading and investment services which are also available through applications for smartphone and tablet. With its fully integrated platform, Fineco Bank is the benchmark for modern investors.

Group Corporate Center

The Group Corporate Center includes:

Global Banking Services ("GBS")

The mission of the GBS area is to optimize costs and internal processes guaranteeing operating excellence and supporting the sustainable growth of the Business Lines. GBS falls within the scope of the Chief Operating Officer ('COO'), whose main areas of responsibility are: ICT, Operations, Workout Germany, Real Estate, Global Sourcing, Security and Organization and Legal.

Corporate Center

The Corporate Center's objective is to lead, control and support the management of the assets and related risks of the Group as a whole and of the single Group companies in their respective areas of competence.

Non-Core

Starting from the first quarter 2014 the Group decided to introduce a clear distinction between activities defined as "core" segment, meaning strategic business segments and in line with risk strategies, above described, and activities defined as "non-core" segment, including non-strategic assets and those with a poor fit to the Group's risk-adjusted return framework, with the aim of reducing the overall exposure of this last segment in the course of time and to improve the risk profile. Specifically, the "non-core" segment includes selected assets of

Commercial Banking Italy (identified on a single client basis) to be managed with a risk mitigation approach, the activities of the workout company UniCredit Credit Management Bank and some special vehicles for securitization operations.

LEGAL AND ARBITRATION PROCEEDINGS

UniCredit S.p.A. and other UniCredit group companies are involved in numerous legal proceedings (which include commercial disputes, adversarial regulatory matters and investigations). From time to time, past and present directors, officers and employees may be involved in civil and/or criminal proceedings, the details of which the UniCredit group may not lawfully know about or communicate.

The Group is also required to deal appropriately with various legal and regulatory requirements in relation to issues such as conflicts of interest, ethical issues, anti-money laundering laws, US and international sanctions, client assets, competition law, privacy and information security rules and others. Actual or alleged failure to do so may lead, and in certain instances has led, to additional litigation and investigations and subjects the Group to damages claims, regulatory fines, other penalties and/or reputational damage. In addition, one or more Group companies is subject to investigations by the relevant supervisory authority in a number of countries in which it operates. These include investigations relating to aspects of systems and controls and instances of actual and potential regulatory infringement by the relevant Group companies and/or its clients. Given the nature of the Group's business and the reorganization of the Group over time there is a risk that claims or matters that initially involve one Group company may affect or involve other Group entities.

In many cases, there is substantial uncertainty regarding the outcome of the proceedings and the amount of any possible losses. These cases include criminal proceedings, administrative proceedings brought by the relevant supervisory or prosecution authority and claims in which the petitioner has not specifically quantified the penalties requested (for example, in putative class actions in the United States). In such cases, given the impossibility of predicting possible outcomes and estimating losses (if any) in a reliable manner, no provisions have been made. However, where it is possible to reliably estimate the amount of possible losses and the loss is considered likely, provisions have been made in the financial statements based on the circumstances and consistent with international accounting standards (IAS).

To provide for possible liabilities that may result from pending legal proceedings (excluding labour law, tax cases and credit recovery actions), the UniCredit group has set aside a provision for risks and charges of € 681 million as at 30 June 2015. The estimate for reasonably possible liabilities and this provision are based upon currently available information but, given the numerous uncertainties inherent in legal proceedings, involve significant elements of judgment. In some cases it is not possible to form a reliable estimate, for example where proceedings have not yet been initiated or where there are sufficient legal and factual uncertainties to make any estimate speculative. Therefore, it is possible that this provision may not be sufficient to entirely meet the legal costs and the fines and penalties that may result from pending legal actions, and the actual costs of resolving pending matters may prove to be substantially higher.

Consequently it cannot be excluded that an unfavourable outcome of such legal proceedings or such investigations may have a negative impact on the results of the UniCredit group and/or its financial situation.

Set out below is a summary of information relating to matters involving the UniCredit group which are not considered groundless or in the ordinary course.

This section also describes pending proceedings against UniCredit S.p.A. and/or other companies of the UniCredit group and/or employees (even former employees) that UniCredit considers relevant and which, at present, are not characterised by a defined claim or for which the respective claim cannot be quantified.

Unless expressly mentioned below, labour law, tax and credit recovery claims are excluded from this section and are described elsewhere in the notes.

In accordance with IAS 37 information which would seriously prejudice the relevant company's position in the dispute may be omitted.

Madoff

Background

UniCredit S.p.A. and various of its direct and indirect subsidiaries have been sued or investigated in the wake of a Ponzi scheme perpetrated by Bernard L. Madoff ("**Madoff**") through his company Bernard L. Madoff Investment Securities LLC ("**BLMIS**"), which was exposed in December 2008. Madoff or BLMIS and the UniCredit S.p.A. group of companies were principally connected as follows:

- The Alternative Investments division of Pioneer ("**PAI**"), an indirect subsidiary of UniCredit S.p.A., was investment manager and/or investment adviser for the Primeo funds (including the Primeo Fund Ltd (now in Official Liquidation) ("**Primeo**")) and other non-U.S. funds-of-funds that had invested in other non-U.S. funds with accounts at BLMIS.
- Before PAI's involvement with Primeo, BA Worldwide Fund Management Ltd ("**BAWFM**"), an indirect subsidiary of UniCredit Bank Austria AG ("**BA**"), had been Primeo's investment adviser. BAWFM also performed for some time investment advisory functions for Thema International Fund plc ("**Thema**"), a non-U.S. fund that had an account at BLMIS.
- Some BA customers purchased shares in Primeo funds that were held in their accounts at BA.
- BA owned a 25 percent stake in Bank Medici AG ("**Bank Medici**"), a defendant in certain proceedings described below.
- BA acted in Austria as the "prospectus controller" under Austrian law in respect of Primeo and the Herald Fund SPC ("**Herald**"), a non-U.S. fund that had an account at BLMIS.

- UniCredit Bank AG (then Bayerische Hypo- und Vereinsbank AG ("**HVB**")) issued notes whose return was to be calculated by reference to the performance of a synthetic hypothetical investment in Primeo.

Proceedings in the United States

Purported Class Actions

UniCredit S.p.A., BA, PAI and Pioneer Global Asset Management S.p.A. ("**PGAM**"), a UniCredit S.p.A. subsidiary, were named among some 70 defendants in three putative class action lawsuits filed in the United States District Court for the Southern District of New York (the "**Southern District**") between January and March 2009 by purported representatives of investors in the Herald funds, the Primeo fund and the Thema funds, which were invested, either directly or indirectly, in BLMIS. Plaintiffs principally alleged that the defendants should have discovered Madoff's fraud. The Herald case asserted violations of the United States Racketeer Influenced and Corrupt Organizations Act ("**RICO**"), demanding some $2 billion in damages, which plaintiffs sought to treble under RICO. Plaintiffs in the three cases also sought damages in unspecified amounts (other than under RICO, as noted above) and other relief.

On 29 November 2011, the Southern District dismissed all three purported class actions on grounds, with respect to UniCredit S.p.A., PGAM, PAI and BA, that the United States was not a convenient forum for resolution of plaintiffs' claims. That decision was upheld on appeal by the United States Court of Appeals for the Second Circuit (the "**Second Circuit**"), and the United States Supreme Court (the "**Supreme Court**") denied the Thema and Herald plaintiffs' petition for review of that decision. All appeals have now been exhausted.

Claims by the SIPA Trustee

In December 2008, a bankruptcy administrator (the "**SIPA Trustee**") for the liquidation of BLMIS was appointed in accordance with the U.S. Securities Investor Protection Act of 1970 ("**SIPA**"). In December 2010, the SIPA Trustee filed two cases (the "**HSBC**" and the "Kohn" case, respectively) in the United States Bankruptcy Court in the Southern District of New York (the "**Bankruptcy Court**") against several dozen defendants, including UniCredit S.p.A., PAI, BA, PGAM, BAWFM, Bank Austria Cayman Islands and certain currently or formerly affiliated persons, as well as Bank Medici. Both cases were later removed to the non-bankruptcy federal trial court, i.e., the Southern District.

Kohn Case

In the Kohn case, the SIPA Trustee made claims against more than 70 defendants, including UniCredit S.p.A., BA, PGAM, BAWFM, Bank Austria Cayman Islands, certain current or formerly affiliated persons, and Bank Medici. Three categories of claims were advanced: avoidance claims (commonly referred to as "claw-back" claims), common law claims and RICO violations. On 26 November 2014, the SIPA Trustee voluntarily dismissed without prejudice and effective immediately certain defendants (and all claims against them) from the Kohn case, including UniCredit S.p.A., BA, PGAM, BAWFM, Bank Austria Cayman Islands

and the current or formerly affiliated persons. The case remains pending against certain other defendants not affiliated with UniCredit S.p.A. or its affiliated entities.

HSBC Case

In the HSBC case, the SIPA Trustee made claims against some 60 defendants, including UniCredit S.p.A., BA, BAWFM, PAI, certain current or formerly affiliated persons, and Bank Medici. In this case, the SIPA Trustee (i) made "claw-back" claims against certain defendants on a joint and several basis, including the abovementioned, alleged to be in excess of $2 billion and (ii) sought unspecified amounts (said to exceed several billion dollars) for common law claims, including aiding and abetting BLMIS's breach of fiduciary duty and BLMIS's fraud.

The common law claims were dismissed by the Southern District on 28 July 2011. That decision was upheld on appeal by the Second Circuit. A further request for review by the Supreme Court was rejected and no further appeals are pending.

The avoidance claims remain pending in the Bankruptcy Court. They are currently subject to a motion that they be dismissed pursuant to a ruling that such avoidance claims cannot be made in respect of transfers outside the United States between foreign transferors and foreign transferees because the relevant provisions of United States law do not apply extra-territorially.

On 17 December 2014, the Bankruptcy Court approved settlements the SIPA Trustee entered into with the Primeo funds and the Herald fund which the Trustee regarded as satisfying certain pending claw-back claims against UniCredit S.p.A., PAI and BA. Accordingly, the Trustee voluntarily dismissed with prejudice the avoidance claims against UniCredit S.p.A. and PAI, and without prejudice the avoidance claims against BA. Such dismissals were approved by the court on 22 July 2015.

The current or formerly affiliated persons named as defendants in the HSBC case have been omitted as defendants in the SIPA Trustee's proposed amended complaint filed in the HSBC case on 26 June 2015, but which requires permission of the Bankruptcy Court to be filed. The current or formerly affiliated persons may have rights to indemnification from UniCredit S.p.A. and its affiliated entities.

Claims by SPV Optimal SUS Ltd. and by SPV OSUS Ltd.

UniCredit S.p.A. and certain of its affiliates – BA, BAWFM, PAI – have been named as defendants, together with approximately 40 other defendants, in a lawsuit filed in the Supreme Court of the State of New York, County of New York, on 12 December 2014, by SPV OSUS Ltd. The complaint asserts common law based claims in connection with the Madoff Ponzi scheme, principally that defendants aided and abetted and/or knowingly participated in Madoff's scheme. The case is brought on behalf of investors in BLMIS and claims damages in an unspecified amount. The action filed by SPV OSUS Ltd. is in the initial stages.

Proceedings Outside the United States

On 22 July 2011, the Joint Official Liquidators of Primeo (the "**Primeo Liquidators**") sued PAI in the Grand Court of the Cayman Islands, Financial Services Division. PAI and the Primeo Liquidators settled these claims.

Investors in the Primeo and Herald Madoff feeder funds have brought numerous civil proceedings in Austria, of which 195 with a claimed amount totaling €128 million plus interest remain. The claims in these proceedings are either that BA breached certain duties regarding its function as prospectus controller, or that BA improperly advised certain investors (directly or indirectly) to invest in those funds or a combination of these claims. The Austrian Supreme Court has issued 10 final decisions with respect to prospectus liability claims asserted in the legal proceedings. With respect to claims related to the Primeo feeder funds, all 7 final Austrian Supreme Court decisions have been in favour of BA. With respect to the Herald feeder funds, the Austrian Supreme Court has ruled three times with respect to prospectus liability, once in favour of BA and twice in favour of the claimant. At this stage, it is not possible to predict with certainty the impact of these decisions on the remaining Herald cases, future rulings may be adverse to BA.

In respect of the Austrian civil proceedings pending as against BA related to Madoff's fraud, BA has made provisions for an amount considered appropriate to the current risk.

BA has been named as a defendant in criminal proceedings in Austria which concern the Madoff case.These complaints allege, amongst other things, that BA breached provisions of the Austrian Investment Fund Act as prospectus controller of the Primeo fund and certain tax issues. On the tax issues the tax authorities confirmed in a final report in April 2015 that all taxes had been correctly paid. The criminal proceedings are still at the pre-trial stage.

HVB issued several tranches of notes whose potential return was to be calculated by reference to the performance of a synthetic hypothetical investment in the Primeo fund. The nominal value of the notes issued by HVB is around €27 million. Three legal proceedings have been commenced in Germany in connection with the issuance of said Primeo-linked notes, which named HVB as a defendant. In the first case, the court of appeal has dismissed the lawsuit and the German Federal Court of Justice has not allowed a further appeal. The second case has been abandoned by the plaintiff. The last case has been decided in favour of HVB at first instance and has been decided predominantly in favour of HVB but partially in favour of the plaintiffs by the court of appeal. This decision is not final and HVB has lodged an appeal against denial to leave to appeal in front of the German Federal Court of Justice.

Subpoenas and Investigations

UniCredit S.p.A. and several of its subsidiaries received subpoenas, orders and requests to produce information and documents from the United States Securities Exchange Commission, the U.S. Department of Justice and the SIPA Trustee in the United States, the Austrian Financial Market Authority, the Irish Supervisory Authority for financial markets and BaFin in Germany related to their respective investigations into Madoff's fraud. These subpoenas, orders and requests have been satisfied.

Similar such subpoenas, orders and requests may be received in the future by UniCredit S.p.A. its affiliates, and some of their employees or former employees, in the foregoing countries or in countries where proceedings related to Madoff investments are, or may in the future be, pending.

Certain Potential Consequences

In addition to the foregoing proceedings and investigations stemming from the Madoff case against UniCredit S.p.A., its subsidiaries and some of their respective employees and former employees, additional Madoff-related proceedings and/or investigations may be filed in the future in said countries or in other countries. Such potential future proceedings and/or investigations could be filed against UniCredit S.p.A, its subsidiaries, their respective employees and former employees or entities with which UniCredit S.p.A. is affiliated. The pending or future proceedings and/or investigations may have negative consequences for the UniCredit S.p.A. group of companies.

UniCredit S.p.A. and its subsidiaries intend to defend themselves vigorously against the Madoff-related claims and charges.

Save as described above, for the time being it is not possible to estimate reliably the timing and results of the various proceedings, nor determine the level of responsibility, if any responsibility exists. Presently, and save as described above, in compliance with international accounting standards, no provisions have been made for specific risks associated with Madoff disputes.

Alpine Holding GmbH

Alpine Holding GmbH (a limited liability company) issued a bond in every year from 2010 to 2012. In 2010 and 2011, UniCredit Bank Austria AG acted as Joint Lead Manager, together with another bank. In June/July 2013, Alpine Holding GmbH and Alpine Bau GmbH became insolvent and insolvency proceedings began. Numerous bondholders then started to send letters to the banks involved issuing the bonds, setting out their claims. Insofar as UniCredit Bank Austria AG is concerned, bondholders based their claims primarily on prospectus liability of the Joint Lead Managers; only in a minority of cases did they also claim misselling due to bad investment advice by the banks which sold the bonds to their customers. At this time, UniCredit Bank Austria AG, among other banks, has been named as defendant in civil proceedings initiated by investors including a class action filed by the Federal Chamber of Labour (with the claimed amount totalling about € 3,4 million) . The principal claim is prospectus liability. These civil proceedings are pending in the first instance. No judgments have been issued so far against UniCredit Bank Austria AG. In addition to the foregoing proceedings against UniCredit Bank Austria AG stemming from the Alpine insolvency, additional Alpine-related actions have been threatened and may be filed in the future by investors and/or a consumer protection agency / the Chamber of Labour. The pending or future actions may have negative consequences for UniCredit Bank Austria AG. UniCredit Bank Austria AG intends to defend itself vigorously against these claims. At this stage, it is not possible to estimate reliably the timing and results of the various actions, nor determine the level of liability, if any.

Proceedings arising out of the purchase of UCB AG by UniCredit S.p.A. and the related group reorganization

Proceedings in Germany challenging the validity of UCB AG shareholder resolutions

By resolutions adopted at UCB AG's Extraordinary Shareholders' Meeting of 25 October 2006 (the "**2006 EGM**"), various sale and purchase agreements were approved (the "**2006 Resolutions**"). Those agreements transferred (1) the shares held by UCB AG in BA and in HVB Bank Ukraine to UniCredit S.p.A. (2) the shares held by UCB AG in International Moscow Bank and AS UniCredit Bank Riga to BA and (3) the Vilnius and Tallin branches of UCB AG to AS UniCredit Bank Riga. In 2008, these resolutions were confirmed by a UCB AG Shareholders' Meeting (the "**2008 Resolutions**").

The validity of the 2006 Resolutions, as well as of the 2008 Resolutions, was challenged by several of UCB AG's former minority shareholders in two sets of proceedings in the German courts against UCB AG (the "**2006 Proceedings**" and the "**2008 Proceedings**") on the basis, inter alia, that the price paid for the various transactions was too low.

The 2008 Proceedings have now been settled. The 2006 proceedings, which were stayed pending the resolution of the 2008 proceedings, have revived and the challenges have been dismissed. Several minority shareholders have filed appeals against this dismissal. The 2006 Resolutions are valid and binding unless and until found void by a court of final instance.

Squeeze-out of UCB AG minority shareholders (Appraisal Proceedings)

Approximately 300 former minority shareholders of UCB AG filed a request to have a review of the price paid to them when they were squeezed out (Appraisal Proceedings). The dispute mainly concerns the valuation of UCB AG.

The first hearing took place on 15 April 2010. The proceedings are still pending in Germany and are expected to last for a number of years.

Squeeze-out of Bank Austria's minority shareholders

Certain former minority shareholders in Bank Austria initiated proceedings before the Commercial Court of Vienna claiming that the squeeze-out price paid to them was inadequate, and asking the Court to review the adequacy of the amount paid (Appraisal Proceedings).

The Commercial Court of Vienna has referred the case to a panel, called the "**Gremium**", to investigate the facts of the case in order to review the adequacy of the cash compensation. UniCredit, considering the nature of the valuation methods employed, continues to believe that the amount paid to the minority shareholders was adequate.

Should the parties fail to settle the matter, the Commercial Court will issue a decision (which is appealable), which could result in UniCredit S.p.A. having to pay additional cash compensation to the former shareholders.

Financial Sanctions matters

Recently, violations of U.S. sanctions and certain US dollar payments practices have resulted in certain financial institutions entering into settlements and paying substantial fines and penalties to various U.S. authorities, including the U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**"), the U.S. Department of Justice ("**DOJ**"), the District Attorney for New York County ("**NYDA**"), the U.S. Federal Reserve ("**Fed**") and the New York Department of Financial Services ("**DFS**"), depending on the individual circumstances of

each case. Certain companies in the UniCredit Group are cooperating with various U.S. authorities and are updating other relevant non U.S. authorities as appropriate. More specifically, in March 2011 UCB AG received a subpoena from the NYDA relating to historic transactions involving certain Iranian entities, designated by OFAC, and their affiliates. In June 2012, the DOJ opened an investigation of OFAC-related compliance by UCB AG and its subsidiaries more generally. In this context, UCB AG is conducting a voluntary investigation of its US dollar payments practices and its historic compliance with applicable US financial sanctions, in the course of which certain historic non-transparent practices have been identified. UniCredit Bank Austria AG has independently initiated a voluntary investigation of its historic compliance with applicable U.S. financial sanctions, as has UniCredit S.p.A., and each is cooperating with various US authorities. It is possible that investigations into historic compliance practices may be extended to one or more of the other companies within the UniCredit Group. The scope, duration and outcome of each review or investigation will depend on facts specific to the individual case. Although we cannot at this time determine the form, extent or the timing of any resolution with any relevant authorities, the investigation costs, remediation required and/or payment or other legal liability incurred could lead to cash outflows and could potentially have a material adverse effect on the net assets and net results of UniCredit S.p.A. (on a stand-alone and consolidated basis) and one or more individual Group entities in any particular period.

Proceedings related to claims for Withholding Tax Credits

On 31 July 2014, the Supervisory Board of UCB AG concluded its internal investigation into the so-called "cum-ex" transactions (the trading of equities around dividend dates and claims for withholding tax credits) at UCB AG. The findings of the Supervisory Board's investigation indicate that the Bank sustained losses due to certain past acts/omissions of individuals and such Board has taken appropriate action. UniCredit S.p.A., UCB AG's parent company, supports the decisions taken by the Supervisory Board. UCB AG has also taken action to defend its interests. In addition, UCB AG is cooperating with Prosecutors in Frankfurt, Cologne and Munich who are investigating possible tax evasion in connection with cum-ex transactions both for UCB AG's own book as well as for a former customer of UCB AG. In May 2014, the Frankfurt Prosecutor notified UCB AG of the opening of proceedings against UCB AG under section 30 of the Administrative Offences Act (the "**Ordnungswidrigkeitengesetz**"). On 16 December 2014, the Munich Prosecutor also announced the initiation of proceedings against UCB AG under section 30 of the Ordnungswidrigkeitengesetz. In relation to these matters, UCB AG could be subject to tax and interest claims, as well as substantial penalties, administrative fines and profit or revenue claw backs. UCB AG is in communication with its relevant regulators regarding these matters. UCB AG is also in communication with competent domestic and foreign tax authorities.

Compound interest/usury

During the first half of 2015, the significant increase observed in the number of claims made against UniCredit S.p.A. in 2014 for refunds/compensation for compound interest/usury continues. These are, mostly, in the initial stages.

Certain legal developments in CEE arising out of disputes relating to foreign currency loans

In Central and Eastern Europe, in the last decade, a significant number of customers took out loans and mortgages denominated in a foreign currency ("**FX**"). In a number of instances customers – or consumer associations acting on their behalf – have sought to renegotiate the terms of such FX loans and mortgages, including having the loan principal and associated interest payments redenominated in the local currency at the time the loan was taken out, and floating rates retrospectively changed to fixed rates. In addition, politicians in a number of countries are proposing legislation that impacts FX loans. These developments have resulted in litigation against subsidiaries of UniCredit in a number of countries including Croatia, Hungary, Poland, Romania and Serbia. In Croatia, Zagrebačka banka ("Zaba") has very recently been successful at the Supreme Court in having FX loans and the related currency clause upheld as lawful. The interest rate clause has however been judged unfair and this is resulting in individual customers bringing lawsuits with mixed success. Both the consumer association plaintiff and Zaba have appealed to the Constitutional Court. In Hungary, there is no longer any litigation pending. At this time, it is not possible to reliably assess the impact of these developments, the timing of any final court decisions, how successful any litigation may ultimately be or what financial impact it or any associated legislative or regulatory initiatives, might ultimately have on the individual subsidiaries or the consolidated UniCredit Group.

Derivatives Litigation

In the years preceding the 2007 financial crisis, financial institutions, including the companies of the UC group, entered into numerous derivatives contracts both with institutional and non-institutional investors. In Germany and Italy such derivative contracts have been challenged most notably by non-institutional investors where those contracts are out of the money. This affected the financial sector generally and is not specific to UniCredit and its group companies. It is impossible to assess the full impact of such legal challenges on the Group.

Medienfonds/closed end funds

Various UCB AG customers bought shares in a fund known as VIP Medienfonds 4 Gmbh & Co. KG ("**Medienfonds**").

UCB AG did not sell shares in the fund, but granted loans to all private investors for a part of the amount invested in the fund; moreover, to collateralize the fund, UCB AG assumed specific payment obligations of certain film distributors with respect to the fund.

When certain expected tax benefits associated with this type of investment were revoked, many investors brought various kinds of legal proceedings against UCB AG and others. The investors argue that UCB AG did not disclose to them the risk of the tax treatment being revoked and assert UCB AG, together with other parties, including the promoter of the fund, is responsible for the alleged errors in the prospectus used to market the fund. Additionally some plaintiffs invoke rights under German consumer protection laws.

The courts of first and second instance passed various sentences, of which several were unfavourable for UCB AG.

On 30 December 2011 The District Higher Court of Munich decided the issue relating to prospectus liability through a specific procedure pursuant to the Capital Markets Test Case Act (Kapitalanleger-Musterverfahrensgesetz). The Court stated that the prospectus was incorrect concerning the description of tax risks, loss risk and the fund´s forecast; the Court further held UCB AG liable along with the promoter of Medienfonds for such errors. UCB AG filed an appeal to the Federal Court. The Federal Court has now heard the appeal and remanded the matter back to the Higher Regional Court for consideration. A decision with respect to the question of UCB AG's liability for the prospectus in this proceeding will affect only the few remaining pending cases since with the vast majority of the investors a general settlement has already been closed.

In a fiscal proceeding that the fund brought concerning the tax declaration of the fund for the fiscal year 2004, no final decision has been issued as to whether the tax benefits were rightfully revoked in the first place.

In addition to the above matter, UCB AG is defending lawsuits concerning other closed-end funds. The economic background of these lawsuits is often but not always linked to a modified view of the tax authorities with regard to tax benefits originally envisaged. Plaintiffs claim from UCB AG repayment of their capital investment in exchange for the respective shares in the fund.

With regard to a mutual fund investing in heating plants, a test case proceeding has been filed against UCB AG pursuant to the Kapitalanleger-Musterverfahrensgesetz.

UCB AG has made provisions which are, at present, deemed appropriate.

New Mexico CDO-Related Litigation

Claims brought or threatened by or on behalf of the state of New Mexico or any of its agencies or funds

In August 2006, the New Mexico Educational Retirement Board ("**ERB**") and the New Mexico State Investment Council ("**SIC**"), both US state funds, invested $90 million in Vanderbilt Financial, LLC ("**VF**"), a vehicle sponsored by Vanderbilt Capital Advisors, LLC ("**VCA**"). The purpose of VF was to invest in the equity tranche of various collateralized debt obligations ("**CDOs**") managed primarily by VCA. The equity investments in VF, including those made by the ERB and SIC, became worthless. VF was later liquidated.

Beginning in 2009, several lawsuits were threatened or filed on behalf of the state of New Mexico, including by private parties who claimed a right to sue in a representative capacity. The suits relate to losses suffered by the ERB and/or SIC on their VF investments, with additional claims threatened in relation to further losses suffered by SIC on its earlier investments in other VCA-managed CDOs. The lawsuits allege fraud and kickback practices. Damages claimed in the filed lawsuits are computed based on multiples of the original investment, up to a total of $365 million. In 2012, VCA reached an agreement in principle with the ERB, SIC and State of New Mexico to settle all claims brought or threatened by or on behalf of the state of New Mexico or any of its agencies or funds. The settlement is contingent on the court's approval, but that process has been temporarily on hold, and the original

litigation has been stayed, pending the determination by the New Mexico Supreme Court of a legal question in a lawsuit brought against a different set of defendants in other proceedings. In the interim, two related but largely duplicative suits have been dismissed. The New Mexico Supreme Court issued its ruling on the awaited legal question in June 2015. VCA expects to renew its request for court approval of its settlement with the ERB, SIC and State of New Mexico in the second half of 2015.

Other litigations

In November 2011, Bruce Malott, the former chairman of the ERB, brought suit in New Mexico state court against persons allegedly involved with "pay to play" or kickback practices at the ERB, alleging damages to his reputation in earning capacity as a result of his association with the challenged practices. Among the defendants are VCA, VF, PIM US and two former officers of VCA. No damages amount is specified, but Malott seeks treble damages and punitive damages (as applicable) in addition to any actual damages he might prove. In June 2013, Malott's claims were dismissed but with leave to replead. Malott filed a further amended complaint in August 2013 which, in October 2013, the defendants once again moved to dismiss. In May 2014, the Court dismissed the lawsuit again, this time with prejudice.

Divania S.r.l.

In the first half of 2007, Divania S.r.l. (now in bankruptcy) ("**Divania**") filed a suit in the Court of Bari against UniCredit Banca d'Impresa S.p.A. (then UniCredit Corporate Banking S.p.A. and now UniCredit S.p.A.) alleging violations of law and regulation in relation to certain rate and currency derivative transactions created between January 2000 and May 2005 first by Credito Italiano S.p.A. and subsequently by UniCredit Banca d'Impresa S.p.A. (now UniCredit S.p.A.).

The petition requests that the contracts be declared non-existent, or failing that, null and void or to be cancelled or terminated and that UniCredit Banca d'Impresa S.p.A. (then UniCredit Corporate Banking S.p.A. and now UniCredit S.p.A.) pay the claimant a total of €276.6 million as well as legal fees and interest. It also seeks the nullification of a settlement the parties reached in 2005 under which Divania S.r.l had agreed to waive any claims in respect of the transactions.

UniCredit S.p.A. rejects Divania S.r.l.'s demands. Without prejudice to its rejection of liability, it maintains that the amount claimed has been calculated by aggregating all the debits made (for an amount much larger than the actual amount), without taking into account the credits received that significantly reduce the claimant's demands.

In 2010 the report of the Court named expert witness submitted a report which broadly confirms UniCredit's position stating that there was a loss on derivatives amounting to about €6,400,000 (which would increase to about €10,884,000 should the out-of-court settlement, challenged by the claimant, be judged unlawful and thus null and void). The expert opinion states that interest should be added in an amount between €4,137,000 (contractual rate) and €868,000 (legal rate). On 29 September 2014 the judges reserved their decision and, by a

decision of 2 February 2015, the judge ordered that the Expert's Report be repeated. The matter was set down for a further hearing on 22 December 2015.

Another two lawsuits have also been filed by Divania, one for €68.9 million (which was subsequently increased up to € 80,5 million ex art 183 c.p.c.) and the second for €1.6 million; the first one was set down for a final hearing on 3 November 2015 at which the parties will state their positions and, in respect of the second case, a deadline has been set for the parties to file their final submissions.

UniCredit S.p.A. has made a provision for an amount consistent with the risk of the lawsuit.

Valauret S.A.

In 2004, Valauret S.A. and Hughes de Lasteyrie du Saillant filed a civil claim for losses resulting from the drop in the Rhodia S.A. share price between 2002 and 2003, allegedly caused by earlier fraudulent actions by members of the company's board of directors and others.

BA (as successor to Creditanstalt) was joined as the fourteenth defendant in 2007 on the basis that Creditanstalt was banker to one of the defendants. Valauret S.A. is seeking damages of €129.8 million in addition to legal costs and Hughes de Lasteyrie du Saillant damages of €4.39 million.

In 2006, before the action was extended to BA, the civil proceedings were stayed following the opening of criminal proceedings by the French State that are ongoing. In December 2008, the civil proceedings were also stayed against BA.

In BA's opinion, the claim is groundless and no provisions have been made.

Brontos – criminal proceeding

On 26 March 2015, the Judge of the preliminary hearing of the Court of Rome ruled that there was no case to answer in respect of any of the defendants, including all current and former employees and representatives of UniCredit. On 27 July 2015 the public prosecutor filed an appeal before the Court of Cassation.

I Viaggi del Ventaglio Group ("IVV")

In 2011 a lawsuit was filed with the Court of Milan against UniCredit S.p.A. by I Viaggi del Ventaglio de Mexico SA, SA Tonle and the bankruptcy trustee of I Viaggi del Ventaglio International SA ("**IVVISA**") for approximately €68 million. In 2014 two further lawsuits were filed with the Court of Milan by the bankruptcy trustee of IVV Holding srl and by the bankruptcy trustee of I Viaggi del Ventaglio S.p.A. for €48 million and €170 million, respectively. The three lawsuits are related. The first and third relate to allegedly unlawful conduct in relation to loans. The second relates to disputed derivative transactions. UniCredit S.p.A.'s initial view is that the claims appear to be groundless and no provisions have been made.

Lawsuit brought by "Paolo Bolici"

In May 2014, the company wholly owned by Paolo Bolici sued UniCredit S.p.A. in the Court of Rome seeking the return of €12 million in allegedly unlawful interest (allegedly incurred inter alia because of usury) and €400 million for damages. The company then went bankrupt. UniCredit S.p.A.'s initial view is that no provisions are to be made.

MATERIAL EVENTS SUBSEQUENT TO 30 JUNE 2015

For ease of comprehension material developments subsequent to 30 June 2015 have been included directly in the text and have been inserted in the following paragraphs: "Madoff" (pages 137 to 141 of the Prospectus) and "Brontos – criminal proceeding" (page 147 of the Prospectus).

Labour Related Litigation

UniCredit is involved in employment law disputes. In general, all employment law disputes are supported by provisions made to meet any disbursements incurred and in any case UniCredit does not believe that any liabilities related to the outcome of the pending proceedings could have a significant impact on its economic and/or financial standing.

Lawsuits filed against UniCredit by members of the former Cassa di Risparmio di Roma Fund

Lawsuits have been brought against UniCredit by members of the former Cassa di Risparmio di Roma Fund. These lawsuits, having been won in earlier proceedings by UniCredit, hang on appeal cases brought before the relevant courts of appeal and the Court of Cassation (as applicable) in which the main claim is a request that the funding levels of the former Cassa di Risparmio di Roma Fund be restored and that the individual social security accounts of each member be assessed and quantified. With reference to the main claim, the relief sought is estimated at Euro 384 million. No provisions were made as these actions are considered to be unfounded.

Proceedings Related to Tax Matters

Proceedings before Italian Tax Authorities

At the date of this Prospectus, the following tax proceedings are pending: (i) challenge of a tax credit in the amount of approximately €25.6 million for corporate income tax (then called IRPEG) resulting from the annual tax return for the year 1984 of Cassa Centrale di Risparmio V.E. per le Province Siciliane (former Banco di Sicilia, subsequently merged into UniCredit S.p.A.); (ii) challenge of a tax credit in the amount of approximately €21.1 million for corporate income tax resulting from the annual tax return for the year 1984 of Banco di Sicilia; and (iii) challenge of a tax credit in the amount of approximately €24.3 million resulting from the annual tax return for the year 1985 of Banco di Sicilia.

The total value of the challenges, taking into account accrued and recorded interest, is approximately €177 million.

The proceedings sub (i) and (ii) are still pending at the Italian Supreme Court (*Corte di Cassazione*); the proceeding sub (iii) was heard in front of Italian Supreme Court and was decided in favour of Banco di Sicilia with decision filed on 11 March 2013. Consequently, the

Financial Administration has reimbursed the principal amount of the credit, while the repayment of the interests is still outstanding.

On 12 June 2007, the Provincial Tax Commission of Palermo rejected the motions to dismiss by Banco di Sicilia. Banco di Sicilia filed appeals against the decision. Two of the appeal hearings were heard in front of the Regional Tax Commission and were decided in favour of Banco di Sicilia. The decisions were filed on 28 January 2010. The Financial Administration has filed appeals against these decisions to the Italian Supreme Court (*Corte di Cassazione*) and, at the date of this Prospectus, one judgment is still pending.

On 23 April 2010, a third appeal was heard in front of the same section of the Regional Tax Commission of Palermo. The appeal was resolved in favour of the Banco di Sicilia and the judgment was filed on 4 June 2010. As a result of a mistake in the filed version of the judgment, which stated a different value than that contained in the original version of the judgment, a special procedure to correct the mistake was required. An order for correction was published on 20 April 2011. The Financial Administration filed an appeal of the order with the Italian Supreme Court (*Corte di Cassazione*) on 6 July 2011. As at the date of this Prospectus, the judgment is pending and no provisions were made.

In addition, in January 2011, the Revenue Agency served UniCredit Leasing S.p.A. ("**UniCredit Leasing**") with notices of assessment regarding IRAP and VAT taxes connected to certain real estate leasing operations carried out by UniCredit Leasing during the 2005 financial year.

The IRAP assessment equals €0.7 million plus interest and penalties of €0.9 million. The VAT assessment equals €31.8 million plus interest and penalties of €80.6 million.

UniCredit Leasing appealed the notice of assessment to the Provincial Tax Commission of Bologna. Further to this appeal, the Provincial Tax Commission of Bologna issued a decision favourable to UniCredit Leasing. The Tax Authorities appealed, on March 2013, the said decision to the competent Regional Tax Commission and the judgment is still pending.

In December 2011 the Revenue Agency served UniCredit Leasing with tax assessments concerning IRAP and VAT taxes for the fiscal year 2006, for a total amount of €43.9 million, related to other real estate leasing contracts. The tax assessment has been appealed to the competent Provincial Tax Commission. Further to this appeal, the Provincial Tax Commission of Bologna issued a decision favourable to UniCredit Leasing. The time limit to appeal said decision to the competent Regional Tax Commission is still pending.

Other pending tax cases

During 2014 and 2015 UniCredit, on its own behalf and in its capacity as the incorporating company and/or holding company, as the case may be, of various companies of the Group, was served with some notices of assessment related to taxes, interests and sanctions.

The key assessments are those which relate to:

1. withholding tax allegedly not withheld on interest paid in relation to financial instruments of debt issued in order to strengthing the capital for the tax year 2009,

for a total of around €40 million; in April 2015 the assessments were settled with the payment of €17.8 milion for tax and accessory items;

2. withholding tax allegedly not withheld on interest paid in relation to financial instruments of debt issued in order to strengthing the capital for the tax year 2010, for approximately € 15,1 million (related only to taxes): a tax investigation was carried out by the Italian Police Force concerned with fiscal matters which ended in July 2015; no notice of assessment has been notified yet;

3. substitute tax on medium and long term financings for the tax years 2010 and 2011 and registration tax for the tax year 2009, for a total amount of €22 million for tax and accessory items;

4. increased IRES and IRAP for the tax years 2007, 2008 and 2009, regarding Pioneer Investment Management SGRPA, for challenges in relation to transfer pricing for a total amount equal to €80 million for IRES only;

5. increased IRES and IRAP for the tax year 2009 regarding Finecobank Banca Fineco S.p.A. due to costs which were claimed by the Revenue Agency to be non-deductible, for a total amount equal to €2 million (including taxes, interests and sanctions). The notices of assessment were appealed to the competent Provincial Tax Commission and the judgments are still pending;

6. increased IRES and IRAP for the tax years 2010 and 2011 regarding Finecobank Banca Fineco S.p.A., due to costs which were claimed by the Revenue Agency to be non-deductible, for a total amount of € 7,5 million for IRES and of € 0,3 million for IRAP, totalling € 7,8 million (including taxes, interests and sanctions);

7. increased IRES and IRAP for the tax year 2009 regarding Unicredit Banca di Roma S.p.A. and UniCredit Private Banking S.p.A. for challenges in relation to transfer pricing for a total amount, as to tax and accessory items, equal to €1.1 million; and

8. other disputes regarding Italian subsidiaries or incorporated entities, for a total amount of around €2.3 million.

In relation to the above mentioned assessments, the necessary measures have been taken, promptly challenging such assessments before the competent tax courts and/or filing appropriate requests for settlement.

Although UniCredit believes the risks due to the above mentioned assessments are minimal, it has nonetheless made the appropriate provisions to cover such potential liabilities.

At the end of February 2015 UniCredit received, in its capacity as incorporating company of UniCredit Banca di Roma S.p.A. and of Banco di Sicilia S.p.A., the latter being the transferee of the assets and liabilities of Sicilcassa S.p.A., six notices of liquidation (*avvisi di liquidazione*) for registration tax for the tax years 2012 and 2013, for a total amount of €23.3 million of which €8.4 million is attributable to UniCredit. The notices of liquidation were appealed to the competent Provincial Tax Commission and the judgments are still pending.

Proceedings related to actions by the Regulatory Authorities

The UniCredit Group is subject to a significant degree of regulation and supervision by the Bank of Italy, CONSOB, the European Banking Authority ("**EBA**"), the ECB within the Single Supervisory Mechanism ("**SSM**") as well as local banking regulators and supervisors. As a consequence, the UniCredit Group is subject to normal supervisory activities by the relevant authorities. Some of these ordinary course supervisory activities have resulted in investigations and alleged irregularities, which are still pending as of the date of this Prospectus. In such circumstances, the UniCredit Group has endeavoured to demonstrate the correctness of its conduct. The UniCredit Group believes these investigations will not have material adverse effects on its business.

In particular, during recent years, some Group companies[11], including UniCredit, have been subject to inspections by CONSOB concerning Cirio bonds, sovereign bonds issued by the Republic of Argentina and certain operations with derivative financial instruments. Following the completion of such inspections and reviews, CONSOB commenced certain administrative proceedings against managers of the banks involved.

The UniCredit Group has acted to demonstrate the correctness of the actions by the companies and managers involved. In some of these cases, however, the proceedings have led to fines against managers, some of whom also hold offices at UniCredit, who are jointly and severally responsible together with the banks involved.

Furthermore, in 2008, CONSOB investigated a Group company for its role as placement manager and sponsor in connection with the offer and listing of shares in an Italian company. Notwithstanding the allegations by CONSOB, the Group defended its actions and disputed the facts. However, the proceeding, which resulted in the imposition of a pecuniary administrative penalty against an employee of the Group in July 2009, is still pending as at the date of this Prospectus.

On 26 March 2012, CONSOB initiated an investigation against UniCredit S.p.A. aimed at ascertaining, in relation to specific profiles, the effective adoption by the Bank of certain corrective measures subsequent to the order of call pursuant to article 7, para 1, letter b), of the Financial Services Act made by the same Supervisory Authority in a letter dated 23 April 2010. At the same time, the Supervisory Authority has also carried out specific checks related to the procedures for the assessment of the adequateness/appropriateness of the organisational and administrative arrangements to manage conflicts of interest, on transactions in place with retail clients, regarding the rights issue of new shares in the capital increase resolved on 15 December 2011 by the extraordinary shareholders' meeting, as well as other financial instruments identified during the investigation. Such investigation ended on 15 May 2013 and, further to the same, CONSOB – through an order of call pursuant to article 7, para 1, letter b), of the Financial Services Act made by letter dated 20 November 2013 has asked the Bank to define and adopt certain corrective measures aimed at allowing a more correct operating activity in the context of the provision of investment services. The Bank on 13 February 2014 has approved the "CONSOB action plan", related to corrective measures, deemed appropriate by the Bank, at solving the findings highlighted by the Authority and illustrated in the response

[11] Some of which have been incorporated into UniCredit as of 1 November 2010.

sent to CONSOB on 18 February 2014. The action plan, defined by the Bank, can be considered almost completed within the deadline communicated to the Supervisory Authority.

On 18 June 2013, CONSOB started an investigation on UniCredit S.p.A., under art. 187-octies, subparagraph 3, letter. e), of the Financial Services Act, relating to the overall project for the restructuring of its stake in the capital share of Gruppo Partecipazioni Industriali S.p.A., Camfin S.p.A. and Pirelli S.p.A., disclosed to the market on 5 June 2013, in order to acquire data, information and documents concerning procedures and operational practices for the management of sensitive information and the Insider List. The investigation ended on 8 August 2013. CONSOB has sent to the Bank a counterclaim, under art. 195 TUF, violation of art. 115-bis of the Decree, as of art. 152-ter of the Issuers' Regulations, to which the Bank has presented its rebuttal by the due date of 2 April 2014 and on 10 October 2014 UniCredit submitted additional counterclaims to the Regulator to contest the charge. On 16 January 2015 CONSOB notified UniCredit that the Sanctioning Proceeding was dismissed, lacking the requirements to issue Sanctions.

From 2011 up to the date of this Prospectus, the Bank of Italy, pursuant to its above-mentioned ordinary supervisory activities, carried out inspections in the following areas: governance, management and control of credit risk, focusing on the small and medium business segment; transparency, usury and anti-money laundering; validation process for internal models on credit risk and Counterparty Credit Risk ("**CCR**"), the latter jointly with the relevant German and Austrian supervisory Authorities; governance, management and control of liquidity risks and interest rate risk at consolidated level with an analogous initiative carried out in parallel the BaFin; adequacy of information systems and back office processes of the Group, and related follow up, in cooperation with the BaFin and Bundesbank; validation of the revision of the internal model for operational risk; governance and coordination in Finance area (CIB Markets) and assessment of market risk internal models (VaR, IRC and Stressed VAR) in cooperation with BaFin/Bundesbank and FMA/OeNB, validation of internal model for operational risk with the relevant national supervisors (AMA Model); adequacy of loan loss provisions for credit positions classified as "*sofferenze*", "*incaglio*" and "*ristrutturati*"; administrative accounting groupwide processes, with focus on information flows finalised to produce consolidated financial statement; remuneration and compensation policies and practices; respect of the AML regulation (with particular focus on KYC obligations within enterprise segment). Furthermore, a general inspection has been carried out against the Group company Fineco Bank.

In light of the above investigations, the Group implemented corrective measures intended to overcome any negative findings. The action plans prepared by the Group to correct such negative findings have been substantially in compliance with applicable deadlines. The action plans are monitored by managers with certain corporate or control functions and periodically brought to the attention of the supervisory authority.

Furthermore, in 2014 UniCredit Group was subject to the Comprehensive Assessment by the ECB and the related National Competent Authorities as preparation for the Single Supervisory Mechanism. As shown by the final outcome, published on 26 October 2014, the capital levels were above the minimum level set both in the base scenario as well as in the stressed one.

In relation to the investigations carried out in the areas of i) governance, management and control of credit risk, focusing on the small and medium business segment ii) transparency and correctness with customers, Bank of Italy ascertained certain irregularities and, as a result, imposed pecuniary administrative penalties, pursuant to article 114 of the Banking Law, against some of the Group's corporate representatives[12].

In December 2008, the AGCM sanctioned UniCredit Banca (now UniCredit) for approximately €1.5 million for having entered allegedly harmful competition agreements, dating back to 1996, relating to the management of the cash flows of INAIL, the Italian workers compensation authority. While the company appealed the sanctions, the proceedings are still pending as at the date of this Prospectus.

In July 2009, the AGCM initiated an investigation to ascertain if UniCredit, together with MasterCard™ and other banks[13], have entered into agreements that restrict competition in the credit card industry. In November 2010, the AGCM imposed pecuniary administrative penalties[14] against UniCredit and other banks for anti-competition violations relating to credit cards. UniCredit and the other banks appealed the penalties to the regional court of Lazio, which in July 2011 overturned the penalties. In November 2011, the AGCM appealed to the Italian Council of State against the above judgment of the regional court of Lazio; the appeal is still pending as at the date of this Prospectus.

In December 2009, the AGCM commenced proceedings against UniCredit Banca di Roma (now UniCredit) alleging unfair trade practices with respect to mortgage forgiveness. The AGCM subsequently added UniCredit Family Financing Bank S.p.A. (now UniCredit) to the proceedings. In May 2010, pecuniary administrative penalties of €150,000 were imposed against only UniCredit Banca di Roma, which appealed to the regional court. The proceedings are still pending as at the date of this Prospectus.

In February 2010, the AGCM commenced proceedings against UniCredit Banca di Roma (now UniCredit) alleging unfair trade practices with respect to the closing of bank accounts. In July 2010, pecuniary administrative penalties of €50,000 were imposed. Thereafter, UniCredit Banca di Roma appealed to the regional court. The proceedings are still pending as at the date of this Prospectus.

In April 2010, the AGCM commenced proceedings against a Group company, Fineco Bank, alleging unfair trade practices with respect to internet advertising. In August 2010, pecuniary administrative penalties of €140,000 were imposed. Thereafter, Fineco Bank appealed to the regional court. The proceedings are still pending as at the date of this Prospectus.

In August 2011, the AGCM commenced proceedings against and requested related information from UniCredit and another Group company, Family Credit Network S.p.A., alleging unfair trade practices in connection with an advertisement offering funding. In September 2011,

[12] Regarding "governance, management and control of credit risk" three managers – at the time in charge to GRM – were sanctioned for a total amount equal to €91,000. Regarding "transparency and correctness with customers" four managers – at the time in charge to Legal & Compliance and Commercial Banking Italy – were sanctioned for a total amount equal to €116,000.

[13] Particularly, Banca Monte dei Paschi di Siena S.p.A., Banca Nazionale del Lavoro S.p.A., Banca Sella Holding S.p.A., Barclays Bank PLC, Deutsche Bank S.p.A., Intesa Sanpaolo S.p.A. and Istituto Centrale delle Banche Popolari Italiane S.p.A.

[14] The total amount of sanctions was €6,030,00 of which €380,000 applied to UniCredit.

UniCredit and Family Credit Network S.p.A. presented some written memos and responded to the AGCM's information requests. In November 2011, pecuniary administrative penalties of €70,000 and €50,000 were imposed against UniCredit and Family Credit Network S.p.A., respectively. Thereafter UniCredit and Family Credit Network S.p.A. (then merged into UniCredit) appealed to the regional court. The proceedings are still pending as at the date of this Prospectus.

In December 2012, the AGCM commenced proceeding against UniCredit and requested related information from UniCredit alleging unfair trade practices in connection with the advertising of the deposit account named "*Conto Risparmio Sicuro*". In July 2013, pecuniary administrative penalties of €250,000 were imposed against UniCredit, which appealed to the regional court. The proceedings are still pending as at the date of this Prospectus.

Germany

In Germany, various regulators are exercising oversight of operations of UniCredit Bank AG ("**UCB AG**"). The German Federal Financial Supervisory Authority ("**BaFin**") and German Central Bank ("**Bundesbank**") have conducted audits and/or reviews of UCB AG's risk management and internal control systems. They highlighted concerns (which were also the subject of additional internal and external UCB AG audits) about the extent to which such systems are fully compliant with applicable legal and regulatory requirements in Germany. At the beginning of 2010, UCB AG started a comprehensive programme to address those risks it deemed to be material. UCB AG continues to work in strict coordination with external auditors and respective Group functions to rectify the concerns raised and to ensure that Group-wide risk management policies are deployed in accordance with UniCredit policy. Such comprehensive programme promotes a stringent steering and monitoring of corrective measures. Since the beginning of 2014, this programme has been performed by the Regulatory Affairs and Findings Management unit of UCB AG.

Also in 2014 BaFin conducted several audits, besides those ones performed jointly with Banca d'Italia (see above). The most important ones have been the audit regarding operational risk and the follow-up audits regarding Internal Capital Adequacy Assessment Process ("**ICAAP**"), Loss given default ("**LGD**") and IT-Management, in parallel with Banca d'Italia.

Since 4 November 2014, the responsibility for Banking Supervision has been transferred from BaFin to ECB. Starting from February 2015, four on-site inspections regarding UCB AG have been performed by ECB: an audit regarding the Compliance function according to the Minimum Requirements for Risk Management ("**MaRisk**") and three on-site assessments regarding credit rating models, one of them involving also the Luxembourg subsidiary. Besides those audits also three on-site inspections with group-wide audit focus have been conducted assessing: 'Liquidity risk management/Internal Liquidity Adequacy Process ("**ILAAP**")/Treasury', the 'OpRisk AMA model' and 'Incremental Risk Charge'. Five further on-site inspections are going to commence in the Q4 2015, thereof three with group wide audit focus.

Also in 2015 BaFin conducted the annual audit on the bank's compliance with the Securities Trading Act ("**WpHG**").

UCB AG has been contacted by the U.S. Commodity Futures Trading Commission, the UK Financial Conduct Authority ("**FCA**") and BaFin as part of an industry-wide investigation in order to look into allegations mentioned in media reports of possible manipulation of the foreign exchange ("**FX**") market, in particular of a leading FX benchmark published by Reuters. UCB AG has performed an internal investigation into the matter which is led by UCB AG's Internal Audit function. The investigation has not revealed any evidence of UCB AG involvement in the manipulation of the FX benchmark.

Poland

In the course of its business activity, Bank Pekao is subject to various inspections, controls and investigations or explanatory proceedings carried out by different regulatory authorities, including, in particular: (i) the Polish Financial Supervision Authority ("**PFSA**"), (ii) the anti-trust authority ("**UOKiK**") within the scope of the protection of market competition and consumers' collective rights, (iii) the relevant authority for the supervision of personal data protection ("**GIODO**"), and (iv) the relevant authorities for preventing and combating money-laundering and the financing of terrorism.

The PFSA conducts on a regular basis periodical audits with respect to the entire activity and financial condition of the bank.

Between 2 June and 18 July 2014, the PFSA conducted special proceedings regarding Asset Quality Review, being the part of the pan-European activity aimed at verification of the quality of assets in major European Banks. The overall outcome of the inspection was positive, showing Bank Pekao as the leading Bank in Poland in terms of Core Tier 1 ratio. As a result of the inspection, several minor irregularities were identified by the PSFA and as a consequence 8 recommendations were issued. As of the date of this Prospectus, all recommendations have already been implemented according to the schedule agreed with PSFA.

From 8 June until 3 July 2015 the PFSA conducted the inspection regarding (i) implementation of previous post-inspection recommendations issued in scope of asset quality review issued after inspections in 2013 and 2014; (ii) Bank's compliance with PSFA's Recommendation S on managing mortgage-backed loans and Recommendation J on gathering and managing information on real estate; (iii) selected topics in the areas of IT management and IT security; and (iv) selected topics in the areas of bank management, incl. implementation of Corporate Governance Rules for supervised institutions issued by the PSFA, division of responsibilities between Board Members and the decision process regarding key decisions in credit risk. In September 2015, Bank Pekao received 27 detailed post-inspection recommendations. The action plan regarding completion of the recommendations was as of the date of this Prospectus under preparation and was supposed to be shared with the PFSA in October 2015.

Between 2012 and 2015, the PFSA conducted other regulatory inspections focusing on specific issues: (i) the activity related to the custody of assets of certain open pension funds and employer pension funds; (ii) verification of the conditions specified by Bank of Italy and PFSA for using by Bank Pekao of AMA approach for operational risk; (iii) the activity of Bank Pekao's brokerage house; (iv) the activity related to the fulfilment of the obligation as a

depositary; (v) the compliance with the regulations on preventing and combating money-laundering and the financing of terrorism.

As a result of these inspections, the PFSA issued certain recommendations which were followed by Bank Pekao.

The other regulatory proceedings were also initiated, including:

- anti-trust proceedings against operators of Visa™ and Europay™ systems and Polish banks issuing Visa™ and MasterCard™ payment cards in relation to joint determination of interchange fee influencing the competition on the acquiring services market in Poland. The UOKiK ruled that such practices restricted the competition on the relevant market, ordered the banks for refrain from these practices and imposed sanctions. The sanctions imposed on Bank Pekao amounted to approximately PLN 16.6 million (approximately €3.7 million). Bank Pekao appealed the UOKiK's decision. On 12 November 2008, the Antimonopoly Court withdrew the UOKiK's sentence. The UOKiK then filed an appeal against the Antimonopoly Court's decision. On 22 April 2010, the Court of Appeal reversed the decision of the Antimonopoly Court and transferred the case to the Antimonopoly Court for re-examination. On 8 May 2012 the Anitmonopoly Court suspended the proceedings until the final resolution of the matter constituted in MasterCard's appeal against the European Commission's decision of 19 December 2007. As a result of Bank Pekao's complaint, on 25 October 2012 the Court of Appeal repealed the decision on the suspension of the proceedings. By the verdict of 21 November 2013 the Antimonopoly Court reduced the sanction imposed on Bank Pekao from 16.6 mln PLN to 14 mln PLN (approximately €3.1 million). On 7 February 2014 Bank Pekao filed an appeal against the Antimonopoly Court's decision with regard to the sanction in amount of 14 mln PLN. By verdict of 6 October 2015 the Court of Appeal dismissed appeal of the Bank Pekao and approved the UOKIK's appeal. As a result the Court of Appeal restored the penalty imposed onto the Bank Pekao in UOKiK's decision in the amount of 16,6 PLN (approximately € 3.7 million). The Court of Appeal verdict of 6 October 2015 is legally valid, however the Bank Pekao has the right to file a cassation appeal to Supreme Court;

- an investigation by the UOKiK regarding the compliance with consumers' law of the transfer to the Credit Bureau ("**BIK**") of information on expiration of consumers' obligations. By decision of 28 December 2012 the UOKiK fined Bank Pekao for 1,8 million Zloty (approximately €450,000). In January 2013, Bank Pekao appealed to the Antimonopoly Court. By the verdict of 24 February 2015, the Antimonopoly Court dismissed the appeal of Bank Pekao. Bank Pekao appealed such verdict of the Antimonopoly Court;

- an administrative proceeding initiated by decision of the PFSA of 31 October 2013 to impose an administrative sanction on Bank Pekao in relation to the suspected failure by Bank Pekao as a depositary of the open investment fund, to fulfil obligations stipulated in the Investment Funds Act. In November 2014 the PFSA imposed on Bank

Pekao the fine in amount of 100 thousand PLN (approximately €24 thousand). The decision of the PFSA is final and legally valid;

- an administrative proceeding initiated by decision of the PFSA of 5 February 2014 to impose an administrative sanction on Centralny Dom Maklerski Pekao S.A. ("**CDM Pekao**"), subsidiary of Bank Pekao, in relation to the suspected breach of the Trading in Financial Instruments Act. In October 2014 the PFSA imposed on CDM Pekao the fine in amount of 150 thousand PLN (approximately €36 thousand). The decision of the PFSA is final and legally valid;
- an administrative proceeding initiated by decision of the PFSA of 18 December 2014 to impose an administrative sanction on Bank Pekao in connection with a suspected infringement of the Trading in Financial Instruments Act through a provision in favour of the clients of investment advisory services without a required permit. The proceeding is expected to be completed in April 2015;
- an administrative proceedings initiated against the Bank Pekao as a result of the decision of UOKiK dated 4 August 2015 on suspected application of a practice impairing collective interests of consumers involving non-application of negative LIBOR when calculating interest rate on CHF mortgage loans.

Austria

As a licensed credit institution, UniCredit Bank Austria AG ("**UCBA**") is subject to the Austrian banking act (Bankwesengesetz – "**BWG**") and hence, to the detailed regulation of and supervision by the Austrian financial market authority (Finanzmarktaufsicht – "**FMA**") and the Oesterreichische Nationalbank ("**OeNB**"). Since 4 November 2014, the responsibility for Banking Supervision has been transferred from FMA to ECB within the scope of SSM Regulation.

From December to 2012 to February 2013, OeNB/FMA conducted a follow-up audit concerning the credit portfolio of UCBA and certain of its subsidiaries. The primarily audit scope was to assess the status of measures implementation related to their on-site inspection and its result in 2010 on the same audit object. As a result, the regulator stated that UCBA does not fully meet their expectations yet. Therefore UCBA filed an action plan with further improvement-measures to be implemented. UCBA reports on regular basis to the FMA and the OeNB on the progress made regarding the implementation of the improvement-measures.

In April 2013 OeNB started an on-site-examination focused on IT-Risk and Outsourcing. The inspection of OeNB was finalised in September 2013. OeNB states that the outsourcing activities of UCBA in general meet the regulatory requirements. However OeNB highlights in its report several deficiencies – especially related to information-flows between service providers and UCBA, monitoring of service providers and involvement of UCBA in group wide projects. UCBA has filed a comprehensive action plan, submitted it to OeNB and progress of implementation of improving measures is monitored on a regular basis.

In September 2013 OeNB started an on-site examination on liquidity risk. The on-site-presence of OeNB was finalised in January 2014. At the beginning of June 2014, UCBA has

been provided with the audit report of OeNB. OeNB stressed some deficiencies, mainly with respect to stress resilience of UCBA, the substantial cross border-risk vis-à-vis Turkey and concerning the funds transfer pricing process as well as the liquidity risk management process. A detailed action plan was defined and submitted to OeNB and since then continuous progress has been made in implementing corrective measures and status up-dates are provided on a regular basis to FMA/OeNB.

In April 2014 the Austrian Financial Market Authority conducted an on-site-examination on Anti-Money-Laundering-Risk. Among others, main findings are related to certain process deficiencies and inadequate staffing. Management of UCBA immediately defined a comprehensive action plan in order to remediate revealed deficiencies by continuously monitoring progress of implementation. Findings implementation is within agreed timeframe.

In late 2014, OeNB started an on-site examination concerning Participation Risk Management and on-site audit activities have been finalized in December 2014 and in March 2015 the final report was received. The report contained findings, which highlight methodological issues in 4 key areas – UCBA AG's capital adequacy at solo-level, ICAAP framework and methodology, Pricing of intra-group funds and Performance management for CEE subsidiaries. UCBA prepared a detailed action plan and together with a general statement this was delivered in April, 2015 to OeNB. Findings implementation of respective action plan is ongoing.

Since the start of ECB's direct supervision activities including on-site inspections in November 2014, individual inspections have been started by ECB's inspection teams on UC Holding level (Italy) to be followed up by possible on-site inspection activities in UCBA.

In March 2015 ECB mandated OeNB to perform an on site assessment of the risks related to loans denominated in foreign currencies. This on-site inspection was completed in June 2015 and the inspection report was received in October, the action plan is being drafted. In May 2015 the Bank was involved in the ECB Groupwide inspection with the purpose of assessing liquidity risk management, Internal Liquidity Adequacy Assessment Process ("**ILAAP**") and treasury. In July 2015 ECB announced an on-site inspection on Group wide leasing activities, which is ongoing at the date of this prospectus. In August 2015, FMA notified about an on-site inspection on UCBA's Custodian Bank function concerning the real invest fund "Real Invest Austria" starting from September 2015. Another on-site inspection concerning credit and counterparty risk management and risk control system was announced in the beginning of September.

Furthermore, a high amount of model validations were announced e.g. Group-wide credit and counterparty risk ("**CCR**") model, and for some on-site validation-phase was already finalized and the bank is waiting for approval, e.g. Local Exposure-at-Default ("**EAD**"), Group incremental risk charge ("**IRC**") material model change, Advanced Measurement Approach ("**AMA**").

UK

UniCredit S.p.A. and UCB AG branches in the UK are subject to the supervision of local regulators, in particular to the supervision of UK Prudential Regulation Authority ("**PRA**") and FCA.

The FCA (then Financial Supervisory Authority – FSA) audited the London branches of UniCredit and UCB AG at the end of 2010 in connection with their investment banking activities.

The FCA found irregularities in the reporting and control activities of UCB AG and imposed operating limits subject to UCB AG's successful remediation of those irregularities.

UCB AG adopted an action plan to remedy those irregularities. In 2013 the FCA instructed a follow up audit – by requiring an independent third party for an "expert opinion" – which made further recommendations for improvement in the reporting and control activities of UCB AG. London branches of UCB AG and UniCredit S.p.A. addressed all the detailed recommendations and completed the remediation plan, with the exception of one action.

Other countries

Group companies operating in the other countries where the Group is present are subject to regular oversight activities, including inspections, audits and investigations or other fact-finding proceedings, by local regulatory authorities. These authorities carry out their activities with varying frequencies and methods, depending, among other things, on the country and the financial condition of Group company. As a result, local supervisory authorities may require Group companies to adopt certain organisational measures and/or impose sanctions or fines.

Russian Federation

From May to August 2013, the OeNB conducted an on-site examination on Credit-Risk in ZAO UniCredit Bank and, at the same time, in cooperation with the Bank of Italy, the validation of the internal rating model for Multinational counterparties. The report was submitted in January 2014 and shows some deficiencies to be improved related to credit approval process and underwriting as well as rating models and processes. BA has - in cooperation with ZAO UniCredit Bank - submitted a comprehensive action plan to OeNB and its progress of implementation is monitored thoroughly.

Croatia

With respect to audit performed by OeNB/FMA in BA Group, from July to August 2012, OeNB conducted an on-site inspection in the Croatian subsidiary Zagrebacka Banka, d.d. on credit risk. With respect to their findings an action plan was established and its progress of implementation is monitored thoroughly.

Republic of Ireland

In August 2013, the Central Bank of Ireland started administrative proceedings against UniCredit Bank Ireland plc for breaches of the Large Exposure Rule pursuant to the laws governing capital adequacy according to CRD that was concluded in March 2014. The supervisory Authority reprimanded the bank and required to pay a monetary penalty of €315,000.

Turkey

Following the investigation launched in November 2011 against Yapı ve Kredi Bankası A.Ş.[15] ("**YKB**") and other eleven Turkish banks, on 8 March 2013, the Turkish Competition Authority ("**TCA**") announced its decision to impose administrative pecuniary fines on those banks for their alleged failure to comply with Turkish competition laws. The amount of the fine imposed on YKB resulting from the investigation is Turkish Lira ("**TL**") 149,961,870. Notwithstanding YKB firmly believes that it has complied with applicable laws, the bank has benefitted from the early payment option pursuant to Turkish laws and paid TL 112,471,402 (75 per cent. of the administrative fine) to the relevant directorate of revenues in August 2013. In September 2013, YKB also filed an appeal against the decision of TCA for the annulment of the relevant decision and recovery of the paid amount. As to the date of this Prospectus, the case is pending before 2nd District of Ankara Administrative Court. The Court decided to reject the annulment of the relevant TCA decision. In course of the judgement process, YKB appealed against mentioned Administrative Court's decision at the 13th Council of State on the 17 April 2015 and the case is still pending.

Furthermore, as to the date of this Prospectus, there are currently routine audits of Banking and Regulatory Supervisory Agency.

CEE

Furthermore, UniCredit, its subsidiaries and entities in which it has an investment are subject to scrutiny by competition authorities from time to time.

In this regard, as to the date of this Prospectus, there are Antitrust investigations and proceedings currently underway in Hungary (UniCredit Bank Hungary ZrT).

CORPORATE OBJECTS

The purpose of UniCredit, as set out in Clause 4 of its articles of association, is to engage in deposit-taking and lending in its various forms, in Italy and abroad, operating wherever in accordance with prevailing norms and practice, and to execute all permitted transactions and services of a banking and financial nature. In order to achieve its corporate purpose, UniCredit may engage in any activity that is instrumental or in any case related to its banking and financial activities, including the issue of bonds and the acquisition of shareholding in Italy and abroad.

PRINCIPAL SHAREHOLDERS

As at 29 October 2015, UniCredit share capital, fully subscribed and paid-up, amounted to €20,257,667,511.62 and comprised 5,969,658,488 shares without nominal value, of which 5,967,177,811 are ordinary shares and 2,480,677 are savings shares. UniCredit ordinary shares are listed on the Italian, German and Polish regulated markets. The shares traded on these markets have the same characteristics and confer the same rights on the holder. UniCredit

[15] Yapı ve Kredi Bankası A.Ş. is a bank incorporated under the laws of Turkey and controlled by Koç Financial Services A.Ş., a joint venture between UniCredit and Koç Group

savings shares (shares without voting rights and with preferential economic rights) are only listed on the Italian regulated market.

As at 29 October 2015, according to available information, the main shareholders holding, directly or indirectly, a relevant participation in the Issuer were:

Main Shareholders	**Ordinary Shares**	**%**[16]
Aabar Luxembourg S.a.r.l.	301,280,851	5.049%
BlackRock Inc.	299,912,608	5.026%
Fondazione Cassa di Risparmio Verona, Vicenza, Belluno e Ancona	206,864,640	3.467%
Central Bank of Libya	174,765,354	2.929%
Fondazione Cassa di Risparmio di Torino	150,467,668	2.522%
Norges Bank	128,835,804	2.159%
People's Bank of China	119,657,792	2.005%

According to Clause 5 of UniCredit's Articles of Association, no one entitled to vote may vote, for any reason whatsoever, for a number of shares exceeding 5 per cent. of the share capital bearing voting rights.

For the purposes of computing said threshold, one must take into account the global stake held by the controlling party, (be it a private individual, legal entity or company), all subsidiaries – both direct and indirect – and affiliates, as well as those shares held through trustee companies and/or third parties and/or those shares whose voting rights are attributed for any purpose or reason to a party other than their owner; those shareholdings included in the portfolios of mutual funds managed by subsidiaries or affiliates, on the other hand, must not be taken into consideration.

No individual or entity controls the Issuer within the meaning provided for in Article 93 of the Financial Services Act, as amended.

MATERIAL CONTRACTS

UniCredit has not entered into any contracts in the last two years outside the ordinary course of business that could materially prejudice its ability to meet its obligations under the OBG.

MANAGEMENT

Board of Directors

[16] On ordinary share capital at the date of 29 October 2015.

The board of directors (the "**Board**" or the "**Board of Directors**") is responsible for the strategic supervision and management of UniCredit and the Group and it may delegate its powers to the Chief Executive Officer and other Board members.

The Board is elected by UniCredit shareholders at a general meeting for a three financial year term, unless a shorter term is established upon their appointment, and Directors may be re-elected. Under UniCredit by-laws, the Board is composed of between a minimum of nine and a maximum of twenty-four Directors.

The Board of Directors currently in office was appointed by the UniCredit Ordinary Shareholders' Meeting on 13 May 2015 for a term of three financial years and is composed of 17 members. The term in office of the current members of the Board will expire on the date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2017.

The Board can appoint one or more General Managers and/or one or more Deputy General Managers, establishing their roles and areas of competence. Should a Chief Executive Officer not have been appointed, the Board of Directors shall appoint a sole General Manager, and can appoint one or more Deputy General Managers, establishing their roles and areas of competence. The Board has appointed Mr. Federico Ghizzoni as Chief Executive Officer.

Taking into account the changes occurred in the supervisory body composition after the above Shareholders' Meeting of 13 May 2015, the following table sets forth the current members of UniCredit Board of Directors.

Name	**Position**
Giuseppe Vita [1]	Chairman
Vincenzo Calandra Buonaura [1]	Deputy Vice Chairman
Luca Cordero di Montezemolo [2]	Vice Chairman
Fabrizio Palenzona [1]	Vice Chairman
Federico Ghizzoni [1 - 3]	Chief Executive Officer
Mohamed Hamad Al Mehairi [2 - 4]	Director
Manfred Bischoff [1]	Director
Cesare Bisoni [2]	Director
Henryka Bochniarz [2]	Director
Alessandro Caltagirone [2]	Director
Helga Jung [1 - 3]	Director
Lucrezia Reichlin [2]	Director
Clara-C. Streit [2]	Director

Name	Position
Paola Vezzani [2]	Director
Alexander Wolfgring [2]	Director
Anthony Wyand [1]	Director
Elena Zambon [2]	Director

Notes:

(1) Director that does not meet the independence requirements pursuant to Clause 20 of the Articles of Association and Section 3 of the Corporate Governance Code.

(2) Director that meets the independence requirements pursuant to Clause 20 of the Articles of Association, Section 3 of the Corporate Governance Code and Section 148 of the Financial Services Act.

(3) Director that does not meet the independence requirements pursuant to Section 148 of the Financial Services Act.

(4) Director co-opted by the Board on 15 October 2015 in place of Mr. Mohamed Badawy Al-Husseiny who resigned effective as of 15 October 2015. As at the date of the Prospectus, the information concerning the independence is based on the declaration made by the Director. The meeting of the independence requirements shall be checked by the UniCredit Board of Directors according to the provisions in being.

The business address for each of the foregoing Directors is UniCredit S.p.A.'s head office.

Other principal activities performed by the members of the Board which are significant with respect to UniCredit are listed below:

Giuseppe Vita

- Chairman of the Supervisory Board of Axel Springer SE - Germany
- Member of the Board of Directors of ABI - Italian Banking Association - Italy
- Member of the General Council of Aspen Institute Italia
- Member of the Trilateral Commission - Italian Group
- Member of the Board of Directors of ISPI – Istituto per gli Studi di Politica Internazionale – Italy
- Member of the Executive Committee of ISPI – Istituto per gli Studi di Politica Internazionale - Italy
- Honorary Chairman of Deutsche Bank S.p.A. - Italy

Vincenzo Calandra Buonaura

- Member of the Board of Directors of ABI - Italian Banking Association
- Freelance lawyer

Luca Cordero di Montezemolo

- Chairman of Alitalia - Società Aerea Italiana S.p.A.
- Chairman of Alitalia - Compagnia Aerea Italiana S.p.A.
- Chairman of Telethon
- Chairman of Charme Management S.r.l.
- Chairman of the Promoting Committee for the Rome Candidacy at the 2024 Olympic Games
- Chairman MDP Holding Uno Srl
- Chairman MDP Holding Due Srl
- Chairman MDP Holding Tre Srl
- Chairman MDP Holding Quattro Srl
- Director of Poltrona Frau S.p.A.
- Director of Nuovo Trasporto Viaggiatori S.p.A.
- Director of Kering
- Director of Tod's S.p.A.
- Director of Montezemolo & Partners SGR
- Director of Coesia S.p.A.

Fabrizio Palenzona

- Chairman of Assaeroporti S.p.A. - Associazione Italiana Gestori Aeroporti
- Chairman of ADR S.p.A
- Chairman of FAISERVICE SCARL
- Chairman of AISCAT (Italian Association of Toll Motorways and Tunnels Operators)
- Member of the Board of Directors of ABI - Italian Banking Association
- Member of the Executive Committee of Giunta degli Industriali di Roma
- Member of the Board of Directors of Università degli Studi del Piemonte Orientale "Amedeo Avogadro"

Federico Ghizzoni

- Member of the Board of Directors and the Executive Committee of ABI – Italian Banking Association
- Member of the EFR European Financial Services Roundtable
- Member of the Steering Committee of the Stockholders' Agreement of Mediobanca S.p.A.
- Chairman of Associazione Filarmonica della Scala
- Member of IIEB Institute International d'Etudes Bancaires – Brussels
- Member of IMC International Monetary Conference (Washington)
- Member of the Council for the United States and Italy
- Member of the Strategic Board of Sodalitas
- Member of the Board of Directors of Institute of International Finance
- Chairman of the Supervisory Board of UniCredit Bank AG
- Member of the Bocconi University Board
- Member of the Advisory Board of Osservatorio Permanente Giovani Editori

Mohamed Hamad Al Mehairi

- Aabar Investments PJS (Aabar) – CEO and Board Member
- Arabtec Holding PJSC (Arabtec) - Board Member
- Etihad Airways – Board Member
- Al Hilal Bank – Board Member
- Qatar Abu Dhabi Investment Company (QADIC) – Board Member
- Pak-Arab Refinery Ltd. (PARCO) – Vice Chairman of the Board
- NOVA Chemicals Corporation (NOVA) – Member of Board of Directors
- Borealis AG (BOREALIS) – Board Member of Supervisory Board
- COSMO Oil (COSMO) – Board Member

Manfred Bischoff

- Chairman of the Supervisory Board of Daimler AG
- Member of the Board of Directors of Airbus Group N.V.
- Member of the Supervisory Board of SMS Holding GmbH

Cesare Bisoni

- Director at the Foundation Demo Center - Sipe
- Alternative Auditor of Modena Formazione per la Pubblica Amministrazione e per l'Impresa S.r.l.

Henryka Bochniarz

- President, Polish Confederation Lewiatan
- Deputy Chair, Tripartite Committee for Social and Economic Affairs
- Member of the Enterprise and Industry Advisory Group
- Member of the Supervisory Board of FCA Poland SA
- Member of the Supervisory Board, Orange Polska SA
- Member of the International Advisory Board, Kozminski University
- Co-founder of the Congress of Women and the Congress of Women Association
- Chairperson of the joint Polish-Japanese Economic Committee
- Member of the Board of Trustees, Polish National Museum
- Vice President, The Stanislaw Ignacy Witkiewicz Art Foundation

Alessandro Caltagirone

- Board Member and Executive Committee Member of Vianini Lavori S.p.A.
- Chief Executive of Vianini Ingegneria S.p.A.
- Chairman of the Board of Vianini Industria S.p.A.
- Board Member of Il Messaggero S.p.A.
- Board Member of Cementir Holding S.p.A.
- Board Member of Caltagirone S.p.A.
- Board Member of Caltagirone Editore S.p.A.
- Board Member of Il Gazzettino S.p.A.
- Board Member of Cimentas A.S.
- Board Member of Fincal S.A.
- Board Member of Globocem A.S.
- Board Member of Cementir Espana A.S.

- Board Member of Aalborg Portland Espana
- Chairman of the Board of Yapitek Teknolojisi San. Ve Tic. A.S.
- Investment Committee Member of Fabrica Immobiliare SGR S.p.A.
- Chief Executive of Finanziaria Italia 2005 S.p.A.
- Chairman of the Board of Ical S.p.A.
- Chief Executive of Corso 2009 S.r.l.

Helga Jung

- Non-Executive Chairwoman of the Supervisory Board of Allianz Asset Management AG
- Non-Executive Member of the Supervisory Board of Allianz Global Corporate & Speciality SE
- Non-Executive Member of the Board of Directors of Allianz Seguros, Spain
- Non-Executive Member of the Board of Directors of Companhia de Seguros Allianz Portugal S.A.
- Member of the Management Board of Allianz SE

Lucrezia Reichlin

- Member of the Scientific Board of over ten international institutions, including universities and banks; various editorial activities on international journals; "Fellow" at the Centre for European Policy Research, London, "Fellow" of the European Economic Association, “Fellow” of the British Academy.
- Chairperson and Co Founder and Director of Now Casting Economics Ltd.
- Member of the Board of Directors of Messaggerie Italiane S.p.A.
- Member of the Board of Directors of AGEAS SA/NV
- Member of Commission Economique de la Nation (Advisory Board to the French finance and economics ministers)
- Chair of the Scientific Council, Bruegel, Bruxelles
- Member of the Board of Directors of “Associazione Borsisti Marco Fanno”

Clara-Cristina Frances Traute Streit

- Non executive Member of the Board of Directors of Vontobel Holding AG, Vontobel Bank AG, Zurich
- Non executive Member of the Supervisory Board of Vonovia SE (ex Deutsche Annington Immobilien SE), Dusseldorf
- Non executive Member of the Supervisory Board of Delta Lloyd NV, Amsterdam
- Non executive Member of the Board of Directors of Jeronimo Martins SGPS S.A., Lisbon

Paola Vezzani

- Full Professor of Financial Intermediaries and Markets – University of Modena e Reggio Emilia Director of the Department of Communication and Economics and member of the Academic Senate of the University of Modena and Reggio Emilia as representative of the Directors of the Departments of Macro Area of Economics, Law and Social Sciences

Alexander Wolfgring

- Member of the Board of Directors (Executive Director), Privatstiftung zur Verwaltung von Anteilsrechten, Vienna
- Member of the Board of Directors AVZ GmbH, Vienna
- Member of the Board of Directors AVZ Holding GmbH, Vienna
- Member of the Board of Directors AVZ Finanz-Holding GmbH, Vienna
- Member of the Supervisory Board, Österreichisches Verkehrsbüro AG, Vienna
- Chairman of the Supervisory Board, Verkehrsbüro Touristik GmbH
- Member of the Board of Directors AVB Holding GmbH, Vienna
- Member of the Board of Directors API Besitz, GmbH, Vienna

Anthony Wyand

- Member of the Board of Directors of Société Foncière Lyonnaise S.A.

Elena Zambon

Zambon Group

- Vice President of GEFIM S.p.A.

- Member of the Board of Directors of ENAZ S.r.l.
- Member of the Board of Directors of IAVA S.r.l.
- Member of the Board of Directors of ITAZ S.r.l.
- Member of the Board of Directors of TANO S.r.l.
- Member of the Board of Directors of CLEOPS S.r.l.
- Member of the Board of Directors of Zambon Company S.p.A.
- President of Zambon S.p.A.
- Vice President of Zach Systems S.p.A.
- Member of the Board of Directors of Zeta Cube S.r.l.
- Member of the Board of Directors of Zambon Italia S.r.l.
- President of Zambon Immobiliare S.p.A.

Offices extra Zambon Group

- Member of the Board of Directors of ANGAMA S.r.l.
- Member of the Board of Directors of Fondo Strategico Italiano
- Member of the Board of Directors of Italcementi S.p.A.
- President of Aidaf
- Member of the Board of Directors of Istituto Italiano di Tecnologia (IIT)
- Member of the Board of Directors of Fondazione Invernizzi
- President of Fondazione Zoè (Zambon Open Education)
- Member of the Board of Directors of Fondazione Golinelli
- Vice President of Aspen Institute Italia

Senior Management

The following table sets out the name and title of each of the senior managers of the Issuer and of the Group:

Name	**Title**	**Other principal activities performed by the Senior Managers which are significant with respect to UniCredit**
Federico	Chief Executive Officer and	Please see Management – Board of

Ghizzoni	General Manager	Directors
Paolo Fiorentino	Deputy General Manager and Chief Operating Officer – responsible for organisational, operational and service functions (so-called "GBS" functions)	Officinae Verdi S.p.A. – Chairman of the Board of Directors;
Marina Natale	Deputy General Manager – Head of Strategy & Finance and Manager in charge of preparing the Issuer's financial reports	Assonime (Association of the Italian Joint Stock Companies) – Member of the Board of Directors; Fondo Interbancario di Tutela dei Depositi – Member of the Board of Directors;
Gianni Franco Papa	Deputy General Manager – Head of CIB Division	KOC Finansal Hizmetler AS – Member of the Board of Directors; YAPI Ve KREDI Bankasi AS – Member of the Board of Directors and Chairman of Audit Committee;
Carlo Appetiti	Group Compliance Officer	None
Paolo Cornetta	Group Head of Human Resources	UniCredit & Universities Knight of Labor Ugo Foscolo Foundation – Chairman of the Board of Directors; UniCredit Foundation (*Unidea*) – Vice Chairman of the Board of Directors; ES Shared Service Center S.p.A. – Member of the Board of Directors; ABI (*Italian Banking Association*) – Member of the Committee on Labour and Industrial Relations (Casl).
Massimiliano Fossati	Group Chief Risk Officer	None
Ranieri de Marchis	Head of Internal Audit	Fondo Interbancario di Tutela dei Depositi – Member of the Board of Directors and Member of the Management Committee; Nuova Sorgenia Holding S.p.A. – Member of the Board of Directors;

The business address for each of the foregoing members of UniCredit's senior management is UniCredit S.p.A., head office.

Board of Statutory Auditors

The UniCredit Board of Statutory Auditors (the "**Board of Statutory Auditors**") supervises compliance with laws, regulations and the Issuer's Articles of Association, the adequacy and functionality of the organisational and accounting structure of UniCredit as well as the overall functionality of the internal control system, with particular focus on risk management. The Board of Statutory Auditors supervises the financial disclosure process, the external auditing of the individual and consolidated financial statements and monitors the independence of the external audit firm. The Board of Statutory Auditors shall also report any irregularities or violations of the legislation to the Bank of Italy and, where required, to other supervisory authorities, and shall report to the Shareholders' Meetings called to approve the Issuer's financial statements on the supervisory activity performed and on any omissions and censurable detected facts.

The Board of Statutory Auditors currently in office was appointed by the UniCredit Ordinary Shareholders' Meeting on 11 May 2013 for a term of three financial years and its members may be re-elected. Pursuant to the provisions of the UniCredit Articles of Association, the Board of Statutory Auditors consists of five permanent statutory auditors, including a Chairman. Furthermore, the above-mentioned Shareholders' Meeting appointed four alternative statutory auditors.

The term in office of the current members of the Board of Statutory Auditors will expire on the date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2015.

All of the members of the Board of Statutory Auditors are enrolled with the Register of Chartered Accounting Auditors of the Italian Ministry of Economy and Finance. The business address for each of the members of the Board of Statutory Auditors is UniCredit S.p.A.'s head office.

Taking into account the changes occurred in the controlling body composition after the above Shareholders' Meeting of 11 May 2013, the name, position and year of appointment of the current permanent and alternative members of the Board of Statutory Auditors of UniCredit are set out in the following table:

Name	Position	Year of appointment
Maurizio Lauri	Chairman	2013
Giovanni Battista Alberti	Permanent Auditor	2013
Angelo Rocco Bonissoni [(1)]	Permanent Auditor	2015
Enrico Laghi	Permanent Auditor	2013

Maria Enrica Spinardi	Permanent Auditor	2013
Federica Bonato	Alternative Auditor	2013
Paolo Domenico Sfameni	Alternative Auditor	2013
Beatrice Lombardini	Alternative Auditor	2013
Pierpaolo Singer [(2)]	Alternative Auditor	2014

(1) Appointed by the Shareholders' Meeting on 13 May 2015 in place of Mr. Cesare Bisoni, who resigned effective 15 April 2015. From his resignation date up to the Shareholders' Meeting the office was held, according to Article 2401 of the Italian Civil Code, by Ms. Federica Bonato.

(2) Appointed by the Shareholders' Meeting on 13 May 2014 in place of Mr. Marco Lacchini, who resigned as of 7 June 2013.

Other principal activities performed by the Statutory Auditors of UniCredit which are significant for UniCredit are listed below:

Maurizio Lauri

- Permanent Auditor of ANAS S.p.A.
- Permanent Auditor of Tirreno Power S.p.A.
- Sole Auditor of Helio-Capital S.p.A
- Chairman of the Board of Statutory Auditors of GDF Suez Rinnovabili S.p.A.
- Chairman of the Board of Statutory Auditors of GDF Suez Produzione S.p.A.
- Chairman of the Board of Statutory Auditors of LORI S.p.A.
- Chairman of the Board of Statutory Auditors of Rino Immobiliare S.r.l.
- Chairman of the Board of Statutory Auditors of Rino Pratesi S.p.A.
- Chairman of the Board of Directors of RSM Tax & Advisory Italy S.r.l.
- Member of the Board of Directors of RSM Italy Scrl
- Liquidator of Help Rental Service S.r.l.
- Limited Partner of AGF di Susanna Barbaliscia & C.
- Alternative Auditor of ENI S.p.A.

Angelo Rocco Bonissoni

- Attorney of Nuova CPS Servizi S.r.l.
- Liquidator of C & B S.r.l. In Liquidazione
- Alternative Auditor of Dunlop Hiflex Holding S.r.l.
- Alternative Auditor of Alfagomma Real Estate S.p.A.
- Alternative Auditor of ISTV S.p.A.

– Technical Member of AIFI (Italian Private Equity and Venture Capital Association)

Giovanni Battista Alberti

– Permanent Auditor of Immobiliare Mazzini S.r.l.

– Liquidator of Cooperativa Ortofrutticola S. Massimo

Enrico Laghi

– Chairman of Board of Directors of Beni Stabili S.p.A.

– Director of B4 Holding S.r.l.

– Attorney General of Studio Laghi S.r.l.

– Chairman of the Board of Directors of MidCo Srl.

– Chairman of the Board of Statutory Auditors of Prelios S.p.A.

– Chairman of the Board of Statutory Auditors of Huffington Post Italia S.r.l.

– Director of Saipem S.p.A.

Maria Enrica Spinardi:

– Liquidator of Webasto Product Italy S.r.l. in liquidation

– Permanent Auditor of Comset S.p.A.

– Permanent Auditor of Atla s.r.l.

– Permanent Auditor of Ansaldo STS S.p.A.

– Alternative Auditor of Equiter S.p.A.

– Alternative Auditor of Sace S.p.A

– Alternative Auditor of Codé Crai Ovest società corporativa

– Alternative Auditor of Cuki S.p.A.

Conflicts of Interest

As at the date of this Prospectus, and to the best of UniCredit's knowledge, no member of UniCredit managing and controlling bodies has any private interest conflicting with the obligations arising from the office or position held within UniCredit, except for those that may concern operations put before the relevant bodies of UniCredit, in accordance with the applicable procedures and in strict compliance with existing laws and regulations. Members of the UniCredit managing and controlling bodies must indeed comply with the following provisions aimed at regulating instances where there exists a specific interest concerning the implementation of an operation:

- Article 53 of the Banking Law sets forth, the obligations envisaged by paragraph 1 of Article 2391 of the Italian Civil Code, hereinafter quoted, standing firm, the duty to

abstain from voting for the Directors having a conflicting interest, on their own behalf or on behalf of a third party [17];

- Article 136 of the Banking Law, which requires a particular authorisation procedure (a unanimous decision by the supervisory body with the exclusion of the concerned officers' vote[18] and the favourable vote of all members of the controlling body) should a bank enter into obligations of any kind or enter, directly or indirectly, into purchase or sale agreements with its company officers;
- Article 2391 of the Italian Civil Code, which obliges directors to notify fellow directors and the Board of Statutory Auditors of any interest that they may have, on their own behalf or on behalf of a third party, in a specific company transaction, with the concerned member of the Board of Directors having to abstain from carrying out the transaction if he/she is also the CEO; and
- Article 2391-bis of the Italian Civil Code, CONSOB Regulation No. 17221 dated 12 March 2010 (and subsequent updates) concerning transactions with related parties, as well as the new provisions issued by the Bank of Italy for the prudential supervision of banks concerning risk activities and conflicts of interest of banks and banking groups with associated persons (Circular No. 263/2006 of the Bank of Italy and subsequent updates). In accordance with the aforementioned provisions, the most significant transactions with related parties or with associated persons fall within the exclusive responsibility of the UniCredit Board of Directors, with the exception of the transactions falling under the responsibility of the UniCredit Shareholders' Meeting.

For information on related-party transactions, please see Part H of the Notes to the consolidated financial statements of UniCredit S.p.A. as at 30 June 2015, incorporated by reference herein.

External Auditors

UniCredit's annual financial statements must be audited by external auditors appointed by its shareholders, under reasoned proposal by UniCredit's Board of Statutory Auditors. The shareholders' resolution and the Board of Statutory Auditors' reasoned proposal are communicated to CONSOB. The external auditors examine UniCredit's annual financial statements and issue an opinion regarding whether its annual financial statements comply with the IAS/IFRS issued by the International Accounting Standards Board as endorsed by the European Union governing their preparation; which is to say whether they are clearly stated and give a true and fair view of the financial position and results of the Group. Their opinion is made available to UniCredit's shareholders prior to the annual general shareholders' meeting.

Since 2007, following a modification of Legislative Decree No. 58 of 24 February 1998 (the "**Financial Services Act**"), listed companies may not appoint the same auditors for more than

[17] The envisaging of the directors' duty of abstention was established by the Legislative Decree no. 72 dated 12 May 2015, effective since 27 June 2015.

[18] The envisaging of the exclusion of the concerned officers' vote was established by the Legislative Decree no. 72 dated 12 May 2015, effective since 27 June 2015.

nine years. At the annual general shareholders' meeting of UniCredit held on 4 May 2004, KPMG S.p.A. ("**KPMG**") was appointed to act as UniCredit's external auditor for a period of three years and during the general shareholders' meeting of UniCredit held on 10 May 2007 KPMG's engagement was extended for a further six years, to complete the nine-year period allowed by the Financial Services Act. KPMG has audited and issued unqualified audit opinions on the consolidated financial statements of the Issuer for the years ended 31 December 2011 and 31 December 2012. KPMG has also reviewed and issued unqualified review reports on the unaudited consolidated Financial Statements of the Issuer as of and for the six-month periods ended 30 June 2012.

KPMG is registered on the roll of chartered accountants held by the Ministry of Justice and in the register of Auditing Firms held by CONSOB.

At the ordinary and extraordinary shareholders' meeting of UniCredit held on 11 May 2012, Deloitte & Touche S.p.A. ("**Deloitte**") has been appointed to act as UniCredit's external auditor for the 2013-2021 nine-year period, pursuant to Article 13, paragraph 1, of Legislative Decree no. 39/2010 and to CONSOB Communication 97001574 dated 20 February 1997.

Deloitte is a company incorporated under the laws of Italy, enrolled with the Companies' Register of Milan under number 03049560166 and registered with the Register of Statutory Auditors (*Registro dei Revisori Legali*) maintained by Minister of Economy and Finance effective from 7 June 2004 with registration number no: 132587, having its registered office at via Tortona 25, 20144 Milan, Italy.

DESCRIPTION OF THE PORTFOLIO – THE CREDIT AND COLLECTION POLICIES

Set out below is a summary of the criteria on the basis of which the assets which may be transferred to the OBG Guarantor will be selected and the main features of the credit and collection policies adopted by the Seller for the granting and servicing of the Mortgage Loans. Prospective OBG Holders may inspect a copy of the credit and collection policies upon request at the registered office of the OBG Guarantor, the Seller and at the Specified Offices of the Luxembourg Listing Agent. For a description of the obligations undertaken by UniCredit S.p.A. under the Servicing Agreement, see "Description of the Transaction Documents - Description of the Servicing Agreement" below. For a description of the representations and warranties given and the obligations undertaken by UniCredit S.p.A. under the Warranty and Indemnity Agreement, see "Description of the Transaction Documents -Description of the Warranty and Indemnity Agreement" below.

THE PORTFOLIO

In accordance with Law 130, pursuant to the OBG Guarantee, the OBG Holders will benefit from a guarantee issued by the OBG Guarantor over a portfolio of receivables transferred or to be transferred by the Seller and the Additional Sellers (if any), arising from some or all of the following assets:

(i) residential mortgage receivables, where the relevant amount outstanding, added to the principal amount outstanding of any previous mortgage loans secured by the same property, owed to the Seller (or to the Additional Sellers, as applicable), does not exceed 80 per cent. of the value of the mortgaged property (the "**Residential Mortgage Receivables**");

(ii) non residential mortgage receivables, where the relevant amount outstanding, added to the principal amount outstanding of any previous mortgage loans secured by the same property, owed to the Seller (or to the Additional Sellers, as applicable), does not exceed 60 per cent. of the value of the property (the "**Non-Residential Mortgage Receivables**" and, together with the Residential Mortgage Receivables, the "**Mortgage Receivables**");

(iii) securities satisfying the requirements set forth under Article 2, paragraph 1, letter c) of the MEF Decree (as defined below) (the "**Public Securities**"); and

(iv) asset backed securities issued in the framework of securitisations having the characteristics of article 2, para. 1, lett. d), of the MEF Decree whose underlying assets are comprised of Mortgage Receivables and provided that such asset backed securities comply with all the following: (a) the cash-flow generating assets backing the securitisation transactions securities meet the criteria laid down in Article 129(1)(d) to (f) of Regulation (EU) No 575/2013 in respect of securitisation transactions securities backing covered bonds, (b) the cash-flow generating assets were originated by an entity closely linked to the issuer of the covered bonds, as described in Article 138 of the Guideline of the European Central Bank dated 19 December 2014 ((UE) 510/2015), (c) they are used as a technical tool to transfer mortgages or guaranteed real estate loans from

the originating entity into the cover pool of the respective covered bond; and (d) the requirements provided by Circular n. 285 of 17 December 2013 of the Bank of Italy (Supervisory Guidelines for the Banks) (the "**ABS Securities**" and, together with the Mortgage Receivables and the Public Securities, the "**Assets**"), and, within certain limits, Integration Assets. The Assets and the Integration Assets are jointly referred to as the "**Portfolio**").

As at the date of this Base Prospectus, the Portfolio consists only of Residential Mortgage Loans transferred by the Seller to the OBG Guarantor in accordance with the terms of the Master Transfer Agreement, as more fully described under "*Description of the Transaction Documents – Master Transfer Agreement*", below.

The Portfolio has characteristics that demonstrate capacity to produce funds to service any payment due and payable on the OBG.

Each of the Mortgage Receivables comprised in the Portfolio shall comply with the following general criteria (the "**General Criteria** ") as at the relevant Evaluation Date (to be deemed cumulative unless otherwise provided) (or at such other date specified below):

(i) mortgage loans in respect of which the ratio between loan's outstanding principal on the Evaluation Date and the value of the real estate upon which the guarantee has been created, calculated on the Execution Date or on the date of the apportionment (*frazionamento*) in case of loans arising from the apportionment (*frazionamento*) of a prior quota loan, is:

  (a) equal to or lower than 80 per cent. in case of Residential Mortgage Loans, or

  (b) equal to or lower than 60 per cent. in case of Commercial Mortgage Loans;

(ii) loans in respect of which the principal debtors (including further to a novation (*accollo liberatorio*) and/or apportionment (*frazionamento*)) are:

  (a) in case of Residential Mortgage Loans, one or more individuals or one or more entities, of which at least one having his residence in Italy or, as applicable, its corporate seat in Italy; or

  (b) in case of Commercial Mortgage Loans, one or more entities, of which at least one having its corporate seat in Italy or one or more individuals in their capacity of entrepreneurs of which at least one having its residence in Italy;

(iii) loans secured by a mortgage on real estates located in Italy in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage is elapsed on the Evaluation Date o prior to it;

(iv) loans which are governed by Italian law; and

(v) loans denominated in Euro (or originally disbursed in a different currency and subsequently re-denominated in Euro);

(vi) loans having at least one instalment (even an only interest one) fallen due and paid;

(vii) in case of Residential Mortgage Loans, loans whose residual tenor is not in excess of 30 years or in case of Commercial Mortgage Loans, loans whose residual tenor is not in excess of 25 years.

The Portfolio does not include Mortgage Receivables arising from:

(i) loans granted to, or secured by, a public administration entity (*ente pubblico*);

(ii) loans granted to an ecclesiastic entity (*ente ecclesiastico*); or

(iii) loans which were classified as agricultural credit (*mutui agrari*) pursuant to Article 43 ofthe Banking Law, as at the relevant Execution date;

The Mortgage Receivables to be comprised in the Portfolio shall comply also with the Specific Criteria in addition to the General Criteria.

"**Execution Date**" means the date on which the relevant loan agreement has been executed, without taking into account potential *accolli* or restructuring or *frazionamenti* that have been executed after such date.

"**Commercial Mortgage Loans**" means those mortgage loans which, pursuant to the MEF Decree, are secured over a property destined to commercial or office use and located in an Eligible State.

"**Residential Mortgage Loans**" means those mortgage loans which, pursuant to the MEF Decree, are secured over a property destined to residential use and located in an Eligible State.

"**Specific Criteria**" means the criteria for the selection of the Mortgage Receivables to be included in the portfolios to which such criteria are applied, as set forth in annex 2 to the Master Transfer Agreement for the Initial Portfolio and in the relevant transfer agreement for sale of each further portfolio of Mortgage Receivables.

"**Criteria**" means jointly the General Criteria and the Specific Criteria.

THE CREDIT AND COLLECTION POLICIES

Commercial Mortgage Loans

The terms set out below with a capital letter and not otherwise defined herein shall have the same meaning as in the Servicing Agreement.

Process of assessment and disbursement

The process of assessment of the creditworthiness and disbursement of loans to the business customers is managed through a dedicated application based on statistical scores which reworks in an ordered and articulated way the information that the Seller has on the company applying for a loan, on its competitors, and the relevance and intensity of the risk factors which can compromise its skill in realizing the debt service and it integrates it with the available data from external informative bases (*Credit Bureau privati e di Viglianza*).

The process of assessment is made up of the following main phases:

1) Arrangement of the credit line application which includes the activity of collection of information from the customer, the personal details of the counterparties and the input of data in the Seller's applications;

2) Filling in of the proposal and calculation of the credit rating, upon data acquisition from external Credit Bureau and assessment of the guarantor's riskiness; and

3) Determination of the deliberative body on the basis of the Seller's procedures and considering the applicant's characteristics (or of the economical group it belongs to) and of the transaction.

The assessment logic at the basis of such application is focalised on the source of reimbursement of the granted credit lines which is realized in the analyses:

1) Of the required operation, with particular reference to the credit line purpose and the means of reimbursement;

2) Of the applying customer, in terms of skill in generating cash flows in favour of the debt and the risk capital and in maintaining a balanced property, financial and income structure, its competitive position, etc.; and

3) Of the possible real and/or personal security supporting it.

The rating models applied by the Seller to the companies and validated by Bank of Italy for A-IRB use,are specialized on the basis of the turnover and of the kind of counterparty. They express a general viewpoint on the credit line of the counterparty deriving from the integration of the synthetic risk assessments which emerge from different areas of analyses:

- Economic-financial data (investments, liquidity, productivity, profitability, circulating capital);

- Qualitative data (non financial information, obtained through a questionnaire and represented for example by data regarding the history of the company, the company and organisational structure, assessments on the strategic coherence and on the competitive position, information about the entrepreneur);

- Data regarding the geographical and sector placement and the dimension characteristics of the counterparty;

- Internal behavioural data of the system (e.g. Office of credit risks - *Centrale dei Rischi*), synthesized by a statistical predictive score which nourishes the trend monitoring system.

The rating is calculated and used in the phase of first disbursement and it is updated eriodically on the basis of the trend component and every time that the information regarding the other components of the rating system are modified (e.g. financial statements, qualitative questionnaire, dimensional and geo-sector variables).

Required security

The security aims at strengthening the principle of property liability of the principal debtor and therefore, at assuring the Seller an enhanced certainty of performance or an enhanced efficacy of the enforcement action in case of breach.

Therefore, as the security is an ancillary element of the secured claim, at the moment of the assessment of the person to whom we grant a credit line, they have to be considered as such. Such assessment has hence to take into account, as fundamental element, the ability of the person to face his/her obligations, regardless of the given security.

The ancillary nature of the security ensures that the guarantor's obligation exists *provided that* there is a principal obligation of which it follows the development (e.g. the waiver to the credit line by the bank during a transaction with the main debtor determines the discharge also of the obligation of the guarantor).

The concept of the ancillary nature of the security implies that the acquisition of security does not influence the determination of the level of risk of the credit line; it is in fact a matter of credit line with better security, as it is intended in addition to the ability of performance of the obligations of the beneficiary.

For the security to form a protection against the risk, they have to be able to assure an effective recovery of the credit exposure in case of breach, both in terms of legal efficacy and in terms of suitable cover of the exposure.

Thus, the process of management of the security takes place within the scope of the process of assessment of the credit line and it is expressed in managerial phases (acceptance, assessment and fulfilment, monitoring and administration, realization).

The Seller has implemented a specific process in order to verify the "legal certainty" of the security (the legal validity, the efficacy, the binding aspect and their application) which is realized through electronically traced controls of different levels.

Collection

For the purposes of the better administering the portfolio transaction, the Servicer and its authorized agents, if appointed (hereinafter for brevity: the Servicer's delegate), will exchange information with each other and their respective data collection systems, accounting and Credits administration .

Monitoring of the first risk signals

The monitoring of the business customers, carried out through the process of "Monitoraggio in continuo" consists in all the activites that the Bank performs in order to identify and promply react to the synthoms of a potential debtor's credit quality deterioration (credit or refund capacity). The process is supported by several instruments / procedures that allow to processthe information provided by internal or external sources of the Bank and provide the relevant involved professionals with the list of debtors whose risk indicators show a deterioration. The process is supported by the TMP monitoring system/tool.

The activity aims at analysing the information deriving from the daily management of the debtor and promptly ifidentifying the Mortgage Receivables with a deteriorating risk profile, in order to ensure the ability of managing the credit and the control of the main credit quality variables.

All positions under monitoring can be referred to three of this macro classes:

- IN BONIS (BO): relations having regular trend;

- WHATCH LIST (W1/W2/W3): relations which highlight signals of anomaly of a certain seriousness and duration/frequency, but that can be foreseeably overcome;

- TO BE CALLED OFF (A1/A2): Mortgage Receivables for which, without prejudice of business continuity and of the flows that ensure the repayiment of the debts, the intention is to interrupt the relationship with the debtor

- CLASSIFICATION AS NON PERFORMING LOAN (RC): clients with objective difficulties that it is expected to be resolved , without losses, in a reasonable time regardless of the existence of securities or collateral on the loan (Incagli) or clients with insolvency (also not declared by the Court) or situations of no-temporary difficulties to fulfill duties and obligations that it is foreseeable will result in losses regardless of the existence of personal security or collateral (Sofferenze).

Collection

At the expiry date of the instalment, the Servicer shall monitor the payment of the Debtors who have authorised the direct charge on account domiciled at the Servicer, simultaneously crediting the Collection Account with the sums received by the Debtors in accordance with the Servicing Agreement. The automatic charge of the instalments will be done only in the presence of the 100 per cent of the liquid funds necessary to make the payment: therefore the system may not accept partial payments. Any other collection received in relation to the Mortgage Receivables through a different mechanism (cash payment or bank transfer, through direct interbanking remittance (RID) or other technologies) shall be transferred to the Collection Account with same value date of the date on which collection was made or previous if acknowledged by the Debtor following the procedures according to the Servicing Agreement.

Monitoring and administration

The periodical charge of the loan instalments in the specific procedure of the Servicer produces records (evidenze) in the relations if the instalment is not covered by the saccount (conto d'appoggio) on which the instalments are paid.

Such records are used by the peripheral competent commercial structure of the Servicer to make preliminary controls and to promote potential interventions directed to arrange arrears (control of possible technical anomalies, of the whole operation of the customer in arrear, etc.)

The non payment of the instalments activates a signal in the monitoring tool (TMP) which shall be promptly analyzed and assessed by the Servicer.

The existence of overdue or overdraft (scaduto o sconfinato) receivables of the Debtor implies a proposal of management classification of the monitoring tool TMP in relation to the different time persistence of the identified arrears and to the other characteristics of the counterparty.

The confirmation of such proposal determines the application of management rules defined in order to reduce the exposure and/or the risk of the position, possibly also through the re-modulation of the amortisation plan within the limits authorised by the Servicing Agreement, or to entirely recover the exposure in a prompt and effective way, also through the enforcement of the guarantee to the main credit , if any, or through the management of the arrears by spacialized and dedicated professionals.

Administration of Defaulted Receivables

In case of inefficacy of the amicable settlement (*recupero bonario*) activity or prompltly upon the occurrence of certain conditions/events which, also based on the recommendation of the Servicer's delegate and on the opinion of the Servicer, or directly at the discretion of the Servicer, highlight a worsening of the creditworthiness of the Debtor, the Receivable shall be classified by the Servicer as "*Credito ad Incaglio*" or "*Credito in Sofferenza*". In case of classification of a Receivable as "*Credito ad Incaglionon revocato,"* the Servicer shall require the payment of the overdue instalments plus interest di mora in relation to the original amortisation plan. If the Receivable is classified as incaglio revocato o "*Credito in Sofferenza*", the Servicer shall terminate the financing agreement demanding full payment of any outstanding amount.

The Receivable will be classified by the Servicer as "*Credito ad Incaglio*" when the default of the Debtor is due to circumstances of temporary objective difficulties which are likely to be removed in a reasonable period of time.

For the purposes of the issue programme and the relative reports, the Mortgage Receivables classified as Default Receivables shall not be classified as Receivables "*in bonis*", even if the relevant Borrower returns to be "*in bonis*".

The Servicer, in addition to the correct classification, shall evaluate the Mortgage Receivables and is responsible of protection and credit recovery activities in cooperation with its delegates.

The decision of the Servicer to use the delegates of the Servicer in order to perform recovery activities is regulated by the service model of the Bank for the "non performing " Receivables ("Incaglio Revocato" and "Sofferenza"): in any case the recovery activites of receivables classified as "Incaglio Revocato" and "Sofferenza" can be subject to assignment, in compliance with the mandate, to the Servicer's delegates.

In particular, the delegates of the Servicer shall take all out-of-court and/or judicial initiatives which deem achievable e and appropriate for the administration of the relevant Mortgage Receivables, in accordance with the procedures described below. It shall analyse in detail the documentation relating to the relevant Receivable received by the Servicer and shall upload all details relating to the file into its management system.

The management tool shall assign the file to an internal manager on the basis of several criteria, such as geographical placement of the Debtor, his/her business sector, the kind of exposure and its amount.

Within predetermined limits, an external consultant/third party company, selected in accordance with pre-set criteria, may be appointed to assist the internal manager. The activity of such external consultant is put under the strict control of the internal manager.

The manager of the delegates of the Servicer, also using the external consultants/third party companies, shall endeavour to resolve the file through out-of-court activities, based on negotiations with the assigned Debtor with respect to his/her debt repayment.

The proposal for the debt position settlement shoult be formulated by the manager of the delegates of the Servicer in accordance with the powers vested under the Servicing Agreement.

The proposal so formulated shall be subject to a resolution by the competent body of Servicer's delegate, on the basis of the delegation system envisaged by the Servicer's delegate itself, and the outcome of the decision shall be then communicated to the Debtor.

If the decision of the competent body in relation to the proposal, on the other hand, is negative and no alternative negotiated solutions are reached, legal action shall be undertaken if deemed appropriate or convenient (notification of the injunction, protective measures on assets/properties, notification of the precept, attachment in the presence of mortgaged property, and consequential executive process and real estate selling, in accordance with the applicable rules of law). With respect to the judicial activities, the Servicer's delegate shall use external legal advisors of its choice , with proved experience in credit recovery legal activity and which use the same management system enabling a timely monitoring of such legal activity.

In any case, even pending the relevant legal activities, any initiative including out-of-court ones, shall be attempted in order to recover a claim with the purpose of maximising recoveries whilst minimising costs.

Once all activities and renegotiation attempts with the clients have been proven to be ineffective and, in the opinion of the Servicer's delegate, no other actions to recover the due amount are feasible, the Servicer's delegate shall proceed with the sale of the Receivable, in compliance with and subject to the conditions set out under the Servicing Agreement. The conclusion of the judicial and/or out-of-court procedure is reached by means of either the collection of the sums realised or, in case of negative outcome, the mere termination of the appointment.

In any case the Servicer's delegate will communicate to the Servicer whether the Receivable was recovered in full or in part or the impossibility or non convenience of further judicial or out-of-court activities in relation to such Receivable.

Any full or partial write off shall be subject to a resolution of the competent body of the Servicer.

If the positions classified to Incaglio Revocato or Sofferenza were kept in the direct management of the Servicer for the recovery activity, all the judicial and/or out-of-court

initiatives described above are taken and managed directly by the servicer also through external legal advisors or satisfactory consultants.

In any case positions classified “Incaglio Non Revocato” are managed directly by the Servicer as regards the activity of positions regularization in order to redevelopement of the relationship or amicable disengagement.

Positions which show economic-financial difficulties but having the features to remain on the market at commercial and industrial level and therefore can maintain and/or recover the conditions of business continuity, both in case of performing customers and in classified to default customers. These positions could be object to specialized credit management named “gestione Restructuring”, the aim of which is to secure the economic-financial business equilibrium, also through restructuring of exposures, granting of moratorium or the consolidation of overdue and/or short term exposures.

Enforcement of the security

Without prejudice to what is stated in the paragraphs above with regards to the monitoring activity of the overdue (*scaduti*) or overdraft (*sconfinati*) receivables and if the receivables , already revoked, are covered by guarantee, the Servicer will carry on any available activity aimed at their enforcement, in order to ensure the settlement of the Mortgage Receivables.

As far the omnibus guarantees are concerned, (to include in such expression also the pledges created as a guarantee of different debt positions of the Debtor), the Servicer shall be entitled to take the most suitable actions in order to put in place the most effective actions against the Debtor and the guarantor, considering the Seller 's and the purchaser's exposure a unique position, and guaranteed in the overall by the omnibus guarantee. The Servicer, in the absence of guarantor's suggestions, shall be able to charge the proceeds of the enforcement of the security that, according to its cautious assessment, is appropriate to discharge first, possibly also waiving the application of a proportional criterion, to the extent determined at the moment of Mortgage Receivables' transfer. For this purpose, the Servicer is entitled on behalf of the purchaser to carry out any necessary waivers of guarantee, if appropriate.

Early repayment

Similarly to what is provided for the Seller 's customers, from a contractual viewpoint, borrowers are allowed to pre-pay in whole or in part their debt by paying the instalment.

Full Pre-payments.

In order to make a pre-payment in full, the borrower has to pay by wire transfer the residual principal amount (after the payment of overdue and unpaid instalments), as well as the accrued interest from the expiry date of the last instalment until the date of the pre-payment. To these amounts has to be added also the penalty for prepayment (if any) calculated as a percentage on the outstanding amount of the loanat the moment of the pre-payment.

Partial pre-payment

The case of partial pre-payment, also named partial reduction, provides for the payment of a sum by the borrower as partial reimbursement of the principal amount. The partial reduction of

the outstanding debt implies the recalculation of the amortisation plan which, with the same dates of payment, shall imply a reduction of the amount of the instalments to be collected.

The charges for the whole or partial pre-payment usually includes the payment of a fixed percentage applied on the principal outstanding amount.

For the best outcome of whole or partial discharge the essential requisite is the lack of unpaid overdue instalments in and, in the case of indexed rate loans, that the adjustments due (if any) have already been paid.

Residential Mortgage Loans

Foreword

Hereunder, in section 1, a general description of the credit policies adopted by the Seller is provided, including those used in the framework of the agreement with Tecnocasa (Kiron – Epicas).

Issuance procedures are described with more details in section 2 of this document.

Collection policies are provided in section 3.

SECTION 1 - MORTGAGE LOAN ISSUANCE PROCESS

Business sources

Mortgage loans granted by the Seller can be originated from the following channels:

a) Covenant Channel with involvement of a partner of the Seller, together with UniCredit has entered into an 'ad hoc' covenant, enabling identification of potential new borrowers. The covenant channel also includes the agreement with Tecnocasa (Kiron – Epicas), bank's main partner;

b) Semi-direct channel, i.e. through individual real estate agencies or loan brokers, who refer to Financial Salesmen of the Seller;

c) Direct Channel, i.e. through branches of the Seller, Financial salesmen of the Seller, "Mutui On Line" website.

Loan application process

The first step in the process aimed at assessing loan application is the initial interview with the client, carried out by the Sales Network, where, on the one hand the loan broker provides precise details as to the steps to be taken and documents required for obtaining the loan, on the other hand, an initial general assessment is made of the prospective borrower's suitability (collection of information on the income level of the applicant and guarantors if any, intended use of the loan and location of the property to be mortgaged etc).

Drafting the application

If the information collected during the interview produces a positive assessment, the loan broker will accept the loan application, duly completed and subscribed by each subject participating in the loan as borrower or guarantor, also in order to obtain authorisation for the processing of personal data - with specific reference to forwarding of the same to external

Credit Bureaux CRIF and EXPERIAN (such personal data will be forwarded to external Credit Bureaux CRIF and EXPERIAN by the Seller and not by the relevant loan broker)- as required by Law 196/03 (Privacy).

During the application preparation process, information assessed concerns:

- personal master data,
- social/demographic data,
- income details,
- records in public archives (protests, prejudicial recordings),
- contracts present on External Credit Bureaux (Experian, CRIF),
- evidence of delinquent accounts with *Centrale Rischi* (*Risk Sorting House*) (Banca d'Italia and SIA),
- other dealings with the Seller (evidence of Global Position).

Entering of said information into the system is carried out both manually and by querying other data-bases.

In particular, main inputs come from acquisition of:

- information taken from the application form filled in and submitted by the client/potential client,
- information on "global position with the Seller" arising from the sum total of debt positions (i.e. "aggregate global position"),
- information on "Group Global Position" arising from the sum total of the debt position provided by the other Group Companies,
- information provided by external Bureaux (Crif and Experian).

Rating calculations

The credit scoring system provides an assessment of the risk profiles of loan applications, based on evaluation of social/demographic information, together with information on the applicant's/guarantor's past behaviour obtained from the Credit Bureaux.

The system is made up of two elements:

1. Credit scoring algorithm which, based on social/demographic and income parameters, provides a final score. This score may be above or below a threshold value (cut off point).

2. Policy rules, a set of credit policy rules non-compliance with which is checked automatically. Credit worthiness assessment rules supplement and complete credit scoring as part of the loan application assessment process. They may be broken down into two categories:

    - o Structural objections, checked together with scoring; they highlight situations requiring manual assessment.

- o Credit rules, checked together with scoring; they highlight situations which as a rule, lead to rejection of the application in the absence of further details, enabling, through manual assessment, reappraisal of the situation.

Outcome of the procedure

The outcome of credit scoring and application of credit rules taken together automatically produce a specific result for each application file.

The system can yield the following responses:

- **Submissible White**: the application is submissible since it involves no hazardous credit elements; it is deemed to imply low default risk and will be decided upon by the appointed body and officials based on autonomous decision-making powers defined by the bank.
- **Submissible with structural objections** (aka at the discretion of the Loan Department), the application involves situations concerning the applicants and/or transaction whose assessment rests with the General Credit Department.
- **Non Submissible Black**: the application involves risk aspects that advise against acceptance of the transaction, in the absence of further appraisal elements enabling, through manual assessment, reappraisal of the situation.

Note: The application whose outcome is "black" due to non-compliance with the above mentioned rules, may continue to be processed through the assessment system by submission to experienced staff with decision-making powers in these matters.

Technical assessment of the mortgaged property

The mortgaged property is for residential use and located in the territory of Italy.

Cadastral categories for property types for which loans are admissible are as follows:

- A/1: High class residential property;
- A/2: Standard residential property;
- A/3: Economy class residential property;
- A/4: Low class residential property;
- A/5: Very low class residential property;
- A/6: Rural residential property;
- A/7: Small residential independent units;
- A/8: Residential detached units;
- A/9: Castles, palaces of prominent historical or artistic value;
- A/11: Typical houses or flats.

Cadastral categories which together with the residential unit can be financed as appurtenances, apart from land plots and associated urban areas are as follows:

- C/2: for basements and attics;

• C/6: for garages and car parking slots;

• C/7: enclosed or non-enclosed porches;

• Urban Area (not classified real estate – UE Urban Entity);

• Common Entity (not classified real estate – E – CO – (court));

• F5 Flat Roof;

• F2 Ruins (*Unità Collabenti*).

Assessment of the market value of the mortgaged property inclusive of all its appurtenances if any, can be performed through:

- Appraisal by an expert registered in the roll of surveyors or engineers and who, at the time of the appraisal was not an employee of the Seller and at no time has had any direct or indirect interest in the Property and/or the loans under scrutiny and whose fee is not dependent on or influenced by approval of the loan application in question. Said appraisal is deemed valid for the purpose of loan issuance for six months from submission.

Note

In particular circumstances it is possible to take as guarantee a property other than the one subject of the specific loan transaction, or in addition to it, when current conditions and/or the value of the property to be mortgaged are not such as to provide adequate capital guarantee for loan issuance.

Decision, Stipulation And Loan Issuance

Each file processed is submitted to the judgement (granted\rejected) of a decision-making body, whose selection is based on the decision-making policy in force at the bank.

Once issuance of the loan has been approved, the bank will prepare documents to stipulate the agreement, which may be of two types:

- Unilateral deed in public form by way of acceptance. The contract is finalised by means of notary deed confirming the prior contract proposal, executed at the notary's office without the bank proxy being present. The notary hands over to the borrower the cashier's cheques or the accounting report indicating that the sum has been released - it will subsequently be issued by bank transfer once execution of the deed has been confirmed.

- Bilateral deed: The contract is entered into in the presence of a bank proxy, who hands over to the borrower the cashier's cheques or the accounting report showing the sum has been released - it will subsequently be issued by bank transfer once the execution of the deed has been confirmed.

The property subject of the loan is under:

- Substantial first degree mortgage, with the bank as beneficiary
- Insurance policy against the risk of fire, lightning and explosion, and including an encumbrance (*vincolo*) in favour of the bank.

Issuance can take place concurrently or non-concurrently with deed conclusion.

If the loan is not issued concurrently with deed conclusion, the bank will release the loan amount to the client only after the mortgage has been consolidated according to the Italian law.

***Fondiario* loans**: a loan can be qualified as *fondiario* under Article 38 of the Banking Law and the relevant implementing regulations, if the amount disbursed under the loan does not exceed 80 per cent. - or 100 per cent. whenever there are additional eligible guarantees - – of the value of the property to be mortgaged or of the cost of the work to be made on the same.

The ratio relating the amount of the loan disbursed by the Seller is detemined, under its internal procedures, as the ratio between the amount of the loan to be disbursed and the lower of (i) the purchase price of the property and (ii) the appraised value of such property.

SECTION 2 - ISSUANCE PROCESS FOR LOANS

INTRODUCTION

The issuance of the mortgage applications is carried out by an electronic platform developed by web called European Mortgage Platform (EMP).

The platform is based on a workflow system, whick permits the passage of the application in the different steps of the processing, with different roles in the weaving factory, assuring the safeguard of every channel/ally specifity.

Chapter 1

1. MORTGAGE ISSUANCE PROCESS

The first step in the process is the initial interview, or initial perusal of the documents forwarded by real estate agents with which a covenant is in place, with the aim of collecting and screening all information needed to grant the application, in particular to establish whether:

- the applicant’s income is adequate to cover payment of loan instalments;
- there is no counter-indications as to intended use of the loan money and the location of the mortgaged property;
- property value is adequate to allow issuance of the loan amount requested.
- the birth certificate of the applicant and of any joint-owners of the property;
- certificate of civil status or extract of marriage deed;

Once all documents is collected, the file is checked by the credit analyst, who verifies:

- identity of the applicant and of any guarantors;
- the correctness of the documentation;
- the quality of data with a verify of the balance between documentation and system files;
- absence of protested bills, checking, where it is not possible to obtain information from an information agency, the bulletins issued by the Chamber of Commerce.

Checking said information is a necessary step before any further assessment on the credit worthiness of the applicant and any guarantors.

2. EVALUATION OF THE PROPERTY

After completing the collection and screening of the information on the subjects involved in the loan application, it is necessary to complete the investigation on the file as regards information on the property.

This stage also included collection of the loan application together with documents needed for subsequent assessments, *inter alia*:

- the ground plan of the property;
- certified true copy of the last purchase deed of the property;
- historical cadastral certificate for the past twenty years, plus an authentic extract of the cadastral map, both issued recently;
- copy of the certificate of suitability for habitation, issued by the competent city office.

The bank uses two kind of assessments of the property:

- Appraisal by an indipendent property valuation company (standard)
- Appraisal by an independent expert registered in the roll of professionals (surveyors, engineers,…).

3. APPROVAL OF THE APPLICATION FOR A LOAN

After collection of required documentation, including the appraisal and the first draft of the contract prepared by the notary public, the duly authorised officer in possession of the necessary powers re-examines all the documentation produced and if he detects no grounds for reservations, in particular with regards to full title to the property as well as the same being free and clear from prejudicial registrations and transcriptions he proceeds with the acceptance of the credit/loan application.

4. DISBURSEMENT OF THE LOAN

Issuance of the loan, which is as a rule disbursed as a single payment, is subordinate to:

- registration of the mortgage on the pledged property and taking out of an insurance policy:
  - with term equal to the length of the mortgage,
  - for a value equal to the estimate from the property appraisal.

In particular, the mortgaged property has to be covered by an insurance policy including the risk of fire, lightning and explosion and include an encumbrance (vincolo) in favour of the Bank.

Chapter 2

1. APPLICATION DRAFTING PHASE

In the application drafting phase, the data needed for feeding the calculation algorithm are collected.

Information to be analysed is of the following types:

- personal details/master data;
- socio/demographic;
- income;
- records in public archives (protests, prejudicial registrations);
- contracts present on External Credit Bureaux;
- evidence of delinquent accounts with *Centrale Rischi* (BKI, SIA);
- other relations with UCB.

Information is fed into the system :

- manually, as regards information on applicant and guarantor taken from the data contained in the completed application form submitted by the client/prospective client together with personal documents (ID, taxpayer's code, etc.) and income documents (Mod. Unico (*income tax return*), pay sheet, etc.) making possible an initial check on the correctness of inputted information.
- by querying data-bases:
  - internal: (general master data, request for Chamber of Commerce certificate);
  - external: (Credit Bureaux) subject to authorisation from the subjects named in the application form, respectively as applicant(s) and guarantor(s), as required by privacy legislation. The Credit Bureaux provide for each name being vetted, a summary report of pending contracts and payment status as to pending contracts as well as a summary historical report on payments of paid off contracts.

2. INFORMATION ON THE TRANSACTION

To obtain final production of the rating assessment, it is first necessary to also input into the system the parameters of the transaction for which the loan is sought, in particular, the transaction must be recorded in the internal UniClient system in order to identify the financial repayment plan against the catalogue of products offered.

For mortgage loans, it is also necessary to complete, in the designated screens in the system, the fields pertaining to the following informations:

- type of building;
- building's surface area in square meters;
- province where the building is located;
- Postcode;
- commercial value of the property;
- whether commercial value was established by a reliable expert, estimated by the Director of a Market Agency, Branch etc., or appraised by the partner;
- source of the property (sale and purchase, gift, inheritance/succession, *usucapione*, …);
- presence of any encumbrances on the property (asset fund, habitation right,…).

3. RATING CALCULATION

Once this stage of the examination has been reached, the system has obtained all the information it needs to establish a rating score and to identify who within the Seller body can approve the loan application.

The rating score may be:

- "white rating": i.e. the score is higher than the minimum acceptance threshold;
- "black rating": i.e. the score is lower than or equal to the minimum acceptance threshold.

Concurrently with calculation of the rating score, if the rating is "white", the so-called "policy rules" apply; they are divided into:

- "black rules": these point out the risk/income aspects, which advise against acceptance of the application, unless they are accompanied by appropriate reasons and are subject to the opinion of the Credit Department (*Direzione Crediti*);
- "insufficient income": a sub-rule of the "black rule" identifying applications that can only be accepted if review of terms of the loan (duration and amount) or addition of a further guarantor enable the applicant(s) to meet the minimum income conditions required.
- "power of Credit Department rules": these show situations relating to those borrowers and/or transactions, the evaluation of which is the responsibility of the Credit Department (*Direzione Crediti*).

4. OUTCOME OF THE PROCEDURE

The outcome of the procedure may be as follows:

- Admissible Outcome: when the application for a loan has obtained a white rating, and no decision-making rules are required. If the credit scoring assesses the application as admissible, concurrent identification takes place of the department empowered to authorise granting of the loan;
- Negative Outcome: this may stem from black rating or white rating plus one or more black policy rules. Decision-making power rests with the Credit Department (*Direzione Crediti*);
- Credit Department Faculty Outcome: this takes place every time even if a "white" credit rating has been issued, a Credit Department Faculty takes place. Decision-making power rests with the Credit Department (*Direzione Crediti*).

5. PREPARATION OF FINAL DOCUMENTATION AND STIPULATION OF THE MORTGAGE LOAN AGREEMENT

Together with the detailed technical and identification documentation, appraisal of the property to be mortgaged, and credit worthiness assessment, a notary public is asked to draw up a preliminary report, which should be delivered before the date set for executing the mortgage contract, allowing sufficient time for checking possible doubtful elements which may be included in the report as regards full title to the property by the mortgagor, the existence of

liens or charges on the property subject of the mortgage and the inexistence of bankruptcy proceedings against the applicants and the guarantors.

Once property identification and technical details have been obtained, the bank secures, if it has not already done so in the previous phase, the mortgaged property appraisal.

The mortgage loan agreement is then signed with a single bilateral or unilateral deed.

At the time of execution of the loan agreement, an insurance policy covering the property against damage from fire, lightning and explosion must be requested as a mandatory condition; the insurance policy must contain an encumbrance (*vincolo*) in favour of the bank and must be entered into with an insurance company of the group or a leading insurance company.

Any mortgage on the relevant property must be assessed for an amount exceeding the amount of the loan, since also interest accruing, default interest, if any, and all expenses connected with the start of legal proceedings aimed at the recovery of the claim covered by the mortgage must be guaranteed.

SECTION 3 - COLLECTION POLICIES

Residential Mortgage Loans

The terms with initial capital below, unless otherwise defined, will have the same meaning as that given them in the Servicing Agreement.

In order to better manage the Mortgage Receivables portfolio, the Servicer and its delegates (if appointed) will share each other the information and relevant data of their collection systems, accounting and credit administration systems.

Methodology of Installment Payments

With reference to the Mortgage Receivables, at expiration date of the installment, the Servicer will monitor the payment by the assigned debtors who have authorized the direct debit through a bank account belonging to the UniCredit Banking Group, simultaneously crediting the amounts received by such debtors to the accounts of the SPV in the way specified in the Servicing Agreement. The automatic debit installments will be made only in the presence of 100% of the liquid funds needed to make the payment (the system will not accept partial payments). Any other collection received in relation to the Mortgage Receivables through a different mechanism (payment through wire transfer, through a direct inter-bank remittance (RID), or other technologies) will be credited on the accounts of the SPV with a value date equal to the date of collection or earlier if recognized by the Debtor in the manner specified in the Servicing Agreement.

Monitoring and administration

The application "Risk Monitoring Tool -SMR." is used as support of the entire operational monitoring of retail customers.

The performing portfolio Mortgage Receivables with at least one exposure that may present a risk, even potential, for the Servicer are monitored on a monthly basis.

All positions subject to monitoring can be classified within one of these macro classes:

• PERFORMING (BO): relationships with regular behaviour;

• IN OBSERVATION (IO): reports highlighting signals of anomalies of a certain severity and duration / frequency, but expected to overcome;

• TO RETURN (AR) reports that show a deterioration in the risk profile under which the Servicer decides to return in a "good-tempered" way from exposure;

• DEBT RECOVERY (RC): exposures to borrowers in temporary objective difficulties, which are likely to be resolved within a reasonable period, regardless of whether any secuities or collateral posted to support the claims (Substandard) or exposures to borrowers in default (although not legally recognized) or in similar situations, irrespective of the existence of any collateral or security to support the loan (“Sofferenze”)

The periodic debiting fo the installments of loans in the specific tool of the Servicer produces evidence in reports if the installment is not covered in the account on which the installments are settled.

To date, these findings are used by the structure of UBIS , on mandated by the Servicer, which carries out preliminary checks and promotes interventions aiming at recover the non-payment, in case of technical faults.

After the time limits defined (currently equal to a maximum of 45 days) and persisting situation of default, the monitoring and administration of these abnormal positions is centralized at the structure of Ge.Mo., which is responsible for running operation the to customers.

The centralized administration of non performing Mortgage Receivables is performed, even with the help of appropriate technological tools, in different phases associated with increasing duration of delay:

A – Direct Payment Reminder

This phase of the collection process consist in a “Friendly Collection” activity and has the scope to identify the reasons of the delay in the payment of the instalments and to return to a regular situation (payment of overdue instalments). Direct reminders, in the event of negative outcome, are normally run out within 105 days from expiry date of the unpaid instalment.

B – Home Collection

After the terms established for direct reminder have expired, if delay persists, outstanding payments are forwarded on behalf of the Servicer for collection to any other specialised credit recovery agency.

Within the usual management process of the external agencies, the activities consist in the creation of homogeneous positions of consecutive first recovery step and second recovery step (each step having a duration of 45 days plus 30 days extension in case of a positive outcome).

During the reference period for the management of the home collection it was developed, within predetermined perimeters of positions not delegated to external agencies, a concurrent process aimed at maximising the recovery possibilities of the client by introducing an asset management approach.

This implies a "one to one" management of the client, the launch of specific campaigns with advanced collection products (Salto rata, Arca 12 months extendible for additional 12 months).

The process of management and allocation to each phase and the maintenance of the loan in each phase does not depend from the number of instalments overdue but from the number of days of delay.

Management of Defaulted Receivables

If the terms established have expired and recovery attempts without judicial recourse (either direct and/or home collection) haven't borne fruit, or even before then, if conditions/events occur that, in the Servicer's opinion, show a worsening of the debtor's credit worthiness, the positions will be classified by the Servicer as *Crediti ad Incaglio* or *Crediti in Sofferenza*. In the event of classification of a claim as *Credito ad Incaglio*, the Servicer shall ask for the payment of the overdue instalments increased by default interest in relation to the original repayment schedule. If the claim is classified as being a *Credito in Sofferenza*, the Servicer shall terminate the loan agreement asking for the full payment of all amounts outstanding.

The doubtful classification is done according to a global evaluation about the total exposure of the customer. If the customer is eligible to doubtful classification due to delay on consumer loans, but he is regular for a mortgage, the evaluation will be applied considering the customer global exposure and collection activities in place.

A claim shall be classified by the Servicer as *Credito ad Incaglio* when the position of the assigned debtor of objective difficulties is assessed as temporary and it is expected that the situation may be corrected within a reasonable period of time.

For the purpose of the issue programme and associated reporting, credit classified as defaulting will not be recorded as a performing loan (*in bonis*), even after the borrower has corrected his position.

The Servicer, besides performing correct classification, will assess credit and manage credit protection and recovery in collaboration with the sub-servicer.

In particular, the sub-servicer shall implement any and all out of court and/or judicial initiatives that appear feasible and/or appropriate for the management of the relevant claims in compliance with the procedures described below. The sub-servicer shall analyse in detail the documents relating to the claim received by the Servicer and shall transfer to its claim monitoring system all data relating to the file.

The file will be assigned by the management system to an internal manager on the basis of several criteria, such as, by way of example, the geographic location of the assigned debtor, its sector of activity, type of exposure and amount of the same. The selected Sub-Servicer manager shall attempt to contact the client by phone or letter or other suitable means, including

personal contact. In certain cases, an external adviser/third company selected according to certain pre-established criteria may be retained to assist the in-house manager. Any such adviser/third company shall work under close supervision of the internal manager and its appointment shall normally be established in 60 days, which may be extended; upon expiry of the appointment, the external provider shall be replaced by another external adviser/third company.

The Sub-Servicer manager, also via external advisers/third company, shall attempt to settle the relevant file through an out-of-court settlement, based on negotiation of repayment (*rientro*) with the Assigned Debtor.

Proposed settlement of the debt position formulated by the Sub-Servicer manager will be in line with the powers provided for in the Servicing Agreement.

The proposal thus put forward will be submitted for approval to the Sub-Servicer's competent body (if any), based on the delegation system established by the same Sub-Servicer, and the final outcome will be communicated to the Assigned Debtor.

If the proposal is accepted by the competent body, data on the newly agreed repayment plan will be uploaded on the management system, which will automatically send reminders to the manager in the event of irregularity. If the Assigned Debtor fails to effect payments due under the negotiated solution, as reported by the management system the resolution will be canceled.

If the competent body does not accept the proposal and the restructured loan proposal is rejected by the relevant department of the Sub-Servicer and no alternative negotiated solutions are reached, legal action shall be initiated if deemed appropriate or suitable, by means of service of a payment order (*precetto*) to the assigned debtor followed by seizure of the mortgaged property, and by subsequent enforcement process with sale of the mortgaged property in accordance with the legal procedures. For its legal activity, the Sub-Servicer shall use external legal advisers of its choice with proven experience in debt collection judicial proceedings, using the same management system, or a similar one, enabling on-going monitoring of judicial activities.

However, also during legal proceedings, the Sub-Servicer will explore and utilise all options available, including out-of-court settlements, to maximise collections and minimise costs associated with loan recovery.

Once all the activities and attempts to renegotiate the loan with the client have proven to be unsuccessful and in the Sub-Servicer's (if any) opinion no further actions are viable for collection of the overdue amount, the Sub-Servicer may proceed with the sale of the *Credito in Sofferenza*, in compliance with precise conditions established under the Servicing Agreement. After the judicial or out-of-court proceedings have been completed, sums recovered will be collected, or, if no recovery was achieved the mandate will be closed.

In any event, the Sub-Servicer shall notify the Servicer of the successful full or partial collection of the receivable or of the impossibility or inconvenience of conducting any additional judicial or out-of-court activities.

Possible full or partial write-off shall be decided upon by the competent department of the Servicer

Early Repayment

According to the provisions in place for the Servicer's clients, under the terms of the mortgage loan agreement, a borrower can fully or partially pre-pay its mortgage loan at any time through the payment of the due amount.

Full Early Repayment

If the borrower wishes to pre-pay his/her mortgage loan in full, he/she shall pay the amount of the residual debt on the principal account, after settling any instalments fallen due and unpaid, as well as any interest accrued from the due date of the last instalment up to the date of final settlement. In addition to these sums, a penalty for early repayment, if applicable according to the law, will also be charged, calculated as a percentage of outstanding debt at the time of repayment.

Partial Early Repayment

The case of partial early repayment, also called partial reduction, provides for payment of a sum by the borrower as advanced repayment of part of the principal. The partial reduction of the residual debt shall entail recalculation of the repayment schedule, which in turn shall entail, leaving due dates unchanged, a reduction in the instalments to be collected.

Under both full and partial pre-payment, the fee schedule usually, if applicable according to the law, makes provision for the payment of a fixed percentage applied to the amount of residual debt. Normally tha above mentioned fee, if due, is debted in the last installment paid by the debtor.

One mandatory condition for the borrower to avail him/herself of early full or partial repayment is the inexistence of any outstanding unpaid instalments; moreover, in the event of loans with index-linked rate (if any), any adjustments possibly due by the debtor must have already been paid.

DESCRIPTION OF THE OBG GUARANTOR

The OBG Guarantor has been established as a special purpose vehicle for the purpose of guaranteeing the OBG in accordance with article 7-bis of the Law 130.

The OBG Guarantor is a limited liability company (*società a responsabilità limitata*) incorporated in the Republic of Italy under Article 3 of the Law 130 on 17 November 2011, belonging to the "*Gruppo Bancario UniCredit*" registered with the register of banking groups held by the Bank of Italy pursuant to Article 64 of the Banking Law under No. 02008.1 (the "**UniCredit Banking Group**" or "**UniCredit**").

By way of a shareholders' resolution adopted on 7 December 2011, the bylaws of the company has been amended in order to allow the company to act as special purpose vehicle within covered bonds transactions in accordance with the Article 7-*bis* of the Law 130.

By way of a shareholders' resolution registered on 11 January 2012, the corporate name of the OBG Guarantor was changed from "Cordusio One RMBS s.r.l." to "UniCredit OBG s.r.l.".

The OBG Guarantor is enrolled under number 04064320239 with the Companies Register Verona pursuant to Article 7-*bis* of the Law 130.

The OBG Guarantor has its registered office at Piazzetta Monte 1, 37121, Verona, Italy; the telephone number of the registered office is +39 045 8678870 and the fax number is +39 045 8944828. The OBG Guarantor has no employees.

The authorised, issued and fully paid in quota capital of the OBG Guarantor is €10,000.

The duration of OBG Guarantor shall be until 31 December 2100.

Business Overview

The exclusive purpose of the OBG Guarantor is to purchase from banks, against payment, receivables and notes issued in the context of a securitisation transaction, in compliance with Article 7-*bis* of Law 130 and the relevant implementing provisions, by means of loans granted or guaranteed also by the selling banks, as well as to issue guarantees for the OBG issued by such banks or other entities.

The OBG Guarantor has granted the guarantee to the benefit of the Representative of the OBG Holders (acting on behalf and in the name of the OBG Holders), of the counterparts of derivatives contracts entered into with the purpose to cover the risks inherent the purchased credits and securities and of the counterparts of other ancillary contracts, as well as to the benefit of the payment of the other costs of the transaction, with priority in respect of the reimbursement of the others loans, pursuant to paragraph 1 of Article 7-*bis* of Law 130.

Since the date of its incorporation, the OBG Guarantor has not engaged in any business other than the purchase of the Initial Portfolio and the New Portfolios under the Programme and the entering into of the Transaction Documents and of the relevant transaction documents for the issuance of OBG under the Programme.

Save for the foregoing, the OBG Guarantor has not entered since 17 November 2011 (this being the date of its incorporation) into any contracts outside the ordinary course of business that have been or may be reasonably expected to be material to its ability to meet its obligations to OBG Holders.So long as any of the OBG remain outstanding, the OBG Guarantor shall not, without the consent of the Representative of the OBG Holders and as provided in the Conditions and the other Transaction Documents, incur any other indebtedness for borrowed moneys or engage in any business except pursuant to the Transaction Documents, pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any other person or convey or transfer its property or assets to any person (otherwise than as contemplated in the Conditions or the Transaction Documents) or guarantee any additional quota.

The OBG Guarantor will covenant to observe, *inter alia*, those restrictions which are detailed in the Intercreditor Agreement.

Material Contracts

The OBG Guarantor has not entered into any contracts in the last two years outside the ordinary course of business that could materially prejudice its ability to meet its obligations to OBG Holders under the OBG Guarantee.

Administrative, Management and Supervisory Bodies

The OBG is currently managed by a Board of Directors which, in accordance with the Quotaholder's Agreement, is at the date of this Prospectus comprised by 3 directors, 2 of which to be appointed by the Seller and one of which to be appointed by SVM Securitisation Vehicles Management S.r.l.

The directors of the OBG are as at the date of this Prospectus:

Name	***Appointment***	***Address***	***Principal Activities***
Enrico Gambini	Chairman	Piazzetta Monte, 1 - Verona	Manager
Daniela Cinzia Giovanna Covini	Director	Piazzetta Monte, 1 - Verona	Lawyer
Nausica Pinese	Director	Piazzetta Monte, 1 - Verona	Manager

The Company did not appoint a Board of Statutory Auditors, pursuant to Article 2447 of the Italian Civil Code.

Conflict of Interest

There are no potential conflicts of interest between the duties of the directors and their private interests or other duties.

Major Shareholders

The quotaholders of the OBG Guarantor (hereafter together the "**Quotaholders**") are as follows:

UniCredit S.p.A.	€6,000.00 of the quota capital;
SVM Securitisation Vehicles Management S.r.l.	€4,000.00 of the quota capital.

The Quotaholders' Agreement contains *inter alia* a call option in favour of the Seller to purchase from SVM and a put option in favour of SVM to sell to the Seller, the quota of the OBG Guarantor held by SVM and provisions in relation to the management of the OBG Guarantor. Each option may only be exercised from the day on which all the OBG have been redeemed in full or cancelled.

In addition the Quotaholders' Agreement provides that no Quotaholder of the OBG Guarantor will approve the payments of any dividends or any repayment or return of capital by the OBG Guarantor prior to the date on which all amounts of principal and interest on the OBG and any amount due to the Secured Creditors (including the OBG Holders) have been paid in full.

Italian company law combined with the holding structure of the OBG Guarantor, the covenants made by the OBG Guarantor, the Issuer and SVM Securitisation Vehicles Management S.r.l. in the Quotaholders' Agreement and the role of the Representative of the OBG Holders are together intended to prevent any abuse of control of the OBG Guarantor. The OGB Guarantor is subject to the direct ownership and control of UniCredit S.p.A.

Special purpose vehicle

The OBG Guarantor has been established as a special purpose vehicle for the purposes of issuing guarantees in respect of OBG. The OBG Guarantor may carry out other OBG transactions in addition to the one contemplated in this Prospectus, subject to certain conditions.

Capitalisation and Indebtedness Statement

The capitalisation of the OBG Guarantor as at the date of this Prospectus is as follows:

Quota capital Issued and authorised

UniCredit S.p.A. has a quota of €6,000.00 and SVM has a quota of €4,000.00, each fully paid up.

Total capitalisation and indebtedness

Save for the foregoing and for the OBG Guarantee and the Subordinated Loan in accordance with the Subordinated Loan Agreement, at the date of this document, the OBG Guarantor has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

Financial Statements and Report of the Auditors

Copy of the financial statements of the OBG Guarantor for each financial year since the OBG Guarantor's incorporation will, when published, be available in physical form for inspection free of charge during usual office hours on any Business Day (excluding public holidays) at the registered office of the OBG Guarantor.

Deloitte & Touche S.p.A., a company incorporated under the laws of Italy, enrolled with the Companies' Register of Milan under number 03049560166 and registered with the Register of Statutory Auditors (*Registro dei Revisori Legali*) maintained by Minister of Economy and Finance effective from 7 June 2004 with registration number no: 132587, having its registered office at via Tortona 25, 20144 Milan, Italy, ("**Deloitte**") has been appointed to act as external auditors of the OBG Guarantor and are the current external auditors of the OBG Guarantor. Deloitte is also a member of Assirevi – Associazione Italiana Revisori Contabili, the Italian association of auditing firms.

Deloitte audited the financial statements of the OBG Guarantor in respect of the years ended, respectively, on 31 December 2013 and on 31 December 2014.

The OBG Guarantor's accounting reference date is 31 December in each year. The current financial period of the OBG Guarantor will end on 31 December 2015. The OBG Guarantor does not produce interim financial statements.

Documents on Display

For the life of the Prospectus the following documents may be inspected at the offices of the Administrative Services Provider, the Representative of the OBG Holders and the Luxembourg Listing Agent in Luxembourg:

(a) the memorandum and articles of association of the OBG Guarantor;

(b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the OBG Guarantor's request any part of which is included or referred to in the registration document;

(c) the historical financial information of the OBG Guarantor or, in the case of a group, the historical financial information of the OBG Guarantor and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.

DESCRIPTION OF THE ASSET MONITOR

The BoI OBG Regulations require that the Issuer appoints a qualified entity to be the asset monitor to carry out controls on the regularity of the transaction and the integrity of the OBG Guarantee.

Pursuant to the BoI OBG Regulations, the asset monitor must be an independent auditor, enrolled with the special register of accounting firms held by the CONSOB pursuant to Article 161 of the Financial Services Act and shall be independent from the Issuer and any other party to the Programme and from the accounting firm who carries out the audit of the Issuer and the OBG Guarantor.

Based upon controls carried out, the asset monitor shall prepare annual reports, to be addressed also to the Board of Statutory Auditors *(collegio sindacale)* of the Issuer.

BDO Italia S.p.A., a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Viale Abruzzi, 94, 20131, Milan, Italy, fiscal code, VAT number and enrolment number with the companies register of Milan no. 07722780967, and enrolled under number 167911 with the register of statutory auditors (*Registro Dei Revisori Legali*) maintained by the Minister of Economy and Finance.

Pursuant to an engagement letter entered into on 26 May 2015, as subsequently amended, the Issuer has appointed the Asset Monitor in order to perform, subject to receipt of the relevant information from the Issuer, specific monitoring activities concerning, *inter alia,* (i) compliance with the issuing criteria set out in the MEF Decree with respect to the issuance of OBG; (ii) compliance with the eligibility criteria set out in the MEF Decree with respect to Assets and Integration Assets included in the Portfolios; (iii) compliance with the limits on the transfer of Assets set out in the MEF Decree; (iv) compliance with the limits set out in the MEF Decree with respect to OBG issued and assets included in the Portfolios as determined by Mandatory Tests; (v) the effectiveness and adequacy of the risk protection provided by any swap agreement entered into in the context of the Programme; and (vi) the completeness, truthfulness and the timely delivery of the information provided to investors pursuant to article 129, paragraph 7, of the CRD IV Regulation.

The engagement letter reflects the provisions of the BoI OBG Regulations in relation to the procedures and proportionality principles applicable to the conduct of the monitoring activities by the Asset Monitor, the reports to be prepared and submitted by the Asset Monitor on an annual basis also to the Board of Statutory Auditors *(collegio sindacale)* of the Issuer.

The engagement letter provides for certain matters such as the payment of fees and expenses by the Issuer to the Asset Monitor and the resignation of the Asset Monitor.

The engagement letter is governed by Italian law.

Furthermore, the Issuer, the Calculation Agent, the Asset Monitor, the OBG Guarantor and the Representative of the OBG Holders entered into the Asset Monitor Agreement on 19 January 2012, as subsequently ameded, as more fully described under "*Description of the Transaction Documents — Asset Monitor Agreement*", below.

CREDIT STRUCTURE

The OBG will be direct, unsecured, unconditional obligations of the Issuer. The OBG Guarantor has no obligation to pay the Guaranteed Amounts under the OBG Guarantee until the occurrence of an Issuer Event of Default and the service by the Representative of the OBG Holders on the Issuer and on the OBG Guarantor of a Notice to Pay. The Issuer will not be relying on the OBG Guarantor and on any payments received from the OBG Guarantor in order to pay interest or repay principal under the OBG.

There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to OBG Holders, as follows:

(i) the OBG Guarantee provides credit support to the Issuer;

(ii) the Mandatory Tests are intended to ensure that the Eligible Portfolio is at all times sufficient to repay the OBG;

(iii) the Over-Collateralisation Test is intended to test the asset coverage of the OBG Guarantor's assets in respect of the OBG for so long the OBG remain outstanding;

(iv) the Amortisation Test is intended to test the asset coverage of the OBG Guarantor's assets in respect of the OBG following the occurrence of an Issuer Event of Default, and the service of a Notice to Pay on the Issuer and the OBG Guarantor; and

(v) the Reserve Account is established for the purposes of trapping, from time to time, excess cash flow from the Interest Available Funds to cover an amount equal to the sum of (A) (B) and (C)

where

(A) means the amount of interest accrued on the OBG until that Guarantor Payment Date (inclusive) and not yet paid by the Issuer or the OBG Guarantor;

(B) means the amount of interest due and payable by the OBG Guarantor on the immediately succeeding Guarantor Payment Date (without double counting with (A); and

(C) means an amount equal to 0.50% of the Outstanding Principal Balance of Portfolio as at the end of the immediately preceding Collection Period.

Certain of these factors are considered more fully in the remainder of this section.

OBG Guarantee

The OBG Guarantee provided by the OBG Guarantor guarantees the payment of Guaranteed Amounts (as defined in the Conditions) on the relevant Scheduled Due for Payment Date (as defined in the Conditions) in respect of all OBG issued under the Programme. The OBG Guarantee will not guarantee any other amount becoming payable in respect of the OBG for any other reason, including any accelerated payment, following the occurrence of an Issuer Event of Default. In this circumstance (and until a Guarantor Event of Default occurs and a Guarantor Acceleration Notice is served), the OBG Guarantor's obligations will only be to pay the Guaranteed Amounts as they fall Due for Payment.

See further "*Description of the Transaction Documents — OBG Guarantee*", as regards the terms of the OBG Guarantee and see "*Accounts and Cashflows —Priority of Payments*", as regards the payment of amounts payable by the OBG Guarantor to OBG Holders and the other Secured Creditors following the occurrence of an Issuer Event of Default.

Under the terms of the Portfolio Administration Agreement, UniCredit (as Seller and Issuer), the Additional Seller (if any) must ensure that, on each Calculation Date and on each OC Calculation Date prior to service of a Notice to Pay, the Eligible Portfolio and the OC Adjusted Eligible Portfolio, as at the immediately preceding Reconciliation Date, is in compliance with the Mandatory Tests and the Over-Collateralisation Test, respectively. If on any Calculation Date or any OC Calculation Date (as the case may be) the Eligible Portfolio is not in compliance with the Mandatory Tests or, as the case may be, the OC Adjusted Eligible Portfolio is not in compliance with the Over-Collateralisation Test, then UniCredit (as Seller and Issuer) and the Additional Seller (if any) shall sell to the OBG Guarantor Assets or Integration Assets in an amount sufficient to allow the Mandatory Tests and the Over-Collateralisation Test (as applicable) to be satisfied, in accordance with, as appropriate, the Master Transfer Agreement and the Portfolio Administration Agreement (including the transfer agreement(s) to be entered into by the Additional Seller (if any), if applicable). To this extent the UniCredit (as Issuer and Seller), the Additional Seller (if any), as the case may be, shall provide, in accordance with the Subordinated Loan or, as the case may be, with any additional subordinated loan, the funds necessary the purposes of funding the purchase of Assets or Integration Assets.

If (i) the breach of Mandatory Tests is not remedied within one calendar month from the service by the Calculation Agent of a Negative Report as confirmed by the Asset Monitor (the "**Mandatory Test Cure Period**"), or (ii) the breach of the Over-Collateralisation Test is not remedied within one calendar month from the service by the Calculation Agent of a Negative Report as confirmed by the Asset Monitor (the "**OC Cure Period**"), an Issuer Event of Default shall occur.

Mandatory Tests

Pursuant to the MEF Decree, for so long as the OBG remain outstanding, the Issuer (also as Seller) or any Additional Seller (if applicable) shall procure on a continuing basis and on each Calculation Date or on any other date on which the verification of the Mandatory Tests is required pursuant to the Transaction Documents that:

(a) the Outstanding Principal Balance of the Eligible Portfolio (net of any amount standing to the credit of the Accounts other than the Principal Collection Account) from time to time owned by the OBG Guarantor shall be higher than or equal to the Outstanding Principal Balance of the OBG at the same time outstanding;

(b) the Adjusted Net Present Value of the Eligible Portfolio shall be higher than or equal to the Present Value of the outstanding OBG;

(c) the Expected Income shall be higher than or equal to the Expected Payments,

(the tests above are jointly defined as the "**Mandatory Tests**").

The compliance with the Mandatory Tests will be verified by the Calculation Agent and subsequently checked by the Asset Monitor, and by the internal risk management functions of the UniCredit Banking Group (under the supervision of the management body of the Issuer) on each Calculation Date and on any other date on which the verification of the Mandatory Tests is required pursuant to the Transaction Documents.

For the purposes of this section:

"**ABS Portfolio**" means a portfolio of receivables purchased from an ABS Securities Issuer in the context of the relevant ABS Transaction.

"**ABS Securities Issuer**" means each company incorporated under Law 130 which has issued ABS Securities.

"**ABS Transaction**" means each Italian law governed securitisation transaction carried out by an ABS Securities Issuer in the context of which ABS Securities have been issued.

"**Adjusted Net Present Value of the Eligible Portfolio**" means at any date the Present Value of the Eligible Portfolio *minus* the Present Value of the payments to be made in priority to or *pari passu* with any amount to be paid in relation to the OBG in accordance with the relevant Priority of Payments.

"**Credito ad Incaglio**" means any Mortgage Receivable classified as "*incaglio*" by the Servicer on behalf of the OBG Guarantor in compliance with the Collection Policies following the relevant Evaluation Date.

"**Credito in Sofferenza**" means any Mortgage Receivable classified as "*in sofferenza*" by the Servicer on behalf of the OBG Guarantor in compliance with the Collection Policies, as interpreted and applied in compliance with BoI OBG Regulations and in accordance with principles governing the prudential administration of Mortgage Receivables and with the maximum standard of *diligenza professionale*.

"**Defaulted Receivables**" means Mortgage Receivables which, following the relevant Evaluation Date, have been classified by the Servicer on behalf of the OBG Guarantor as Crediti ad Incaglio or Crediti in Sofferenza or which have been Receivables in Arrears for at least 360 days.

"**Defaulted Security**" means a Security in respect of which a notice of default has been served and/or a Security which has been accelerated in accordance with the relevant terms and condition.

"**Earliest Maturing OBG**" means at any time the relevant Series of the OBG that has the earliest Maturity Date as specified in the applicable Final Terms or the Extended Maturity Date (if an Extendible Maturity Date is provided by the applicable Final Terms).

"**Eligible Portfolio**" means the aggregate amount of Assets and Integration Assets (including (i) any sum standing to the credit of the Accounts and (ii) the Eligible Investments) *provided that* (i) any Defaulted Receivable or Defaulted Securities and those Assets or Integration Assets for which a breach of the representations and warranties granted under Clause 2 of the Warranty and Indemnity Agreement has occurred and has not been remedied will not be

considered for the purpose of the calculation, (ii) any Mortgage Receivable in respect of which the Loan to Value Ratio exceed the percentage limit set forth under Article 2, para. 1, of the MEF Decree, will be calculated up to an amount of principal which – taking into account the Market Value of the Real Estate related to the sale of that Mortgage Receivable – allows the compliance with such percentage limit, (iii) the aggregate of the Integration Assets in excess of the Limit to the Integration will not be considered for the purposes of the calculation, and (iv) in relation to any ABS Securities, if the aggregate Outstanding Principal Balance of the Non-Eligible Underlying Assets exceeds 5% of the Outstanding Principal Balance of the Underlying Assets (both as calculated on the most recent calculation date of the relevant ABS Securities as specified in the relevant ABS Transaction documents), an amount equal to the aggregate Outstanding Principal Balance of such Non-Eligible Underlying Assets in excess of the above mentioned 5%, multiplied by, in respect of each relevant ABS Securities, the ratio between (i) the Outstanding Principal Balance of the relevant ABS Securities which have been transferred to the OBG Guarantor, and (ii) the Outstanding Principal Balance of all ABS Securities of the same class will not be considered for the purpose of the calculation.

"**Expected Income**" means, at any given time, the sum of the interest collections expected to be collected under the Eligible Portfolio, as from time to time outstanding on the basis of the scheduled payments, any interest maturing on the OBG Guarantor's Accounts and other additional cash flows expected to be deposited in the Accounts (to the extent not already included in the above). For the avoidance of doubt such calculation is performed with respect to the Eligible Portfolio as of the immediately preceding Reconciliation Date.

"**Expected Payments**" means, at any given time, any amount of interest payable in respect of the OBG and any amount to be paid in priority to, or *pari passu* with, any amount to be paid in respect of the OBG in each case in accordance with the relevant Priority of Payments. For the avoidance of doubt, any amounts above will result to be estimated (if relevant) on the basis of the Portfolio or the Eligible Portfolio (as the case may be) being from time to time outstanding on the basis of the scheduled payments. For the avoidance of doubt such calculation is performed with respect to the Eligible Portfolio as of the immediately preceding Reconciliation Date.

"**Limit to the Integration** " means the limit of 15 per cent. of the aggregate Outstanding Principal Balance of the assets included in the Portfolio, set forth under Article 2, paragraph 4, of the MEF Decree, as amended and supplemented from time to time, to the integration of the Portfolio through Integration Assets.

"**Loan to Value Ratio**" means on a certain date and with reference to any single Mortgage Receivable, the ratio between: (a) the Outstanding Principal Balance of the specific Mortgage Receivable and (b) the most recent Market Value of the Real Estate related to such Mortgage Receivable.

"**Negative Carry Corrector**" means a percentage calculated by reference to the average margin payable on the outstanding Series of OBG weighted for the Principal Amount Outstanding of each outstanding Series of OBG plus 0.5 per cent.

"**Negative Report**" means each of the report to be delivered by the Calculation Agent under the Portfolio Administration Agreement in case of breach of any of the Mandatory Tests, the Over-Collateralisation Test or the Amortisation Test, as the case may be.

"**Non-Eligible Underlying Assets**" means the assets included in an ABS Securities (as calculated on the most recent calculation date of the relevant ABS Securities, as specified in the relevant ABS Transaction documents) which would not be eligible in accordance with the provisions of the MEF Decree.

"**OC Calculation Date**" means on any give date, (a) if no Negative Report is delivered by the Calculation Agent (or a Negative Report is delivered and the relevant breach has been cured), 4 (four) Business Days prior to each Guarantor Payment Date, or (b) if a Negative Report is delivered and until the relevant breach has been cured, 4 (four) Business Days before the end of each calendar month.

"**Outstanding Principal Balance**" means, at any date, in relation to a loan, a bond or any other asset the aggregate nominal principal amount outstanding of such loan, bond, or asset at such date.

"**Outstanding Principal Balance of the Eligible Portfolio**" means the Outstanding Principal Balance of the Eligible Portfolio.

"**Outstanding Principal Balance of the OBG**" means the Outstanding Principal Balance of the outstanding OBG.

"**Present Value**" means, as of any date, the value resulting from discounting at a given discount rate a series of future payments or incomes (as the case may be).

"**Random Basis**" means any process which selects Assets on a basis that is not designated to favour the selection of any identifiable class, type or quality of assets over all the Assets forming part of the Portfolio.

"**Receivables in Arrears**" means those Mortgage Receivables which have not been classified as Defaulted Receivables and which have at least one Unpaid Instalment.

"**Reconciliation Date**" means the last calendar day of each Collection Period or, fo so long a breach of any of the Tests is outstanding, the last calendar day of each calendar month.

"**Required Redemption Amount**" means in respect of any relevant Series or Tranche of OBG, the amount calculated as follows:

The Outstanding Principal Balance of the relevant Series or Tranche of OBG

Multiplied by

(1+(Negative Carry Corrector * (with respect to OBG which are not Pass-Through OBG, days to the Maturity Date of the relevant Series or Tranche of OBG/365 or, with respect to Pass-Through OBG, 31days)).

"**Securities**" means the ABS Securities, the Public Securities and the securities mentioned under article, 2, para. 3, point 3, of the MEF Decree, or any one of them, as the context requires.

"**Selected Assets**" means the Assets selected on a Random Basis to be sold by the OBG Guarantor, following the delivery of a Notice to Pay pursuant to the terms of the Portfolio Administration Agreement.

"**Underlying Assets**" means the assets comprised in the relevant segregated portfolio backing the relevant ABS Securities.

"**Unpaid Instalment**" means a due instalment that has not been paid, also partially, within 30 days starting from the date on which it becomes due and payable.

Over-Collateralisation Test

The Portfolio and the other assets of the OBG Guarantor shall be also subject, as at each OC Calculation Date and prior to each issuance, to the following test, intended to ensure that the ratio between the OBG Guarantor's assets and the OBG is maintained at a certain minimum level. UniCredit (as Seller and Issuer) and any Additional Seller (if any) shall procure on a continuing basis and on each OC Calculation Date that the OC Adjusted Eligible Portfolio shall be equal to or higher than the Outstanding Principal Balance of the OBG (the "**Over-Collateralisation Test**").

The "**OC Adjusted Eligible Portfolio**" shall be calculated as follows: (A+B+C+D+E) - Z

Where

"A" is the aggregate of the values determined in respect of each Mortgage Receivable as the lower of (i) F, and (ii) G, where

"F" is P*M-T, where,

"P" means (i) VO + J*(VI - VO) if VI results to be higher than or equal to VO, or (ii) VI*80 per cent. or 60 per cent. (depending on whether the Mortgage Receivable is a Residential Mortgage Receivable or a Non-Residential Mortgage Receivable) if VI is lower than VO;

"VI" means the Market Value of the Real Estate;

"VO" means the original market value of the Real Estate;

"J" means 70 per cent.;

"M" means in respect of a Mortgage Receivable other than those Mortgage Receivables in respect of which (or in respect of the Loan Agreement from which such Mortgage Receivable arises) any of the representations and warranties set out in the Warranty and Indemnity Agreement have been breached to the extent the OBG Guarantor has not already been indemnified by the Seller (or

by any Additional Seller, if applicable) (i) 100 per cent. if the Mortgage Receivables is not a Receivable in Arrear or a Defaulted Receivable, or (ii) 65 per cent. if the Mortgage Receivables is a Receivable in Arrear or (iii) 0 per cent. if the Mortgage Receivable is a Defaulted Receivable;

"T" means any financial loss incurred by the OBG Guarantor due to any breach of any other material representation and warranty by the Seller (or by any Additional Seller, if applicable), to the extent the OBG Guarantor has not already been indemnified by the Seller (or by any Additional Seller, if applicable);

"G" is the result of the Outstanding Principal Balance of the Mortgage Receivables other than those Mortgage Receivables in respect of which (or in respect of the Loan Agreement from which such Mortgage Receivable arises) any of the representations and warranties set out in the Warranty and Indemnity Agreement have been breached to the extent the OBG Guarantor has not already been indemnified by the Seller (or by any Additional Seller, if applicable), multiplied by the Asset Percentage *minus* T (as described above);

"**B**" means the balance of the Accounts opened with the Account Bank;

"**C**" means the balance of the Eligible Investments (with respect to the portion deriving from the Principal Collections only) without duplication with B and the Outstanding Principal Balance of the Securities without duplication with D and E;

"**D**" means the aggregate Outstanding Principal Balance of all ABS Securities comprised in the Eligible Portfolio, *minus* the sum of, without double counting:

(i) the aggregate Outstanding Principal Balance of all ABS Securities comprised in the Eligible Portfolio in relation to which a breach of any of the material representations and warranties contained in the relevant Master Transfer Agreement has occurred;

(ii) the aggregate Outstanding Principal Balance of all ABS Securities (comprised in the Eligible Portfolio) classified as Defaulted Securities;

(iii) if the aggregate Outstanding Principal Balance of the Non-Eligible Underlying Assets exceeds 5 per cent. of the Outstanding Principal Balance of the Underlying Assets (both as calculated on the most recent calculation date of the relevant ABS Transaction as specified in the relevant ABS Transaction documents), an amount equal to the aggregate Outstanding Principal Balance of such Non-Eligible Underlying Assets in excess of the above mentioned 5 per cent., multiplied by, in respect of each relevant ABS Transaction, the ratio between (i) the Outstanding Principal Balance of the relevant ABS Securities which have been transferred to the OBG Guarantor, and (ii) the Outstanding Principal Balance of all the ABS Assets of the same class,

(iv) the amount resulting from the calculations above, multiplied by the Asset Percentage;

"**E**" means the aggregate Outstanding Principal Balance of the Public Securities minus (i) those Public Securities in respect of which (or in respect of the Agreement from which such Public Securities arises) any of the representations and warranties set out in the Warranty and Indemnity Agreement have been breached to the extent the OBG Guarantor has not already been indemnified by the Seller (or by any Additional Seller, if applicable) and (ii) those Public Securities classified as Defaulted Securities,

the amount resulting from the calculations above, *multiplied by* the Asset Percentage;

"**Z**" means the amount resulting from the multiplication of (1) the higher of (a) zero and (b) the positive difference between (i) the weighted average residual life (expressed in years) from the relevant date until the applicable Maturity Date in respect of the OBG then outstanding and (ii) the expected weighted average life of the Portfolio (expressed in years), (2) the Outstanding Principal Balance of the OBG, and (3) the Negative Carry Corrector;

the calculations above will be performed without including any Integration Assets in excess of the Limit to the Integration.

For the purpose of this section:

"**Asset Percentage**" means, with reference to each OC Calculation Date, 93 per cent. (which is equivalent to a minimum overcollateralization of 7,5 per cent.) or such other lower Asset Percentage from time to time determined by the Issuer on behalf of the OBG Guarantor and notified to the Representative of the OBG Holders, the Calculation Agent and the Additional Calculation Agent by not later than 5 Business Days before each OC Calculation Date.

If either **(a)** the rating of UniCredit S.p.A. (as Issuer and Seller) (or the Additional Sellers, if any and as the case may be) falls below "F2" in respect of short-term debt or "A-" in respect of long term debt by Fitch, or **(b)** the sum of the Set-off Amount and the Commingling Amount is higher than 5% of the Outstanding Principal Balance of the Eligible Portfolio, then UniCredit S.p.A. (as Seller and Issuer) (or the Additional Sellers) (as the case may be) shall notify Fitch and the Representative of the OBG Holders of such event and of the amount which may be subject to set-off in respect of any Mortgage Receivable, if applicable; such amounts will have to be communicated by UniCredit S.p.A. (as Seller and Issuer) or the Additional Sellers, if any (as the case may be), to Fitch on a quarterly basis.

Further to such downgrading, and **(a)** for so long as the rating is not re-established at least at such levels (or for so long as UniCredit (as Seller and Issuer) and/or the Additional Seller (if any) do not take any action to maintain the initial rating (if any) assigned to the OBG), or **(b)** for so long as the sum of the Set-off Amount and the Commingling Amount is higher than 5% of the Outstanding Principal Balance of the Eligible Portfolio, then the determination of the Asset Percentage shall be modified so as to deduct such amounts which may be subject to a set-off by the relevant Debtors (i.e. the Set-Off Amount), as calculated by UniCredit S.p.A. (as Seller and Issuer) or the Additional Sellers, if any, as the case may be.

If **(a)** the rating of the Servicer (or the Substitute Servicer, if any) falls below "F2" in respect of short-term debt or "A-" in respect of long term debt by Fitch, or **(b)** the sum of the Set-off Amount and the Commingling Amount is higher than 5% of the Outstanding Principal Balance of the Eligible Portfolio, then the Servicer shall notify Fitch and the Representative of the OBG Holders of such event. Further to such downgrading, and **(a)** for so long as the rating is not re-established above such levels (or for so long as the Servicer, and/or the Substitute Servicer (if any), do not take any action to maintain the initial rating (if any) assigned to the OBG), or **(b)** for so long as the sum of the Set-off Amount and the Commingling Amount is higher than 5% of the Outstanding Principal Balance of the Eligible Portfolio, if the measures indicated under Clause 3.2(B) of the Servicing Agreement will not be put in place, then the determination of the Asset Percentage shall be modified so as to consider the amounts which may be subject to commingling risk (i.e. the Commingling Amount) in case of bankruptcy of the Servicer (or the Substitute Servicer, if any).

"**Commingling Amount**" means the amount of Collections which may be subject to commingling risk in case of bankruptcy of the Servicer (or the Successor Servicer, if any), as calculated by UniCredit S.p.A. (as Servicer) or the Successor Servicer, if any (as the case may be).

"**Loan Agreement**" means, collectively, the Non-Residential Loan Agreements and the Residential Loan Agreements.

"**Set-Off Amount**" means the sum of any amount which may be subject to set-off in respect of any Mortgage Receivable, as calculated by UniCredit S.p.A. (as Seller and Issuer) or the Additional Sellers, if any (as the case may be).

Amortisation Test

The Amortisation Test has the scope to ensure that on each Calculation Date following the service of a Notice to Pay (but prior to the occurrence of a Guarantor Event of Default) the Amortisation Amount (as defined below) will be an amount at least equal to the aggregate Outstanding Principal Balance of the OBG as calculated on the relevant Calculation Date. Failure to satisfy the Amoritsation Test on any relevant Calculation Date will constitute a Guarantor Event of Default

The Amortisation Test will be calculated on each Calculation Date as follows:

Amortisation Amount >= 1 plus 75 per cent. of the applicable overcollateralisation level for the purposes of the Over-Collateralisation Test based on the relevant Asset Percentage applicable on the last OC Calculation Date immediately preceding the service of a Notice to Pay multiplied by the Outstanding Principal Balance of the OBGs

where,

"**Amortisation Amount**" means (A + B + C + D + E) – Z,

where

"**A**" is the aggregate of the values determined in respect of each Mortgage Loan as the lower between (i) the Outstanding Principal Balance of the Mortgage Receivable * M, and (ii) P * M;

"**M**" means in respect of a Mortgage Receivables (i) 100 per cent. if the Mortgage Receivable is not a Receivable in Arrear or a Defaulted Receivable, or (ii) 65 per cent. if the Mortgage Receivable is a Receivable in Arrear or (iii) 0 per cent. if the Mortgage Receivable is a Defaulted Receivable;

"**P**" means (i) VO + J * (VI - VO) if VI results to be higher than or equal to VO, or (ii) VI * 80 per cent. or 60 per cent. (depending on whether the Mortgage Receivable is a Residential Mortgage Receivable or a Non-Residential Mortgage Receivable) if VI is lower than VO;

"**VI**" means the Market Value of the Real Estate;

"**VO**" means the original market value of the Real Estate;

"**J**" means 70 per cent.;

"**B**" means the balance of the Accounts opened with the Account Bank;

"**C**" means the balance of the Eligible Investments purchased using Principal Collections (without duplication with B) and the Outstanding Principal Balance of the Securities wich are not included under points D and E below;

"**D**" means the aggregate Outstanding Principal Balance of all ABS Securities comprised in the Eligible Portfolio, *minus* the sum of, without double counting:

(i) the aggregate Outstanding Principal Balance of all ABS Securities comprised in the Eligible Portfolio in relation to which a breach of any of the material representations and warranties contained in the relevant Master Transfer Agreement has occurred;

(ii) the aggregate Outstanding Principal Balance of all ABS Securities (comprised in the Eligible Portfolio) classified as Defaulted Securities;

(iii) if the aggregate Outstanding Principal Balance of the Non-Eligible Underlying Assets exceeds 5 per cent. of the Outstanding Principal Balance of the Underlying Assets (both as calculated on the most recent calculation date of the relevant ABS Transaction), an amount equal to the aggregate Outstanding Principal Balance of such Non-Eligible Underlying Assets in excess of the above mentioned 5 per cent., *multiplied by*, in respect of each relevant ABS Transaction, the ratio between (i) the Outstanding Principal Balance of the relevant ABS Securities which have been transferred to the OBG Guarantor, and (ii) the Outstanding Principal Balance of all the ABS Assets of the same class;

"E" means the aggregate Outstanding Principal Balance of the Public Assets minus (i) those Public Assets in respect of which (or in respect of the Agreement from which such Public Securities arises) any of the representations and warranties set out in the Warranty and Indemnity Agreement have been breached to the extent the OBG Guarantor has not already been indemnified by the Seller (or by any Additional Seller, if applicable) and (ii) those Public Assets classified as Defaulted Receivables or Defaulted Security (as the case maybe);

"Z" means the sum of (A) and (B) where:

(A) means the amount resulting from the multiplication of the higher of (1) the higher of (a) zero and (b) the positive difference between (i) the weighted

average residual life (expressed in years) from the relevant date until the applicable Maturity Date in respect of the OBG then outstanding and (ii) the expected weighted average life of the Portfolio (expressed in years), (2) the Outstanding Principal Balance of the OBG, and (3) the Negative Carry Corrector; and

(B) means on any given date on which the Amortisation Test is calculated, the higher of zero and U plus V minus W;

where:

"**U**" means the sum of the aggregate amount of interest payable in respect of all Series of OBG from the date of the relevant calculation up to and including the relevant Maturity Date.

"**V**" means the product of:

(i) the higher of (a) zero; and (b) the difference between (a) the expected weighted average life of the Portfolio (expressed in years) and (b) the weighted average residual life (expressed in years) from the relevant date until the relevant Maturity Date in respect of the OBG then outstanding,

(ii) the aggregate Principal Amount Outstanding of all Series on the last day of the previous calendar month, and

(iii) the weighted interest rate payable on the OBG after the Maturity Date.

"**W**" means the Expected Income.

Reserve Account

The Reserve Account is held in the name of the OBG Guarantor for the purpose of setting aside, on each Guarantor Payment Date, the amount necessary to reach the Total Target Reserve Amount.

In the event that a payment is required to the OBG Guarantor under the OBG Guarantee, such Total Target Reserve Amount is determined in an amount sufficient to ensure that on each Guarantor Payment Date that, the OBG Guarantor would have sufficient funds set aside to pay an amount equal to to the sum of (A) (B) and (C)

where

(A) means the amount of interest accrued on the OBG until that Guarantor Payment Date (inclusive) and not yet paid by the Issuer or the OBG Guarantor;

(B) means the amount of interest due and payable by the OBG Guarantor on the immediately succeeding Guarantor Payment Date (without double counting with (A); and

(C) means an amount equal to 0.50% of the Outstanding Principal Balance of Portfolio as at the end of the immediately preceding Collection Period.

The Total Target Reserve Amount will be accumulated over time allocating the amount of excess spread available, from time to time, according to the relevant Priority of Payments.

Therefore the Total Target Reserve Amount is expected to increase over time upon each relevant Guarantor Payment Date.

ACCOUNTS AND CASH FLOWS

ACCOUNTS

The following accounts (together with any other account to be opened in accordance with the Cash Management and Agency Agreement, the "**Accounts**") shall be established and maintained with the Account Bank and the Paying Agent as separate accounts in the name of the OBG Guarantor.

The Collection Accounts, the Reserve Account and the Expenses Account (in each case as defined below) shall be held with the Account Bank for as long as the Account Bank qualifies as an Eligible Institution.

The Payment Account, the Securities Account and the Eligible Investment Account shall be held with the Paying Agent for as long as the Paying Agent qualifies as an Eligible Institution.

The Interest Collection Account

Deposits. A Euro-denominated current account established and maintained with the Account Bank into which:

(i) on a daily basis by the end of the Business Day immediately following each date of actual collection, all the amounts received or recovered as interest in relation to the Assets – as they are collected in accordance with the Servicing Agreement by the Servicer – will be deposited by the Servicer into the Interest Collection Account, together with all the payments (other than those in respect of principal) deriving from the Transaction Documents;

(ii) on each Collection Date, any net interest amount accrued and liquidated on the Principal Collection Account, the Reserve Account and the Expenses Account during the preceding Collection Period will be transferred to the Interest Collection Account;

(iii) on each Liquidation Date (i) all proceeds arising out of the liquidation of the Eligible Investments (if any) purchased using amount standing to the credit of the Interest Collection Account, and (ii) any net interest amount or net yield component of the proceeds arising out of the liquidation of all the other Eligible Investments (if any) and Securities (if any, other than ones already included in the Eligible Investments), will be transferred to the Interest Collection Account; and

(iv) on a daily basis any amount received as interest by the OBG Guarantor from any party to the Transaction Documents, other than any amount which is expressed to be paid to any other Account pursuant to the Cash Management and Agency Agreement.

Withdrawals.

(i) on each date falling 2 Business Days before each Guarantor Payment Date all the amounts necessary to meet any payment obligation on the OBG Guarantor under the applicable Priority of Payments (as defined below) (and standing to the credit of the Interest Collection Account on the calendar day immediately preceding the last

Collection Date) shall be transferred to the Payment Account (as defined below), together with any amount transferred to the Interest Collection Account on the immediately preceding Liquidation Date and necessary to meet such obligations; and

(ii) on a weekly basis, upon instruction of the Cash Manager, all the amounts standing to the credit from time to time of the Interest Collection Account may be transferred to the Eligible Investments Account.

(the "**Interest Collection Account**").

The Principal Collection Account

Deposits. A Euro-denominated current account established and maintained with the Account Bank into which, *inter alia*:

(i) on a daily basis by the end of the Business Day immediately following each date of actual collection, all the amounts received or recovered as principal in relation to the Assets – as they are collected in accordance with the Servicing Agreement by the Servicer – will be transferred by the Servicer to the Principal Collection Account, together with all the amounts in respect of principal deriving from the Transaction Documents;

(ii) on each Guarantor Payment Date, any amount paid in accordance with item (iv) of the Pre-Issuer Event of Default Interest Priority will be transferred by the Paying Agent to the Principal Collection Account;

(iii) on each Liquidation Date, all principal components of the proceeds arising out of the liquidation of any Eligible Investments (if any) and Securities (if any, other than the ones already included in the Eligible Investments) purchased using amount standing to the credit of the Principal Collection Account and any principal component of Integration Assets and Securities (if any, other than the ones already included in the Eligible Investments) will be transferred to the Principal Collection Account; and

(iv) on a daily basis any principal amount received by the OBG Guarantor from any party to the Transaction Documents, other than any amount which is expressed to be paid to any other Account pursuant to the Cash Management and Agency Agreement.

Withdrawals.

(i) on each date falling 2 Business Days before each Guarantor Payment Date, all the amounts necessary to meet any payment obligation on the OBG Guarantor under the applicable Priority of Payments (and standing to the credit of the Principal Collection Account on the calendar day immediately preceding the last Collection Date) shall be transferred to the Payment Account together with any amount transferred from the Eligible Investments Account (if any) to the Principal Collection Account on the immediately preceding Liquidation Date and necessary to meet such obligations;

(ii) on each Collection Date, any net interest amount accrued and liquidated on the Principal Collection Account during the preceding Collection Period shall be transferred to the Interest Collection Account; and

(iii) on a weekly basis, upon instruction of the Cash Manager, all the amounts standing to the credit from time to time to the Principal Collection Account (other than any net interest amount accrued and liquidated on the Principal Collection Account) may be transferred to the Eligible Investments Account.

(the "**Principal Collection Account**" and, together with the Interest Collection Account, the "**Collection Accounts**").

The Reserve Account

Deposits. A Euro-denominated current account established and maintained with the Account Bank into which, *inter alia*:

(i) on each Guarantor Payment Date, in accordance with the applicable Priority of Payments, any amount necessary to reach the Total Target Reserve Amount shall be transferred by the Paying Agent to the Reserve Account; and

(ii) on each Liquidation Date, all principal components of the proceeds arising out of the liquidation of any Eligible Investments (if any) purchased using amount standing to the credit of the Reserve Account shall be transferred to the Reserve Account.

Withdrawals.

(i) on each date falling 2 Business Days before each Guarantor Payment Date corresponding to an OBG Payment Date, all the amounts standing to the credit of the Reserve Account shall be transferred to the Payment Account; and

(ii) on each Collection Date, any net interest amount accrued and liquidated on the Reserve Account during the preceding Collection Period shall be transferred to the Interest Collection Account;

(iii) on a weekly basis, upon instruction of the Cash Manager, the OBG Guarantor shall transfer or procure to transfer all the amounts standing to the credit from time to time to the Reserve Account (other than any net interest amount accrued and liquidated on the Reserve Account) to the Eligible Investments Account.

(the "**Reserve Account**").

The Payment Account

Deposits. A Euro-denominated current account established and maintained with the Paying Agent into which, *inter alia*:

(i) on each date falling 2 Business Days before each Guarantor Payment Date, all the amounts necessary to meet any payment obligation on the OBG Guarantor under the OBG Guarantee and in accordance with the applicable Priority of Payments (and standing to the credit of the Interest Collection Account on the calendar day immediately preceding the last Collection Date) shall be transferred from the Interest Collection Account to the Payment Account, together with any amount transferred to the Interest Collection Account on the immediately preceding Liquidation Date;

(ii) on each date falling 2 Business Days before each Guarantor Payment Date, all the amounts necessary to meet any payment obligation on the OBG Guarantor under the OBG Guarantee and in accordance with the applicable Priority of Payments (and standing to the credit of the Principal Collection Account on the calendar day immediately preceding the last Collection Date) (including, for the avoidance of doubt, the Purchase Price Accumulation) shall be transferred from the Principal Collection Account to the Payment Account together with any amount transferred from the Eligible Investments Account (if any) to the Principal Collection Account on the immediately preceding Liquidation Date;

(iii) on each date falling 2 Business Days before each Guarantor Payment Date, all the amounts standing to the credit of the Reserve Account and exceeding the Total Target Reserve Amount (if any) shall be transferred from the Reserve Account to the Payment Account; and

(iv) (i) on each date falling 2 Business Days before each Guarantor Payment Date (which is not the Programme Termination Date) and (ii) on the date falling 2 Business Days before the Programme Termination Date, all the amounts standing to the credit of the Expenses Account shall be credited from the Expenses Account to the Payment Account.

Withdrawals.

(i) On each Guarantor Payment Date, all the amounts standing to the credit of the Payment Account shall be applied by the Paying Agent to make any payment to be executed according to the relevant Priority of Payments as shown in the Payments Report.

(ii) On the date on which the Definitive Purchase Price of the New Portfolio transferred in the context of a Revolving Assignment has to be paid in accordance with the Master Transfer Agreement, an amount equal to the lower of (a) the Purchase Price Accumulation Amount and (b) the Definitive Purchase Price of the New Portfolio, as the case may be, will be paid to the Seller and/or Additional Sellers (if any) by the Paying Agent and, after having made any such payment, any residual amount shall be transferred to the Principal Collection Account.

(the "**Payment Account**").

"**Definitive Purchase Price of the New Portfolio**" has the meaning ascribed to the expression "*Corrispettivo Definitivo del Portafoglio Successivo*" under the Master Transfer Agreement.

The Eligible Investments Account

Deposits. A Euro-denominated current account established and maintained with the Paying Agent into which, on a weekly basis, all the amounts standing from time to time to the credit of:

(i) the Interest Collection Account;

(ii) the Principal Collection Account (other than any net interest amount accrued and liquidated on the Principal Collection Account), and

(iii) the Reserve Account (other than any net interest amount accrued and liquidated on the Reserve Account).

may be transferred or procured to be transferred by the OBG Guarantor, upon instruction of the Cash Manager.

Withdrawals. On each Liquidation Date, the OBG Guarantor shall transfer or procure to transfer:

(i) all proceeds arising out of the liquidation of the Eligible Investments (if any) purchased using amount standing to the credit of the Interest Collection Account, and (ii) any net interest amount or net yield component of the proceeds arising out of the liquidation of all the other Eligible Investments (if any), to the Interest Collection Account;

(ii) all principal components of the proceeds arising out of the liquidation of any Eligible Investments (if any) purchased using amount standing to the credit of the Principal Collection Account to the Principal Collection Account, and

(iii) all principal components of the proceeds arising out of the liquidation of any Eligible Investments (if any) purchased using amount standing to the credit of the Reserve Account to the Reserve Account.

(the "**Eligible Investments Account**").

The Securities Account

A Euro-denominated securities account opened with the Paying Agent into which, *inter alia*, the OBG Guarantor shall keep from time to time (i) the Securities or the Integration Assets (to the extent that they are financial instruments) owned by the OBG Guarantor as a result of investing in Eligible Investments and (ii) the Securities or the Integration Assets (to the extent that they are financial instruments) owned by the OBG Guarantor and purchased from the Seller or the Additional Seller (if any) (the "**Securities Account**").

The Expenses Account

Deposits. A Euro-denominated current account established and maintained with the Account Bank into which, *inter alia*, the Paying Agent shall transfer, on each Guarantor Payment Date, and in accordance with the applicable Priority of Payments, any amount necessary to reach the Target Expenses Amount.

Withdrawals.

(i) at any time all the amounts standing to the credit of the Expenses Account shall be applied to pay the expenses due and payable at any time;

(ii) on each date falling at the end of each Collection Period, the OBG Guarantor shall transfer or procure to transfer any net interest amount accrued and liquidated on the Expenses Account to the Interest Collection Account; and

(iii) (i) on each date falling 2 Business Days before each Guarantor Payment Date (which is not the Programme Termination Date) and (ii) on the date falling 2 Business Days before the Programme Termination Date, all the amounts standing to the credit of the Expenses Account shall be transferred to the Payment Account.

(the "**Expenses Account**")

For the purposes of this section:

"**Eligible Institutions**" means any banks in relation to which the short term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "F2" by Fitch and with respect to the long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "A-" by Fitch or are guaranteed by an entity in relation to which the short term unsecured, unsubordinated and unguaranteed debt obligations are rated at least "F2" by Fitch and with respect to the long term unsecured, unsubordinated and unguaranteed debt obligations "A-" by Fitch.

"**Target Expenses Amount**" means €50,000.

"**Initial Issue Date**" means the date on which the Issuer will issue the first Series of OBG.

"**Liquidation Date**" means the date falling 4 Business Days before a Guarantor Payment Date.

"**Total Target Reserve Amount**" means, on each Guarantor Payment Date, the sum of (A), (B) and (C),

where

(A) means the amount of interest accrued on the OBG until that Guarantor Payment Date (inclusive) and not yet paid by the Issuer or the OBG Guarantor;

(B) means the amount of interest due and payable by the OBG Guarantor on the immediately succeeding Guarantor Payment Date (without double counting with (A); and

(C) means an amount equal to 0.50% of the Outstanding Principal Balance of Portfolio as at the end of the immediately preceding Collection Period.

CASH FLOWS

This section summarises the cashflows of the OBG Guarantor only, as to the allocation and distribution of amounts standing to the credit of the Accounts and their order of priority (all such orders of priority, the "**Priority of Payments**") (a) prior to an Issuer Event of Default and a Guarantor Event of Default, (b) following an Issuer Event of Default (but prior to a Guarantor Event of Default) and (c) following a Guarantor Event of Default.

Pre-Issuer Event of Default Interest Priority

On each Guarantor Payment Date, prior to the service of a Notice to Pay, the OBG Guarantor will use Interest Available Funds to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof: (a) any OBG Guarantor's documented fees, costs, expenses and taxes to maintain it in good standing, to comply with applicable legislation and to preserve its corporate existence (the "**Expenses**"), to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, and (b) all amounts due and payable to the Seller and/or to the Additional Seller (if any) or the party indicated by the Seller or by the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the preceding Collection Period with respect to the outstanding Asset;

(ii) *second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable (including fees, costs and expenses) to the Representative of the OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Servicer and the Additional Servicer (if any), and to credit the Target Expenses Amount into the Expenses Account;

(iii) *third*, to replenish the Reserve Account up to the Total Target Reserve Amount;

(iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount necessary to cover the amounts transferred from the Pre-Issuer Event of Default Principal Priority according to item (i) on any preceding Guarantor Payment Date and not paid yet;

(v) *fifth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment;

(vi) *sixth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment;

(vii) *seventh*, provided that a Programme Suspension Period is not continuing and after the repayment request made by the Subordinated Loan Provider under the Subordinated Loan (or additional subordinated loan provider, if any, under any additional subordinated loan), to pay *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated

Loan (or the relevant additional subordinated loan, if any) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment;

(viii) *eighth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Subordinated Loan Interest Amount due and payable under the Subordinated Loan (or additional subordinated loan, if any) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment,

(the "**Pre-Issuer Event of Default Interest Priority**").

"**Target Expenses Amount**" means at each Guarantor Payment Date the amount of €50,000.

"**Total Target Reserve Amount**" " means, on each Guarantor Payment Date, the sum of (A), (B) and (C),

where

(A) means the amount of interest accrued on the OBG until that Guarantor Payment Date (inclusive) and not yet paid by the Issuer or the OBG Guarantor;

(B) means the amount of interest due and payable by the OBG Guarantor on the immediately succeeding Guarantor Payment Date (without double counting with (A); and

(C) means an amount equal to 0.50% of the Outstanding Principal Balance of Portfolio as at the end of the immediately preceding Collection Period.

Pre-Issuer Event of Default Principal Priority

On each Guarantor Payment Date, prior to the service of a Notice to Pay, the OBG Guarantor will use Principal Available Funds to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable under items (i) and (ii) (other than any amount due according to (i) b)) of the Pre-Issuer Event of Default Interest Priority, to the extent that the Interest Available Funds are not sufficient, on such Guarantor Payment Date, to make such payments in full;

(ii) *second*, provided that a Programme Suspension Period is not continuing, *pari passu* and *pro rata* according to the respective amounts thereof, (a) to pay the purchase price of the Assets and Integration Assets offered for sale by the Seller and/or by the Additional Seller (if any) in the context of a Revolving Assignment in accordance with the provisions of the Master Transfer Agreement; (b) if the payment of any such purchase price shall be deferred in accordance with the provisions of the Master Transfer Agreement, to credit to the Payment Account the Purchase Price Accumulation Amount; and (c) to pay any amount due and payable to the Seller and/or the Additional Seller (if any) in accordance with the provisions of the Master Transfer

Agreement as purchase price of the Assets and Integration Assets offered for sale by the Seller and/or by the Additional Seller (if any) in the context of a Revolving Assignment to the extent not previously paid by using the funds credited to the Payment Account as Purchase Price Accumulation Amount on the immediately preceding Guarantor Payment Date;

(iii) *third*, if a Programme Suspension Period has occurred and is continuing, to deposit on the Principal Collection Account any residual Principal Available Funds until an amount up to the Required Redemption Amount of any Series of OBG outstanding has been accumulated;

(iv) *fourth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment, to the extent not already paid under item (v) of the Pre-Issuer Event of Default Interest Priority;

(v) *fifth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment, to the extent not already paid under item (vi) of the Pre-Issuer Event of Default Interest Priority;

(vi) *sixth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any), the amount due as principal redemption under the Subordinated Loan (or additional subordinated loan, if any) provided that the Over-Collateralisation Test and the Mandatory Tests would still be satisfied after such payment;

(the "**Pre-Issuer Event of Default Principal Priority**").

On each Guarantor Payment Date the "**Interest Available Funds**" shall include ((a) any interest received from the Portfolio during the Collection Period immediately preceding such Guarantor Payment Date, (b) any interest amount received by the OBG Guarantor as remuneration of the Accounts during the Collection Period immediately preceding such Guarantor Payment Date, (c) any amount received as interest by the OBG Guarantor from any party to the Transaction Documents (other than amounts already allocated under items (a) and (b)) during the Collection Period immediately preceding such Guarantor Payment Date, (d) any amount deposited in the Reserve Account as at the Calculation Date immediately

preceding such Guarantor Payment Date (other than the amount already allocated under item (b)), (e) any amount deposited in the Interest Collection Account, as at the preceding Guarantor Payment Date, (f) the amount standing to the credit of the Expenses Account (other than amounts already allocated under item (b)) at the end of the Collection Period preceding such Guarantor Payment Date (which is not a Programme Termination Date), (g) any net interest amount or income from any Eligible Investments or of the Securities (without duplication with the Eligible Investments) liquidated at the immediately preceding Liquidation Date.

On each Guarantor Payment Date the "**Principal Available Funds**" shall include: (a) any principal payment received during the Collection Period immediately preceding such Guarantor Payment Date; (b) any principal amount received by the OBG Guarantor as reimbursement of the Eligible Investments liquidated on the immediately preceding Liquidation Date arising from investment made using principal collection; (c) any principal amount received by the OBG Guarantor from any party to the Transaction Documents (other than the amounts already allocated under items (a) and (b)) during the Collection Period immediately preceding such Guarantor Payment Date; (d) any amount standing to the credit of the Principal Collection Account (other than the amounts already allocated under item (a)) at the end of the Collection Period preceding such Guarantor Payment Date net of any interest accrued thereon; (e) the amount standing to the credit of the Expenses Account on the Programme Termination Date; (f) any principal amount arising out from the liquidation of Securities (without duplication with the (b) above) liquidated at the immediately preceding Liquidation Date arising from investment made using principal collection and (g) the positive difference (if any) between (1) the Purchase Price Accumulation Amount credited to the Payment Account on the immediately preceding Guarantor Payment Date and (2) the monies paid to the Seller and/or the Additional Seller in the context of a Revolving Assignment, in accordance with the Master Transfer Agreement, during the period between the preceding Guarantor Payment Date and the immediately following Guarantor Payment Date, as consideration for the purchase of the New Portfolio by using the Purchase Price Accumulation Amount credited to the Payment Account on the immediately preceding Guarantor Payment Date.

"**Collection Period**" means (a) prior to the occurrence of a Guarantor Event of Default, any period between each Collection Date (included) and the following Collection Date (excluded), save for the first Collection Period, where the Collection Period is comprised between the Evaluation Date (included) in respect to the transfer of the first Portfolio and 1 April 2012 (excluded) and (b) after the occurrence of a Guarantor Event of Default, any period between two Business Days.

"**Collection Date**" means 1 January, 1 April, 1 July and 1 October of each year and, following an Issuer Event of Default, the first calendar day of each month.

"**Evaluation Date**" means (a) in respect of the Initial Portfolio the beginning of 1 January 2012 and (b) in respect of any New Portfolio, the date indicated as such in the relevant offer for the transfer of New Portfolios.

"**Purchase Price Accumulation Amount**" means an amount equal to the Provisional Purchase Price of the New Portfolio as determined with reference to a New Portfolio under the relevant Offer of Transfer.

"**Provisional Purchase Price of the New Portfolio**" has the meaning ascribe to the expression "*Corrispettivo Provvisorio del Portafoglio Successivo*" under the Master Transfer Agreement.

Post-Issuer Event of Default Priority

On each Guarantor Payment Date, following the service of a Notice to Pay, but prior to the occurrence of a Guarantor Event of Default, the OBG Guarantor will use the Available Funds, to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof (a) the Expenses, to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, (b) all amounts due and payable to the Seller and/or by the Additional Seller (if any) or the party indicated by the Seller or the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the preceding Collection Period with respect to the outstanding Asset still owned by the OBG Guarantor;

(ii) *second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable (including fees, costs and expenses) to the Representative of the OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Servicer and the Additional Servicer (if any), and to credit the Target Expenses Amount into the Expenses Account;

(iii) *third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable as interest on the Pass-Through OBG and on the OBG on their relevant OBG Payment Dates;

(iv) *fourth*, to replenish the Reserve Account up to the Total Target Reserve Amount;

(v) *fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable as principal on the Pass-Through OBG and on the OBG on their relevant OBG Payment Dates;

(vi) *sixth*, to deposit on the relevant OBG Guarantor's Accounts any residual amount until all Series of OBG outstanding have been repaid in full;

(vii) *seventh*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement;

(viii) *eighth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor

incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments);

(ix) *ninth*, after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any), to pay *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any);

(x) *tenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any interest amount due under the Subordinated Loan (or additional subordinated loan, if any); and

(xi) *eleventh*, after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due under the Subordinated Loan (or additional subordinated loan, if any);

(the "**Post-Issuer Event of Default Priority**").

"**Available Funds**" shall include (a) the Interest Available Funds, (b) the Principal Available Funds and (c) following the occurrence of an Issuer Event of Default, the Excess Proceeds.

"**Excess Proceeds**" means the amounts received by the OBG Guarantor as a result of any enforcement taken against the Issuer in accordance with Article 4, Paragraph. 3 of the MEF Decree.

"**Negative Carry Corrector**" means a percentage calculated by reference to the average margin payable on the outstanding Series of OBG weighted for the Principal Amount Outstanding of each outstanding Series of OBG plus 0.5 per cent.

"**Required Redemption Amount**" means in respect of any relevant Series or Tranche of OBG, the amount calculated as follows:

the Outstanding Principal Balance of the relevant Series or Tranche of OBG

Multiplied by

(1+(Negative Carry Corrector * (with respect to OBG which are not Pass-Through OBG, days to the Maturity Date of the relevant Series or Tranche of OBG/365 or, with respect to Pass-Through OBG, 31 days)).

Post-Guarantor Event of Default Priority

On each Guarantor Payment Date, following the service of a Guarantor Acceleration Notice, the OBG Guarantor will use the Available Funds, to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

(i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof (a) any Expenses, to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, and (b) all amounts due and payable to the Seller and/or to the Additional Seller (if any) or the party indicated by the Seller or by the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the preceding Collection Period with respect to the outstanding Asset;

(ii) *second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable (including fees, costs and expenses) to the Representative of the OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Servicer and the Additional Servicer (if any) and to credit the Target Expenses Amount into the Expenses Account;

(iii) *third*, to pay, *pari passu* and *pro rata* any interest and principal amount due and payable on the Pass-Through OBG and on the OBG;

(iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement;

(v) *fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments);

(vi) *sixth*, after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan Agreement (or additional subordinated loan agreement), to pay *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any);

(vii) *seventh*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any interest amount due under the Subordinated Loan (or additional subordinated loan, if any); and

(viii) *eighth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due under the Subordinated Loan (or additional subordinated loan, if any),

(the "**Post-Guarantor Events of Default Priority**" and, together with the Pre-Issuer Event of Default Principal Priority, the Pre-Issuer Event of Default Interest Priority, the Post-Issuer Event of Default Priority, are collectively referred to as the "**Priority of Payments**").

USE OF PROCEEDS

The net proceeds to the Issuer from the issue of all OBG will be applied by the Issuer for general funding purposes of the Group (including funding of the mortgage loans business of the Group).

DESCRIPTION OF THE TRANSACTION DOCUMENTS

Master transfer agreement

Pursuant to a master transfer agreement entered into on 13 January 2012, as from time to time amended, (the "**Master Transfer Agreement**"), between the Seller and the OBG Guarantor, the Seller assigned to the OBG Guarantor the Initial Portfolio and the parties thereto agreed that the Seller may assign and transfer Mortgage Receivables satisfying the General Criteria and the Specific Criteria and other Assets and/or Integration Assets to the OBG Guarantor from time to time, in the cases and subject to the limits for the transfer of further Assets and/or Integration Assets, on a revolving basis.

The purchase price in respect of the Initial Portfolio has been determined pursuant to the Master Transfer Agreement. Under the Master Transfer Agreement the relevant parties thereto have acknowledged that the purchase price in respect of the Initial Portfolio shall be funded through the proceeds granted in accordance with the Subordinated Loan Agreement.

Further Assignments

For the assignment of each New Portfolio comprised of Mortgage Receivables, the OBG Guarantor shall pay the Seller an amount equal to the aggregate of the individual receivable price (equal to the value of each Receivable as it results from the Seller's latest balance sheet) of all the Mortgage Receivables in such New Portfolio.

Each New Portfolio shall be composed exclusively of Assets or Integration Assets, which comply with the General Criteria and (if applicable in relation to the relevant issuance, the Specific Criteria) on the relevant purchase date, provided that, pursuant to the BoI OBG Regulations, the Master Transfer Agreement and the Portfolio Administration Agreement, total Integration Assets shall not exceed the Limit to the Integration.

The Further Assignments shall be aimed at:

(a) collateralising and allowing the issue of further series of OBG by the Issuer, subject to the Limits to the Assignment (the "**Issuance Collateralisation Assignment**");

(b) investing the Principal Available Funds in the purchase of further Assets or Integration Assets, provided that a Programme Suspension Period is not continuing (the "**Revolving Assignment**"); and/or

(c) comply with the Over-Collateralisation Test and the Mandatory Tests in accordance with the Portfolio Administration Agreement (the "**Integration Assignment**"), subject to the limits referred to the Limit to the Integration.

The obligation of the OBG Guarantor to purchase any New Portfolio shall be:

(i) conditional upon (a) the existence of sufficient Principal Available Funds to be applied under item (ii) of the Pre-Issuer Default Principal Priority of Payments for the perfection of Revolving Assignments, or (b) the funding of the requested amounts under the Subordinated Loan Agreement for the perfection of Issuance Collateralisation Assignments or Integration Assignments;

(ii) conditional upon compliance with the following concentration thresholds: (a) as at the relevant Evaluation Date of each relevant Further Assignment, the Outstanding Principal Balance of the Non-Residential Mortgage Receivables comprised in the Portfolio (including those purported to be assigned in the context of the relevant Further Assignment) shall not be higher than 30 per cent. of the Outstanding Principal Balance of the Portfolio; and (b) (a) as at the relevant Evaluation Date of each relevant Further Assignment, the Outstanding Principal Balance of the Mortgage Receivables granted to employees of a company belonging to the UniCredit Banking Group comprised in the Portfolio (including those purported to be assigned in the context of the relevant Further Assignment) shall not be higher than 15 per cent. of the Outstanding Principal Balance of the Portfolio; and

(iii) subject to certain conditions subsequent set out in the Master Transfer Agreement.

Criteria

Each of the receivables forming part of the Portfolio shall comply with all the General Criteria, while, in the context of the sale of further portfolios of Mortgage Receivables shall comply also with the relevant Specific Criteria.

Price Adjustments

The Master Transfer Agreement provides a price adjustment mechanism pursuant to which:

(i) if, following the relevant Effective Date, any mortgage receivable which is part of the Initial Portfolio or of a New Portfolio does not meet the Criteria, then such mortgage receivable will be deemed not to have been assigned and transferred to the OBG Guarantor pursuant to the Master Transfer Agreement; and

(ii) if, following the relevant Effective Date, any Mortgage Receivable which meets the Criteria but it is not part of the Initial Portfolio or of a New Portfolio, then such Mortgage Receivable shall be deemed to have been assigned and transferred to the OBG Guarantor as of the Evaluation Date of the relevant Portfolio, pursuant to the Master Transfer Agreement.

In accordance with the above, the Seller and the OBG Guarantor have set up a proper mechanism to manage the necessary settlements for the substitution or acquisition of the relevant Mortgage Receivables and the increase or decrease, as the case may be, of the amounts already paid as Purchase Price.

Repurchase of receivables and pre-emption right

The Seller is granted an option right, pursuant to article 1331 of Italian Civil Code, to repurchase the Mortgage Receivables and/or Securities individually or in block, also in different tranches. In order to exercise the option right, the Seller is required to pay the OBG Guarantor an amount equal to the sum of: (a) the purchase price paid to the Seller with reference to such Mortgage Receivable and/or Security, *less* (b) the total amount of the principal amounts collected in the period between the Evaluation Date (excluded) concerning such Mortgage Receivable and/or Security and the Date of Carve Out, *plus* (d) the possible

damages and losses borne by the OBG Guarantor as consequences of any claim raised by third parties and referred to such Mortgage Receivable and/or Security.

The Seller is granted a pre-emption right to repurchase Mortgage Receivables and Securities to be sold by the OBG Guarantor to third parties, at the same terms and conditions provided for such third parties. Such pre-emption rights shall cease if the Seller is submitted to any of the procedures set forth in Title V of the Banking Law.

Termination of the OBG Guarantor's obligation to purchase and termination of the agreement

Pursuant to the Master Transfer Agreement, the obligation of the OBG Guarantor to purchase New Portfolios shall terminate upon the occurrence of any of the following: (i) a breach of the undertakings and duties assumed by the Seller pursuant to the Transaction Documents, in the event such breach is not cured within the period specified in the Master Transfer Agreement, or it is otherwise not curable; (ii) a breach of the Seller's representations and warranties given in any of the Transaction Documents; (iii) a Seller's material adverse change; (iv) an enforcement against the Sellers' assets, winding-up of the Seller, opening of a bankruptcy or insolvency proceeding; (v) the Seller being submitted to judicial proceeding which may cause the occurrence of a material adverse change of the Seller; or (vi) the Programme Termination Date has occurred. Further to the occurrence of an event described above, the OBG Guarantor shall no longer be obliged to purchase New Portfolios.

Undertakings

The Master Transfer Agreement also contains a number of undertakings by the Seller in respect of its activities in relation to the Mortgage Receivables, the Securities, the Guarantees and the Loan Agreements. The Seller has undertaken, *inter alia*, to refrain from carrying out activities with respect to the Mortgage Receivables, the Securities and the Guarantees which may prejudice the validity or recoverability of the same and in particular not to assign or transfer the Mortgage Receivables, the Securities and the Guarantees to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Mortgage Receivables, the Securities and the Guarantees. The Seller also has undertaken to refrain from any action which could cause any of the Mortgage Receivables or Guarantees to become invalid or to cause a reduction in the amount of any of the Receivables or the Guarantee. The Master Transfer Agreement also provides that the Seller shall waive any set off rights in respect of the Mortgage Receivables, and cooperate actively with the OBG Guarantor in any activity concerning the Mortgage Receivables.

Main Definitions

For the purposes of the Master Transfer Agreement:

"**Additional Guarantee**" means any guarantee, establishing a right *in rem* or *in personam*, other than the Mortgages, provided by a Debtor, a Guarantor of a Receivable or Security or by any other person or entity in order to guarantee (i) the payments of the Mortgage Receivables and (ii) the satisfaction of the obligations arising from the Loan Agreements and the Securities.

"**Date of Carve Out**" means 30 Business Days starting from the date on which (i) the Seller or the OBG Guarantor (as the case maybe) has been served with a written notice or (ii) an

agreement has been reached between the Seller and the OBG Guarantor or (iii) the date fixed by a third party in accordance with the Clause 9.6 (*Arbitraggio*) of the Master Transfer Agreement.

"**Debtor**" means any person, entity or subject, also different from the Beneficiary, who is liable for the payment of amounts due, as principal and interest, in respect of a Mortgage Receivable or Security.

"**Guarantees**" means jointly or, where the context otherwise requires, severally, the Mortgages and the Additional Guarantees.

"**Guarantor of a Receivable or Security**" means any person, entity or subject, different from the Debtor and including any successor, who has granted a Mortgage or an Additional Guarantee in order to guarantee the payments of a Receivable or Security.

"**Mortgages**" means the mortgages established on Real Estates from the relevant Mortgagor in order to guarantee the payments of the Mortgage Receivables.

"**New Portfolio**" means any portfolio of Assets (which, in respect of Mortgage Receivables complies with the General and the Specific Criteria) which, further to the sale of the Initial Portfolio, the Seller will assign to the OBG Guarantor in accordance with the Master Transfer Agreement.

"**Real Estates**" means the real estates subjected to mortgage as guarantee for Mortgage Receivables.

Governing Law

The Master Transfer Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian Law.

Warranty and Indemnity Agreement

Pursuant to a warranty and indemnity agreement entered into on 13 January 2012, as amended from time to time, between the Seller and the OBG Guarantor (the "**Warranty and Indemnity Agreement**"), the Seller made certain representations and warranties to the OBG Guarantor.

Specifically, as of the date of execution of the Master Transfer Agreement (and with reference to the representations and warranties concerning the Mortgage Receivables and the Securities, also on any relevant effective transfer date) and, with reference to the representations and warranties concerning the Transaction Documents, as of each relevant Issue Date, the Seller has given and will be deemed to repeat to the OBG Guarantor, *inter alia*, certain representations and warranties about: (i) its status and powers, (ii) the information and the documents provided to the OBG Guarantor, (iii) its legal title on the Assets (iv) the status of the Assets and (v) the terms and conditions of the Assets.

Pursuant to the Warranty and Indemnity Agreement, the Seller has undertaken to fully and promptly indemnify and hold harmless the OBG Guarantor and its officers, directors and agents (each, an "**Indemnified Person**"), from and against any and all damages, losses, claims, liabilities, costs and expenses (including, without limitation, reasonable attorney's fees

and disbursements and any value added tax and other tax thereon as well as any Receivable for damages by third parties) awarded against, or incurred by, any of them, arising from any representations and/or warranties made by the Seller under the Warranty and Indemnity Agreement being actually false, incomplete or incorrect and/or failure by the Seller to perform any of the obligations and undertakings assumed by the Seller.

Without prejudice of the foregoing, the Seller has further undertaken that, if any Mortgage Receivable or Security does not exist, in whole or in part, (including where such non existence is based only on a judicial pronouncement that is not definitive), the Seller shall immediately pay the OBG Guarantor any damage, costs, expenses incurred by the OBG Guarantor. In the event that, thereafter, any definitive judicial pronouncement recognises that such Receivable exists, the OBG Guarantor shall repay the amounts mentioned above received by the Seller on the immediately subsequent Guarantor Payment Date, in accordance with the relevant Priority of Payments.

The parties to the Warranty and Indemnity Agreement agreed that, further to the breach of any of the representations and warranties which have not been indemnified by the Seller within 30 days from the notice of the breach, the Seller is entitled to exercise a call option and the OBG Guarantor a put option, in respect of the Mortgage Receivables and the Securities with reference to which a breach of the representations and warranties occurred.

Governing Law

The Warranty and Indemnity Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian Law.

Subordinated Loan Agreement

Pursuant to a subordinated loan agreement entered into on 13 January 2012, as amended from time to time, between the Seller and the OBG Guarantor (the "**Subordinated Loan Agreement**"), the Seller granted the OBG Guarantor a subordinated loan (the "**Subordinated Loan**") with a maximum amount equal to € 25,000,000,000, save for further increases to be determined by the Seller as subordinated loan provider. Under the provisions of such agreement, upon the relevant disbursement notice being filed by the OBG Guarantor, the Seller shall make advances to the OBG Guarantor in amounts equal to the relevant price of the Initial Portfolio and each New Portfolios transferred from time to time to the OBG Guarantor in view of (a) collateralising the issue of further OBG or (b) carrying out an integration of the Portfolio, through Assets or Integration Assets, in order to prevent a breach of the Over-Collateralisation Test or/and of the Mandatory Tests.

The OBG Guarantor shall pay any amounts due under the Subordinated Loan in accordance with the relevant Priority of Payments. The OBG Guarantor shall use the proceeds arising from the Subordinated Loan Agreement: (i) as consideration in part for the acquisition of Assets from the Seller pursuant to the terms of the Master Transfer Agreement, as described above, and/or (ii) to invest in Integration Assets in an amount not exceeding the prescribed limit.

The Subordinated Loan shall bear interest in an amount equal to the algebraic sum of:

(i) (+) the higher of (a) the amount of interest accrued on the Portfolio during the relevant Interest Period of the Subordinated Loan and (b) the Interest Available Funds;

(ii) (-) (a) the sum of any amount paid under items from (i) to (vii) of the Pre-Issuer Event of Default Interest Priority or (b) following the occurrence of an Issuer Event of Default and the service of a Notice to Pay, the sum of any amount paid under items from (i) to (viii) of the Post- Issuer Event of Default Interest Priority or (c) following the occurrence of a Guarantor Event of Default, the sum of any amount paid under items from (i) to (vi) of the Post-Guarantor Event of Default Priority;

(the "**Subordinated Loan Interest Amount**").

The OBG Guarantor shall reimburse any amount due as principal under the Subordinated Loan Agreement on a lump sump on the last Maturity Date or the Extended Maturity Date, where applicable. If an interpretation of the Bank of Italy, or other competent authority, confirms the possibility for the OBG Guarantor to partially repay the Subordinated Loan prior to the repayment of all the OBG, subject to certain conditions set out therein, the OBG Guarantor will reimburse the Subordinated Loan upon receipt of a request to that effect from the Seller.

Governing Law

The Subordinated Loan Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

OBG Guarantee

Pursuant to a guarantee entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor and the Representative of the OBG Holders, the OBG Guarantor issued a guarantee securing the payment obligations of the Issuer under the OBG (the "**OBG Guarantee**"), in accordance with the provisions of Law 130 and of the MEF Decree.

Under the terms of the OBG Guarantee, if the Issuer defaults in the payment on the due date (subject to any applicable grace periods) of any moneys due and payable under or pursuant to the OBG, or if any other Issuer Event of Default occurs and the service by the Representative of the OBG Holders of a Notice to Pay, the OBG Guarantor has agreed (subject as described below) to pay, or procure to be paid, unconditionally and irrevocably to or to the order of the Representative of the OBG Holders (for the benefit of the OBG Holders), any amounts due under the OBG as and when the same were originally due for payment by the Issuer, as of any Maturity Date or, if applicable, Extended Maturity Date.

Pursuant to Article 7-*bis*, paragraph 1, of Law 130 and Article 4 of the MEF Decree, the guarantee provided under the OBG Guarantee is a first demand (*a prima richiesta*), unconditional, irrevocable (*irrevocabile*) and independent guarantee (*garanzia autonoma*) and therefore provides for direct and independent obligations of the OBG Guarantor vis-à-vis the OBG Holders and with limited recourse to the Available Funds, irrespective of any invalidity, irregularity, unenforceability or genuineness of any of the guaranteed obligations of the Issuer. The provisions of the Italian Civil Code relating to *fideiussione* set forth in Articles 1939 (*Validità della fideiussione*), 1941, paragraph 1 (*Limiti della fideiussione*), 1944, paragraph 2 (*Escussione preventiva*), 1945 (*Eccezioni opponibili dal fideiussore*), 1955 (*Liberazione del*

fideiussore per fatto del creditore), 1956 (*Liberazione del fideiussore per obbligazione futura*) and 1957 (*Scadenza dell 'obbligazione principale*) shall not apply to the OBG Guarantee.

Following the service of a Notice to Pay on the OBG Guarantor, but prior to the occurrence of a Guarantor Event of Default, payment by the OBG Guarantor of the Guaranteed Amounts pursuant to the OBG Guarantee will be made, subject to and in accordance with the Post-Issuer Event of Default Priority, on the relevant Scheduled Due for Payment Date, provided that, if an Extended Maturity Date is envisaged under the relevant Final Terms and actually applied, any amount representing the Final Redemption Amount due and remaining unpaid on the Maturity Date may be paid by the OBG Guarantor on any Scheduled Payment Date thereafter, up to (and including) the relevant Extended Maturity Date. In addition, where the OBG Guarantor is required to make a payment of a Guaranteed Amount in respect of a Final Redemption Amount payable on the Maturity Date of the relevant Series of OBG, to the extent that the OBG Guarantor has insufficient moneys available after payment of higher ranking amounts and taking into account amounts ranking *pari passu* therewith in the relevant Priority of Payments, to pay such Guaranteed Amounts, it shall make partial payments of such Guaranteed Amounts in accordance with the Post-Issuer Event of Default Priority.

If, following the service of a Notice to Pay served as a result of the taking of a resolution pursuant to Article 74 of the Banking Law, the Issuer Event of Default consisting of a resolution pursuant to Article 74 of the Banking Law issued in respect of the Issuer that had caused the service of such notice is cured and no other Issuer Event of Default or Guarantor Event of Default has occurred and is continuing, the Representative of the OBG Holders will deliver to the OBG Guarantor a notice (the "**Cure Notice**") informing the OBG Guarantor that the Issuer Event of Default (consisting of a resolution pursuant to Article 74 of the Banking Law issued in respect of the Issuer) then outstanding has been revoked and the OBG Guarantor's obligation to make payment of the Guaranteed Amounts in accordance with the OBG Guarantee shall cease to apply until the OBG Guarantee has newly enforced by the Representative of the OBG Holders.

Following the service of a Guarantor Acceleration Notice all OBG of all Series will accelerate, in accordance with the Conditions, against the OBG Guarantor becoming due and payable, and they will rank *pari passu* amongst themselves and the Available Funds shall be applied in accordance with the Post-Guarantor Events of Default Priority.

All payments of Guaranteed Amounts by or on behalf of the OBG Guarantor will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature unless such withholding or deduction of such taxes, assessments or other governmental charges are required by law or regulation or administrative practice of any jurisdiction. If any such withholding or deduction is required, the OBG Guarantor will pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted. The OBG Guarantor will not be obliged to pay any amount to any OBG Holder in respect of the amount of such withholding or deduction.

Exercise of rights

Following the occurrence of an Issuer Event of Default and service of a Notice to Pay on the OBG Guarantor, but prior to the occurrence of any Guarantor Event of Default, and with reference and as of the date of administrative liquidation (*liquidazione coatta amministrativa*) of the Issuer in accordance with the provisions of Article 4, paragraph 3 of the MEF Decree, the OBG Guarantor, shall substitute the Issuer in all obligations of the Issuer towards the OBG Holders in accordance with the terms and conditions originally set out for the OBG, so that the rights of payment of the OBG Holders in such circumstance will only be the right to receive payments of the Scheduled Interest and the Scheduled Principal from the OBG Guarantor on the Scheduled Due for Payment Date. In consideration of the substitution of the OBG Guarantor in the performance of the payment obligations of the Issuer under the OBG, the OBG Guarantor (directly or through the Representative of the OBG Holders) shall exercise, on an exclusive basis and, to the extent applicable, in compliance with the provisions of Article 4, paragraph 3 of the MEF Decree, the rights of the OBG Holders vis-à-vis the Issuer and any amount recovered from the Issuer will be part of the Available Funds.

As a consequence and as expressly indicated in the Conditions, the OBG Holders have irrevocably delegated to the OBG Guarantor (also in the interest and for the benefit of the OBG Guarantor) the exclusive right to proceed against the Issuer to enforce the performance of any of the payment obligations of the Issuer under the OBG including any rights of enforcing any acceleration of payment provisions provided under the Conditions or under the applicable legislation. For this purpose the OBG Holders upon request of the OBG Guarantor, shall provide the OBG Guarantor with any powers of attorney and/or mandates as the latter may deem necessary or expedient for taking all necessary steps to ensure the timely and correct performance of its mandate.

For the purposes of the OBG Guarantee:

"**Due for Payment Date**" means (i) a Scheduled Due for Payment Date or (ii) following the occurrence of a Guarantor Event of Default, the date on which a Guarantor Acceleration Notice is served on the OBG Guarantor. If the Due for Payment Date is not a Business Day, the Due for Payment Date will be the next following Business Day. For the avoidance of doubt, the Due for Payment Date does not refer to any earlier date upon which payment of any Guaranteed Amounts may become due under the guaranteed obligations, by reason of prepayment, mandatory or optional redemption or otherwise.

"**Guaranteed Amounts**" means, (i) prior to the service of a Guarantor Acceleration Notice, with respect to any Guarantor Payment Date, the sum of amounts equal to the Scheduled Interest and the Scheduled Principal, in each case, payable on that Guarantor Payment Date and all amounts payable by the OBG Guarantor under the Transaction Documents ranking senior to any payment due in respect to the OBG according to the applicable Priority of Payments, or (ii) after the service of a Guarantor Acceleration Notice, an amount equal to the relevant Early Redemption Amount plus all accrued and unpaid interest and all other amounts due and payable in respect of the OBG, including all Excluded Scheduled Interest Amounts and all Excluded Scheduled Principal Amounts (whenever the same arose) and all amounts

payable by the OBG Guarantor under the Transaction Documents ranking senior to any payment due in respect to the OBG according to the applicable Priority of Payments, provided that any Guaranteed Amounts representing interest paid after the Maturity Date (or the Extended Maturity Date, as the case may be) shall be paid on such dates and at such rates as specified in the relevant Final Terms. The Guaranteed Amounts include any Guaranteed Amount that was timely paid by or on behalf of the Issuer to the OBG Holders to the extent it has been clawed back and recovered from the OBG Holders by the receiver or liquidator, in bankruptcy or other insolvency or similar official for the Issuer named or identified in the Order, and has not been paid or recovered from any other source (the "**Clawed Back Amounts**").

"**Scheduled Due for Payment Date**" means any date on which the Scheduled Payment Date in respect of the relevant Guaranteed Amounts is reached up to and including the relevant Extended Maturity Date, provided that the first Scheduled Payment Date immediately after the occurrence of an Issuer Event of Default, shall be the later of (i) the day which is two Business Days following service of the Notice to Pay on the OBG Guarantor and (ii) the relevant Scheduled Payment Date.

"**Scheduled Interest**" means in respect of each OBG Payment Date (i) following an Issuer Event of Default and the service of a Notice to Pay on the OBG Guarantor, an amount equal to the amount in respect of interest which would have been due and payable under the OBG on such OBG Payment Date as specified in the Conditions falling on or after service of a Notice to Pay on the OBG Guarantor (but excluding any additional amounts relating to premiums, default interest or interest upon interest, which are hereinafter referred to as the "**Excluded Scheduled Interest Amounts**") payable by the Issuer and (ii) following the service of a Guarantor Acceleration Notice, an amount equal to the amount in respect of interest which would have been due and payable under the OBG on each OBG Payment Date as specified in the Conditions falling on or after the service of a Guarantor Acceleration Notice and including such Excluded Scheduled Interest Amounts (whenever the same arose), less any additional amounts the Issuer would be obliged to pay as result of any gross-up in respect of any withholding or deduction made under the circumstances set out in the Conditions.

"**Scheduled Payment Date**" means, in relation to payments under the OBG Guarantee, each OBG Payment Date.

"**Scheduled Principal**" means in respect of each OBG Payment Date (i) following an Issuer Event of Default and the service of a Notice to Pay on the OBG Guarantor, an amount equal to the amount in respect of principal which would have been due and repayable under the OBG on such OBG Payment Dates or the Final Maturity Date (as the case may be) as specified in the Conditions (but excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties or premiums, which are hereinafter referred to as the "**Excluded Scheduled Principal Amounts**") payable by the Issuer and (ii) following the service of a Guarantor Acceleration Notice, an amount equal to the amount in respect of principal which would have been due and repayable under the OBG on each OBG Payment Dates or the Final Maturity Date (as the case may be) as specified in the Conditions and including such Excluded Scheduled Principal Amounts (whenever the same arose).

Governing Law

The OBG Guarantee, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Servicing Agreement

Pursuant to a servicing agreement entered into on 13 January 2012, as amended from time to time, between the Servicer and the OBG Guarantor (the "**Servicing Agreement**"), the Servicer has agreed to administer and service the Mortgage Receivables, on behalf of the OBG Guarantor. The appointment to the Servicer is not a mandate *in rem propriam* and, therefore, the OBG Guarantor is entitled to revoke or terminate the same in accordance with the provisions set forth in the Servicing Agreement.

As consideration for the activity performed and reimbursement of expenses, the Servicing Agreement provides that the Servicer will receive certain fees payable by the OBG Guarantor on each Guarantor Payment Date in accordance with the applicable Priority of Payments.

Servicer's activities

In the context of the appointment, the Servicer has undertaken to perform, with its best diligence and highest ethical standards, *inter alia*, the activities specified below:

(i) administration, management and collection of the Mortgage Receivables in accordance with the Collection Policies; management and administration of enforcement proceedings and insolvency proceedings;

(ii) to perform certain activities with reference to the data processing pursuant to Legislative Decree no. 196 of 30 June 2003 (the "**Privacy Law**");

(iii) to keep and maintain updated and safe the documents relating to the transfer of the Mortgage Receivables from the Seller to the OBG Guarantor; to consent to the OBG Guarantor and the Representative of the OBG Holders to examine and inspect the Documents and to draw copies; and

(iv) upon the occurrence of an Issuer Events of Default, the Servicer may or, in certain case, must, in the name and on behalf of the OBG Guarantor, in accordance with the terms and conditions set forth in the Portfolio Administration Agreement, selling or offer to sell to third parties one or more Assets.

The Servicer is entitled to delegate the performance of certain activities to third parties, except for the supervisory activities in accordance with Bank of Italy Regulations of 5 August 1996, No. 216, as amended and supplemented. Notwithstanding the above, the Servicer shall remain fully liable for the activities performed by a party so appointed by the Servicer, and shall maintain the OBG Guarantor fully indemnified for any losses, costs and damages incurred for the activity performed by a party so appointed by the Servicer.

Servicer Reports

The Servicer has undertaken to prepare and submit reports to the OBG Guarantor, the Administrative Services Provider, the Representative of the OBG Holders and the Calculation

Agent, in the form set out in the Servicing Agreement, containing information about the Collections made in respect of the Portfolio during the preceding Collection Period. The reports will provide the main information relating to the Servicer's activity during the period, including without limitation: a description of the Portfolio (outstanding amount, principal and interest), information relating to delinquencies, defaults and collections during the Collection Period.

On an annual basis, an audit firm agreed with between the parties will be instructed to issue an audit report on the activities (including monitoring activities) performed by the Servicer throughout the last year.

Successor Servicer

According to the Servicing Agreement, upon the occurrence of a termination or withdrawal event, the OBG Guarantor shall have the right to withdraw the appointment of the Servicer and, subject to the approval in writing of the Representative of the OBG Holders, to appoint a different entity (the "**Successor Servicer**"). The Successor Servicer shall undertake to carry out the activity of administration, management and collection of the Mortgage Receivables, as well as all other activities provided for in the Servicing Agreement by entering into a servicing agreement having substantially the same form and contents as the Servicing Agreement and accepting the terms and conditions of the Intercreditor Agreement.

The OBG Guarantor may terminate the Servicer's appointment and appoint a Successor Servicer following the occurrence of any of the termination event (each a "**Servicer Termination Event**"). The Servicer Termination Events include:

(i) failure to transfer, deposit or pay any amount due by the Servicer within 10 Business Days from the date on which such amount has been required to be transferred, paid or deposited;

(ii) failure to observe or perform duties under specified clauses of the Servicing Agreement and the continuation of such failure for a period of 10 Business Days following receipt of written notice from the OBG Guarantor;

(iii) an insolvency, liquidation or winding up event occurs with respect to the Servicer;

(iv) failure to observe or perform duties under the Transaction Documents and the continuation of such failure for a period of 10 Business Days following receipt of written notice from the OBG Guarantor where such breach prejudiced the reliance of the OBG Guarantor on the Servicer;

(v) amendments of the functions and services involved in the management of the Mortgage Receivables and in the recovery and collection procedures, if such amendments may individually or jointly, prevent the Servicer from fulfilling the obligations assumed under the Servicing Agreement; and

(vi) inability of the Servicer to meet the legal requirements and the Bank of Italy's regulations for entities acting as servicer.

The Servicing Agreement provides several actions to be taken by the Servicer if and for so long as the rating of the Servicer (or the Successor Servicer, if any) shall, *inter alia*, fall below "F2" (short term) or "A-" (long term) by Fitch, unless, pursuant to the Portfolio Administration Agreement, taking into account the changes to the applicable Asset Percentage made under these circumstances the Mandatory Tests and the Over-Collaterisation Test are complied with. One of such actions is the notification to all Debtors of the details of a new bank account opened with an Eligible Institution in the name of the OBG Guarantor, on which the Debtors will have to transfer the amounts due under the Assets.

Back-Up Servicer

In case of loss by the Servicer of the minimum required ratings provided for under the Servicing Agreement, the OBG Guarantor shall appoint within 30 Business Days from the date on which such loss has been notified by the Servicer, a financial intermediary or a bank, having the requirements provided for in relation to the Successor Servicer and which will take the place of the Servicer in case of termination of the Servicing Agreement (the "**Back-Up Servicer**"). The Back-Up Servicer shall enter into, *inter alia*, a servicing agreement having substantially the same form and contents as the Servicing Agreement and accepting the terms and conditions of the Intercreditor Agreement.

Governing Law

The Servicing Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Administrative Services Agreement

Pursuant to an administrative services agreement entered into on 13 January 2012, as amended from time to time, (the "**Administrative Services Agreement**"), between the Administrative Services Provider and the OBG Guarantor, the Administrative Services Provider has agreed to provide the OBG Guarantor with a number of administrative services, including the keeping of the corporate books and of the accounting and tax registers.

Governing Law

The Administrative Services Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Intercreditor Agreement

Pursuant to an intercreditor agreement entered into on 19 January 2012, as amended from time to time, (the "**Intercreditor Agreement**") among, *inter alia*, the OBG Guarantor, the Representative of the OBG Holders (in its own capacity and as legal representative of the Organisation of the OBG Holders), the Issuer, the Seller, the Subordinated Loan Provider, the Servicer, the Administrative Services Provider, the Account Bank, the Paying Agent, the Cash Manager, the Asset Monitor and the Calculation Agent, the parties agreed that all the Available Funds of the OBG Guarantor will be applied in or towards satisfaction of the OBG Guarantor's payment obligations towards the OBG Holders as well as the other Secured Creditors, in accordance with the relevant Priority of Payments provided in the Intercreditor Agreement.

According to the Intercreditor Agreement, the Representative of the OBG Holders will, subject to a Guarantor Events of Default having occurred and the service of a Guarantor Acceleration Notice, ensure that all the Available Funds are applied in or towards satisfaction of the OBG Guarantor's payment obligations towards the OBG Holders as well as the other Secured Creditors, in accordance with the Post-Guarantor Default Priority of Payments provided in the Intercreditor Agreement.

The obligations owed by the OBG Guarantor to each of the OBG Holders and each of the other Secured Creditors will be limited recourse obligations of the OBG Guarantor. The OBG Holders and the other Secured Creditors will have a claim against the OBG Guarantor only to the extent of the Available Funds, in each case subject to and as provided for in the Intercreditor Agreement and the other Transaction Documents.

The OBG Guarantor has granted a general irrevocable mandate to the Representative of the OBG Holders, in the interest of the OBG Holders and the other Secured Creditors, to act in the name and on behalf of the OBG Guarantor on the terms and conditions specified in the Intercreditor Agreement, in exercising the rights of the OBG Guarantor under the Transaction Documents to which it is a party, other than the rights related to the collection and recovery of the Mortgage Receivables and to cash and payment services (save, in this respect, as provided otherwise therein).

Governing Law

The Intercreditor Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Cash Management and Agency Agreement

Pursuant to a cash management and agency agreement entered into on 19 January 2012, as amended from time to time, between, *inter alia*, the OBG Guarantor, the Cash Manager, the Account Bank, the Paying Agent, the Servicer, the Administrative Services Provider, the Calculation Agent, the Additional Calculation Agent and the Representative of the OBG Holders (the "**Cash Management and Agency Agreement**"):

(i) the Account Bank has agreed to establish and maintain the Collection Accounts, the Reserve Account and the Expenses Account and to provide, *inter alia*, the OBG Guarantor, prior to each Calculation Date, with a report together with account handling services in relation to moneys from time to time standing to the credit of the accounts above mentioned;

(ii) the Cash Manager will provide, *inter alia*, the OBG Guarantor, on or prior to each Calculation Date, with a report together with certain cash management services in relation to moneys standing to the credit of the Accounts;

(iii) the Calculation Agent (with the cooperation of the Additional Calculation Agent) will provide, *inter alia*, the OBG Guarantor: (i) with a payments report (the "**Payments Report**") which will set out the Available Funds and the payments to be made on the following OBG Payment Date and (ii) with an investors report (the "**Investors**

Report") which will set out certain information with respect to the Portfolio and the OBG;

(iv) the Additional Calculation Agent will cooperate with the Calculation Agent in preparing: (i) each Payments Report and (ii) each Investors Report; and

(v) the Paying Agent will provide the Issuer and the OBG Guarantor with certain payment services in respect of the OBG and has agreed to establish and maintain the Payment Account, the Eligible Investments Account and the Securities Account. Following the delivery of a Notice to pay or a Guarantor Acceleration Notice, the Paying Agent shall make payments of principal and interest in respect of the Guaranteed Amounts on behalf of the OBG Guarantor upon being so instructed.

Upon the occurrence of certain events with the reference to the Account Bank, the Cash Manager, the Calculation Agent or the Paying Agent, including:

(i) the default to perform their own duties and obligations under the Cash Management and Agency Agreement;

(ii) the cessation or the threat to cease to carry on their business or a substantial part of their business or the interruption of payments or the threat to interrupt payment of their debts; and

(iii) the inability to perform their obligations under such agreement for a period of sixty days by reason of circumstances beyond their respective reasonable control;

either the Representative of the OBG Holders or the OBG Guarantor, provided that (in the case of the OBG Guarantor) the Representative of the OBG Holders consents in writing to such termination, may terminate the appointment of the relevant Agent under the terms of the Cash Management and Agency Agreement. Notwithstanding the above, none of the Agents shall be released from its respective obligations under the Cash Management and Agency Agreement until the relevant substitute has been appointed by the Representative of the OBG Holders and/or the OBG Guarantor and has accepted the Deed of Pledge and has entered into the Intercreditor Agreement, the Master Definitions Agreement and an agreement on the same terms *mutatis mutandis* as the Cash Management and Agency Agreement.

Governing Law

The Cash Management and Agency Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Portfolio Administration Agreement

Pursuant to a portfolio administration agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor, the UniCredit (as Issuer and Seller), the Asset Monitor, the Representative of the OBG Holders and the Calculation Agent (the "**Portfolio Administration Agreement**"), the UniCredit (as Issuer and Seller) and the OBG Guarantor have undertaken certain obligations for the replenishment of the Portfolio in order to cure a breach of the Mandatory Tests or the Over-Collateralisation Test and the purchase and sale by the OBG Guarantor of the assets included in Portfolios.

Pursuant to the terms and conditions of the Portfolio Administration Agreement, the Calculation Agent has agreed to verify the compliance of the Mandatory Tests and the Over-Collateralisation Test and, in the event of a breach, to immediately notify in writing the Representative of the OBG Holders, the Issuer, the Seller, any Additional Seller (if any), the Asset Monitor and OBG Guarantor of such breach. Respectively on each Calculation Date and on each OC Calculation Date, moreover, the Calculation Agent shall deliver an asset cover report including the relevant calculations in respect of the Mandatory Tests and the Over Collateralisation Test to the Issuer, the Seller, any Additional Seller (if any), the Representative of the OBG Holders and the Asset Monitor.

Starting from the first Maturity Date on which any amount in respect of a Series remained unpaid and on any date falling six months thereafter until the day on which a Negative Report for breach of the Amortisation Test has been served on the OBG Guarantor (each such date, a "**Refinance Date**"), the OBG Guarantor shall (if necessary in order to effect payments under the Pass-Through OBG and the OBG which are not Pass-Through OBG, in such last case as originally scheduled in the relevant Final Terms, as determined by the Calculation Agent in consultation with the Portfolio Manager), direct the Servicer or the Substitute Servicer (and the Portfolio Manager) to sell as soon as practicable all or part of the Selected Assets in accordance with the Portfolio Administration Agreement, subject to any pre-emption right of the Seller and any Additional Seller (if any) pursuant to the Master Transfer Agreement or any other Transaction Documents. The proceeds of any such sale shall be credited to the Principal Collection Account and invested in accordance with the terms of the Cash Management and Agency Agreement.

For so long as there are OBG outstanding, following service of a Notice to Pay (but prior to the occurrence of a Guarantor Event of Default) UniCredit (as Seller and Issuer) and the Additional Seller (if any) shall procure to verify on a continuing basis, and on each Calculation Date, the compliance of the Amortisation Test. If the Amortisation Test is breached a Guarantor Event of Default shall occur.

Following the delivery of a Guarantor Acceleration Notice, the Representative of the OBG Holders shall, in the name and on behalf of the OBG Guarantor, direct the Servicer or the Successor Servicer (if any) to sell Selected Assets in accordance with the Portfolio Administration Agreement, subject to any pre-emption right of UniCredit (as Seller and Issuer) or any Additional Servicer (if any) pursuant to the Master Transfer Agreement or any other Transaction Documents. The proceeds of any such sale shall be credited to the Principal Collection Account and applied in accordance with the relevant Priority of Payments.

If the OBG Guarantor is required to sell Selected Assets following the occurrence of a Guarantor Event of Default, the Representative of the OBG Holders shall (i) in the name and on behalf of the OBG Guarantor (so authorised by means of the execution of the Portfolio Administration Agreement) instruct the Servicer or Successor Servicer (if any) to sell a portfolio of Selected Assets in respect of all the Series of OBG and (ii) instruct the Portfolio Manager to use all reasonable endeavours to procure that Selected Assets are sold as quickly as reasonably practicable taking into account the market conditions at that time.

Governing Law

The Portfolio Administration Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Asset Monitor Agreement

Pursuant to an asset monitor agreement entered into on 19 January 2012, as amended from time to time, among, *inter alios*, the Asset Monitor, the OBG Guarantor, the Calculation Agent, the Issuer, the Seller and the Representative of the OBG Holders (the "**Asset Monitor Agreement**"), the Asset Monitor will perform certain tests and procedures and carry out certain monitoring and reporting services with respect to the Issuer and the OBG Guarantor.

Pursuant to the Asset Monitor Agreement, the Asset Monitor has agreed to the Issuer and, upon delivery of a Notice to Pay, to the OBG Guarantor, subject to due receipt of the information to be provided by the Calculation Agent, to conduct independent tests in respect of the calculations performed by the Calculation Agent for the Mandatory Tests, the Over-Collateralisation Test and the Amortisation Test, as applicable with a view to verifying the compliance by the OBG Guarantor with such tests.

The Asset Monitor will be required to conduct such tests no later than the relevant Asset Monitor Report Date (as defined under the Asset Monitor Agreement). On each Asset Monitor Report Date, the Asset Monitor shall deliver to the OBG Guarantor, the Calculation Agent, the Representative of the OBG Holders and the Issuer a report substantially in the form set forth under the Asset Monitor Agreement.

Other than in relation to the verification of the Mandatory Tests, the Over-Collateralisation Test and the Amortisation Test, the Asset Monitor is entitled, in the absence of manifest error, to assume that all information provided to it under the Asset Monitor Agreement is true and correct and is complete and not misleading. The results of the tests conducted by the Asset Monitor will be delivered to the Cash Manager, the OBG Guarantor, the Issuer and the Representative of the OBG Holders.

In the Asset Monitor Agreement, the Asset Monitor has acknowledged to perform its services also for the benefit and in the interests of the OBG Guarantor (to the extent it will carry out the services under the appointment of the Issuer) and the OBG Holders and accepted that upon delivery of a Notice to Pay, it will receive instructions from, provide its services to, and be liable *vis-à-vis* the OBG Guarantor or the Representative of the OBG Holders on its behalf.

The OBG Guarantor will pay to the Asset Monitor a fee per test for the tests to be performed by the Asset Monitor in the amount set out in the Asset Monitor Agreement from time to time.

The Issuer and (upon delivery of a Notice to Pay) the OBG Guarantor may, subject to the prior written consent of the Representative of the OBG Holders, revoke the appointment of the Asset Monitor by giving not less than three months or earlier, in the event of a breach of warranties and covenants, written notice to the Asset Monitor (with a copy to the Representative of the OBG Holders). If termination of the appointment of the Asset Monitor would otherwise take effect less than 30 days before or after any Calculation Date immediately after which an Asset Monitor Report shall be delivered, then such termination shall not take effect until the tenth

day following such Calculation Date. In any case, no revocation of the appointment of the Asset Monitor shall take effect until a successor, approved by the Representative of the OBG Holders, has been duly appointed.

The Asset Monitor may, at any time, resign by giving not less than two months prior written notice of termination to the Issuer, the OBG Guarantor and the Representative of the OBG Holders, provided that such resignation will not take effect unless and until, *inter alia*: (i) a substitute Asset Monitor being appointed by the Issuer and (upon delivery of a Notice to Pay) the OBG Guarantor, with the prior written approval of the Representative of the OBG Holders, on substantially the same terms as those set out in the Asset Monitor Agreement; and (ii) the Asset Monitor being not released from its obligations under the Asset Monitor Agreement until a substitute Asset Monitor has entered into such new agreement and it has become a party to the Intercreditor Agreement.

Governing Law

The Asset Monitor Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Quotaholders' Agreement

Pursuant to a quotaholders' agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor, the Seller, SVM and the Representative of the OBG Holders (the "**Quotaholders' Agreement**") the parties have undertaken certain provisions in relation to the management of the OBG Guarantor. In addition, pursuant to the Quotaholders' Agreement, SVM granted a call option in favour of the Seller to purchase from SVM and the Seller granted a put option in favour of SVM to sell to the Seller the quota of the OBG Guarantor quota capital held by SVM.

Governing Law

The Quotaholders' Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Dealer Agreement

Pursuant to a dealer agreement entered into on 19 January 2012, as amended from time to time, between the Issuer, the Seller, the OBG Guarantor, the Representative of OBG Holders and the Dealers (the "**Dealer Agreement**"), the parties have agreed certain arrangements under which the OBG may be issued and sold, from time to time, by the Issuer to any one or more of the Dealers.

The Issuer will indemnify the Dealers for costs, liabilities, charges, expenses and claims incurred by or made against the Dealers arising out of, in connection with or based on breach of duty or misrepresentation by the Issuer.

The Dealer Agreement contains provisions relating to the resignation or termination of appointment of existing Dealers and for the appointment of additional or other dealers acceding as new dealer: (i) generally in respect of the Programme or (ii) in relation to a particular issue of OBG.

The Dealer Agreement contains stabilisation provisions.

Pursuant to the Dealer Agreement, the Issuer, the OBG Guarantor and the Seller gave certain representations and warranties to the Dealers in relation to, *inter alia*, theirselves and the information given respectively by each of them in connection with this Prospectus.

Governing Law

The Dealer Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Subscription Agreement

The Dealer Agreement also contains the *pro forma* of the Subscription Agreement to be entered into in relation to each issue of OBG issued on a syndicated basis.

On or prior to the relevant Issue Date, the Issuer, the Dealers who are parties to such Subscription Agreement (the "**Relevant Dealers**") will enter into a subscription agreement under which the Relevant Dealers will agree to subscribe for the relevant Tranche of OBG, subject to the conditions set out therein.

Under the terms of the Subscription Agreement, the Relevant Dealers will confirm the appointment of the Representative of the OBG Holders.

A simplified procedure is provided for the issuance of OBG on a non-syndicated basis.

Governing Law

The Subscription Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Deed of Pledge

Pursuant to a deed of pledge entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor, the Representative of the OBG Holders and the other Secured Creditors (the "**Deed of Pledge**"), which the OBG Guarantor pledged in favour of the OBG Holders and the Secured Creditors all the monetary claims and rights and all the amounts payable from time to time (including payment for Mortgage Receivables, indemnities, damages, penalties, credits and guarantees) to which the Issuer is entitled pursuant or in relation to the Transaction Documents (other than the Deed of Pledge and the Conditions), including the monetary claims and rights relating to the amounts standing to the credit of the Accounts and any other account established by the OBG Guarantor in accordance with the provisions of the Transaction Documents.

Governing Law

The Deed Pledge, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Master Definition Agreement

Pursuant to a master definition agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor and the other parties to the Transaction Documents

(the "**Master Definition Agreement**"), the parties thereto agreed, the definitions and constructions of certain terms used in the Transaction Documents.

Governing Law

The Master Definition Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

SELECTED ASPECTS OF ITALIAN LAW

The following is a summary only of certain aspects of Italian law that are relevant to the transactions described in this Prospectus and of which prospective OBG Holders should be aware. It is not intended to be exhaustive and prospective OBG Holders should also read the detailed information set out elsewhere in this Prospectus.

Law 130 was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

Law Decree of 14 March 2005, No. 35, converted into law by law 14 May 2005, No. 80, added Articles *7-bis* and *7-ter* to Law 130, in view of allowing Italian banks to use the securitisation techniques introduced by Law 130 in view of issuing covered bonds (*obbligazioni bancarie garantite*).

Law 130 was further amended by Law Decree no. 145 of 23 December 2013 (the "**Decreto Destinazione Italia**") as converted with amendments into Law n. 9 of 21 February 2014 and by Law Decree no. 91 of 24 June 2014 (the "**Decreto Competitività**") as converted into Law no. 116 of 11 August 2014.

Pursuant to Article *7-bis,* certain provisions of Law 130 apply to transactions involving the true sale (by way of non-gratuitous assignment) of receivables meeting certain eligibility criteria set out in Article *7-bis* and in the Decree of the Ministry of Economy and Finance No. 310 of 14 December 2006 (the "**MEF Decree**"), where the sale is to a special purpose vehicle created in accordance with Article *7-bis* and all amounts paid by the debtors are to be used by the relevant special purpose vehicle exclusively to meet its obligations under a guarantee to be issued by it, in view of securing the payment obligations of the selling bank or of other banks in connection with the issue of covered bonds (the "**OBG Guarantee**").

Pursuant to Article *7-bis,* the purchase price of the assets to be comprised in the cover pool shall be financed through the taking of a loan granted or guaranteed by the banks selling the assets. The payment obligations of the special purpose vehicle under such loan shall be subordinated to the payment obligations of the special purpose vehicle *vis-à-vis* the OBG holders, the counterparties of any derivative contracts hedging risks in connection with the assigned receivables and securities, the counterparties of any other ancillary contract and counterparties having a claim in relation to any payment of other costs of the transaction.

Under the BoI OBG Regulations, the covered bonds may be issued by banks which individually satisfy, or which belong to banking groups which on a consolidated basis satisfy, certain requirements relating to the regulatory capital and the solvency ratio. Such requirements must also be complied with by banks selling the assets, where the latter are different from the bank issuing the covered bonds.

On 8 May 2015, the Ministerial Decree No. 53/2015 (the "**Decree 53/2015**") issued by the Ministry of Economy and Finance was published in the Official Gazette of the Republic of Italy. The Decree 53/2015 provides for the implementation of Articles 106, paragraph 3, 112,

paragraph 3, and 114 of the Banking Law and Article 7-ter, paragraph 1-bis of the Law 130 and entered into force on 23 May 2015, repealing the Decree No. 29/2009. Pursuant to Article 7 of the Decree 53/2015, the assignee companies which guarantee covered bonds, belonging to a banking group as defined by Article 60 of the Banking Law (such as UniCredit OBG S.r.l.), will no longer have to be registered in the general register held by the Bank of Italy pursuant to Article 106 of the Banking Law.

Eligibility criteria of the assets and limits to the assignment of assets

Under the MEF Decree, the following assets, *inter alia*, may be assigned to the purchasing company, together with any ancillary contracts aimed at hedging the financial risks embedded in the relevant assets: (i) residential mortgage receivables, where the relevant amount outstanding added to the principal amount outstanding of any previous mortgage loans secured by the same property by the seller, does not exceed 80 per cent. of the value of the mortgaged property (the "**Residential Mortgage Receivables**"), (ii) non residential mortgage receivables, where the relevant amount outstanding added to the principal amount outstanding of any previous mortgage loans secured by the same property by the seller, does not exceed 60 per cent. of the value of the property (the "**Non-Residential Mortgage Receivables**" and, together with the Residential Mortgage Receivables, the "**Mortgage Receivables**"), (iii) securities satisfying the requirements set forth under Article 2, paragraph 1, letter c) of the MEF Decree (as define below) (the "**Public Securities**") and (iv) securities issued in the framework of securitisations with 95% of the underlying assets of the same nature as in (i) and (ii) above and having a risk weighting non higher than 20% under the standardised approach (the "**ABS Securities**" and, together with the Mortgage Receivables and the Public Securities, the "**Assets**"), and, within certain limits, Integration Assets.

The BoI OBG Regulations provides that covered bonds may be issued by banks which satisfy, on a consolidated basis, the following requirements:

(i) own funds at least equal to €250,000,000; and

(ii) overall capital ratio (*coefficiente patrimoniale complessivo*) at least equal to 9 per cent.

The BoI OBG Regulations set out certain limits to the possibility for banks to assign eligible assets, which are based on the level of the tier 1 ratio (the "**T1R**") and the common equity tier 1 ratio (the "**CET1R**"), in accordance with the following table, contained in the BoI OBG Regulations:

Capital adequacy condition		Limits to the assignment
Group "A"	T1R ≥ 9 per cent. and CET1R ≥ 8 per	No limits
Group "B"	T1R ≥ 8 per cent. and CET1R ≥ 7 per cent.	Assignment allowed up to 60 per cent. of the eligible assets
Group "C"	T1R ≥ 7 per cent. and CET1R ≥ 6 per cent. per cent.	Assignment allowed up to 25 per cent. of the eligible assets

The relevant T1R and CET1R set out in the table relate to the aggregate of the OBG transactions launched by the relevant banking group.

The Limits to the Assignment do not apply to Integration (as defined below) of the portfolio, provided that Integration is allowed exclusively within the limits set out by the BoI OBG Regulations.

Ring Fencing of the Assets

Under the terms of Article 3 of Law 130, all the receivables relating to a Law 130 transaction, the relevant collections (to the extent that they are clearly identifiable as the relevant Law 130 special purpose vehicle's collections under the receivables), any monetary claims accrued by the relevant special purpose vehicle in the context of the relevant Law 130 transaction and the financial assets resulting from the investment of the cash referred to above are segregated from all other assets of the relevant Law 130 special purpose vehicle and from those relating to the other Law 130 transactions carried out by the same Law 130 special purpose vehicle. On a winding-up of such a special purpose vehicle, such assets will only be available to holders of the covered bonds in respect of which the special purpose vehicle has issued a guarantee and to the other secured creditors of the special purpose vehicle. In addition, the assets relating to a particular transaction will not be available to the holders of covered bonds issued under any other covered bonds transaction or to general creditors of the special purpose vehicle.

However, under Italian law, any other creditor of the special purpose vehicle would be able to commence insolvency or winding-up proceedings against the special purpose vehicle in respect of any unpaid debt.

Decree Competività has provided, *inter alia*, that, to the extent that the relevant depository bank where the Law 130 special purpose vehicle holds its bank accounts in the context of a Law 130 transaction is subject to insolvency proceedings in Italy, upon the commencement of insolvency or insolvency-like proceedings against such depository bank, the amounts standing to the credit of such accounts: (i) may not be subject to the suspension of payments pursuant to article 74 of the Banking Law; and (ii) should be promptly repaid in full to the relevant Law 130 special purpose vehicle, without any need to file in the insolvency proceeding (*domanda di ammissione al passivo o di rivendica*) and outside of the applicable insolvency distributions (*fuori dei piani di riparto o di restituzione di somme*).

The Assignment

The assignment of the receivables under Law 130 will be governed by Article 58 paragraphs 2, 3 and 4, of the Banking Law. The prevailing interpretation of this provision, which view has been strengthened by Article 4 of Law 130, is that the assignment can be perfected against the originator, assigned debtors and third party creditors by way of publication of a notice in the Italian Official Gazette and by way of registration of such notice in the register of enterprises (*registro delle imprese*) where the special purpose vehicle is registered, so avoiding the need for notification to be served on each debtor.

As from the latest to occur between the date of publication of the notice of the assignment in the Italian Official Gazette and the date of registration of such notice with the Register of Enterprises at which the purchaser is registered, the assignment becomes enforceable against:

(a) the debtors and any creditors of the originator who have not, prior to the date of publication of the notice, commenced enforcement proceedings in respect of the relevant receivables;

(b) the liquidator or any other bankruptcy officials of the debtors (so that any payments made by a debtor to the special purpose vehicle may not be subject to any claw-back action according to Articles 65 and 67 of Royal Decree no. 267 of 16 March 1942 (*Legge Fallimentare*), the "**Bankruptcy Law**"); and

(c) other permitted assignees of the originator who have not perfected their assignment prior to the date of publication.

Upon the completion of the formalities referred to above, the benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned receivables will automatically be transferred to and perfected with the same priority in favour of the purchaser, without the need for any formality or annotation.

As from the latest to occur between the date of publication of the notice of the assignment in the Italian Official Gazette and the date of registration of such notice with the Register of Enterprises at which the purchaser is registered, no legal action may be brought against the receivables assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the holders of the covered bonds and other creditors for costs incurred in the framework of the transaction.

Notice of the initial assignment of the Initial Receivables pursuant to the Master Transfer Agreement was published in the Italian Official Gazette and was filed with the relevant Register of Enterprises.

However, Article 7-*bis,* para. 4, also provides that, where the role of servicer (*soggetto incaricato della riscossione dei crediti*) is attributed, in the context of covered bonds transaction, to an entity other than the assigning bank (whether from the outset or eventually), notice of such circumstance shall be given by way of publication in the Italian Official Gazette and registered mail with return receipt to the relevant public administrations.

Assignments under Law 130

Assignments executed under Law 130 are subject to revocation on bankruptcy under Article 67 of the Bankruptcy Law, but only in the event that the transaction is entered into within three months of the adjudication of bankruptcy of the relevant party or in cases where paragraph 1 of Article 67 applies, within six months of the adjudication of bankruptcy.

In addition to the above, any payment made by an assigned debtor to the OBG Guarantor is not subject to claw-back actions pursuant to article 65 and article 67 of the Bankruptcy Law.

The subordinated loans to be granted to the special purpose vehicle and the covered bond guarantee are subject to the provisions of Article 67, paragraph 4, of the Bankruptcy Law, pursuant to which the provisions of Article 67 relating to the claw-back of for-consideration transactions, payments and guarantees do not apply to certain transactions.

Tests set out in the MEF Decree

Pursuant to Article 3 of the MEF Decree, the issuing bank and the assigning bank (to the extent different from the issuer) will have to ensure that, on a on-going basis, the following mandatory tests are complied with:

(a) the outstanding aggregate nominal amount of the cover pool shall be equal to, or greater than, the aggregate nominal amount of the outstanding covered bonds;

(b) the net present value of the cover pool, net of the transaction costs to be borne by the special purpose vehicle, including therein the expected costs and the costs of any hedging arrangement entered into in relation to the transaction, shall be equal to, or greater than, the net present value of the outstanding covered bonds; and

(c) the amount of interests and other revenues generated by the cover pool, net of the costs borne by the special purpose company, shall be equal to, or greater than, the interests and costs due by the issuer under the outstanding covered bonds, also taking into account any hedging arrangements entered into in relation to the transaction.

For the purpose of ensuring compliance with the tests described above and pursuant to Article 2 of the MEF Decree, the following assets (the "**Integration Assets**") may be used for the purpose of integration of the cover pool, in addition to eligible assets pursuant to the OBG Regulations:

(i) the creation of deposits with banks incorporated in Admitted States or in a State which attract a risk weight factor equal to 0 per cent. under the "Standardised Approach" to credit risk measurement; and

(ii) the assignment of securities issued by the banks referred to under paragraph (i) above, having a residual maturity not exceeding one year.

Integration Assets

Integration through Integration Assets shall be allowed within the Limit to the Integration.

In addition, pursuant to Article 7-*bis* and the MEF Decree, integration of the cover pool – whether through eligible assets pursuant to the OBG Regulations or through integration assets – (the "**Integration**") shall be carried out in accordance with the methods, and subject to the limits, set out in the BoI OBG Regulations.

More specifically, under the BoI OBG Regulations, the Integration is allowed exclusively for the purpose of: (a) complying with the tests provided for by the MEF Decree; (b) complying with any contractual overcollateralisation requirements agreed by the parties to the relevant

agreements; or (c) complying with the 15 per cent. maximum amount of Integration Assets within the portfolio. The Limit to Integration does not apply in case of Integration Assignment

The Integration is not allowed in circumstances other than as set out in the BoI OBG Regulations. In any event, Integration Assets may be replaced at any time without any limitation with Eligible Assets.

The features of the OBG Guarantee

According to Article 4 of the MEF Decree the OBG Guarantee shall be limited recourse to the cover pool, irrevocable, first-demand, unconditional and autonomous from the obligations assumed by the issuer of the covered bonds. Accordingly, such obligations shall be a direct, unconditional, unsubordinated obligation of the special purpose vehicle, limited recourse to the special purpose vehicle's available funds, irrespective of any invalidity, irregularity or unenforceability of any of the guaranteed obligations of the issuer of the covered bonds.

In order to ensure the autonomous nature of the OBG Guarantee, Article 4 of the MEF Decree provides that the following provisions of the Italian Civil Code, generally applicable to personal guarantees (*fideiussioni*), shall not apply to the OBG Guarantee (a) Article 1939, providing that a *fideiussione* shall not generally be valid where the guaranteed obligation is not valid; (b) Article 1941, paragraph. 1, providing that a *fideiussione* cannot exceed the amounts due by the guaranteed debtor, nor can it be granted for conditions more onerous than those pertaining to the main obligation; (c) Article 1944, paragraph. 2, providing, *inter alia*, that the parties to the contract pursuant to which the *fideiussione* is issued may agree that the guarantor shall not be obliged to pay before the attachment is carried out against the guaranteed debtor; (d) Article 1945, providing that the guarantor can raise against the creditor any objections (*eccezioni*) which the guaranteed debtor is entitled to raise, except for the objection relating to the lack of legal capacity on the part of the guaranteed debtor; (e) Article 1955, providing that a *fideiussione* shall become ineffective (*estinta*) where, as a consequence of acts of the creditor, the guarantor is prevented from subrogating into any rights, pledges, mortgages, and liens (*privilegi*) of the creditor; (f) Article 1956, providing that the guarantor of future receivables shall not be liable where the creditor - without the authorisation of the guarantor - has extended credit to a third party, while being aware that the economic conditions of the principal obligor were such that recovering the receivable would have become significantly more difficult; and (g) Article 1957, providing, *inter alia*, that the guarantor will be liable also after the guaranteed obligation has become due and payable, provided that the creditor has filed its claim against the guaranteed debtor within six months and has diligently pursued them.

The obligations of the OBG Guarantor following a liquidation of the Issuer

The MEF Decree set out also certain principles which are aimed at ensuring that the payment obligations of the special purpose vehicle are isolated from those of the issuer of the OBG. To that effect it requires that the OBG Guarantee contains provisions stating that the relevant obligations thereunder shall not accelerate upon the issuer's default, so that the payment profile of the covered bonds shall not automatically be affected thereby.

More specifically, Article 4 of the MEF Decree provides that in case of breach by the issuer of its obligations *vis-à-vis* the covered bonds holders, the special purpose vehicle shall assume the

obligations of the issuer - within the limits of the cover pool - in accordance with the terms and conditions originally set out for the covered bonds. The same provision applies where the issuer is subjected to mandatory liquidation procedures (*liquidazione coatta amministrativa*).

In addition, the acceleration (*decadenza dal beneficio del termine*) provided for by Article 1186 of the Civil Code and affecting the issuer shall not affect the payment obligations of the special purpose vehicle under the OBG Guarantee. Pursuant to Article 4 of the MEF Decree, the limitation in the application of Article 1186 of the Civil Code shall apply not only to the events expressly mentioned therein, but also to any additional event of acceleration provided for in the relevant contractual arrangements.

In accordance with Article 4, paragraph. 3, of the MEF Decree, in case of *liquidazione coatta amministrativa* of the issuer, the special purpose vehicle shall exercise the rights of the covered bonds holders *vis-à-vis* the issuer in accordance with the legal regime applicable to the issuer. Any amount recovered by the special purpose vehicle as a result of the exercise of such rights shall be deemed to be included in the cover pool.

The Bank of Italy shall supervise on the compliance with the aforesaid provisions, within the limits of the powers vested with the Bank of Italy by the Banking Law.

Controls over the transaction

The BoI OBG Regulations lay down rules on controls over transactions involving the issuance of OBG.

Inter alia, the resolutions of the selling banks approving the assignment of portfolios to the special purpose vehicle are passed in relation to each transfer of assets on the basis of appraisal reports on the assets prepared by an auditing firm. Such report are not required where the assignment is carried out at the book values set out in the most recent approved financial statements of the selling bank, or in its most recent six month report (*situazione patrimoniale semestrale*).

The management body of the issuing bank must ensure that the structures delegated to the risk management verify at least every six months and for each transaction, *inter alia*:

(i) the quality and integrity of the assets sold to the SPV securing the obligations undertaken by the latter;

(ii) compliance with the maximum ratio between covered bonds issued and the cover pool sold to the SPV for purposes of backing the issue, in accordance with the MEF Decree;

(iii) compliance with the Limits to the Assignment and the on, and Limits to the Integration set out by the BoI OBG Regulations;

(iv) the effectiveness and adequacy of the coverage of risks provided under derivative agreements entered into in connection with the transaction; and

(v) the completeness, truthfulness and the timely delivery of the information provided to investors pursuant to article 129, paragraph 7, of the CRD IV Regulation.

The bodies with management responsibilities of issuing banks and banking groups ensure that an assessment is carried out on the legal aspects of the activity on the basis of specially issued legal reports setting out an in-depth analysis of the contractual structures and schemes adopted, with a particular focus on, *inter alia*, the characteristics of the OBG Guarantee.

The BoI OBG Regulations also contain certain provisions on the asset monitor, who is delegated to carry out controls over the regularity of the transaction (including completeness, truthfulness and the timely delivery of the information provided to investors pursuant to article 129, paragraph 7, of the CRD IV Regulation) (*regolarità dell'operazione*) and the integrity of the OBG Guarantee (*integrità della garanzia*) (the "**Asset Monitor**"). Pursuant to the BoI OBG Regulations the Asset Monitor shall be an auditing firm having adequate professional experience in relation to the tasks entrusted with the same and independent from (a) the audit firm entrusted with the auditing of the issuing bank, (b) the issuing bank and (c) the other entities taking part to the transaction.

The Asset Monitor shall prepare annual reports on controls and assessments on the performance of transactions, to be addressed, *inter alia*, to the body entrusted with control functions of the bank which appointed the Asset Monitor. The BoI OBG Regulations refer to the provisions (art. 52 and 61, paragraph 5, of the Banking Law), which impose on persons responsible for conducting controls specific obligations to report to the Bank of Italy. Such reference appears to be aimed at ensuring that irregularities found are reported to the Bank of Italy pursuant to Article 52, paragraph 2, of the Banking Law.

In order to ensure that the special purpose vehicle can perform, in an orderly and timely manner, the obligations arising under the OBG Guarantee, the issuing banks shall use asset and liability management techniques for purposes of ensuring, including by way of specific controls at least every six months, that the payment dates of the cash-flows generated by the cover pool match the payments dates with respect to payments due by the issuing bank under the covered bonds issued and other transaction costs.

Finally, in relation to the information flows, the parties to the covered bonds transactions shall assume contractual undertakings allowing the issuing and the assigning bank also acting as servicer (and any third party servicer, if appointed) to hold the information on the cover pool which are necessary to carry out the controls described in the BoI OBG Regulations and for the compliance with the supervisory reporting obligations, including therein the obligations arising in connection with the membership to the central credit register (*Centrale dei Rischi*).

Insolvency proceedings

Insolvency proceedings (*procedure concorsuali*) conducted under Italian law may take the form of, *inter alia*, a forced liquidation (*fallimento*) or creditors' agreements (*concordato preventivo* and *accordi di ristrutturazione dei debiti*). Insolvency proceedings are only applicable to businesses (*imprese*) either run by companies, partnerships or by individuals. An individual who is not a sole entrepreneur or an unlimited partner in a partnership is not subject to insolvency.

A debtor can be declared bankrupt (*fallito*) and subject to *fallimento* (at its own initiative, or at the initiative of any of its creditors or the public prosecutor) if it is not able to fulfil its

obligations in a timely manner. The debtor loses control over all its assets and of the management of its business, which is taken over by a court appointed receiver (*curatore fallimentare*). Once judgment has been made by the court and the creditors' claims have been approved, the sale of the debtor's property is conducted in accordance with a liquidation plan (approved by the delegated judge and the creditors' committee) which may provide for the dismissal of the whole business or single business units, even through competitive procedures.

A qualifying insolvent debtor may avoid being subject to *fallimento* by proposing to its creditors a composition with creditors (*concordato preventivo*). Such proposal must contain, *inter alia*: (a) an updated statement of the financial and economic situation of the insolvent company; (b) a detailed list of the creditors and their respective credit rights and related security interest; (c) a list of creditors secured by assets of the company or having possession of assets owned by the company; (d) a detailed evaluation of the assets of the insolvent company; and (e) a restructuring plan which shall detail the economic benefit granted to each creditor. Following the reform brought about by Law Decree No. 83 of 27 June 2015, as amended and converted into law by Law No. 132 of 6 August 2015 (the "**2015 Reform**"), a counter-proposal of composition with creditors (*proposta concorrente di concordato*) can be submitted by one or more creditors representing at least 10% of total indebtedness of the debtor, unless the debtor's proposal already provides for the repayment of the unsecured creditors above certain thresholds set out by the law. The offer may be structured as an offer to transfer all, or part of the assets of the insolvent debtor to the creditors (in which case the Court shall, as provided by the 2015 Reform, open a public bid procedure in relation to such sale of assets) or an offer to undertake other restructuring plans such as, inter alia, the allocation to the creditors of shares, quotas, and other debt instruments of the company. The truthfulness of the business data provided by the company and the feasibility of the proposal must be attested by an expert's report. A qualifying insolvent debtor may also enter into a debt restructuring agreement (*accordo di ristrutturazione dei debiti*) with such creditors representing at least 60 per cent of its debts. The 2015 Reform also introduced the possibility for a qualifying insolvent debtor holding 50% or more of its total indebtedness *vis-à-vis* financial creditors (*i.e.* banks or financial intermediaries) to enter into a debt restructuring agreement with such financial creditors only. If such debt restructuring agreement is approved by financial creditors representing at least 75% of the total indebtedness *vis-à-vis* financial creditors, and certain other requirements are met, it will be binding also on the non-consenting financial creditors subject to certain conditions. A report of an expert certifying the truthfulness of the business data provided by the qualifying insolvent debtor and the feasibility of the settlement shall be attached to the debt restructuring agreement (*accordo di ristrutturazione dei debiti*) and the latter shall have to be approved by the Court.

The composition with creditors may, subject to certain conditions, be proposed by the qualifying insolvent debtor also as a "blank proposal" (*concordato in bianco*). In this case, the proposal (which has to include the last three financial statements and a detailed list of the creditors and their respective credit rights) will request to the competent tribunal a term comprised between 60 and 120 days (with the possibility to obtain, in case of grounded reasons, additional 60 days) for the submission of all the relevant documents, plans and reports described in the paragraph above. The competent tribunal in awarding such term for the

submission of the relevant documents, plans and reports may appoint a judicial commissioner overseeing the procedure and set out periodic information duties (including as to the financial situation and as to the activity performed for the preparation of the relevant plan) to be carried out by the qualifying insolvent debtor.

After insolvency proceedings are commenced, no legal action can be taken against the debtor and no foreclosure proceedings may be initiated. Moreover, all actions taken and proceedings already initiated by creditors are automatically stayed.

Law No. 3 of 27 January 2012 provides that consumers and other entities which cannot be subject to insolvency proceedings may benefit from special proceedings for the restructuring of their debts. Law No. 3 of 27 January 2012 provides that such persons may file a recovery plan for the restructuring of their debts with a special authority and with the competent court and that in the case of approval of the plan, it will become binding on all the creditors of such persons.

Description of *Amministrazione Straordinaria* delle Banche

A bank may be submitted to the *amministrazione straordinaria delle banche* where (a) serious administrative irregularities, or serious violations of the provisions governing the bank's activity provided for by laws, regulations or the bank's bylaws activity are found; (b) serious capital losses are expected to occur; (c) the dissolution has been the object of a request by the administrative bodies or an extraordinary company meeting providing the reasons for the request.

According to the Banking Law, the procedure is initiated by decree of the Minister of economy and finance, acting on a proposal by the Bank of Italy, which shall terminate the board of directors and the board of statutory auditors of the bank. Subsequently the Bank of Italy shall appoint (a) one or more special administrator (*commissari straordinari*); (b) an oversight committee composed of between three and five members (*comitato di sorveglianza*). The *commissari straordinari* are entrusted with the duty to assess the situation of the bank, remove the irregularities which may have been found and promote solutions in the best interest of the depositors of the bank. The *comitato di sorveglianza* exercises auditing functions and provides to the *commissari straordinari* the opinions requested by the law or by the Bank of Italy. However, it should be noted that the Bank of Italy may instruct in a binding manner the *commissari straordinari* and the *comitato di sorveglianza* providing specific safeguards and limits concerning the management of the bank.

In exceptional circumstances, the *commissari straordinari*, in order to protect the interests of the creditors, in consultation with the *comitato di sorveglianza* and subject to an authorisation by the Bank of Italy, may suspend payment of the bank's liabilities and the restitution to customers of financial instruments. Payments may be suspended for a period of up to one month, which may be extended for an additional two months.

The *amministrazione straordinaria delle banche* shall last for one year from the date of issue of the decree of the Minister of the economy and finance. In exceptional cases, the procedure may be extended for a period of up to six months. The Bank of Italy may extend the duration of the procedure for periods of up to two months, in connection with the acts and formalities

related to the termination of the procedure, provided that the relevant acts to be executed have already been approved by the Bank of Italy.

At the end of the procedure, the *commissari straordinari* shall undertake the necessary steps for the appointment of the bodies governing the bank in the ordinary course of business. After the appointment, the management and audit functions shall be transferred to the newly appointed bodies. It should however be noted that, should at the end of the procedure or at any earlier time the conditions for the declaration of the *liquidazione coatta amministrativa* (described in the following section) be met, then the bank may be subject to such procedure.

Description of *Liquidazione Coatta Amministrativa delle Banche*

According to the Banking Law, when the conditions for the *Amministrazione straordinaria delle banche* and described in the preceding paragraph are exceptionally serious (*di eccezionale gravità*), or when a court has declared the state of insolvency of the bank, the Minister of economy and finance, acting on a proposal from the Bank of Italy, by virtue of a decree, may revoke the authorisation for the carrying out of banking activities and submit the bank to the compulsory winding up (*liquidazione coatta amministrativa*).

From the date of issue of the decree the functions of the administrative and control bodies, of the shareholders meetings and of every other governing body of the bank shall cease. The Bank of Italy shall appoint (a) one or more liquidators (*commissari liquidatori*); (b) an oversight committee composed of between three and five members (*comitato di sorveglianza*).

From the date the *commissari liquidatori* and the *comitato di sorveglianza* have assumed their functions and in any case from the third day following the date of issue of the aforesaid decree of the Minister of economy and finance, the payment of any liabilities and the restitution of assets owned by third parties shall be suspended.

The *commissari liquidatori* shall act as legal representatives of the bank, exercise all actions that pertain to the bank and carry out all transactions concerning the liquidation of the bank's assets. The *comitato di sorveglianza* shall (i) assist the *commissari liquidatori* in exercising their functions, (ii) control the activities carried out by *commissari liquidatori*; and (iii) provide to the *commissari straordinari* the opinions requested by the law or by the Bank of Italy. The Bank of Italy may issue directives concerning the implementation of the procedure and establish that some categories of operations and actions shall be subject to its authorisation and to preliminary consultation with the *comitato di sorveglianza*.

The Banking Law regulates the procedure for the assessment of the bank's liabilities (*accertamento del passivo*), and the procedures which allow creditors whose claims have been excluded from the list of liabilities (*stato passivo*) to challenge the list of liabilities.

The liquidators, with the favourable opinion of the *comitato di sorveglianza* and subject to authorisation by the Bank of Italy, may assign assets and liabilities, going concerns, assets and legal relationships identifiable *en bloc*. Such assets may be assigned at any stage of the procedure, even before the *stato passivo* has been deposited. The assignor shall however be liable exclusively for the liabilities included in the *stato passivo*. Subject to prior authorisation of the Bank of Italy and for the purpose of maximising profits deriving from the liquidation of

the assets, the *commissari liquidatori* may continue the banks' activity or of specific going concerns of the bank, in compliance with any indications provided for by the *comitato di sorveglianza*. In such case the provision of the Bankruptcy Law concerning the termination of legal relationships shall not apply.

Once the assets have been realised and before the final allotment to the creditors or to the last restitution to customers, the *commissari liquidatori* shall present to the Bank of Italy the closing statement of accounts of the liquidation, the financial statement and the allotment plan, accompanied by their own report and a report by the oversight committee.

TERMS AND CONDITIONS OF THE OBG

*The following is the text of the terms and conditions of the OBG (the "**Conditions**" and, each of them, a "**Condition**"). In these Conditions, references to the "holder" of OBG and to the "OBG Holders" are to the ultimate owners of the OBG. The OBG will be held by Monte Titoli (as defined below) on behalf of the OBG Holders until redemption and cancellation for the account of each relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream, Luxembourg and Euroclear. The OBG will at all times be in book entry form and title to the bonds will be evidenced by book entries with Monte Titoli in accordance with the provisions of (i) the Financial Services Act and (ii) the joint regulation of CONSOB and the Bank of Italy dated 22 February 2008 and published in the Official Gazette No. 54 of 4 March 2008, as subsequently amended and supplemented from time to time.*

In addition, the relevant Final Terms in relation to any Series or Tranche of OBG may apply and/or disapply and/or complete the generally applicable Conditions in the manner required to reflect the particular terms and conditions applicable to the relevant Series of OBG (or Tranche thereof).

Any reference to the Conditions or a Condition shall be a reference to the Conditions as the context may require. Any reference to the OBG Holders shall be referred to the holders of the OBG.

Any reference to the OBG will be construed as to including the OBG issued under the Conditions.

1. Introduction

(a) *Programme*

Unicredit S.p.A. (the "**Issuer**") has established an OBG Programme (the "**Programme**") for the issuance of up to €25,000,000,000 in aggregate principal amount of *obbligazioni bancarie garantite* (the "**OBG**") guaranteed by UniCredit OBG S.r.l. (the "**OBG Guarantor**"). OBG are issued pursuant to Article 7-bis of Law No. 130 of 30 April 1999 (as amended, the "**Law 130**"), Decree of the Ministry for the Economy and Finance of 14 December 2006 No. 310 ("**MEF Decree**") and the supervisory instructions of the Bank of Italy set out in Part III, Chapter 3 of the "Disposizioni di Vigilanza per le Banche" (Circolare No. 285 of 17 December 2013), as amended and supplemented from time to time (the "**BoI OBG Regulations**").

(b) *Final Terms*

OBG are issued in series (each a "**Series**") and each Series may comprise one or more tranches, whether or not issued on the same date, that (except in respect of the Interest Commencement Date and their Issue Price) have identical terms on issue and are expressed to be consolidated and have the same Series number (each a "**Tranche**") of OBG. The Tranches are the subject of final terms (the "**Final Terms**") which complete these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche or more Tranches of OBG are these Conditions as completed by the relevant Final Terms. References

to the "**relevant Final Terms**" are to the Final Terms (or the relevant provisions thereof) pursuant to which the relevant Tranches are issued.

(c) *OBG Guarantee*

Each Series of OBG is the subject of a guarantee dated on or about the Initial Issue Date (the "**OBG Guarantee**") entered into by the OBG Guarantor for the purpose of guaranteeing the payments due from the Issuer in respect of the OBG of all Series issued under the Programme. The OBG Guarantee will be collateralised by a portfolio constituted by certain assets assigned from time to time to the OBG Guarantor pursuant to the Master Transfer Agreement (as defined below) and in accordance with the provisions of the Law 130, the MEF Decree and the BoI OBG Regulations. The payment obligations of the OBG Guarantor under the OBG Guarantee are secured over certain assets of the OBG Guarantor pursuant to the Deed of Pledge.

(d) *Dealer Agreement and Subscription Agreement*

In respect of each Tranche of OBG issued under the Programme, the Relevant Dealer(s) (as defined below) has or have agreed to subscribe for the OBG and pay the Issuer the Issue Price for the OBG on the Issue Date under the terms of a Dealer Agreement dated on or about the Initial Issue Date (the "**Dealer Agreement**") between the Issuer, the OBG Guarantor and the dealer(s) named therein (the "**Dealers**"), as supplemented (if applicable) by a subscription agreement entered into between the Issuer, the OBG Guarantor and the Relevant Dealer(s) (as defined below) on or around the date of the relevant Final Terms (the "**Subscription Agreement**"). In the Dealer Agreement or such other document as may be agreed between the Issuer, the OBG Guarantor and the Relevant Dealer(s), the Relevant Dealer(s) has or have appointed Securitisation Services S.p.A. as representative of the OBG Holders (in such capacity, the "**Representative of the OBG Holders**"), as described in Condition 13 (Representative of the OBG Holders).

(e) *Master Definitions Agreement*

In a master definitions agreement dated on or about the Initial Issue Date (the "**Master Definitions Agreement**") between all the parties to each of the Transaction Documents (as defined below), the definitions of certain terms used in the Transaction Documents have been agreed.

(f) *The OBG*

Except where stated otherwise, all subsequent references in these Conditions to "OBG" are to the OBG which are the subject of the relevant Final Terms, but all references to "each Series of OBG" are to (i) the OBG which are the subject of the relevant Final Terms and (ii) each other Tranche of OBG issued under the Programme which remains outstanding from time to time.

(g) *Rules of the Organisation of OBG Holders*

The Rules of the Organisation of OBG Holders are attached to, and form an integral part of, these Conditions. References in these Conditions to the "**Rules of the Organisation of the OBG Holders**" include such rules as from time to time modified in accordance with the

provisions contained therein and any agreement or other document expressed to be supplemental thereto. The OBG Holders are deemed to have notice of and are bound by and shall have the benefit of, inter alia, the terms of the Rules of the Organisation of the OBG Holders. The rights and powers of the Representative of the OBG Holders and the OBG Holders may be exercised in accordance with these Conditions and the Rules of the Organisation of the OBG Holders.

(h) *Summaries*

Certain provisions of these Conditions are summaries of the Transaction Documents (as defined below) and are subject to their detailed provisions. OBG Holders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Transaction Documents applicable to them. Copies of the Transaction Documents are available for inspection by OBG Holders during normal business hours at the registered office of the Representative of the OBG Holders from time to time and, where applicable, at the Specified Offices of the Luxembourg Listing Agent and the Representative of the OBG Holders.

2. Interpretation

(a) *Definitions*

In these Conditions the following expressions have the following meanings:

"**Account Bank**" means BNP Paribas Securities Services, Milan branch, acting as such pursuant to the Cash Management and Agency Agreement and any successor thereof appointed in accordance with the Cash Management and Agency Agreement;

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Calculation Agent**" means Capital and Funding Solutions S.r.l., acting as such pursuant to the Cash Management and Agency Agreement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Administrative Service Provider**" means UniCredit Credit Management Bank S.p.A., having its registered office at Piazzetta Monte 1, Verona, Italy, in its capacity as administrative service provider under the Administrative Services Agreement;

"**Administrative Services Agreement**" means an administrative services agreement dated on or about 13 January 2012 between UniCredit Credit Management Bank S.p.A. as corporate servicer and the OBG Guarantor;

"**Amortisation Test**" means such test provided for under the Portfolio Administration Agreement;

"**Asset Monitor**" means BDO Italia S.p.A., acting as such pursuant to the Asset Monitor Agreement and any successor thereof appointed in accordance with the Asset Monitor Agreement;

"**Asset Monitor Agreement**" means the Asset Monitor Agreement entered into on or about the Initial Issue Date between, *inter alios*, the Asset Monitor and the Issuer;

"**Asset Monitor Report**" means the results of the tests conducted by the Asset Monitor in accordance with the Asset Monitor Agreement to be delivered in accordance therewith;

"**Banking Law**" means Legislative Decree No. 385 of 1 September 1993, as amended;

"**Business Day**" means a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(ii) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:

(A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(iii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(iv) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(v) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means UniCredit Bank AG, London branch, acting as such pursuant to the Cash Management and Agency Agreement and the Portfolio Administration Agreement and any successor thereof appointed in accordance with the Cash Management and Agency Agreement;

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Cash Management and Agency Agreement**" means the cash management and agency agreement entered into on or about the Initial Issue Date between, inter alios, the OBG Guarantor, the Cash Manager, the Account Bank, the Servicer, the Administrative Service Provider, the Representative of the OBG Holders, the Calculation Agent, the Additional Calculation Agent and the Paying Agent;

"**Cash Manager**" means UniCredit S.p.A. acting as such pursuant to the Cash Management and Agency Agreement and any successor thereof appointed in accordance with the Cash Management and Agency Agreement;

"**Clearstream**" means Clearstream Banking, *société anonyme*, Luxembourg;

"**CONSOB**" means *Commissione Nazionale per le Società e la Borsa*;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any OBG for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an OBG Interest Period, the "Calculation Period"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(i) if "**Actual/Actual (ICMA)**" is so specified, means:

(a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(b) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(ii) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(v) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

Day Count Fraction = $\frac{[360\times(Y_2-Y_1)]+[30\times(M_2-M_1)]+(D_2-D_1)}{360}$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30";

(vi) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

Day Count Fraction = $\frac{[360\times(Y_2-Y_1)]+[30\times(M_2-M_1)]+(D_2-D_1)}{360}$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30; and

(vii) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360\times(Y_2-Y_1)]+[30\times(M_2-M_1)]+(D_2-D_1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

"**Deed of Pledge**" means the Italian law deed of pledge dated on or about the Initial Issue Date between the OBG Guarantor, the Representative of the OBG Holders and the Secured Creditors;

"**Early Redemption Amount**" means, in respect of any Series of OBG, the principal amount of such Series or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Early Redemption Amount (Tax)**" means, in respect of any Series of OBG, the principal amount of such Series or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Early Redemption Date**" means, as applicable, the Optional Redemption Date (Call), the Optional Redemption Date (Put) or the date on which any Series of OBG is to be redeemed pursuant to Condition 8(c) (Redemption for tax reasons);

"**Euroclear**" means Euroclear Bank S.A./N.V.;

"**Extension Determination Date**" means the date falling 4 Business Days prior to the Maturity Date;

"**Extended Maturity Date**" means, in relation to any Series of OBG, the date to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Maturity Date will be deferred pursuant to Condition 8(b) (Extension of maturity) for a maximum period of 38 years following the Maturity Date;

"**Extraordinary Resolution**" has the meaning given in the Rules of the Organisation of OBG Holders attached to these Conditions;

"**Final Redemption Amount**" means, in respect of any Series of OBG, the principal amount of such Series or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms which, in respect of any Series of OBG other than Zero Coupon OBG, shall be equal to the nominal amount of the relevant OBG and wich in respect to Zero Coupon OBG shall be at least equal to the nominal amount of the relevant OBG;

"**First Series**" means the first Series of OBG issued by the Issuer under the Programme;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**Guaranteed Amounts**" means, (i) prior to the service of a Guarantor Acceleration Notice, with respect to any Guarantor Payment Date, the sum of amounts equal to the Scheduled Interest and the Scheduled Principal, in each case, payable on that Guarantor Payment Date and all amounts payable by the OBG Guarantor under the Transaction Documents ranking senior to any payment due in respect to the OBG according to the applicable Priority of Payments, or (ii) after the service of a Guarantor Acceleration Notice, an amount equal to the relevant Early Redemption Amount plus all accrued and unpaid interest and all other amounts due and payable in respect of the OBG, including all Excluded Scheduled Interest Amounts and all Excluded Scheduled Principal Amounts (whenever the same arose) and all amounts payable by the OBG Guarantor under the Transaction Documents ranking senior to any payment due in respect to the OBG according to the applicable Priority of Payments, provided that any Guaranteed Amounts representing interest paid after the Maturity Date (or the Extended Maturity Date, as the case may be) shall be paid on such dates and at such rates as specified in the relevant Final Terms. The Guaranteed Amounts include any Guaranteed Amount that was timely paid by or on behalf of the Issuer to the OBG Holders to the extent it has been clawed back and recovered from the OBG Holders by the receiver or liquidator, in bankruptcy or other insolvency or similar official for the Issuer named or identified in the Order, and has not been paid or recovered from any other source (the "**Clawed Back Amounts**");

"**Guarantor Acceleration Notice**" means the notice to be served by the Representative of the OBG Holders on the OBG Guarantor upon occurrence of a Guarantor Event of Default;

"**Guarantor Event of Default**" has the meaning given to it in Condition 11(d) (Guarantor Events of Default);

"**Guarantor Payment Date**" means (i) before the occurrence of an Issuer Event of Default, 31 January, 30 April, 31 July and 31 October of each year, provided that the first Guarantor Payment Date will be 30 April 2012, (ii) following the occurrence of an Issuer Event of Default, the last day of each month starting from the calendar month immediately following the calendar month in which the Issuer Event of Default has occurred, subject in all instances to adjustment in accordance with the Modified Following Business Day Convention and (iii) following the occurrence of a Guarantor Event of Default, each Business Day;

"**Initial Issue Date**" means the date on which the Issuer will issue the first Series of OBG;

"**Insolvency Event**" means, in respect of any company or corporation, that:

(i) such company or corporation has become subject to any applicable bankruptcy, liquidation, receivership, administration, insolvency or composition with creditors or insolvent reorganisation (including, without limitation, *fallimento*, *liquidazione coatta amministrativa*, *concordato preventivo*, *accordi di ristrutturazione* and *amministrazione straordinaria*, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including the seeking of liquidation, winding-up, insolvent reorganisation, dissolution, administration, receivership, arrangement, adjustment, protection or relief of debtors)) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or any procedure having a similar effect (other than, in the case of the OBG Guarantor, any portfolio of assets purchased by the OBG Guarantor for the purposes of further programme of issuance of OBG), unless in the opinion of the Representative of the OBG Holders (who may rely on the advice of legal advisers selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success; or

(ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the OBG Holders (who may rely on the advice of legal advisers selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or

(iii) such company or corporation takes any action for a re-adjustment of deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in case of the OBG Guarantor, the creditors under the Transaction Documents) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or

(iv) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation or any of the events under

Article 2484 of the Italian Civil Code occurs with respect to such company or corporation (except in any such case a winding-up or other proceeding for the purposes of or pursuant to a solvent amalgamation, merger, corporate reorganisation or reconstruction, the terms of which have been previously approved in writing by the Representative of the OBG Holders); or

(v) such company or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

"**Intercreditor Agreement**" means the agreement entered into on or about the Initial Issue Date between, *inter alios*, the OBG Guarantor, the Representative of the OBG Holders, the Seller, the Servicer, the Issuer, the Subordinated Loan Provider, the Account Bank, the Administrative Service Provider, the Asset Monitor, the Cash Manager and the Paying Agent;

"**Interest Amount**" means, in relation to any Series of OBG and an OBG Interest Period, the amount of interest payable in respect of that Series for that OBG Interest Period;

"**Interest Commencement Date**" means the Issue Date of the relevant Series of OBG or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Determination Date**" has the meaning given in the relevant Final Terms;

"**Investors Report Date**" means 7 calendar days after each Guarantor Payment Date;

"**Investors Report**" means the report prepared in accordance with the Cash Management and Agency Agreement setting out certain information with respect to the Portfolio and the OBG;

"**ISDA Definitions**" means the 2006 ISDA Definitions, as amended, supplemented and updated as at the date of issue of the first Tranche of the OBG of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.;

"**Issue Date**" has the meaning given in the relevant Final Terms;

"**Issue Price**" the issue price specified, in respect of any Tranche, in the relevant Final Terms;

"**Issuer Event of Default**" has the meaning given to it in Condition 11(a) (Issuer Events of Default);

"**Mandatory Tests**" means such tests provided for under the MEF Decree as set out in the Portfolio Administration Agreement;

"**Margin**" has the meaning given in the relevant Final Terms;

"**Master Transfer Agreement**" means the master transfer agreement entered into between the OBG Guarantor and the Seller on 13 January 2012;

"**Maturity Date**" means, with reference to each Series of OBG, the OBG Payments Date, indicated in the relevant Final Terms, on which such Series or Tranche of OBG will be redeemed at their principal amount outstanding, unless otherwise extended in accordance with the Conditions;

"**Maximum Redemption Amount**" has the meaning given in the relevant Final Terms; "Minimum Redemption Amount" has the meaning given in the relevant Final Terms;

"**Monte Titoli**" means Monte Titoli S.p.A.;

"**Monte Titoli Account Holders**" means any authorised institution entitled to hold accounts on behalf of their customers with Monte Titoli (and includes any Relevant Clearing System which holds account with Monte Titoli or any depository banks appointed by the Relevant Clearing System);

"**Negative Report**" means each of the report to be delivered by the Calculation Agent under the Portfolio Administration Agreement in case of breach of the Mandatory Tests, the Over-Collateralisation Test or the Amortisation Test, as the case may be;

"**Notice to Pay**" means the notice to be delivered by the Representative of the OBG Holders to the Issuer and the OBG Guarantor upon the occurrence of an Issuer Event of Default;

"**OBG Holders**" means the holders from time to time of OBG, title to which is evidenced in the manner described in Condition 3 (Form, Denomination and Title);

"**OBG Interest Period**" means each period beginning on (and including) an Interest Commencement Date or, in respect of any OBG Interest Period other than the first OBG Interest Period of each Series or Tranche, any OBG Payment Date and ending on (but excluding) the next OBG Payment Date, provided that the initial OBG Interest Period of the First Series or Tranche shall begin on (and include) the Initial Issue Date and end on (but exclude) the first OBG Payment Date;

"**OBG Payment Date**" means any date specified as such in, or determined in accordance with the provisions of, the relevant Final Terms, provided however that each OBG Payment Date must also be a Guarantor Payment Date and subject in each case, to the extent provided in the relevant Final Terms, to adjustment in accordance with the applicable Business Day Convention;

"**Official Gazette**" means *Gazzetta Ufficiale della Repubblica Italiana*;

"**Optional Redemption Amount (Call)**" means, in respect of any Series of OBG, the principal amount of such Series or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Optional Redemption Amount (Put)**" means, in respect of any Series of OBG, the principal amount of such Series or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms, in respect of the relevant Series of OBG;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms, in respect of the relevant Series of OBG;

"**Organisation of the OBG Holders**" means the organisation of the OBG Holders created by the issue and subscription of OBG and regulated by the Rules of the Organisation of the OBG Holders;

"**Over-Collateralisation Test**" means the test providing a minimum level of over collateralisation as defined and calculated pursuant to the Portfolio Administration Agreement;

"**Pass-Through OBG**" means any Series of OBG in respect of which:

(a) the Issuer fails to repay in whole or in part the relevant Final Redemption Amount on the applicable Maturity Date and a Notice to Pay has been served on the OBG Guarantor; and

(b) the OBG Guarantor has insufficient moneys available under the relevant Priority of Payments to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in full in respect of such Series of OBG as set out in the relevant Final Terms on the Maturity Date;

"**Paying Agent**" means BNP Paribas Securities Services, Milan branch, acting as such pursuant to a letter of appointment entered into with the Issuer and pursuant to the Cash Management and Agency Agreement and any successor thereof appointed in accordance with the Cash Management and Agency Agreement;

"**Payment Business Day**" means a day on which banks in the relevant Place of Payment are open for payment of amounts due in respect of debt securities and for dealings in foreign currencies and any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Place of Payment**" means, in respect of any OBG Holders, the place at which such OBG Holder receives payment of interest or principal on the OBG;

"**Portfolio**" means the whole portfolio of Assets and the Integration Assets, which include the Initial Portfolio and any New Portfolio, transferred to the OBG Guarantor pursuant to the Master Transfer Agreement;

"**Portfolio Administration Agreement**" means the portfolio administration agreement dated on or about the Initial Issue Date between the Issuer, the OBG Guarantor, the Seller, the Representative of the OBG Holders, the Cash Manager, the Calculation Agent and the Asset Monitor;

"**Post-Guarantor Event of Default Priority**" has the meaning ascribed to such expression in the Intercreditor Agreement;

"**Post-Issuer Event of Default Priority**" has the meaning ascribed to such expression in the Intercreditor Agreement;

"**Pre-Issuer Event of Default Interest Priority**" has the meaning ascribed to such expression in the Intercreditor Agreement;

"**Pre-Issuer Event of Default Principal Priority**" has the meaning ascribed to such expression in the Intercreditor Agreement;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency provided, however, that in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Paying Agent;

"**Priority of Payments**" means, collectively, the Pre-Issuer Event of Default Principal Priority of Payment, the Pre-Issuer Event of Default Interest Priority of Payment, the Post-Issuer Event of Default Priority of Payment and the Post-Guarantor Event of Default Priority of Payments or any one of them as the context requires;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any OBG Holder wanting to exercise a right to redeem OBG at the option of the OBG Holder;

"**Put Option Receipt**" means a receipt issued by the Paying Agent to a depositing OBG Holder upon deposit of OBG with such Paying Agent by any OBG Holder wanting to exercise a right to redeem OBG at the option of the OBG Holder;

"**Quotaholders' Agreement**" means the agreement entered into on or about the Initial Issue Date between SVM Securitisation Vehicles Management S.r.l. (as quotaholder of the OBG Guarantor, holding 40 per cent. of the share capital) and UniCredit S.p.A. (as quotaholder of the OBG Guarantor, holding 60 per cent. of the share capital);

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Tranche of OBG specified in the relevant Final Terms or calculated or determined in accordance with the provisions of the Conditions and/or the relevant Final Terms;

"**Rating Agency**" or "**Fitch**" means Fitch Ratings Limited, or its successor, to the extent that at the relevant time it provides ratings in respect of the then outstanding OBG;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

"**Reference Banks**" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Paying Agent in the market that is most closely connected with the Reference Rate;

"**Reference Price**" has the meaning given in the relevant Final Terms;

"**Reference Rate**" has the meaning given in the relevant Final Terms;

"**Regular Period**" means:

(i) in the case of OBG where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first OBG Payment Date and each successive period from and including one OBG Payment Date to but excluding the next OBG Payment Date;

(ii) in the case of OBG where, apart from the first OBG Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any OBG Payment Date falls; and

(iii) in the case of OBG where, apart from one OBG Interest Period other than the first OBG Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any OBG Payment Date falls other than the OBG Payment Date falling at the end of the irregular OBG Interest Period;

"**Relevant Clearing System**" means Euroclear and/or Clearstream, Luxembourg and/or any other clearing system (other than Monte Titoli) specified in the relevant Final Terms as a clearing system through which payments under the OBG may be made;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the OBG Holders;

"**Relevant Dealer(s)**" means, in relation to a Tranche, the Dealer(s) which is/are party to any agreement (whether oral or in writing) entered into with the Issuer and the OBG Guarantor for the issue by the Issuer and the subscription by such Dealer(s) of such Tranche pursuant to the Dealer Agreement;

"**Relevant Financial Centre**" has the meaning given in the relevant Final Terms;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Final Terms;

"**Scheduled Due for Payment Date**" means any date on which the Scheduled Payment Date in respect of the relevant Guaranteed Amounts is reached up to and including the relevant Extended Maturity Date, provided that the first Scheduled Payment Date immediately after the occurrence of an Issuer Event of Default, shall be the later of (i) the day which is two Business

Days following service of the Notice to Pay on the OBG Guarantor and (ii) the relevant Scheduled Payment Date.

"**Scheduled Interest**" means in respect of each OBG Payment Date (i) following an Issuer Event of Default and the service of a Notice to Pay on the OBG Guarantor, an amount equal to the amount in respect of interest which would have been due and payable under the OBG on such OBG Payment Date as specified in the Conditions falling on or after service of a Notice to Pay on the OBG Guarantor (but excluding any additional amounts relating to premiums, default interest or interest upon interest, which are hereinafter referred to as the "**Excluded Scheduled Interest Amounts**") payable by the Issuer and (ii) following the service of a Guarantor Acceleration Notice, an amount equal to the amount in respect of interest which would have been due and payable under the OBG on each OBG Payment Date as specified in the Conditions falling on or after the service of a Guarantor Acceleration Notice and including such Excluded Scheduled Interest Amounts (whenever the same arose), less any additional amounts the Issuer would be obliged to pay as result of any gross-up in respect of any withholding or deduction made under the circumstances set out in the Conditions;

"**Scheduled Payment Date**" means, in relation to payments under the OBG Guarantee, each OBG Payment Date;

"**Scheduled Principal**" means in respect of each OBG Payment Date (i) following an Issuer Event of Default and the service of a Notice to Pay on the OBG Guarantor, an amount equal to the amount in respect of principal which would have been due and repayable under the OBG on such OBG Payment Dates or the Maturity Date (as the case may be) as specified in the Conditions (but excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties or premiums, which are hereinafter referred to as the "**Excluded Scheduled Principal Amounts**") payable by the Issuer and (ii) following the service of a Guarantor Acceleration Notice, an amount equal to the amount in respect of principal which would have been due and repayable under the OBG on each OBG Payment Dates or the Maturity Date (as the case may be) as specified in the Conditions and including such Excluded Scheduled Principal Amounts (whenever the same arose);

"**Seller**" means UniCredit S.p.A. in its capacity as such pursuant to the Master Transfer Agreement;

"**Servicer**" means UniCredit S.p.A. in its capacity as such pursuant to the Servicing Agreement;

"**Servicing Agreement**" means the servicing agreement entered into on 13 January 2012 between the OBG Guarantor and the Servicer;

"**Specified Denomination(s)**" means €100,000 and integral multiples of €1,000 in excess thereof or such other higher denomination as may be specified in the applicable Final Terms;

"**Specified Office**" means:

(i) in the case of the Paying Agent, Via Ansperto 5, 20123, Milan, Italy; or

(ii) in the case of the Luxembourg Listing Agent, any Calculation Agent or the Representative of the OBG Holders, the offices specified in the relevant Final Terms,

or, in each case, such other office in the same city or town as such Agent may specify by notice to the Issuer and the other parties to the Agency Agreement in the manner provided therein;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**Subordinated Loan Agreement**" means the subordinated loan agreement entered into on 13 January 2012 between the Subordinated Loan Provider and the OBG Guarantor;

"**Subordinated Loan Provider**" means the Seller, in its capacity as Subordinated Loan Provider pursuant to the Subordinated Loan Agreement;

"**Subsidiary**" has the meaning given to it in Article 2359 of the Italian Civil Code;

"**TARGET Settlement Day**" means any day on which TARGET2 (the Trans-European Automated Real-time Gross Settlement Express Transfer system) is open for the settlement of payments in Euro;

"**Transaction Documents**" means, in respect of each Tranche, these Conditions, the relevant Final Terms, the OBG Guarantee, the Dealer Agreement, the relevant Subscription Agreement (if any), the Master Transfer Agreement, the Warranty and Indemnity Agreement, the Subordinated Loan Agreement, the Servicing Agreement, the Cash Management and Agency Agreement, the Portfolio Administration Agreement, the Asset Monitor Agreement, the Intercreditor Agreement, the Administrative Services Agreement, the Quotaholder's Agreement, the Deed of Pledge and any document or agreement which supplement, amend or restate the content of any of the above mentioned documents and any other document designated as such by the Issuer, the OBG Guarantor and the Representative of the OBG Holders;

"**Warranty and Indemnity Agreement**" means the warranty and indemnity agreement entered into between the Seller and the OBG Guarantor on 13 January 2012; and

"**Zero Coupon OBG**" means an OBG specified as such in the relevant Final Terms.

(a) *Interpretation*

In these Conditions:

(i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 10 (Taxation), any premium payable in respect of a Series of OBG and any other amount in the nature of principal payable pursuant to these Conditions;

(ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 10 (Taxation) and any other amount in the nature of interest payable pursuant to these Conditions;

(iii) if an expression is stated in Condition 2(a) (Definitions) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the OBG;

(iv) any reference to a Transaction Document shall be construed as a reference to such Transaction Document, as amended and/or supplemented;

(v) any reference to a party to a Transaction Document (other than the Issuer and the OBG Guarantor) shall, where the context permits, include any Person who, in accordance with the terms of such Transaction Document, becomes a party thereto subsequent to the date thereof, whether by appointment as a successor to an existing party or by appointment or otherwise as an additional party to such document and whether in respect of the Programme generally or in respect of a single Tranche only; and

(vi) any reference in any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

3. Form, Denomination and Title

The OBG are in the Specified Denomination(s), which may include a minimum denomination and higher integral multiples of a smaller amount, in each case as specified in the relevant Final Terms. The currency of denomination of the OBG will be the Euro. The OBG will be issued in bearer form and in dematerialised form (*emesse in forma dematerializzata*) and will be wholly and exclusively deposited with Monte Titoli in accordance with Article 83-*bis* of Italian legislative decree No. 58 of 24 February 1998, as amended, through the authorised institutions listed in Article 83-*quater* of such legislative decree. The OBG will at all times be evidenced by, and title thereto will be transferable by means of, book-entries in accordance with the provisions of Article 83-bis of Italian legislative decree No. 58 of 24 February 1998, as amended, and the joint regulation of CONSOB and the Bank of Italy dated 22 February 2008 and published in the Official Gazette No. 54 of 4 March 2008, as amended and supplemented from time to time. The OBG will be held by Monte Titoli on behalf of the OBG Holders until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream, Luxembourg and Euroclear. No physical documents of title will be issued in respect of the OBG. The rights and powers of the OBG Holders may only be exercised in accordance with the Rules of the Organisation of the OBG Holders.

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the OBG Holders, the OBG Guarantor and the Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the Monte Titoli Account Holder, whose account is at the relevant time credited with an OBG, as the absolute owner of such OBG for the purposes of payments to be made to the holder of such OBG (whether or not the OBG is overdue and notwithstanding any notice to the contrary, any notice of ownership or

writing on the OBG or any notice of any previous loss or theft of the OBG) and shall not be liable for doing so.

4. Status and Guarantee

(a) *Status of the OBG*

The OBG constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* without preference among themselves and (save for any applicable statutory provisions) at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding. In the event of a compulsory winding-up (*liquidazione coatta amministrativa*) of the Issuer, any funds realised and payable to the OBG Holders will be collected by the OBG Guarantor on their behalf.

(b) *Status of the OBG Guarantee*

The payment of Guaranteed Amounts in respect of each Series of OBG when due for payment will be unconditionally and irrevocably guaranteed by the OBG Guarantor in accordance with the OBG Guarantee and these Conditions. The payment obligations of the OBG Guarantor under the OBG Guarantee constitute direct and unconditional obligations of the OBG Guarantor, recourse in respect of which is limited in the manner described in Condition 16 (Limited Recourse and non-Petition). The payment obligations of the OBG Guarantor under the OBG Guarantee are secured over certain assets of the OBG Guarantor pursuant to the Deed of Pledge. The OBG Holders acknowledge that the limited recourse nature of the OBG Guarantor under the OBG Guarantee produces the effects of a *contratto aleatorio* under Italian law and they accept the consequences thereof, including, but not limited to, the provisions of Article 1469 of the Italian Civil Code.

(c) *Priority of Payments*

Amounts due from the OBG Guarantor pursuant to the OBG Guarantee shall be paid in accordance with the Priority of Payments, as set out in the Intercreditor Agreement.

5. Fixed Rate Provisions

(a) *Application*

This Condition 5 is applicable to the OBG only if the "Fixed Rate Provisions" are specified in the relevant Final Terms as being applicable.

(b) *Accrual of interest*

The OBG bear interest on their outstanding nominal principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest payable, such interest being payable in arrear on each OBG Payment Date, subject as provided in Condition 9 (Payments). Each OBG will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 until whichever is the earlier of (i) the day on which all sums due in respect of such OBG up to that day are received by or on behalf of the relevant OBG Holder and (ii) the day which is

seven days after the Paying Agent has notified the OBG Holders that it has received all sums due in respect of the OBG up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Fixed Coupon Amount*

The amount of interest payable in respect of each OBG for any OBG Interest Period shall be the relevant Fixed Coupon Amount and, if the OBG are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) *Calculation of interest amount*

The amount of interest payable in respect of each OBG for any period for which a Fixed Coupon Amount is not specified shall be calculated by the Paying Agent(or failing the Paying Agent, by the Representative of the OBG Holders) by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such OBG divided by the Calculation Amount. For this purpose a "sub-unit" means one cent of euro.

6. Floating Rate

(a) *Application*

This Condition 6 is applicable to the OBG only if the "Floating Rate Provisions" are specified in the relevant Final Terms as being applicable.

(b) *Accrual of interest*

The OBG bear interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each OBG Payment Date, subject as provided in Condition 9 (Payments). Each OBG will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 until whichever is the earlier of (i) the day on which all sums due in respect of such OBG up to that day are received by or on behalf of the relevant OBG Holder and (ii) the day which is seven days after the Paying Agent has notified the OBG Holders that it has received all sums due in respect of the OBG up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination*

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the OBG for each OBG Interest Period will be determined by the Paying Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Paying Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) in any other case, the Paying Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Paying Agent will:

(A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

(iv) if fewer than two such quotations are provided as requested, the Paying Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Paying Agent) quoted by major banks in the Principal Financial Centre of the euro, selected by the Paying Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the euro) on the first day of the relevant OBG Interest Period for loans in euro to leading European banks for a period equal to the relevant OBG Interest Period and in an amount that is representative for a single transaction in that market at that time, and the Rate of Interest for such OBG Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Paying Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any OBG Interest Period, the Rate of Interest applicable to the OBG during such OBG Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the OBG in respect of a preceding OBG Interest Period.

(d) *ISDA Determination*

If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the OBG for each OBG Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any OBG Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Paying Agent under an interest rate swap transaction if the Paying Agent were acting as Paying Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and

(iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that OBG Interest Period or (B) in any other case, as specified in the relevant Final Terms.

(e) *Maximum or Minimum Rate of Interest*

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(f) *Calculation of Interest Amount*

The Paying Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each OBG Interest Period, calculate the Interest Amount payable in respect of each OBG for such OBG Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such OBG Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant OBG divided by the Calculation Amount. For this purpose a "sub-unit" means one cent of euro.

(g) *Calculation of other amounts*

If the relevant Final Terms specifies that any other amount is to be calculated by the Paying Agent, then the Paying Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Paying Agent in the manner specified in the relevant Final Terms.

(h) *Publication*

The Paying Agent shall cause each Rate of Interest and Interest Amount determined by it, together with the relevant OBG Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agent and each competent authority, stock exchange and/or quotation system (if any) by which the OBG have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and OBG Payment Date) in any event not later than the first day of the relevant OBG Interest Period. Notice thereof shall also promptly be given to the OBG Holders. The Paying Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant OBG Interest Period, provided that it shall immediately notify the Paying Agent thereof. If the Paying Amount is less than the minimum Specified Denomination, the Paying Agent shall not be obliged to

publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a OBG having the minimum Specified Denomination.

(i) *Notifications etc*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Paying Agent will (in the absence of manifest error) be final binding on the Issuer, the OBG Guarantor, the Paying Agent, the OBG Holders and (subject as aforesaid) no liability to any such Person will attach to the Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes, save for the case of wilful misconduct (*dolo*) or gross negligence (*colpa grave*)of the Paying Agent.

(j) *Failure by the Paying Agent*

If the Paying Agent fails to make the relevant calculations in accordance with this Condition, the Representative of the OBG Holders shall make the relevant calculation in place of the Paying Agent and shall notify the same to all the relevant parties in accordance with these Conditions. The Representative of the OBG Holders shall not incur in any liability for such activities except in the case of its wilful misconduct (*dolo*) or gross negligence (*colpa grave*).

7. Zero Coupon Provisions

(a) *Application*

This Condition 7 is applicable to the OBG only if the "Zero Coupon Provisions" are specified in the relevant Final Terms as being applicable.

(b) *Late payment on Zero Coupon OBG*

If the Redemption Amount payable in respect of any Zero Coupon OBG is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such OBG up to that day are received by or on behalf of the relevant OBG Holder and (ii) the day which is seven days after the Paying Agent has notified the OBG Holders that it has received all sums due in respect of the OBG up to such seventh day (except to the extent that there is any subsequent default in payment).

8. Redemption and Purchase

(a) *Scheduled redemption*

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 8, if redemption by instalments is specified as applicable in the relevant Final Terms for a Series of OBG, each such shall be partially redeemed on each instalment date at the

related instalment amount specified in the relevant Final Terms. The outstanding nominal amount of each such OBG shall be reduced by the instalment amount (or, if such instalment amount is calculated by reference to a proportion of the nominal amount of such OBG, such proportion) for all purposes with effect from the related instalment date, unless payment of the instalment amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the date on which payment in full of the instalment amount outstanding is made.

(ii) Unless previously redeemed, purchased and cancelled as provided below, the OBG will be redeemed on the Maturity Date at their Final Redemption Amount, or in the case of OBG falling withing paragraph (i) above at their final instalment amount, subject as provided in Condition 8(b) (Extension of maturity) and Condition 9 (Payments).

(b) *Extension of maturity*

Without prejudice to Condition 11 (Events of Default), if the Issuer fails to pay (in whole or in part) the Final Redemption Amount in respect of a Series of OBG on the applicable Maturity Date specified in the relevant Final Terms and, the OBG Guarantor or the Calculation Agent on its behalf determines on the date falling on the Extension Determination Date that the OBG Guarantor has insufficient moneys available under the relevant Priority of Payments to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in full in respect of the relevant Series of OBG, then (subject as provided below), payment of the unpaid amount by the OBG Guarantor under the OBG Guarantee shall be deferred automatically until the applicable Extended Maturity Date and the relevant Series of OBG shall become Pass-Through OBG provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Pass-Through OBG after the Maturity Date may be paid by the OBG Guarantor on any OBG Payment Date thereafter up to (and including) the relevant Extended Maturity Date for such Pass-Through OBG. The OBG Guarantor shall give notice to the holders of the OBG (in accordance with Condition 17 (Notices) of the event that a Series of OBG has become a Pass-Through OBG.

The Issuer shall confirm to the Paying Agent as soon as reasonably practicable and in any event at least four Business Days prior to the Maturity Date as to whether payment of the Final Redemption Amount in respect of the relevant Series of OBG will or will not be made in full on that Maturity Date. Any failure by the Issuer to notify the Paying Agent shall not affect the validity or effectiveness of the extension.

The OBG Guarantor shall notify the relevant holders of the OBG (in accordance with Condition 17 (Notices), the Rating Agency the Representative of the OBG Holders and the Paying Agent as soon as reasonably practicable and in any event at least four Business Day prior to the Maturity Date of any inability of the OBG Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of the OBG pursuant to the OBG Guarantee. Any failure by the OBG Guarantor to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party.

In the circumstances outlined above, the OBG Guarantor shall on the Maturity Date, pursuant to the OBG Guarantee, apply the moneys (if any) available (after paying or providing for payment of higher ranking or pari passu amounts in accordance with the relevant Priority of Payments) pro rata in part payment of an amount equal to the Final Redemption Amount in respect of the relevant Pass-Through OBG and shall pay the Guaranteed Amounts constituting interest in respect of each such Pass-Through OBG on such date. The obligation of the OBG Guarantor to pay any amounts in respect of the balance of the Final Redemption Amount not so paid shall be deferred as described above.

Interest will continue to accrue on any unpaid amount in respect of the Pass-Through OBG during such extended period and be payable on each Guarantor Payment Date following the Maturity Date up to the Extended Maturity Date (inclusive).

(c) *Redemption for tax reasons*

The OBG may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time (if the Floating Rate Provisions are not specified in the relevant Final Terms as being applicable); or

(ii) on any OBG Payment Date (if the Floating Rate Provisions are specified in the relevant Final Terms as being applicable);

on giving not less than 30 nor more than 60 days' notice to the OBG Holders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued but unpaid (if any) to the date fixed for redemption, if:

(A) the Issuer gives satisfactory evidence to the Representative of the OBG Holders immediately before the giving of such notice that it has or will become obliged to pay additional amounts as provided or referred to in Condition 10 (Taxation) as a result of any change in, or amendment to, the laws or regulations of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the OBG; and

(B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

1. where the OBG may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the OBG were then due; or

2. where the OBG may be redeemed only on an OBG Payment Date, 60 days prior to the OBG Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the OBG were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Paying Agent and the Representative of the OBG Holders (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred of and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and (C) a certificate signed by two directors of the Issuer stating that the Issuer shall have the amounts necessary in order to effect the early repayment at the date fixed for the redemption. Upon the expiry of any such notice as is referred to in this Condition 8(c), the Issuer shall be bound to redeem the OBG in accordance with this Condition 8(c).

(d) *Redemption at the option of the Issuer*

If the "Call Option" is specified in the relevant Final Terms as being applicable, the OBG may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) together with interest accrued but unpaid (if any) on the Issuer's giving (i) not less than 7 nor more than 30 days' notice to the OBG Holders and (ii) not less than 7 days before the giving of the notice referred to in (i), notice to the Representative of the OBG Holders and the Paying Agent, (which notices shall be irrevocable and shall oblige the Issuer to redeem the OBG on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued (but unpaid) interest (if any) to such date). Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Paying Agent and the Representative of the OBG Holders a certificate signed by two directors of the Issuer stating that the Issuer shall have the amounts necessary in order to effect the early repayment at the date fixed for the redemption.

(e) *Partial redemption*

If the OBG are to be redeemed in part only on any date in accordance with Condition 8(d) (Redemption at the option of the Issuer), the OBG to be redeemed in part shall be redeemed in the principal amount specified by the Issuer and the OBG will be so redeemed in accordance with the rules and procedures of Monte Titoli and/or any other Relevant Clearing System (to be reflected in the records of such clearing systems as a pool factor or a reduction in principal amount, at their discretion), subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the OBG have then been admitted to listing, trading and/or quotation. The notice to OBG Holders referred to in Condition 8(d) (Redemption at the option of the Issuer) shall specify the proportion of the OBG so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(f) *Redemption at the option of OBG Holders*

If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of any OBG Holder redeem such OBG held by it on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued, but unpaid, to such date. In order to exercise the option contained in this Condition 8(f), the OBG Holder must, not less than 15 or more than 30 days before the relevant Optional Redemption Date (Put), deposit with the Paying Agent a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Put Option Notice is so deposited shall deliver a duly completed Put Option Receipt to the depositing OBG Holder. Once deposited in accordance with this Condition 8(f), no duly completed Put Option Notice may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any OBG become immediately due and payable or, upon due presentation of any such OBG on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall notify thereof the OBG Holder at such address as may have been given by such OBG Holder in the relevant Put Option Notice and shall hold such OBG blocked in the records of the relevant Monte Titoli Account Holder, relevant clearing system or relevant custodian (as applicable), against surrender of the relevant Put Option Receipt. For so long as any outstanding OBG are held blocked by the Paying Agent in accordance with this Condition 8(f), the OBG Holder and not the Paying Agent shall be deemed to be the holder of such OBG for all purposes.

(g) *No other redemption*

The Issuer shall not be entitled to redeem the OBG otherwise than as provided in Conditions 8(a) (Scheduled redemption) to (f) (Redemption at the option of OBG Holders) above.

(h) *Early redemption of Zero Coupon OBG*

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon OBG at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the OBG become due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 8(h) or, if none is so specified, a Day Count Fraction of 30E/360.

(i) *Cancellation*

All OBG so redeemed by the Issuer shall be cancelled and may not be reissued or resold.

(j) *Purchase*

The Issuer or any of its Subsidiaries (other than the OBG Guarantor) may at any time purchase OBG in the open market or otherwise and at any price. Such OBG may be held, resold or, at the option of the Issuer, cancelled or, as applicable, at the option any of its Subsidiaries (other than the OBG Guarantor), surrendered to the Issuer for cancellation. The OBG Guarantor shall not purchase any OBG at any time.

9. Payments

(a) *Payments through clearing systems*

Payment of interest and repayment of principal in respect of the OBG will be credited, in accordance with the instructions of Monte Titoli, by the Paying Agent on behalf of the Issuer or the OBG Guarantor (as the case may be) to the accounts of those banks and authorised brokers whose accounts with Monte Titoli are credited with those OBG and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those OBG or through the Relevant Clearing Systems to the accounts with the Relevant Clearing Systems of the beneficial owners of those OBG, in accordance with the rules and procedures of Monte Titoli and of the Relevant Clearing Systems, as the case may be.

(b) *Payments subject to fiscal laws*

All payments in respect of the OBG are subject in all cases to any applicable fiscal or other laws, directives and regulations in the place of payment or other laws to which the Issuer, the OBG Guarantor or their agents agree to be subject and neither Issuer nor the OBG Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 10 (Taxation). No commissions or expenses shall be charged to OBG Holders in respect of such payments.

(c) *Payments on business days*

If the due date for payment of any amount in respect of any OBG is not a Payment Business Day in the Place of Payment, the OBG Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

10. Taxation

(a) *Gross up by Issuer*

All payments of principal and interest in respect of the OBG by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as shall

be necessary in order that the net amounts received by the OBG Holders after such withholding or deduction of such amounts shall be equal to the respective amounts which would otherwise have been receivable by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any OBG:

(i) in respect to any payment or deduction of any interest or principal for or on account of *imposta sostitutiva* (at the then applicable rate of tax) pursuant to Legislation Decree No. 239 of 1 April 1996, as amended ("**Decree No. 239**") with respect to any OBG and in all circumstances in which the procedures set forth in Decree No 239 have not been met or complied with except where such procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or

(ii) held by or on behalf of an OBG Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such OBG by reason of it having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the OBG; or

(iii) held by or on behalf of an OBG Holder who is entitled to avoid such withholding or deduction in respect of such OBG by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non/residence or other similar claim for exemption; or

(iv) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or any other amount is paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities; or

(v) where the OBG Holder would have been able to lawfully avoid (but has not so avoided) such deduction or withholding by complying, or procuring that any third party complies, with any statutory requirements; or

(vi) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or European Council Directive 2014/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(vii) in respect of any OBG where such withholding or deduction is required pursuant to Italian Law Decree No. 512 of 30 September 1983, converted into Law No. 649 of 25 November 1983 as amended from time to time; or

(viii) held by or on behalf of an OBG Holder who would have been able to avoid such withholding or deduction by presenting the relevant OBG to another Paying Agent in a Member State of the EU.

For the avoidance of doubt, if an amount were to be deducted or withheld from interest, principal or other payments on the OBGs as a result of an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed

pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder or official interpretations thereof ("**FATCA**"), none of the Issuer, the OBG Guarantor, any paying agent or any other person would, pursuant to the terms and conditions of the OBGs be required to pay additional amounts as a result of the deduction or withholding.

(b) *Taxing jurisdiction*

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction. For the avoidance of doubt, for the purposes of this paragraph (b), the Issuer will not be considered to become subject to the taxing jurisdiction of the United States should the Issuer be required to withhold amounts in respect any withholding tax imposed by the United States on any payments the Issuer makes.

(c) *No Gross-up by the OBG Guarantor*

If withholding of, or deduction of any present or future taxes, duties, assessments or charges of whatever nature is imposed by or on behalf of Italy, any authority therein or thereof having power to tax, the OBG Guarantor will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the OBG Holders, as the case may be, and shall not be obliged to pay any additional amounts to the OBG Holders.

11. Events of default

(a) *Issuer Event of Default*

If any of the following events (each, an "**Issuer Event of Default**") occurs and is continuing:

(i) Non-payment: Default is made by the Issuer for a period of 7 days or more in the payment of any principal or redemption amount, or for a period of 14 days or more in the payment of any interest on the OBG of any Series when due; or

(ii) Breach of other obligation: The Issuer has incurred into a material default in the performance or observance of any of its obligations under or in respect of the OBG (of any Series outstanding) or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the OBG) and (except where, in the opinion of the Representative of the OBG Holders, such default is not capable of remedy in which case no notice will be required), such default remains unremedied for 30 days after the Representative of the OBG Holders has given written notice thereof to the Issuer, certifying that such default is, in its opinion, materially prejudicial to the interests of the OBG Holders and specifying whether or not such default is capable of remedy; or

(iii) Insolvency: An Insolvency Event occurs with respect to the Issuer; or

(iv) Tests: The Mandatory Tests or Over-Collateralisation Test are breached and not cured within 1 month following the delivery by the Calculation Agent of a Negative Report as confirmed by the Asset Monitor Report;

(v) Suspension of Payments: A resolution pursuant to Article 74 of the Banking Law is issued in respect of the Issuer

(b) *Effect of an Issuer Event of Default*

If an Issuer Event of Default occurs the Representative of the OBG Holders will promptly serve the Notice to Pay on the OBG Guarantor, declaring that an Issuer Event of Default has occurred and specifying, in case of the Issuer Event of Default referred to under point (v) above, that the Issuer Event of Default may be of temporary nature.

(c) *Effect of a Notice to Pay*

Upon service of a Notice to Pay to the Issuer and the OBG Guarantor:

(i) No further Series of OBG: the Issuer may not issue any further Series of OBG;

(ii) Acceleration against the Issuer: Each series of OBG will accelerate against the Issuer and they will rank pari passu amongst themselves against the Issuer, provided that (i) such events shall not trigger an acceleration against the OBG Guarantor, (ii) in accordance with Article 4, Para. 3, of the MEF Decree, the OBG Guarantor shall be solely responsible for the exercise of the rights of the OBG Holders vis-à-vis the Issuer and (iii) in case of the Issuer Event of Default referred to under point (iv) above (x) the OBG Guarantor, in accordance with the MEF Decree, shall be responsible for the payments of the amounts due and payable under the OBG within the suspension period and (y) upon the end of the suspension period the Issuer shall be responsible for meeting the payment obligations under the OBG (and for the avoidance of doubts, the OBG then outstanding will not be deemed to be accelerated against the Issuer);

(iii) Enforcement: in accordance with Article 4, Para. 3, of the MEF Decree, the OBG Guarantor shall be solely responsible, at its discretion and without further notice, to take such steps and/or institute such proceedings (also acting through the Representative of the OBG Holders) against the Issuer as it may think fit to enforce such payments, but it shall not be bound to take any such proceedings or steps unless requested or authorised by an Extraordinary Resolution of the OBG Holders;

(iv) OBG Guarantee: Without prejudice to paragraph (i) above, interest and principal falling due on the OBG will be payable by the OBG Guarantor at the time and in the manner provided under these Conditions, subject to and in accordance with the terms of the OBG Guarantee and the relevant Priority of Payments to creditors set out in the Intercreditor Agreement;

(v) Tests: The Mandatory Tests shall continue to be applied and the Amortisation Test shall apply;

(vi) Disposal of Assets: the OBG Guarantor shall sell the Assets and Integration Assets included in the portfolio in accordance with the provisions of the Portfolio Administration Agreement;

provided that, in case of the Issuer Event of Default referred to under item (v) (Suspension of payments) above, the effects listed in items (i) (No further Series of OBG), (iv) (OBG

Guarantee) and (vi) (Disposal of Assets) above will only apply for as long as the suspension of payments pursuant to Article 74 of the Banking Law will be in force and effect (the "**Suspension Period**"). Accordingly (A) the OBG Guarantor, in accordance with MEF Decree, shall be responsible for the payments of the amounts due and payable under the OBG during the Suspension Period and (B) at the end of the Suspension Period, the Issuer shall be again responsible for meeting the payment obligations under the OBG (and for the avoidance of doubts, the OBG then outstanding will not be deemed to be accelerated against the Issuer).

(d) *Guarantor Events of Default*

If any of the following events (each, an "**Guarantor Event of Default**") occurs and is continuing:

(i) Non-payment: non payment of principal and interest due in respect of the relevant Series of OBG in accordance with the OBG Guarantee, subject to a period of 8 days cure period in respect of principal or redemption amount and a 15 days cure period in respect of interest payment;

(ii) Insolvency: An Insolvency Event occurs with respect to the OBG Guarantor; or

(iii) Breach of other obligation: A breach of the obligations of the OBG Guarantor under the Transaction Documents (other than (d)(i) above) occurs which breach is incapable of remedy or, if in the opinion of the Representative of the OBG Holders capable of remedy, is not in the opinion of the Representative of the OBG Holders remedied within 30 days after notice of such breach shall have been given to the OBG Guarantor by the Representative of the OBG Holders; or

(iv) Breach of Amortisation Test: The Amortisation Test is breached according to a Negative Report issued by the Calculation Agent as confirmed by the Asset Monitor Report;

then the Representative of the OBG Holders

(a) in cases under (i), (ii) and (iv) above, may but shall, if so directed by an Extraordinary Resolution of the OBG Holders, and

(b) in case under (iii) above, shall, if so directed by an Extraordinary Resolution of the OBG Holders

serve a Guarantor Acceleration Notice on the OBG Guarantor.

(e) *Effect of a Guarantor Acceleration Notice*

Upon service of a Guarantor Acceleration Notice upon the OBG Guarantor:

(i) Acceleration of OBG: The OBG (including, for the avoidance of doubt, the Pass-Through OBG) shall become immediately due and payable at their Early Redemption Amount together, if appropriate, with any accrued interest;

(ii) OBG Guarantee: Subject to and in accordance with the terms of the OBG Guarantee, the Representative of the OBG Holders, on behalf of the OBG Holders, shall have a

claim against the OBG Guarantor for an amount equal to the Early Redemption Amount, together with accrued interest and any other amount due under the OBG (including, for the avoidance of doubt, the Pass-Trhough OBG) (other than additional amounts payable under Condition 10(a) (Gross up)) in accordance with the relevant Priority of Payments to creditors set out in the Intercreditor Agreement; and

(iii) Enforcement: The Representative of the OBG Holders may, at its discretion and without further notice, take such steps and/or institute such proceedings against the Issuer or the OBG Guarantor (as the case may be) as it may think fit to enforce such payments, but it shall not be bound to take any such proceedings or steps unless requested or authorised by an Extraordinary Resolution of the OBG Holders.

(f) *Determinations, etc*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 11 by the Representative of the OBG Holders shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the OBG Guarantor and all OBG Holders and (in such absence as aforesaid) no liability to the OBG Holders, the Issuer or the OBG Guarantor shall attach to the Representative of the OBG Holders in connection with the exercise or non-exercise by it of its powers, duties and discretions hereunder.

12. Prescription

Claims for payment under the OBG shall become void unless made within ten years (in respect of principal) or five years (in respect of interest) from the due date thereof.

13. Representative of the OBG Holders

(a) *Organisation of the OBG Holders*

The Organisation of the OBG Holders shall be established upon, and by virtue of, the issuance of the OBG and shall remain in force and in effect until repayment in full or cancellation of the OBG. Pursuant to the Rules of the Organisation of the OBG Holders, for as long as the OBG are outstanding, there shall at all times be a Representative of the OBG Holders. The appointment of the Representative of the OBG Holders as legal representative of the Organisation of the OBG Holders is made by the OBG Holders subject to and in accordance with the Rules of the Organisation of the OBG Holders.

(b) *Initial appointment*

In the Dealer Agreement the Relevant Dealer(s) has or have appointed the Representative of the OBG Holders to perform the activities described in the Dealer Agreement, in these Conditions (including the Rules of the Organisation of OBG Holders), in the Intercreditor Agreement and in the other Transaction Documents, and the Representative of the OBG Holders has accepted such appointment for the period commencing on the Issue Date and ending (subject to early termination of its appointment) on the date on which all of the OBG have been cancelled or redeemed in accordance with these Conditions.

(c) *Acknowledgment by OBG Holders*

Each OBG Holder, by reason of holding OBG:

(i) recognises the Representative of the OBG Holders as its representative and (to the fullest extent permitted by law) agrees to be bound by any agreement entered into from time to time by the Representative of the OBG Holders in such capacity as if such OBG Holder were a signatory thereto; and

(ii) acknowledges and accepts that the Relevant Dealer(s) shall not be liable in respect of any loss, liability, claim, expenses or damage suffered or incurred by any of the OBG Holders as a result of the performance by the Representative of the OBG Holders of its duties or the exercise of any of its rights under the Transaction Documents.

14. Agents

In acting under the Cash Management and Agency Agreement and in connection with the OBG, the Paying Agent act solely as agent of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the OBG Holders.

Following service of a Notice to Pay or a Guarantor Acceleration Notice, in acting under the Cash Management and Agency Agreement, the Paying Agent acts solely as agent of the OBG Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the OBG Holders.

The Paying Agent, its initial Specified Offices, any additional Paying Agent and its Specified Offices and the initial Calculation Agent (if any) are specified in the relevant Final Terms. The Issuer and the OBG Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor paying agent or Calculation Agent and additional or successor paying agents; provided, however, that:

(a) the Issuer and the OBG Guarantor shall at all times maintain a paying agent; and

(b) the Issuer and the OBG Guarantor shall at all times maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000; and

(c) if a Calculation Agent is specified in the relevant Final Terms, the Issuer and the OBG Guarantor shall at all times maintain a Calculation Agent; and

(d) if and for so long as the OBG are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a paying agent in any particular place, the Issuer and the OBG Guarantor shall maintain a paying agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agent or in its Specified Office shall promptly be given to the OBG Holders.

15. Further Issues

The Issuer may from time to time, without the consent of the OBG Holders, create and issue further OBG having the same terms and conditions as the OBG in all respects (or in all respects except for the first payment of interest) so that such futher issue shall be consolidated and form a single series with any Series or upon such terms as the Issuer may determine at the time of their issue, provided that Fitch has been notified of such issuance.

16. Limited Recourse and Non Petition

(a) *Limited recourse*

The obligations of the OBG Guarantor under the OBG Guarantee constitute direct and unconditional, unsubordinated and limited recourse obligations of the OBG Guarantor, collateralised by the Assets and Integration Assets as provided under the Law 130, the MEF Decree and the BoI OBG Regulations. The payment obligations of the OBG Guarantor under the OBG Guarantee are secured over certain assets of the OBG Guarantor pursuant to the Deed of Pledge. The recourse of the OBG Holders to the OBG Guarantor under the OBG Guarantee will be limited to the assets comprised in the cover pool subject to, and in accordance with, the relevant Priority of Payments pursuant to which specified payments will be made to other parties prior to payments to the OBG Holders.

(b) *Non petition*

Only the Representative of the OBG Holders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Guaranteed Amounts or enforce the OBG Guarantee and/or any security and no OBG Holder shall be entitled to proceed directly against the OBG Guarantor to obtain payment of the Guaranteed Amounts or to enforce the OBG Guarantee and/or any security. In particular:

(i) no OBG Holder (nor any person on its behalf) is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the OBG Holder to enforce the OBG Guarantee and/or any security or take any proceedings against the OBG Guarantor to enforce the OBG Guarantee and/or any security;

(ii) no OBG Holder (nor any person on its behalf, other than the Representative of the OBG Holders, where appropriate) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the OBG Guarantor for the purpose of obtaining payment of any amount due from the OBG Guarantor;

(iii) at least until the date falling one year and one day after the date on which all Series of OBG issued in the context of the Programme have been cancelled or redeemed in full in accordance with their Final Terms together with any payments payable in priority or pari passu thereto, no OBG Holder (nor any person on its behalf, other than the Representative of the OBG Holders) shall initiate or join any person in initiating an Insolvency Event in relation to the OBG Guarantor; and

(iv) no OBG Holder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priorities of Payments not being complied with.

17. Notices

(a) *Notices given through Monte Titoli*

Any notice regarding the OBG, as long as the OBG are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

(b) *Notices through Luxembourg Stock Exchange*

Any notice regarding the OBG, as long as the OBG are listed on the Luxembourg Stock Exchange, shall be deemed to have been duly given if published on the website of the Luxembourg Stock Exchange (at www.bourse.lu) or, if required, of the CSSF and, in any event, if published in accordance with the rules and regulation of the Luxembourg Stock Exchange.

(c) *Other publication*

The Representative of the OBG Holders shall be at liberty to sanction any other method of giving notice to OBG Holders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the competent authority, stock exchange and/or quotation system by which the OBG are then admitted to trading and provided that notice of such other method is given to the holders of the OBG in such manner as the Representative of the OBG Holders shall require.

(d) *Investors Report*

The Issuer or, as the case may be, the OBG Guarantor shall make available to the holders of the OBG (in accordance with this Condition 17 (Notices) each Investors Report as soon as practicable after each relevant Investors Report Date.

18. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.),and (d) all amounts used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

19. Governing Law and Jurisdiction

(a) *Governing law*

These OBG, and any non-contractual obligations arising out of, or in connection with them, are governed by Italian law. All Transaction Documents and any non-contractual obligations arising out of, or in connection with them, are governed by Italian law.

(b) *Jurisdiction*

The courts of Milan have exclusive competence for the resolution of any dispute that may arise in relation to the OBG or their validity, interpretation or performance.

(c) *Relevant legislation*

Anything not expressly provided for in these Conditions will be governed by the provisions of the Law 130 and, if applicable, Article 58 of the Banking Law, the BoI OBG Regulations and MEF Decree.

RULES OF THE ORGANISATION OF THE OBG HOLDERS

TITLE I
GENERAL PROVISIONS

Article 1
General

The Organisation of the OBG Holders in respect of the OBG issued under the Programme by UniCredit S.p.A. is created concurrently with the issue and subscription of the OBG of the first Series and is governed by these Rules of the Organisation of the OBG Holders ("**Rules**").

These Rules shall remain in force and effect until full repayment or cancellation of all the OBG.

The contents of these Rules are deemed to be an integral part of the Conditions of the OBG of each Series issued by the Issuer.

Article 2
Definitions and Interpretation

2.1 Definitions

In these Rules, the terms below shall have the following meanings:

"**Block Voting Instruction**" means, in relation to a Meeting, a document issued by the Paying Agent:

(a) certifying that specified OBG are held to the order of the Paying Agent or under its control and have been blocked in an account with a clearing system, the Monte Titoli Account Holder or the relevant custodian and will not be released until a the earlier of:

  (i) a specified date which falls after the conclusion of the Meeting; and

  (ii) the notification to the Paying Agent not less than 48 hours before the time fixed for the Meeting (or, if the meeting has been adjourned, the time fixed for its resumption) of confirmation that the OBG have been unblocked and notification of the release thereof by the Paying Agent to the Issuer and Representative of the OBG Holders;

(b) certifying that the Holder of the relevant Blocked OBG or a duly authorised person on its behalf has notified the Paying Agent that the votes attributable to such OBG are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;

(c) listing the total number and the principal amount outstanding of such specified Blocked OBG, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution; and

(d) authorising a named individual to vote in accordance with such instructions;

"**Blocked OBG**" means OBG which have been blocked in an account with a clearing system, the Monte Titoli Account Holder or the relevant custodian or otherwise are held to the order of or under the control of the Paying Agent for the purpose of obtaining a Block Voting Instruction or a Voting Certificate on terms that they will not be released until after the conclusion of the Meeting in respect of which the Block Voting Instruction or Voting Certificate is required;

"**Chairman**" means, in relation to any Meeting, the person who takes the chair in accordance with Article 6 (*Chairman of the Meeting*);

"**Event of Default**" means an Issuer Event of Default or a Guarantor Event of Default, as the context requires;

"**Extraordinary Resolution**" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules on any of the subjects covered by Article 18.2 (*Extraordinary Resolution*) by a majority of not less than three quarters of the votes cast;

"**Holder**" means in respect of OBG, the ultimate owner of such OBG;

"**Liabilities**" means losses, liabilities, inconvenience, costs, expenses, damages, claims, actions or demands;

"**Meeting**" means a meeting of the OBG Holders (whether originally convened or resumed following an adjournment);

"**Monte Titoli Account Holder**" means any authorised institution entitled to hold accounts on behalf of their customers with Monte Titoli (and includes any Relevant Clearing System which holds account with Monte Titoli or any depository banks appointed by the Relevant Clearing System);

"**Ordinary Resolution**" means any resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules on any of the subjects covered by Article 18.1 (*Ordinary Resolution*) by a majority of more than 50 per cent. of the votes cast;

"**Portfolio**" has the meaning given to it in the Master Definition Agreement;

"**Programme Resolution**" means an Extraordinary Resolution passed at a single meeting of the OBG Holders of all Series, duly convened and held in accordance with the provisions contained in these Rules to direct the Representative of the OBG Holders to take steps and/or institute proceedings against the Issuer or the OBG Guarantor pursuant to Condition 11(e)(iii) (*Effect of a Guarantor Acceleration Notice - Enforcement*);

"**Proxy**" means a person appointed to vote under a Voting Certificate as a proxy or a person appointed to vote under a Block Voting Instruction, in each case other than:

(a) any person whose appointment has been revoked and in relation to whom the Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and

(b) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed;

"**Rating Agency**" means Fitch Ratings Limited, or its successor, to the extent that at the relevant time it provides ratings in respect of the then outstanding OBG;

"**Resolutions**" means the Ordinary Resolutions and the Extraordinary Resolutions, collectively as the context requires;

"**Swap Rate**" means, in relation to a Series or a Tranche of OBG, the applicable spot rate;

"**Transaction Party**" means any person who is a party to a Transaction Document;

"**Voter**" means, in relation to a Meeting, the Holder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the Monte Titoli Account Holder or a Proxy named in a Block Voting Instruction;

"**Voting Certificate**" means, in relation to any Meeting:

(a) a certificate issued by a Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time stating that:

  (i) that Blocked OBG will not be released until the earlier of

    (A) a specified date which falls after the conclusion of the Meeting; and

    (B) the surrender of such certificate to the Paying Agent; and

(b) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked OBG; or

(c) if possible under the relevant applicable laws and regulations, a certificate issued by the Paying Agent stating:

  (i) that Blocked OBG will not be released until the earlier of:

    (A) a specified date which falls after the conclusion of the Meeting; and

(B) the surrender of such certificate to the Paying Agent; and

(ii) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked OBG.

"**Written Resolution**" means a resolution in writing signed by or on behalf of one or more persons holding or representing at least 75 per cent of the Outstanding Principal Balance of (i) all the OBG (in case of Programme Resolution) or (ii) all the OBG of one or more relevant Series (in case of a resolution to be taken by the OBG Holders of such relevant Series), whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such OBG Holders;

"**24 hours**" means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Paying Agent has its specified office; and

"**48 hours**" means two consecutive periods of 24 hours.

Unless otherwise provided in these Rules, or unless the context requires otherwise, words and expressions used in these Rules shall have the meanings and the construction ascribed to them in the Conditions.

2.2 Interpretation

In these Rules:

2.2.1 any reference herein to an "Article" shall, except where expressly provided to the contrary, be a reference to an article of these Rules of the Organisation of the OBG Holders;

2.2.2 a "successor" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred; and

2.2.3 any reference to any Transaction Party shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

2.3 Separate Series

Subject to the provisions of the next sentence, the OBG of each Series shall form a separate Series of OBG and accordingly, unless for any purpose the Representative of the OBG Holders in its absolute discretion shall otherwise determine, the provisions of this sentence and of Articles 3 (*Purpose of the Organisation*) to 25 (*Meetings and Separate Series)* and 28 (*Duties and Powers of the Representative of the OBG Holders*) to 35 (*Powers to Act on behalf of the OBG Guarantor*) shall apply mutatis mutandis separately and independently to the OBG of each Series. However, for the purposes of this Article 2.3:

2.3.1 Articles 26 (*Appointment*) and 27 (*Resignation*); and

2.3.2 insofar as they relate to a Programme Resolution, Articles 3 (*Purpose of the Organisation*) to 25 (*Meetings and Separate Series*) and 28 (*Duties and Powers of the Representative of the OBG Holders*) to 35 (*Powers to Act on behalf of the OBG Guarantor*),

the OBG shall be deemed to constitute a single Series and the provisions of such Articles shall apply to all the OBG together as if they constituted a single Series and, in such Articles, the expressions "OBG" and "OBG Holders" shall be construed accordingly.

Article 3

Purpose of the Organisation of the OBG Holders

Each OBG Holders is a member of the Organisation of the OBG Holders.

The purpose of the Organisation of the OBG Holders is to co-ordinate the exercise of the rights of the OBG Holders and, more generally, to take any action necessary or desirable to protect the interest of the OBG Holders.

TITLE II
MEETINGS OF THE OBG HOLDERS

Article 4

Convening a Meeting

4.1 Convening a Meeting

The Representative of the OBG Holders, the OBG Guarantor or the Issuer may convene separate or combined Meetings of the OBG Holders at any time and the Representative of the OBG Holders shall be obliged to do so upon the request in writing by OBG Holders representing at least one-tenth of the aggregate Outstanding Principal Balance of the relevant Series of OBG.

The Representative of the OBG Holders may convene a single meeting of the OBG Holders of more than one Series if in the opinion of the Representative of the OBG Holders there is no conflict between the holders of the OBG of the relevant Series, in which event the provisions of this Schedule shall apply thereto *mutatis mutandis*.

4.2 Meetings convened by Issuer

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the OBG Holders and the Paying Agent specifying the proposed day, time and place of the Meeting, and the items to be included in the agenda.

4.3 Time and place of Meetings

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the OBG Holders, provided that it is in a EU Member State.

Article 5

Notice

5.1 Notice of Meeting

At least 21 days' notice (exclusive of the day notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place of the Meeting, must be given to the relevant OBG Holders and the Paying Agent, with a copy to the Issuer and the OBG Guarantor, where the Meeting is convened by the Representative of the OBG Holders, or with a copy to the Representative of the OBG Holders, where the Meeting is convened by the Issuer.

5.2 Content of notice

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the OBG Holders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall explain how OBG Holders may appoint Proxies, obtaining Voting Certificates and use Block Voting Instructions.

5.3 Validity notwithstanding lack of notice

A Meeting is valid notwithstanding that the formalities required by this Article 5 are not complied with if the Holders of the OBG constituting the Outstanding Principal Balance of the OBG, the Holders of which are entitled to attend and vote are represented at such Meeting and the Issuer and the Representative of the OBG Holders are present.

Article 6

Chairman of the Meeting

6.1 Appointment of Chairman

An individual (who may, but need not be, a OBG Holder), nominated in writing by the Representative of the OBG Holders may take the chair at any Meeting, but if:

6.1.1 the Representative of the OBG Holders fails to make a nomination; or

6.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

6.2 Duties of Chairman

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and determines the mode of voting.

6.3 Assistance to Chairman

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be OBG Holders.

Article 7

Quorum

The quorum at any Meeting will be:

7.1.1 in the case of an Ordinary Resolution, one or more Voters holding or representing at least 25 per cent of the Outstanding Principal Balance of the OBG of the relevant Series for the time being outstanding or, at an adjourned Meeting, one or more persons being or representing OBG Holders, whatever the Outstanding Principal Balance of the OBG so held or represented; or

7.1.2 in the case of an Extraordinary Resolution or a Programme Resolution (subject as provided below), one or more Voters holding or representing at least 50 per cent. of the Outstanding Principal Balance of the OBG of the relevant Series for the time being outstanding or, at an adjourned Meeting, one or more persons being or representing OBG Holders of the relevant Series for the time being outstanding, whatever the Outstanding Principal Balance of the OBG so held or represented; or

7.1.3 at any meeting the business of which includes any of the following matters (other than in relation to a Programme Resolution) (each of which shall, subject only to Article 32 (*Waiver*), only be capable of being effected after having been approved by Extraordinary Resolution, namely:

(a) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the specific Series of OBG;

(b) alteration of the currency in which payments under the specific Series of OBG are to be made;

(c) alteration of the majority required to pass an Extraordinary Resolution;

(d) except in accordance with Articles 31 (*Amendments and Modifications*) and 32 (*Waiver*), the sanctioning of any such scheme or proposal to effect the exchange, conversion or substitution of the specific Series of OBG for, or the conversion of such Specific Series of OBG into, shares, bonds or

other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed; and

(e) alteration of this Article 7.1.3;

(each a "**Series Reserved Matter**"), the quorum shall be one or more voters being or representing holders of not less two-thirds of the aggregate Outstanding Principal Balance of the OBG of such Series for the time being outstanding or, at any adjourned meeting, one or more voters being or representing not less than one-third of the aggregate Outstanding Principal Balance of the OBG of such Series for the time being outstanding.

Article 8

Adjournment for Want of Quorum

8.1 If a quorum is not present for the transaction of any particular business within 15 minutes after the time fixed for any Meeting, then, without prejudice to the transaction of the business (if any) for which a quorum is present:

8.1.1 if such Meeting was convened upon the request of OBG Holders, the Meeting shall be dissolved; and

8.1.2 in any other case, the Meeting shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 10 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Representative of the OBG Holders).

8.2 If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Representative of the OBG Holders) dissolve such meeting or adjourn the same for such period, being not less than 13 clear days (but without any maximum number of clear days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Representative of the OBG Holders.

Article 9

Adjourned Meeting

Except as provided in Article 8 (*Adjournment for Want of Quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place. No business shall be transacted at any adjourned meeting except business which might have been transacted at the Meeting from which the adjournment took place.

Article 10

Notice Following Adjournment

10.1 Notice required

Article 5 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for want of a quorum except that:

10.1.1 10 days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and

10.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

10.2 Notice not required

Except in the case of a Meeting to consider an Extraordinary Resolution, it shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 8 (*Adjournment for Want of Quorum*).

Article 11

Participation

The following categories of persons may attend and speak at a Meeting:

11.1 Voters;

11.2 the directors and the auditors of the Issuer and the OBG Guarantor;

11.3 representatives of the Issuer, the OBG Guarantor and the Representative of the OBG Holders;

11.4 financial advisers to the Issuer, the OBG Guarantor and the Representative of the OBG Holders;

11.5 legal advisers to the Issuer, the OBG Guarantor and the Representative of the OBG Holders; and

11.6 any other person authorised by virtue of a resolution of such Meeting or by the Representative of the OBG Holders.

Article 12

Voting Certificates and Block Voting Instructions

12.1 A OBG Holder may obtain a Voting Certificate in respect of a Meeting by requesting its Monte Titoli Account Holder to issue a certificate in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time.

12.2 A OBG Holder may also obtain from the Paying Agent or require the Paying OBG Agent to issue a Block Voting Instruction by arranging for such OBG to be (to the satisfaction of the Paying Agent) held to its order or under its control or blocked in an account in the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian not later than 48 hours before the time fixed for the relevant Meeting.

12.3 A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked OBG to which it relates.

12.4 So long as a Voting Certificate or Block Voting Instruction is valid, the named therein as Holder or Proxy (in the case of a Voting Certificate issued by a Monte Titoli Account Holder), and any Proxy named therein (in the case of a Block Voting Instruction issued by the Paying Agent) shall be deemed to be the Holder of the OBG to which it relates for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.

12.5 A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same OBG.

12.6 References to the blocking or release of OBG shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

Article 13

Validity of Block Voting Instructions

13.1 A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid for the purpose of the relevant Meeting only if it is deposited at the Specified Offices of the Representative of the OBG Holders, or at any other place approved by the Representative of the OBG Holders, at least 24 hours before the time fixed for the relevant Meeting. If a Block Voting Instruction or a Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the OBG Holders so requires, a notarised copy of each Block Voting Instruction and satisfactory evidence of the identity of each Proxy named in a Block Voting Instruction or of each Holders or Proxy named in a

Voting Certificate issued by a Monte Titoli Account Holder shall be produced at the Meeting but the Representative of the OBG Holders shall not be obliged to investigate the validity of a Block Voting Instruction or a Voting Certificate or the identity of any Proxy or any holder of the OBG named in a Voting Certificate or a Block Voting Instruction or the identity of any Holder named in a Voting Certificate issued by a Monte Titoli Account Holder.

Article 14

Voting by show of hands

14.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.

14.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

Article 15

Voting by poll

15.1 Demand for a poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the OBG Guarantor, the Representative of the OBG Holders or any one or more Voters, whatever the Outstanding Principal Balance of the OBG held or represented by such Voter. A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business. The result of a poll shall be deemed to be the resolution of the Meeting at which the poll was demanded as at the date of the taking of the poll.

15.2 The Chairman and a poll

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null and void. After voting ends, the votes shall be counted and, after the counting, the Chairman shall announce to the Meeting the outcome of the vote.

Article 16

Votes

16.1 Voting

Each Voter shall have:

16.1.1 on a show of hands, one vote; and

16.1.2 on a poll every person who is so present shall have one vote in respect of each €1.00 or such other amount as the Representative of the OBG Holders may in its absolute discretion stipulate.

16.2 Block Voting Instruction

Unless the terms of any Block Voting Instruction or Voting Certificate state otherwise in the case of a Proxy, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he exercises the same way.

16.3 Voting tie

In the case of a voting tie, the relevant Resolution shall be deemed to have been rejected.

Article 17

Voting by proxy

17.1 Validity

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or Voting Certificate or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Issuer, the Representative of the OBG Holders or the Chairman has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

17.2 Adjournment

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or a Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such meeting when it is resumed. Any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

Article 18

Resolutions

18.1 Ordinary Resolutions

Subject to Article 18.2 (*Extraordinary Resolutions*), a Meeting shall have the following powers exercisable by Ordinary Resolution, to:

18.1.1 grant any authority, order or sanction which, under the provisions of these Rules or of the Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and

18.1.2 to authorise the Representative of the OBG Holders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18.2 Extraordinary Resolutions

A Meeting, in addition to any powers assigned to it in the Conditions, shall have power exercisable by Extraordinary Resolution to:

18.2.1 sanction any compromise or arrangement proposed to be made between the Issuer, the OBG Guarantor, the Representative of the OBG Holders or any of them where such compromise or arrangement are subject expressly to the OBG Holders approval;

18.2.2 approve any modification, abrogation, variation or compromise in respect of (a) the rights of the Representative of the OBG Holders, the Issuer, the OBG Guarantor, the OBG Holders or any of them, whether such rights arise under the Transaction Documents or otherwise, and (b) these Rules, the Conditions or of any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the OBG, which, in any such case, shall be proposed by the Issuer, the Representative of the OBG Holders and/or any other party thereto where such modification, abrogation, variation or compromise are subject expressly to the OBG Holders approval;

18.2.3 assent to any modification of the provisions of these Rules or the Transaction Documents which shall be proposed by the Issuer, the OBG Guarantor, the Representative of the OBG Holders or of any OBG Holder where such modification are subject expressly to the OBG Holders approval;

18.2.4 in accordance with Article 26 (*Appointment*), appoint and remove the Representative of the OBG Holders;

18.2.5 subject to the provisions set forth under the Conditions and the Transaction Documents or upon request of the Representative of the OBG Holders, authorise the Representative of the OBG Holders to issue a Notice to Pay as a result of an Issuer Event of Default pursuant to Condition 11(a) (*Issuer Event of Default*) or a Guarantor Acceleration Notice as a result of a OBG Guarantor Event of Default pursuant to Condition 11(d) (*Guarantor Event of Default*);

18.2.6 discharge or exonerate, whether retrospectively or otherwise, the Representative of the OBG Holders from any liability in relation to any act or omission for which the Representative of the OBG Holders has or may become liable pursuant or in relation to these Rules, the Conditions or any other Transaction Document;

18.2.7 grant any authority, order or sanction which, under the provisions of these Rules or of the Conditions, must be granted by an Extraordinary Resolution;

18.2.8 authorise and ratify the actions of the Representative of the OBG Holders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document, if required therein;

18.2.9 to appoint any person (whether OBG Holders or not) as a committee to represent the interests of the OBG Holders and to confer on any such committee any powers which the OBG Holders could themselves exercise by Extraordinary Resolution; and

18.2.10 authorise the Representative of the OBG Holders or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution.

18.3 Programme Resolutions

A Meeting shall have power exercisable by a Programme Resolution to direct the Representative of the OBG Holders to take steps and/or institute proceedings against the Issuer or the OBG Guarantor pursuant to Condition 11(e)(iii) (*Effect of a Guarantor Event of Default - Enforcement*) and to approve any amendment to the OBG Guarantee (except in a manner determined by the Representative of the OBG Holders not to be materially prejudicial to the interests of the OBG Holders of any Series).

18.4 Other Series of OBG

No Ordinary Resolution or Extraordinary Resolution other than a Resolution relating to a Series Reserved Matter that is passed by the Holders of one Series of OBG shall be effective in respect of another Series of OBG unless it is sanctioned by an Ordinary Resolution or Extraordinary Resolution (as the case may be) of the Holders of OBG then outstanding of that other Series, subject to Article 24.1.

Article 19

Effect of Resolutions

19.1 Binding nature

Subject to Article 18.4 (*Other Series of OBG*), any resolution passed at a Meeting of the OBG Holders duly convened and held in accordance with these Rules shall be binding upon all OBG Holders, whether or not present at such Meeting and or not voting. A Programme Resolution passed at any Meeting of the holders of the OBG of all Series shall be binding on all holders of the OBG of all Series, whether or not present at the meeting.

19.2 Notice of voting results

Notice of the results of every vote on a resolution duly considered by OBG Holders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Paying Agent (with a copy to the Issuer, the OBG Guarantor and the Representative of the OBG Holders within 14 days of the conclusion of each Meeting).

Article 20

Challenge to Resolutions

Any absent or dissenting OBG Holder has the right to challenge Resolutions which are not passed in compliance with the provisions of these Rules.

Article 21

Minutes

Minutes shall be made of all resolutions and proceedings of each Meeting and entered in books provided by the Issuer for that purpose. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted shall be regarded as having been duly passed and transacted.

Article 22

Written Resolution

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

Article 23

Individual actions and remedies

Each OBG Holder has accepted and is bound by the provisions of Clauses 4 (*Exercise of Rights and Subrogation*) and 11 (*Limited Recourse*) of the OBG Guarantee and Clause 10 (*Limited Recourse and Non Petition*) of the Intercreditor Agreement and, accordingly, if any OBG Holder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the OBG and the OBG Guarantee, any such action or remedy shall be subject to a Meeting not passing an Extraordinary Resolution objecting to such individual action or other remedy on the grounds that it is not consistent with such Condition. In this respect, the following provisions shall apply:

23.1 the OBG Holder intending to enforce his/her rights under the OBG will notify the Representative of the OBG Holders of his/her intention;

23.2 the Representative of the OBG Holders will, without delay, call a Meeting in accordance with these Rules (including, for the avoidance of doubt, Article 24 (*Choice of Meeting*);

23.3 if the Meeting passes an Extraordinary Resolution objecting to the enforcement of the individual action or remedy, the OBG Holder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and

23.4 if the Meeting of OBG Holders does not object to an individual action or remedy, the OBG Holder will not be prohibited from taking such individual action or remedy.

Article 24

Meetings and separate Series

24.1 Choice of Meeting

If and whenever the Issuer shall have issued and have outstanding OBG of more than one Series the foregoing provisions of this Rules shall have effect subject to the following modifications:

24.1.1 a resolution which in the opinion of the Representative of the OBG Holders affects the OBG of only one Series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the OBG of that Series;

24.1.2 a resolution which in the opinion of the Representative of the OBG Holders affects the OBG of more than one Series but does not give rise to a conflict of interest between the holders of OBG of any of the Series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the OBG of all the Series so affected;

24.1.3 a resolution which in the opinion of the Representative of the OBG Holders affects the OBG of more than one Series and gives or may give rise to a conflict of interest between the holders of the OBG of one Series or group of Series so affected and the holders of the OBG of another Series or group of Series so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the OBG of each Series or group of Series so affected;

24.1.4 a Programme Resolution shall be deemed to have been duly passed only if passed at a single meeting of the OBG Holders of all Series; and

24.1.5 to all such meetings all the preceding provisions of these Rules shall *mutatis mutandis* apply as though references therein to OBG and OBG Holders were references to the OBG of the Series or group of Series in question or to the holders of such OBG, as the case may be.

Article 25

Further regulations

Subject to all other provisions contained in these Rules, the Representative of the OBG Holders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the OBG Holders in its sole discretion may decide.

TITLE III
THE REPRESENTATIVE OF THE OBG HOLDERS

Article 26

Appointment, removal and remuneration

26.1 Appointment

The appointment of the Representative of the OBG Holders takes place by Extraordinary Resolution of the OBG Holders in accordance with the provisions of this Article 26, except for the appointment of Securitisation Services S.p.A. as first Representative of the OBG Holders which will be appointed under the Dealer Agreement.

26.2 Identity of Representative of the OBG Holders

The Representative of the OBG Holders shall be:

26.2.1 a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through an Italian branch; or

26.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to Article 106 of the Banking Law; or

26.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the OBG Holders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in Article 2399 of the Italian Civil Code cannot be appointed as Representative of the OBG Holders and, if appointed as such, they shall be automatically removed.

26.3 Duration of appointment

Unless the Representative of the OBG Holders is removed by Extraordinary Resolution of the OBG Holders pursuant to Article 18.2 (*Extraordinary Resolution*) or resigns pursuant to Article 27 (*Resignation of the*

Representative of the OBG Holders), it shall remain in office until full repayment or cancellation of all the Series of OBG.

26.4 After termination

In the event of a termination of the appointment of the Representative of the OBG Holders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the OBG Holders, which shall be an entity specified in Article 26.2 (*Identity of Representative of the OBG Holders*), accepts its appointment, and the powers and authority of the Representative of the OBG Holders whose appointment has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the OBG.

26.5 Remuneration

The Issuer shall pay to the Representative of the OBG Holders an annual fee for its services as Representative of the OBG Holders from the Issue Date, as agreed in a separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the priority of payments set out in the Intercreditor Agreement up to (and including) the date when the OBG shall have been repaid in full or cancelled in accordance with the Conditions. In case of failure by the Issuer to pay the Representative of the OBG Holders the fee for its services, the same will be paid by the OBG Guarantor.

Article 27

Resignation of the Representative of the OBG Holders

The Representative of the OBG Holders may resign at any time by giving at least three calendar months' written notice to the Issuer and the OBG Guarantor, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the OBG Holders shall not become effective until a new Representative of the OBG Holders has been appointed in accordance with Article 26.1 (*Appointment*) and such new Representative of the OBG Holders has accepted its appointment, provided that if OBG Holders fail to select a new Representative of the OBG Holders within three months of written notice of resignation delivered by the Representative of the OBG Holders, the Representative of the OBG Holders may appoint a successor which is a qualifying entity pursuant to Article 26.2 (*Identity of the Representative of the OBG Holders*).

Article 28

Duties and powers of the Representative of the OBG Holders

28.1 Representative of the OBG Holders as legal representative

The Representative of the OBG Holders is the legal representative of the Organisation of the OBG Holders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the OBG Holders.

28.2 Meetings and resolutions

Unless any Resolution provides to the contrary, the Representative of the OBG Holders is responsible for implementing all resolutions of the OBG Holders. The Representative of the OBG Holders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

28.3 Delegation

The Representative of the OBG Holders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

28.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the OBG Holders;

28.3.2 whenever it considers it expedient and in the interest of the OBG Holders,

whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any such delegation pursuant to Article 28.3.1 may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the Representative of the OBG Holders may think fit in the interest of the OBG Holders. The Representative of the OBG Holders shall not, other than in the normal course of its business, be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, provided that the Representative of the OBG Holders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the OBG Holders shall, as soon as reasonably practicable, give notice to the Issuer and the OBG Guarantor of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer and the OBG Guarantor of the appointment of any sub-delegate as soon as reasonably practicable.

28.4 Judicial proceedings

The Representative of the OBG Holders is authorised to represent the Organisation of the OBG Holders in any judicial proceedings including any Insolvency Event in respect of the Issuer and/or the OBG Guarantor.

28.5 Consents given by Representative of OBG Holders

Any consent or approval given by the Representative of the OBG Holders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the OBG Holders deems appropriate and, notwithstanding anything to the contrary contained in the Rules or in the Transaction Documents, such consent or approval may be given retrospectively.

28.6 Discretions

Save as expressly otherwise provided herein, the Representative of the OBG Holders shall have absolute discretion as to the exercise or non-exercise of any right, power and discretion vested in the Representative of the OBG Holders by these Rules or by operation of law.

28.7 Obtaining instructions

In connection with matters in respect of which the Representative of the OBG Holders is entitled to exercise its discretion hereunder, the Representative of the OBG Holders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the OBG Holders' instructions as to how it should act. Without prejudice to the provisions set forth under Article 33 (*Indemnity*), prior to undertaking any action, the Representative of the OBG Holders shall be entitled to request that the OBG Holders indemnify it and/or provide it with security as specified in Article 29.2 (*Specific Limitations*).

28.8 Remedy

The Representative of the OBG Holders may determine whether or not a default in the performance by the Issuer or the OBG Guarantor of any obligation under the provisions of these Rules, the OBG or any other Transaction Documents may be remedied, and if the Representative of the OBG Holders certifies that any such default is, in its opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the OBG Holders, the other creditors of the OBG Guarantor and any other party to the Transaction Documents.

Article 29

Exoneration of the Representative of the OBG Holders

29.1 Limited obligations

The Representative of the OBG Holders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

29.2 Specific limitations

Without limiting the generality of the Article 29.1, the Representative of the OBG Holders:

29.2.1 shall not be under any obligation to take any steps to ascertain whether an Issuer Event of Default or a Guarantor Event of Default or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the OBG Holders hereunder or under any other Transaction Document, has occurred and, until the Representative of the OBG Holders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Issuer Event of Default or Guarantor Event of Default or such other event, condition or act has occurred;

29.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or the OBG Guarantor or any other parties of their obligations contained in these Rules, the Transaction Documents or the Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the OBG Holders shall be entitled to assume that the Issuer or the OBG Guarantor and each other party to the Transaction Documents are duly observing and performing all their respective obligations;

29.2.3 except as expressly required in these Rules or any Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;

29.24 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:

(i) the nature, status, creditworthiness or solvency of the Issuer or the OBG Guarantor;

(ii) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection herewith;

(iii) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;

(iv) the failure by the OBG Guarantor to obtain or comply with any licence, consent or other authorisation in connection with the purchase or administration of the assets contained in the Portfolio; and

(v) any accounts, books, records or files maintained by the Issuer, the OBG Guarantor, the Servicer and the Paying Agent or any other person in respect of the Portfolio or the OBG;

29.2.5 shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the OBG or the distribution of any of such proceeds to the persons entitled thereto;

29.2.6 shall have no responsibility for procuring or maintaining any rating of the OBG by any credit or rating agency or any other person;

29.2.7 shall not be responsible for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the OBG Holders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;

29.2.8 shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;

29.2.9 shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the OBG Guarantor in relation to the assets contained in the Portfolio or any part thereof, whether such defect or failure was known to the Representative of the OBG Holders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;

29.2.10 shall not be under any obligation to guarantee or procure the repayment of the Receivables contained in the Portfolio or any part thereof;

29.2.11 shall not be responsible for reviewing or investigating any report relating to the Portfolio or any part thereof provided by any person;

29.2.12 shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Portfolio or any part thereof;

29.2.13 shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the OBG, the Portfolio or any Transaction Document;

29.2.14 shall not be under any obligation to insure the Portfolio or any part thereof;

29.2.15 shall, when in these Rules or any Transaction Document it is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the OBG Holders, have regard to the overall interests of the OBG Holders of each Series as a class of persons and shall not be obliged to have regard to any interests arising from circumstances particular to individual OBG Holders whatever their number and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual OBG Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or taxing authority;

29.2.16 shall not, if in connection with the exercise of its powers, trusts, authorities or discretions, it is of the opinion that the interest of the holders of the OBG of any one or more Series would be materially prejudiced thereby, exercise such power, trust, authority or discretion without the approval of such OBG Holders by Extraordinary Resolution or by a written resolution of such OBG Holders of not less than 25 per cent. of the Outstanding Principal Balance of the OBG of the relevant Series then outstanding;

29.2.17 shall, as regards at the powers, trusts, authorities and discretions vested in it by the Transaction Documents, except where expressly provided therein, have regard to the interests of both the OBG Holders and the other creditors of the Issuer or the OBG Guarantor but if, in the opinion of the Representative of the OBG Holders, there is a conflict between their interests the Representative of the OBG Holders will have regard solely to the interest of the OBG Holders;

29.2.18 may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all Liabilities suffered, incurred or sustained by it as a result. Nothing contained in these Rules or any of the other Transaction Documents shall require the Representative of the OBG Holders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured; and

29.2.19 shall not be liable or responsible for any Liabilities which may result from anything done or omitted to be done by it in accordance with the provisions of these Rules or the Transaction Documents.

29.3 Illegality

No provision of these Rules shall require the Representative of the OBG Holders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of the OBG Holders may refrain from taking any action which would or might, in its opinion, be contrary to any law of any jurisdiction

or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or Liabilities which it may incur as a consequence of such action. The Representative of the OBG Holders may do anything which, in its opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

Article 30

Reliance on information

30.1 Advice

The Representative of the OBG Holders may act on the advice of a certificate or opinion of, or any written information obtained from, any lawyer, accountant, banker, broker, credit or rating agency or other expert, whether obtained by the Issuer, the OBG Guarantor, the Representative of the OBG Holders or otherwise, and shall not be liable for any loss occasioned by so acting. Any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the OBG Holders shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic.

30.2 Certificates of Issuer and/or OBG Guarantor

The Representative of the OBG Holders may require, and shall be at liberty to accept (a) as sufficient evidence

30.2.1 as to any fact or matter *prima facie* within the Issuer's or the OBG Guarantor's knowledge, a certificate duly signed by a director of the Issuer or (as the case may be) the OBG Guarantor;

30.2.2 that such is the case, a certificate of a director of the Issuer or (as the case may be) the OBG Guarantor to the effect that any particular dealing, transaction, step or thing is expedient,

and the Representative of the OBG Holders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers in charge of the administration of these Rules shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

30.3 Resolution or direction of OBG Holders

The Representative of the OBG Holders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of OBG Holders, even though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the OBG Holders.

30.4 Certificates of Monte Titoli Account Holders

The Representative of the OBG Holders, in order to ascertain ownership of the OBG, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

30.5 Clearing Systems

The Representative of the OBG Holders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the OBG Holders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of OBG.

30.6 Certificates of parties to Transaction Documents

The Representative of the OBG Holders shall have the right:

30.6.1 to require the Issuer to obtain, written certificates issued by one of the parties to the Intercreditor Agreement, or by any other creditor of the OBG Guarantor, as to any matter or fact which is *prima facie* within the knowledge of such party or as to such party's opinion with respect to any matter; and

30.6.2 to rely on such written certificates.

The Representative of the OBG Holders shall not be required to seek additional evidence in respect of the relevant fact, matter or issue and shall not be held responsible for any Liabilities incurred as a result of having failed to do so.

30.7 Rating Agency

The Representative of the OBG Holder shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules that such exercise will not be materially prejudicial to the interests of the holders of OBG of any Series or of all Series for the time being outstanding if the Rating Agency has confirmed that the then current rating of the OBG of any such Series or all such Series (as the case may be) would not be adversely affected by such exercise, or have otherwise given their consent, provided that the Rating Agency shall be under no obligation to provide any consent or rating confirmation. If the Representative of the OBG Holders, in order properly to exercise its rights or fulfill its obligations, deems it necessary to obtain the views of the Rating Agency as to how a specific act would affect any outstanding rating of the OBG, the Representative of the OBG Holders may inform the Issuer, which will then obtain such views at its expense on behalf of the Representative of the OBG Holders or the Representative of the OBG Holders may seek and obtain such views itself at the cost of the Issuer.

30.8 Certificates of Parties to Transaction Document

The Representative of the OBG Holders shall have the right to call for or require the Issuer or the OBG Guarantor to call for and to rely on written certificates issued by any party (other than the Issuer or the OBG Guarantor) to the Intercreditor Agreement or any other Transaction Document,

30.8.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

30.8.2 as any matter or fact *prima facie* within the knowledge of such party; or

30.8.3 as to such party's opinion with respect to any issue and the Representative of the OBG Holders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any Liabilities incurred as a result of having failed to do so unless any of its officers has actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

30.9 Auditors

The Representative of the OBG Holders shall not be responsible for reviewing or investigating any auditors' report or certificate and may rely on the contents of any such report or certificate.

Article 31

Amendments and modifications

31.1 The Representative of the OBG Holders may from time to time and without the consent or sanction of the OBG Holders concur with the Issuer and/or the OBG Guarantor and any other relevant parties in making any modification (and for this purpose the Representative of the OBG Holders may disregard whether any such modification relates to a Series Reserved Matter) as follows:

31.1.1 to these Rules, the Conditions and/or the other Transaction Documents which in the opinion of the Representative of the OBG Holders may be expedient to make provided that the Representative of the OBG Holders is of the opinion that such modification will be proper to make and will not be materially prejudicial to the interests of any of the OBG Holders of any Series;

31.1.2 to these Rules, the Conditions or the other Transaction Documents which is of a formal, minor or technical nature or, which in the opinion of the Representative of the OBG Holders is to correct a manifest error or an error established as such to the satisfaction of the Representative of the OBG Holders or for the purpose of clarification; and

31.1.3 to these Rules, the Conditions or the other Transaction Documents which is necessary to comply with mandatory provisions of law and regulation or a change of the OBG Regulations or any guidelines issued by the Bank of Italy in respect thereof.

31.2 Any such modification may be made on such terms and subject to such conditions (if any) as the Representative of the OBG Holders may determine, shall be binding upon the OBG Holders and, unless the Representative of the OBG Holders otherwise agrees, shall be notified by the Issuer or the OBG Guarantor (as the case may be) to the OBG Holders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.

31.3 In establishing whether an error is established as such, the Representative of the OBG Holders may have regard to any evidence on which the Representative of the OBG Holders considers reasonable to rely on, and may, but shall not be obliged to, have regard to a certificate from a Relevant Dealer, stating the intention of the parties to the relevant Transaction Document, confirming nothing has been said to, or by, investors or any other parties which is in any way inconsistent with such stated intention and stating the modification to the relevant Transaction Document that is required to reflect such intention

31.4 The Representative of the OBG Holders shall be bound to concur with the Issuer and the OBG Guarantor and any other party in making any of the above-mentioned modifications if it is so directed by an Extraordinary Resolution or and if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

Article 32

Waiver

32.1 Waiver of Breach

The Representative of the OBG Holders may at any time and from time to time in its sole direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Holders of the OBG then outstanding shall not be materially prejudiced thereby:

32.1.1 authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the OBG Guarantee or any of the obligations of or rights against the OBG Guarantor under any other Transaction Documents; or

32.1.2 determine that any Event of Default shall not be treated as such for the purposes of the Transaction Documents, without any consent or sanction of the OBG Holders.

32.2 Binding Nature

Any authorisation, waiver or determination referred in Article 32.1 (*Waiver of Breach*) shall be binding on the OBG Holders.

32.3 Restriction on powers

The Representative of the OBG Holders shall not exercise any powers conferred upon it by this Article 32 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the Holders of the OBG then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent in aggregate Outstanding Principal Balance of the OBG (in the case of any such determination, with the OBG of all Series taken

together as a single Series as aforesaid), and at all times then only if it shall be indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing but so that no such direction or request:

32.3.1 shall affect any authorisation, waiver or determination previously given or made or

32.3.2 all authorise or waive any such proposed breach or breach relating to a Series Reserved Matter unless holders of OBG of each Series has, by Extraordinary Resolution, so authorised its exercise.

32.4 Notice of waiver

Unless the Representative of the OBG Holders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the OBG Holders and the Secured Creditors, as soon as practicable after it has been given or made in accordance with Condition 17 (*Notices*).

Article 33

Indemnity

Pursuant to the Dealer Agreement, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the OBG Holders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands duly documented and properly incurred by or made against the Representative of the OBG Holders, including but not limited to legal expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the OBG Holders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the OBG Holders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under these Rules, the OBG or the Transaction Documents.

Article 34

Liability

Notwithstanding any other provision of these Rules, the Representative of the OBG Holders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the OBG or the Rules except in relation to its own fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*).

TITLE IV
THE ORGANISATION OF THE OBG HOLDERS AFTER SERVICE OF A OBG GUARANTOR ACCELERATION NOTICE

Article 35

Powers to act on behalf of the OBG Guarantor

It is hereby acknowledged that, upon service of a Guarantor Acceleration Notice or, prior to service of a Guarantor Acceleration Notice, following the failure of the OBG Guarantor to exercise any right to which it is entitled, pursuant to the Intercreditor Agreement the Representative of the OBG Holders, in its capacity as legal representative of the Organisation of the OBG Holders, shall be entitled (also in the interests of the Secured Creditors) pursuant to Articles 1411 and 1723 of the Italian Civil Code, to exercise certain rights in relation to the Portfolio. Therefore, the Representative of the OBG Holders, in its capacity as legal representative of the Organisation of the OBG Holders, will be authorised, pursuant to the terms of the Intercreditor Agreement, to exercise, in the name and on behalf of the OBG Guarantor and as *mandatario in rem propriam* of the OBG Guarantor, any and all of the rights of the OBG Guarantor under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

TITLE V
GOVERNING LAW AND JURISDICTION

Article 36
Governing law

These Rules are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

Article 37
Jurisdiction

The Courts of Milan will have jurisdiction to law and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with these Rules.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of OBG issued under the Programme. Text in this section appearing in italics does not form part of the Final Terms but denotes directions for completing the Final Terms.

Final Terms dated [●]

UniCredit S.p.A.
Issue of *[Aggregate Nominal Amount of Tranche] [Description]*
OBG due *[Maturity]*

Guaranteed by UniCredit OBG S.r.l.
under the €25,000,000,000 OBG Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the prospectus dated [_____] [and the supplement[s] to the prospectus dated [●]] which [together] constitute[s] a base prospectus (the "**Prospectus**") for the purposes of Directive 2003/71/EC as amended (the "**Prospectus Directive**"). This document constitutes the Final Terms of the OBG described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer, the OBG Guarantor and the offer of the OBG described herein is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus[, including the supplement[s]] [is/are] available for viewing at the website of the Luxembourg Stock Exchange at www.bourse.lu. These Final Terms will be published on the website of the Luxembourg Stock Exchange at www.bourse.lu and will be available from the registered office of the Issuer and from the Specified Office of the Paying Agent.]

(*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.*)

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Prospectus dated 12 November 2014 which are incorporated by reference in the Prospectus dated [_____]. This document constitutes the Final Terms of the OBG described herein for the purposes of Article 5.4 of Directive 2003/71/EC as amended (the "**Prospectus Directive**") and must be read in conjunction with the Prospectus dated [_____] [and the supplement[s] to it dated [•] [and [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Prospectus**"), including the Conditions incorporated by reference in the Prospectus. Full information on the Issuer, the OBG Guarantor and the offer of the OBG described herein is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus[, including the supplement[s]] [is/are] available for viewing at the website of the Luxembourg Stock Exchange at www.bourse.lu. These

Final Terms will be published on website of the Luxembourg Stock Exchange at www.bourse.lu and will be available from the registered office of the Issuer and from the Specified Office of the Paying Agent.]

[Include whichever of the following apply or specify as "Not Applicable "(N/A). Note that the numbering should remain as set out below, even if "Not Applicable"is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

1.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	(iii)	Date on which the OBG will become fungible:	[Not applicable / The OBG will be consolidated, form a single Series and be interchangeable for trading purposes with [*(insert Series Number and ISIN Code)*] on [the Issue Date/ *(insert date*)]
2.	Aggregate Nominal Amount of OBG:		
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
3.	Issue Price:		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from []]
4.	(i)	Specified Denominations:	€100,000 [plus integral multiples of €[1,000] in excess thereof] (*Include the wording in square brackets where the Specified Denomination is €100,000 or equivalent plus multiples of a lower principal amount*.)
	(ii)	Calculation Amount:	[●]
5.	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
6.	Maturity Date:		[*Specify date or (for Floating Rate OBG) OBG Payment Date falling in or nearest to the relevant month and year.*]
7.	Extended Maturity Date of Guaranteed Amounts corresponding to Final Redemption Amount under the OBG Guarantee:		[●] / [Not Applicable]

8.	Interest Basis:	[[●] per cent. Fixed Rate] [[*Specify reference rate*] +/– [*Margin*] per cent. Floating Rate] [Zero Coupon] (see paragraphs [14], [15] and [16] below)
9.	Redemption/Payment Basis:	[Subject to any purchase and cancellation or early redemption, the OBG (other than Zero Coupon OBG) will be redeemed on the Maturity Date at par (as referred to in Condition 8(a)(ii))] / [Subject to any purchase and cancellation or early redemption, OBG (other than Zero Coupon OBG) will be redeemed in the instalment amounts and on the instalment dates set out in paragraph 23 below (as referred to in Condtition 8(a)(i))] / [Subject to any purchase and cancellation or early redemption, Zero Coupon OBG will be redeemed on the Maturity Date at [[●] *(insert an amount above 100%)*/[100]] per cent. of their nominal amount.]
10.	Change of Interest or Redemption/Payment Basis:	[●] / [Not Applicable]
11.	Put/Call Options:	[Not Applicable] [Put Option] [Call Option] [(see paragraphs [17] and [18] below)]
12.	[Date [Board] approval for issuance of OBG [and OBG Guarantee] [respectively]] obtained:	[●] [and [●], respectively] / [Not Applicable] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of OBG or related OBG Guarantee)*]
13.	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Rate[(s)] of Interest:	[●] per cent. per annum payable on each OBG Payment Date in arrear
	(ii)	OBG Payment Date(s):	[●] in each year [adjusted in accordance with [[Following Business Day Convention] / [FRN Convention, Floating Rate Convention or Eurodollar Convention] / [Modifiified Following Business Day Convention or Modified Business Day Convention] / [Preceding Business Day Convention] *(specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day")*]/not adjusted]
	(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(iv)	Broken Amount(s):	[●] per Calculation Amount, payable on the OBG Payment Date falling [in/on] [●] / [Not Applicable]
	(v)	Day Count Fraction:	[Actual/Actual (ICMA)/ Actual/Actual (ISDA)/ Actual/365 (Fixed)/ Actual/360/ 30/360/ 30E/360/ 30E/360 (ISDA)]
15.	**Floating Rate Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	OBG Interest Period(s):	[●]
	(ii)	Specified Period:	[●] / [Not Applicable]
	(iii)	OBG Payment Dates:	[●] / [Not Applicable]
	(iv)	First OBG Payment Date:	[●]

(v)	Business Day Convention:	[Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ No Adjustment]
(vi)	Additional Business Centre(s):	[Not Applicable/ [●]]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ ISDA Determination]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Paying Agent):	[●] / [Not Applicable]
(ix)	Screen Rate Determination:	
	• Reference Rate:	[●] *(For example, LIBOR or EURIBOR)*
	• Interest Determination Date(s):	[●]
	• Relevant Screen Page:	[●] *(For example, Reuters LIBOR 01/ EURIBOR 01)*
	• Relevant Time:	[●] *(For example, 11.00 a.m. London time/Brussels time)*
	• Relevant Financial Centre:	[●] *(For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)*
(x)	ISDA Determination:	
	• Floating Rate Option:	[●]
	• Designated Maturity:	[●]
	• Reset Date:	[●]
(xi)	Margin(s):	[+/-][●] per cent. per annum
(xii)	Minimum Rate of Interest:	[[●] per cent. per annum] / [Not Applicable]
(xiii)	Maximum Rate of Interest:	[[●] per cent. per annum] / [Not Applicable]

	(xiv)	Day Count Fraction:	[Actual/Actual (ICMA)/ Actual/Actual (ISDA)/ Actual/365 (Fixed)/ Actual/360/ 30/360/ 30E/360/ 30E/360 (ISDA)]
16.	**Zero Coupon Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Accrual Yield:	[•] per cent. per annum
	(ii)	Reference Price:	[•]
	(iii)	Day Count Fraction in relation to Condition [8(h) *(Early redemption of Zero Coupon OBG)*]:	[Actual/Actual (ICMA)/ Actual/Actual (ISDA)/ Actual/365 (Fixed)/ Actual/360/ 30/360/ 30E/360/ 30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

17.	**Call Option**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[•]
	(ii)	Optional Redemption Amount(s) of OBG and method, if any, of calculation of such amount(s):	[[•] per Calculation Amount] / [The principal amount of the OBG outstanding on the Optional Redemption Date]
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[[•] per Calculation Amount] / [Not Applicable]
		(b) Maximum Redemption Amount	[[•] per Calculation Amount] / [Not Applicable]
	(iv)	Notice period:	[•]

18.	**Put Option**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[•]
	(ii)	Optional Redemption Amount(s) of each OBG and method, if any, of calculation of such amount(s):	[•] per Calculation Amount
	(iii)	Notice period:	[•]
19.	**Final Redemption Amount of OBG**		[•] per Calculation Amount *(The Final Redemption Amount in respect of any Series of OBG other than Zero Coupon OBG shall be equal to the nominal amount of the relevant OBG)*
20.	**Early Redemption Amount (Tax)** *(Early redemption amount(s) per Calculation Amount payable on redemption for taxation reasons)*		[•] per Calculation Amount
21.	**Early Redemption Amount** *(Early redemption amount(s) per Calculation Amount payable on redemption following a Guarantor Event of Default)*		[•] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE OBG

22.	Additional Financial Centre(s):	[Not Applicable/[•]]
23.	Details relating to OBG for which principal is repayable in instalments: amount of each instalment, date on which each payment is to be made:	[Not Applicable/ The OBG shall be redeemed on each instalment date set out below in the instalment amounts set out below]

Instalment date	Instalment amount
[•]	[•]
[•]	[•]
Maturity Date	[All outstanding instalment amounts not previously redeemed]

[**Third party information**

[(*Relevant third party information*) has been extracted from (*specify source*). Each of the Issuer and the OBG Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.]]

Signed on behalf of UniCredit S.p.A.

By: _____
Duly authorised

Signed on behalf of UniCredit OBG S.r.l.

By: _____
Duly authorised

PART B - OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Listing	[Official List of the Luxembourg Stock Exchange/(*specify other*)/None]
(ii)	Admission to trading	[Application [is expected to be/has been] made by the Issuer (or on its behalf) for the OBG to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange/ [●] *(specify other regulated market)*] with effect from [●].] [Not Applicable.] [The [●] were admitted to trading on [the regulated market of the Luxembourg Stock Exchange/ [●] *(specify other regulated market)*] with effect from [●]] *(Where documenting a fungible issue, need to indicate that original OBG are already admitted to trading.)*
(iii)	Estimate of total expenses related to admission to trading	[●]

2. **RATINGS**

Ratings:	[Fitch: [●]] [[Other]: [●]]

[The credit ratings included or referred to in these Final Terms have been issued by Fitch, which is established in the European Union and is registered under Regulation (EC) No 1060/2009 on credit rating agencies as amended from time to time (the "**CRA Regulation**") as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the ESMA pursuant to the CRA Regulation (for more information please visit the ESMA webpage http://www.esma.europa.eu/page/List-registered-and-certified-CRAs)] / [have not been issued or endorsed by any credit rating agency which is established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies as amended from time to time].

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

["Save for any fees payable to the Dealer(s), so far as the Issuer is aware, no person involved in the offer of the OBG has an interest material to the offer. The Dealer(s) and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions, with, and may perform other services for, the Issuer and the OBG Guarantor and their respective affiliates in the ordinary course of business. *(amend as appropriate if there are other interests)*]

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

4. ***Fixed Rate OBG only* – YIELD**

Indication of yield: [●] / [Not applicable]

5. ***Floating Rate OBG only* - HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR/CMS/[●]] rates can be obtained from [Reuters/[●]].] / [Not Applicable]

6. **DISTRIBUTION**

(i) If syndicated, names of Managers:	[Not Applicable/[●]]
(ii) Stabilising Manager(s) (if any):	[Not Applicable/[●]]
If non-syndicated, name of Dealer:	[Not Applicable/[●]]
U.S. Selling Restrictions:	[Reg. S Compliance Category: TEFRA C/TEFRA D/TEFRA not applicable]
Date of Subscription Agreement:	[Not Applicable/[●]]

7. **OPERATIONAL INFORMATION**

ISIN Code:	[●]
Common Code:	[●]
Any Relevant Clearing System(s) other than Monte Titoli, Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/*give name(s), address and number(s)*]
Delivery:	Delivery [against/free of] payment
Names and Specified Offices of additional OBG Paying Agent(s) (if any), Calculation Agent(s), Listing Agent(s) or Representative of the OBG Holders (if any):	[●]
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes/No] [Note that the designation "yes" simply means that the OBG are intended upon issue to be held in a form which would allow Eurosystem eligibility (i.e. issued in dematerialised form (*emesse in forma dematerializzata*) and wholly and exclusively deposited with Monte Titoli in accordance with 83-*bis* of Italian legislative decree No. 58 of 24 February 1998, as amended, through the authorised institutions listed in Article 83-*quater* of such legislative decree) and does not necessarily mean that the OBG will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

TAXATION IN THE REPUBLIC OF ITALY

The following summary 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 OBG 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.

This summary is based upon the laws and/or practice in force as at the date of this Prospectus, which are subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis. This summary will not be updated to reflect changes in laws and if such a change occurs the information in this summary could become invalid.

*Law Decree No. 66 of 24 April 2014, as converted with amendments by Law 23 June 2014, No. 89 ("**Law No. 89**") has introduced new tax provisions amending certain aspects of the tax regime of the OBG as summarised below. In particular the Law No. 89 has increased from 20 per cent. to 26 per cent the rate of withholding and substitute taxes of interest accrued, and capital gains realised, as of 1 July 2014 on financial instruments (including the OBG) other than government bonds.*

Prospective purchasers of the OBG are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the OBG.

Italian Tax Treatment of the OBG – General

Legislative Decree No. 239 of 1 April 1996 ("**Decree. No. 239**") regulates the tax treatment of interest, premiums and other income (including the difference between the redemption amount and the issue price) from certain securities issued, inter alia, by Italian resident banks (hereinafter collectively referred to as "**Interest**"). The provisions of Decree No. 239 only apply to OBG issued by the Issuer which qualify as *obbligazioni* (bonds) or *titoli similari alle obbligazioni* (securities similar to bonds) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986.

Taxation of Interest

Italian Resident OBG holders

Pursuant to Decree No. 239, where the Italian resident holder of the OBG that qualify as *obbligazioni or titoli similari alle obbligazioni* who is the beneficial owner of such OBG, is (a) an individual holding OBG otherwise than in connection with entrepreneurial activity; (b) a partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership) or *de facto* partnership not carrying out commercial activities or professional association; (c) a private or public institution not carrying out mainly or exclusively commercial activities; or (d) an investor exempt from Italian corporate income taxation (unless the holders under (a), (b) and (c) have entrusted the management of his financial assets, including the OBG, to an authorised intermediary and have opted for the so-called *risparmio gestito* regime according to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997, as amended ("**Decree No. 461**" – the "**Asset Management Option**"), interest payments relating to the OBG are subject to a tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. either when Interest is paid or

when payment thereof is obtained by the holder on a sale of the OBG. All the above categories are qualified as "net recipients".

Where the resident holders of the OBG described above under (a) and (c) are engaged in an entrepreneurial activity to which the OBG are effectively connected, *imposta sostitutiva* applies as a provisional income tax and may be deducted from the taxation on income due.

Pursuant to Decree No. 239, the *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so called "SIMs"), fiduciary companies, *società di gestione del risparmio* (SGRs), stock brokers and other qualified entities resident in Italy, or by permanent establishments in Italy of banks or authorised intermediaries resident outside Italy ("**Intermediaries**" and each an "**Intermediary**"), that must intervene in any way in the collection of Interest or, also as transferees, in transfers or disposals of the OBG.

Where the OBG and the relevant coupons are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld:

(a) by any intermediary paying Interest to the OBG holders; or

(b) by the Issuer.

Payments of Interest in respect of OBG that qualify as *obbligazioni* or *titoli similari alle obbligazioni*, are not subject to the 26 per cent. *imposta sostitutiva* if made to beneficial owners who are: (i) Italian resident companies or similar commercial entities or permanent establishments in Italy of foreign companies to which the OBG are effectively connected; (ii) Italian collective investment funds, SICAFs ("*Società di investimento a capitale fisso*"), SICAVs, Italian pension funds referred to in Legislative Decree No. 252 of 5 December 2005 ("**Decree No. 252**"), Italian real estate investment funds and Italian real estate SICAFs to which the provisions of Law Decree No. 351 of 25 September 2001, as subsequently amended, apply ("**Real Estate SICAFs**"); and (iii) Italian resident individuals holding OBG not in connection with entrepreneurial activity or non-commercial partenerships or non-commercial private or public institution who have entrusted the management of their financial assets, including the OBG, to an authorised financial intermediary and have opted for the Asset Management Option. Such categories are qualified as "gross recipients".

To ensure payment of Interest in respect of the OBG without the application of the *imposta sostitutiva*, gross recipients indicated above under (i) to (iii) must (a) be the beneficial owners of payments of Interest on the OBG and (b) timely deposit the OBG together with the coupons relating to such OBG directly or indirectly with an Intermediary.

Where the OBG and the relevant coupons are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld:

(a) by any intermediary paying Interest to the OBG holder; or

(b) by the Issuer,

and gross recipients that are Italian resident companies or similar commercial entities or permanent establishments in Italy of foreign companies to which the OBG are effectively connected are entitled to deduct *imposta sostitutiva* suffered from income taxes due.

Interest accrued on the OBG would be included in the corporate taxable income (and in certain circumstances, depending on the "status" of the OBG holder, also in the net value of production for purposes of regional tax on productive activities – IRAP) of beneficial owners who are Italian resident companies or similar commercial entities or permanent establishments in Italy of foreign companies to which the OBG are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

Italian resident individuals holding OBG not in connection with entrepreneurial activity or non-commercial partnerships or non-commercial private or public institutions who have opted for the Asset Management Option are subject to a 26 per cent annual substitute tax (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each tax year. The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Italian collective investment funds, SICAFs and SICAVs ("**Italian Fund**") are not subject to *imposta sostitutiva* on the Interest and other proceeds accrued during the holding period on the OBG.

Italian pension funds subject to the regime provided by Article 17 Decree No. 252, as subsequently amended, are not subject to *imposta sostitutiva.* They are subject to a 20 per cent. annual substitute tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the OBG).

As of 1 January 2015, Italian pension funds benefit from a tax credit equal to 9% of the result of the relevant portfolio accrued at the end of the tax period, provided that such pension funds invest in certain medium long term financial assets as identified by the Ministerial Decree of 19 June 2015 published in the Official Gazette – general series No. 175, on 30 July 2015.

According to the current regime provided by Law Decree No. 351 dated 25 September 2001, converted with amendments by Law No. 410 of 23 November 2001 ("**Law Decree No. 351**") and Article 9 of Legislative Decree No. 44 of 4 March 2014, payment of interest in respect of OBG made to Italian real estate funds created under Article 37 of the Financial Services Act and Article 14-*bis* of Law No. 86 dated 25 January 1994 (the "**Real Estate Funds**") and Real Estate SICAFs are subject to neither *imposta sostitutiva* nor any other income tax in the hands of the Real Estate fund or the Real Estate SICAF.

Non-Italian resident OBG holders

According to Decree No. 239, payments of Interest in respect of OBG that qualify as *obbligazioni* or *titoli similari alle obbligazioni* will not be subject to the *imposta sostitutiva* at the rate of 26 per cent. provided that:

(a) the payments are made to non-Italian resident beneficial owners of the OBG with no permanent establishment in Italy to which the OBG are effectively connected;

(b) such beneficial owners are resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy (the "**White List States**") as currently listed in the Italian Ministerial Decree dated 4 September 1996, as amended from time to time, or in any other decree or regulation that will be issued in the future to provide the list of such countries,

including any country that will be deemed listed therein for the purpose of any interim rule; and

(c) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are timely met or complied with.

Decree No. 239 also provides for additional exemptions from the *imposta sostitutiva* for payments of Interest in respect of the OBG made to (i) international entities and organisations established in accordance with international agreements ratified in Italy; (ii) certain foreign institutional investors established in countries which allow for an adequate exchange of information with Italy; and (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

To ensure payment of Interest in respect of the OBG without the application of *imposta sostitutiva*, non-Italian resident investors indicated above must:

(a) be the beneficial owners of payments of Interest on the OBG;

(b) timely deposit the OBG together with the coupons relating to such OBG directly or indirectly with an Italian resident bank or SIM or a permanent establishment in Italy of a non-Italian bank or investment firm, or with a non-Italian resident operator participating in a centralised securities management system which is in contact via computer with the Ministry of Economy and Finance; and

(c) timely file with the relevant depository a self-assessment (*autocertificazione*) stating, *inter alia*, that he or she is resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information. Such self-assessment (*autocertificazione*) is valid until withdrawn or revoked and need not be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The self-assessment (*autocertificazione*) is not requested for non-Italian resident investors that are international entities and organisations established in accordance with international agreements ratified in Italy and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign state.

Failure of a non-resident OBG holder to timely comply with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interests payments to such non-resident OBG holder.

The *imposta sostitutiva* will be applicable to Interest accrued during the holding period when the OBG holders are resident, for fiscal purposes, in countries which do not allow for a satisfactory exchange of information with Italy or who do not comply with the above mentioned requirement. The *imposta sostitutiva* may be reduced or reduced to zero under certain applicable double tax treaties entered into by Italy, subject to timely filing of required documentation.

Atypical securities

Interest payments relating to OBG that are not deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) may be qualified as "*atypical securities*" and subject to a withholding tax, levied at the rate of 26 per cent.. For this

purpose, securities similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value.

Interest payments received by: (a) Italian resident companies or similar commercial entities or permanent establishments in Italy of foreign companies to which the OBG are effectively connected, (b) Italian resident commercial partnerships and (c) Italian resident individuals carrying out a commercial activity to which the OBG are connected, form part of their aggregate income subject to income tax in Italy according to ordinary rules. In these cases, the withholding tax applies as a provisional income tax and may be deducted from the taxation on income due. In certain cases, said Interest may also be included in the taxable net value of production for IRAP purposes.

In all other cases, including when the OBG holder is a non-Italian resident, the withholding tax is a final withholding tax. For non-Italian resident OBG holder, the withholding tax rate may be reduced by any applicable tax treaty.

Payments made by the OBG Guarantor

The Italian tax authorities have never expressed their view on the Italian tax regime applicable to payments on OBG made by an Italian resident guarantor in a ruling available to the public. Accordingly, there can be no assurance that the Italian tax authorities will not assert an alternative treatment of such payments than that set forth herein or that the Italian court would not support such an alternative treatment.

With respect to payments on the OBG made to certain Italian resident OBG holders by an Italian resident guarantor, in accordance with one interpretation of Italian tax law, any payment of liabilities equal to interest and other proceeds from the OBG may be subject to an advance withholding tax at a rate of 26 per cent. pursuant to Presidential Decree No. 600, as subsequently amended. Also in the case of payments to non-Italian resident, a final withholding tax may be applied at 26 per cent.

Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax.

In accordance with another interpretation, any such payment made by the Italian resident guarantor will be treated as a payment by the relevant Issuer and will thus be subject to the tax regime described in the previous paragraphs of this section.

Capital Gains

Italian resident OBG holders

Pursuant to Decree No. 461, a 26 per cent. capital gains tax (referred to as "*imposta sostitutiva*") is applicable to capital gains realised by Italian resident holder who is (i) an individual, not engaged in entrepreneurial activities to which the OBG are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, on any sale or transfer for consideration of the OBG or redemption thereof. In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the so called "tax declaration regime", which is the standard regime for taxation of capital gains realised by Italian resident holders under (i) to (iii) above, the 26 per cent. *imposta sostitutiva*

on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses realised by Italian resident individuals not engaged in entrepreneurial activities pursuant to investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and *imposta sostitutiva* must be paid on such capital gains by Italian resident individuals together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent fiscal year. Pursuant to Law No. 89, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

Alternatively to the tax declaration regime, holders of the OBG under (i) to (iii) above may elect to pay the 26% *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the OBG ("*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to (i) the OBG being deposited with banks, SIMs and any other Italian qualified intermediary (or permanent establishment in Italy of foreign intermediary) and (ii) an express election for the so-called *risparmio amministrato* regime being timely made in writing by the relevant holder of the OBG. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the OBG, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian fiscal authorities on behalf of the holder of the OBG, deducting a corresponding amount from proceeds to be credited to the holder of the OBG. Where a sale or transfer or redemption of the OBG results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the OBG within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Pursuant to Law No. 89, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014. Under the *risparmio amministrato* regime, the OBG holder is not required to declare capital gains in its annual tax declaration and remains anonymous.

Special rules apply if the OBG are part of a portfolio managed in a regime of Asset Management Option ("*risparmio gestito*" regime) by an Italian asset management company or an authorised intermediary. In that case, the capital gains realised upon sale, transfer or redemption of the OBG will not be subject to *imposta sostitutiva* on capital gains but will contribute to determine the taxable base of the Asset Management Tax applicable at the rate of 26 per cent.

In particular, under the Asset Management Option, any appreciation of the OBG, even if not realised, will contribute to determine the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio accrued at yearend may be carried forward against appreciation accrued in each of the following years up to the fourth. Pursuant to Law No. 89, depreciations of the managed assets may be carried forward to

be offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of: (i) 48.08 per cent. of the relevant depreciations in value registered before 1 January 2012; (ii) 76.92 per cent. of the depreciations in value registered from 1 January 2012 to 30 June 2014. Also under the Asset Management Option, the realised capital gain is not requested to be included in the annual income tax return of the OBG holder and the OBG holder remains anonymous.

The capital gains realised by an Italian Fund are not subject to *imposta sostitutiva* nor to any other income tax in the hands of the relevant Italian Fund.

Any capital gains accrued to OBG holders who are Italian pension funds subject to the regime provided by Article 17 of Decree No. 252, as subsequently amended will be included in the computation of the taxable basis of Pension Fund Tax.

As of 1 January 2015, Italian pension funds benefit from a tax credit equal to 9% of the result of the relevant portfolio accrued at the end of the tax period, provided that such pension funds invest in certain medium long term financial assets as identified by the Ministerial Decree of 19 June 2015 published in the Official Gazette – general series No. 175, on 30 July 2015.

The capital gains realised by Real Estate Funds and Real Estate SICAFs to which the provisions of Law Decree No. 351 apply are not subject to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Fund or the Real Estate SICAF.

Any capital gains realised by Italian resident individuals carrying out a commercial activity to which the OBG are connected or Italian resident companies or similar commercial entities or permanent establishments in Italy of non-Italian resident companies to which the OBG are connected, will be included in their business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant ordinary tax rules.

Non-Italian resident OBG holders

The 26 per cent. final "*imposta sostitutiva*" may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of the OBG by non-Italian resident persons or entities without a permanent establishment in the Republic of Italy to which the OBG are effectively connected, if the OBG are held in the Republic of Italy.

However, pursuant to Article 23 of Decree No. 917, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the OBG are effectively connected through the sale for consideration or redemption of the OBG are exempt from taxation in Italy to the extent that the OBG are listed on a regulated market in Italy or abroad, and in certain cases subject to timely filing of required documentation (in the form of a self-assessment (*autocertificazione*) of non-residence in Italy) with the Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the OBG are deposited, even if the OBG are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Where the OBG are not listed on a regulated market in Italy or abroad:

(a) pursuant to the provisions of Decree No. 461 non-Italian resident beneficial owners of the OBG with no permanent establishment in Italy to which the OBG are effectively connected are exempt from the *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the OBG if they are resident, for tax purposes, in a White List State. The same exemption applies in case the beneficial owners of the OBG are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors established in countries which allow for an adequate exchange of information with Italy; or (iii) Central Banks or entities which manage, inter alia, the official reserves of a foreign State; and

(b) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the OBG are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of OBG are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon sale for consideration or redemption of OBG.

Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the OBG are effectively connected hold OBG with an Italian authorised financial intermediary and elect for the Asset Management Option or are subject to the *risparmio amministrato* regime, in order to benefit from exemption from Italian taxation on capital gains such non-Italian residents may be required to file in time with the authorised financial intermediary appropriate documents, which include *inter alia*, a certificate of residence from the competent tax authorities of the country of residence of the non-Italian residents.

Inheritance and gift tax

Pursuant to Law Decree No. 262 of 3 October 2006, converted with amendments by Law No. 286 of 24 November 2006 effective from 29 November 2006, and Law No. 296 of 27 December 2006, the transfers of any valuable assets (including the OBG) as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

(a) 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding €1,000,000 (per beneficiary);

(b) 6 per cent. if the transfer if made to brothers and sisters; in this case, the transfer is subject to the tax on the value exceeding €100,000 (per beneficiary);

(c) 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree; and

(d) 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (a), (b), (c) and (d) on the value exceeding €1,500,000.

Transfer tax

According to Law Decree No. 248 of 31 December 2007, converted with amendments by Law No. 31 of 28 February 2008, transfer tax has been repealed.

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities may be subject to the registration tax as follows: a) public deeds and notarised deeds are subject to fixed tax at a rate of €200,00; and b) private deeds are subject to registration tax at a rate of €200,00 only in the case of use or voluntary registration.

Stamp duty

Pursuant to Article 13 of the tariff attached to Presidential Decree No. 642 of 26 October 1972 ("**Decree No. 642**"), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to a OBG holder in respect of any OBG which may be deposited with such financial intermediary. The stamp duty applies at a rate of 0.20 per cent.; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the OBG held. The stamp duty cannot exceed € 14.000.00 if the OBG holder is not an individual.

The stamp duty applies both to Italian resident and non-Italian resident OBG holders, to the extent that OBG are held with an Italian-based financial intermediary.

Wealth Tax on securities deposited abroad

According to the provisions set forth by Law No. 214 of 22 December 2011, as amended and supplemented, Italian resident individuals holding the OBG outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent. In this case, the abovementioned stamp duty provided for by Article 13 of the tariff attached to Decree No. 642 does not apply.

This tax is calculated on the market value of the OBG 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

According to the Law Decree No. 167 of 28 June 1990, converted with amendments by Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Presidential Decree No. 917 of 22 December 1986) resident in Italy for tax purposes, under certain conditions, are required to report for tax monitoring purposes in their yearly income tax the amount of investments (including the OBG) directly or indirectly held abroad.

The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to OBG deposited for management or administration with qualified Italian financial intermediaries, with respect to contracts entered into through their intervention, on the condition that the items of

income derived from the OBG have been subject to tax by the same intermediaries and with respect to foreign investments which are only composed by deposits and/or bank accounts when their aggregate value never exceeds a €15,000 threshold throughout the year.

European Savings Directive

On 3 June 2003, the Council of the European Union adopted the EU Directive No. 2003/48/EC regarding the taxation of savings income (the "**EU Savings Directive**"). According to the EU Savings Directive, each member State of the European Union (a "**Member State**") is required to provide to the Tax Authorities of other States of the European Union details of the interest payments by a person within its jurisdiction to individuals resident in that other State. However, Austria may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35% per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, including Switzerland and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent within its jurisdiction to, or collected by such a paying agent for an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a paying agent in a Member State to, or collected by such a paying agent for an individual resident or certain limited types of entity established in one of those territories.

The Council of the European Union formally adopted a Council Directive amending the EU Savings Directive on 24 March 2014 (the "**Amending Directive**"). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the EU Savings Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest.

However, the Commission of the European Union has proposed the repeal of the EU Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the EU Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive No. 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive No. 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the OBG Guarantor or any Paying Agent nor any other person would be

obliged to pay additional amounts with respect to any OBG as a result of the imposition of such withholding tax. The Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the EU Savings Directive.

Investors who are in any doubt as to their position should consult their professional advisers.

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April 2005 (the "**Decree No. 84**"). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid starting from 1 July 2005 (including the case of interest accrued on the Notes at the time of their disposal) to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State or in certain associated territories of Member States, Italian paying agents (i.e., banks, investment firms ("*società di intermediazione mobiliare – SIM*"), fiduciary companies, Italian management company ("*società di gestione del risparmio – SGR*") resident for tax purposes in Italy, permanent establishments in Italy of non-resident persons and any other economic operator resident for tax purposes in Italy paying interest for professional or commercial reasons) shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner. In certain circumstances, the same reporting requirements must be complied with also in respect of interest paid to an entity established in another Member State, other than legal persons (with the exception of certain Finnish and Swedish entities), whose profits are taxed under general arrangements for business taxation and, in certain circumstance, undertakings for collective investments in transferable securities ("**UCITS**").

Either payments of interest on the OBG or the realisation of the accrued interest through the sale of the OBG would constitute "payments of interest" under Article 6 of the EU Savings Directive and, as far as Italy is concerned, Article 2 of Decree No. 84. Accordingly, such payments of interest arising out of the OBG would fall within the scope of the EU Savings Directive.

LUXEMBOURG TAXATION

The following overview is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the OBG 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.

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 tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Taxation of the OBG holders

Withholding Tax

Under Luxembourg tax law currently in force and subject to certain exceptions (as described below), there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest).

In accordance with the law of 25 November 2014 (as amended and/or supplemented from time to time), Luxembourg elected out of the withholding tax system in favour of an automatic exchange of information under the Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**") as from 1 January 2015. Payments of interest or repayments of principal by Luxembourg paying agents to non resident individual OBG holders and to certain residual entities are thus no longer subject to any Luxembourg withholding tax.

In accordance with the law of 23 December 2005, as amended and/or supplemented from time to time (the "Law"), interest payments made by Luxembourg paying agents to Luxembourg individual residents and to certain residual entities are subject to a 10 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

Income Taxation

Non-resident OBG holders

Non-resident corporate OBG holders or non-resident individual OBG holders acting in the course of the management of a professional or business undertaking, who does not have a permanent

establishment or permanent representative in Luxembourg to which such OBG are attributable, are not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the OBG or on any gains realised upon the sale or disposal, in any form whatsoever, of the OBG.

Resident OBG holders

A resident corporate OBG Holder must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the OBG, in its taxable income for Luxembourg income tax assessment purposes. The same inclusion applies to an individual OBG Holder, acting in the course of the management of a professional or business undertaking.

An OBG Holder that is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, as amended, or by the law of 13 February 2007 on specialised investment funds, as amended, is neither subject to Luxembourg income tax in respect of interest accrued or received, redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the OBG.

A resident individual OBG Holder, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts, under the OBG, except if (i) withholding tax has been levied on such payments in accordance with the Law, or (ii) the individual OBG Holder has opted for the application of a 10 per cent. (self-applied) tax in full discharge of income tax in accordance with the Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State), or in a state that has entered into a treaty with Luxembourg relating to the EU Savings Directive. A gain realised by an individual OBG Holder, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of the OBG is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the OBG were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if withholding tax has been levied on such interest in accordance with the Law.

Net Wealth Taxation

A corporate OBG Holder, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which such OBG are attributable, is subject to Luxembourg wealth tax on these OBG, except if the OBG Holder is governed by (i) the law of 11 May 2007 on family estate management companies, as amended and/or supplemented from time to time, (ii) the law of 17 December 2010 on undertakings for collective investment, as amended and/or supplemented from time to time, (iii) the law of 13 February 2007 on specialised investment funds, as amended, (iv) the law of 22 March 2004 on securitisation, as amended and/or supplemented from time to time,or (v) the law of 15 June 2004 on venture capital vehicles, as amended and/or supplemented from time to time.

An individual OBG Holder, whether she/he is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such OBG.

Other Taxes

Neither the issuance nor the transfer of OBG will give rise to any Luxembourg stamp duty, value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties, unless the documents relating to the OBG are voluntarily registered in Luxembourg.

Where a OBG Holder is a resident of Luxembourg for tax purposes at the time of her/his death, the OBG are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of OBG if embodied in a Luxembourg deed or recorded in Luxembourg.

European Savings Directive

Under the Luxembourg laws dated 21 June 2005 implementing Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, as amended, (the "**EU Savings Directive**") and several agreements executed between Luxembourg and certain associated or dependant territories of the EU as amended by the Luxembourg law dated 25 November 2014 (the "**Laws**"), a Luxembourg paying agent (within the meaning of the EU Savings Directive) is required to provide the Luxembourg Tax Administration with information on payments of interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or a residual entity within the meaning of Article 4.2 of the EU Savings Directive (resident or established in a EU Member State other than Luxembourg, or in any of the associated territories).

The Luxembourg tax administration then automatically communicates such information to the competent authority of such EU Member State or associated territory.

On 24 March 2014, the Council of the European Union adopted a Council Directive which, *inter alia*, amends and broadens the scope of the EU Savings Directive to include notably (i) payments made through certain intermediate structures (whether or not established in a EU Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

The amended EU Savings Directive will have to be transposed by EU Member States before 1 January 2016.

On 9 December 2014, the Council of the European Union adopted Directive 2014/107/EU amending Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation. The adoption of the aforementioned Directive implements the OECD Common Reporting Standard and generalizes the automatic exchange of information within the EU as of 1 January 2016. The Savings Directive may be repealed in due course in order to avoid overlap with the amended Council Directive 2011/16/EU.

SUBSCRIPTION AND SALE

OBG may be sold from time to time by the Issuer to any one or more of the Dealer(s). The arrangements under which any Series or Tranche of OBG may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealer(s) are set out in a dealer agreement dated 19 January 2012, as amended from time to time, (the "**Dealer Agreement**") and entered into between the Issuer, the OBG Guarantor and the Initial Dealer. The Dealer Agreement also contains a *pro forma* subscription agreement to be entered into in relation to OBG issued on a syndicated basis. On or prior to the relevant Issue Date, the Issuer, the Dealer(s) who are parties to such subscription agreement (the "**Relevant Dealers**") and the Representative of the OBG Holders will enter into a subscription agreement (each a "**Subscription Agreement**"), under which the Relevant Dealers will agree to subscribe for the relevant Series or Tranche of OBG, subject to the conditions set out therein. The relevant Subscription Agreement together with the Dealer Agreement will, *inter alia*, make provision for the terms and conditions of the relevant Series or Tranche of OBG, the price at which such Series or Tranche of OBG will be purchased by the Relevant Dealers and the commissions or other agreed deductibles (if any) payable by the Issuer in respect of such purchase.

The Dealer(s) and their affiliates have engaged, an may in the future engage, in investment banking and/or commercial banking transactions, with, and may perform other services for, the Issuer and the OBG Guarantor and their respective affiliates in the ordinary course of business.

The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealer(s) and for the appointment of additional or other Dealer(s) either generally in respect of the Programme or in relation to a particular Series of OBG.

United States of America: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

The OBG have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The OBG 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 certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986, as amended and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver OBG of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of such Series of OBG, as certified to the Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of OBG to or through more than one Dealer, by each of such Dealers as to the OBG of such Tranche purchased by or through it, in which case the Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells OBG during the distribution compliance period relating thereto a confirmation or other notice

setting forth the restrictions on offers and sales of the OBG within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of OBG comprising any Tranche, any offer or sale of OBG within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of OBG which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such OBG to the public in that Relevant Member State:

(a) at any time to a legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of OBG referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of OBG to the public" in relation to any OBG 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 OBG to be offered so as to enable an investor to decide to purchase or subscribe the OBG, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented, warranted and agreed that:

(a) *general compliance*: it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") with respect to anything done by it in relation to the OBG in, from or otherwise involving the United Kingdom; and

(b) *financial promotion:* it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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 or sale of the OBG in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the OBG Guarantor.

Republic of Italy

The offering of the OBG has not been registered pursuant to Italian securities legislation and, accordingly, no OBG may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the OBG be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the OBG or distribution of copies of this Prospectus or any other document relating to the OBG in the Republic of Italy under (a) or (b) 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 Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Italian Banking Act**"); and

(b) in compliance with Article 129 of the Italian Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

Japan

The OBG have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Law of Japan**") and, accordingly, each Dealer has undertaken that it will not offer or sell any OBG directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial

Instruments and Exchange Law and other relevant laws and regulations of Japan. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers OBG or possesses, distributes or publishes this Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver OBG or possess, distribute or publish this Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in a supplement to this Prospectus.

GENERAL INFORMATION

Listing, admission to trading and minimum denomination

Application has been made for the OBG issued under the Programme to be admitted to the official list and be traded on the regulated market of the Luxembourg Stock Exchange.

OBG may be listed on such other stock exchange as the Issuer and the Relevant Dealer(s) may agree, as specified in the relevant Final Terms, or may be issued on an unlisted basis.

The OBG will not have a denomination of less than €100,000.

Authorisations

The establishment of the Programme was authorised by a resolution of the Board of Directors of the Issuer on 16 December 2011. The publication of this Prospectus was authorised by a resolution of the Board of Directors of the Issuer on 11 February 2015.

The granting of the OBG Guarantee was authorised by a resolution of the quotaholders' meeting of the OBG Guarantor on 11 January 2012.

The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the OBG.

Clearing of the OBG

The OBG will be issued in bearer and in dematerialised form and held on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders (including Euroclear and Clearstream). The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant OBG for clearance together with any further appropriate information.

Common codes and ISIN numbers

The appropriate common code and the International Securities Identification Number in relation to the OBG of each Series will be specified in the relevant Final Terms relating thereto.

The Representative of the OBG Holders

Pursuant to the provisions of the Conditions and the Rules of Organisation of the OBG Holders, there shall be at all times a Representative of the OBG Holders appointed to act in the interest and behalf of the OBG Holders. The initial Representative of OBG Holders shall be Securitisation Services S.p.A. Securitisation Services S.p.A. shall be appointed by the Dealers in accordance with the Dealer Agreement and the relevant Subscription Agreements.

No material litigation

Save as described in the section "*Description of the Issuer – Legal and Arbitration Proceedings*", in the December 2014 Financial Statements on pages 438 to 444 and in the June 2015 Financial Statements on pages 253 to 259, during the twelve months preceding the date of this Prospectus, according to the information available at present, there have been no governmental, legal or arbitration proceedings, nor is the Issuer or the OBG Guarantor aware of any pending or threatened

proceedings of such kind, which have had or may have material effects on the Issuer's or the OBG Guarantor's financial position or profitability.

No material adverse change

There has been no significant change in the financial and trading position or in the prospects of the OBG Guarantor, since 31 December 2014 and there has been no material adverse change in the prospects of the OBG Guarantor since 31 December 2014.

There has been no significant change in the financial position of the Issuer and the Group since 30 June 2015 and there has been no material adverse change in the prospects of the Issuer and the Group since 31 December 2014.

Luxembourg Listing Agent

The Issuer has undertaken to maintain a listing agent in Luxembourg so long as OBG are listed on the Luxembourg Stock Exchange.

Documents available for inspection

For so long as the Programme remains in effect or any OBG shall be outstanding and listed on the Luxembourg Stock Exchange, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the registered office of the Issuer and the Representative of the OBG Holders, namely:

(i) the Transaction Documents (including the OBG Guarantee);

(ii) Issuer's memorandum of association (*Atto Costitutivo*) and by-laws (*Statuto*) as of the date hereof;

(iii) OBG Guarantor's memorandum of association (*Atto Costitutivo*) and by-laws (*Statuto*) as of the date hereof;

(iv) Issuer's unaudited consolidated Interim Report as at 30 June 2015;

(v) audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2014;

(vi) audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2013;

(vii) audited financial statements of the OBG Guarantor (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2014;

(viii) audited financial statements of the OBG Guarantor (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2013;

(ix) a copy of this Prospectus together with any supplement thereto, if any, or further Prospectus;

(x) any reports, letters, balance sheets, valuations and statements of experts included or referred to in the Prospectus (other than consent letters);

(xi) any Final Terms relating to OBG which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. In the case of any OBG which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant OBG Holders;

(xii) any document incorporated by reference.

The documents mentioned under (i) to (xii) (with the exception of (x)) may be inspected during normal business hours at the Specified Office of the Luxembourg Listing Agent.

Copies of all such documents shall also be available to OBG Holders at the Specified Office of the Representative of the OBG Holders.

Financial statements available

For so long as the Programme remains in effect or any OBG listed on the Luxembourg Stock Exchange shall be outstanding, copies and, where appropriate, English translations of the most recent publicly available (i) financial statements and consolidated financial statements of the Issuer and (ii) financial statements of the OBG Guarantor may be obtained during normal business hours at the specified office of the Luxembourg Listing Agent.

The external auditors have given, and have not withdrawn, their consent to the inclusion of their report on the accounts of the Issuer in this Prospectus in the form and context in which it is included.

Publication on the Internet

This Prospectus, any supplement thereto and, in respect of listed OBG only, the Final Terms will be available on the internet site of the Luxembourg Stock Exchange, at www.bourse.lu.

Auditors

Deloitte & Touche S.p.A., a company incorporated under the laws of Italy, enrolled with the Companies' Register of Milan under number 03049560166 and registered with the Register of Statutory Auditors (*Registro dei Revisori Legali*) maintained by Minister of Economy and Finance effective from 7 June 2004 with registration number no: 132587, having its registered office at via Tortona 25, 20144 Milan, Italy, ("**Deloitte**") are the current auditors of the Issuer and the OBG Guarantor. Deloitte is also a member of Assirevi – Associazione Italiana Revisori Contabili, the Italian association of auditing firms.

Deloitte audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer and on the financial statements of the OBG Guarantor for the years ended, respectively, on 31 December 2013 and 31 December 2014.

Deloitte has reviewed and issued an unqualified review report on the unaudited consolidated financial statements of the Issuer as of and for the six-month period ended on 30 June 2015.

INDEX OF DEFINED TERMS

THE ISSUER, SERVICER, SELLER AND ACCOUNT BANK

UniCredit S.p.A.
Via A. Specchi, 16
00186 Rome
Italy

REPRESENTATIVE OF THE OBG HOLDERS

Securitisation Services S.p.A.
Via Alfieri 1
31015 Conegliano, Treviso
Italy

CALCULATION AGENT

UniCredit Bank AG, London Branch
Moor House
120 London Wall
London, EC2Y 5ET
United Kingdom

ADDITIONAL CALCULATION AGENT

Capital and Funding Solutions S.r.l.
Via Conti Albani, 16
I-24061 Albano Sant'Alessandro (BG)
Italy

PAYING AGENT

BNP Paribas Securities Services, Milan Branch
via Ansperto, 5
20123 Milan
Italy

SOLE ARRANGER

UniCredit Bank AG, London Branch
Moor House
120 London Wall
London, EC2Y 5ET
United Kingdom

DEALER

UniCredit Bank AG
Kardinal-Faulhaber-Strasse 1
D-80333 Munich
Federal Republic of Germany

LUXEMBOURG LISTING AGENT

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33, rue de Gasperich
Hesperange, L – 2085
Luxembourg

LEGAL ADVISERS

To the Sole Arranger and Dealer

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00187 – Roma
Italy

To the Issuer

Studio Legale Associato in association with Linklaters LLP
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20121 – Milan
Italy