

FINAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II Product Governance / Professional investors and ECPs only target market - Solely for the purposes of each of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the “SFA”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and “Excluded Investment Products” (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Final Terms dated March 26, 2019

UNICREDIT S.p.A. US\$1,250,000,000 7.296% Fixed Rate Tier II Subordinated Callable Notes due 2034

Issue through Citibank, N.A. of Global Receipts (the “**Global Receipts**”)

Representing beneficial interests in Rule 144A Notes (the “**Rule 144A Notes**”)

Issue of Reg S Notes (the “**Reg S Notes**” and, together with the Rule 144A Notes, the “**Notes**”)

**under the US\$ 30,000,000,000
Medium Term Note Program**

PART A CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the offering memorandum dated March 25, 2019 (the “**Offering Memorandum**”). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with such Offering Memorandum. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Memorandum. The Offering Memorandum is available for viewing at the registered office of the Issuer at Piazza Gae Aulenti 3 - Tower A, 20154 Milano, Italy.

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| 1. | Notes Issuer: | UniCredit S.p.A. |
| 2. | Receipt Issuer: | Citibank, N.A. |
| 3. | (i) Series Number: | 7 |
| | (ii) Tranche Number: (If fungible with an existing Series, details of that Series, | 1 |

	including the date on which the Notes become fungible).	
4.	Specified Currency:	US Dollar
5.	Aggregate Nominal Amount:	
	(i) Series:	US\$1,250,000,000
	(ii) Tranche:	US\$1,250,000,000
6.	Issue Price:	100.000 per cent. of the Aggregate Nominal Amount
7.	(i) Specified Denominations:	US\$200,000 and integral multiples of US\$1,000
	(ii) Calculation Amount:	US\$1,000
8.	(i) Issue Date:	April 2, 2019
	<p>We expect that delivery of the Notes will be on or about April 2, 2019, which will be five business days (as such term is used for purposes of Rule 15c6-1 of the U.S. Exchange Act) following the date of pricing of the Notes (this settlement cycle is being referred to as “T+5”). Under Rule 15c6-1 of the U.S. Exchange Act, trades in the secondary market generally are required to settle in two business days unless the parties to any such trade expressly agree otherwise.</p> <p>Accordingly, purchasers who wish to trade Notes prior to the delivery of the Notes will be required, by virtue of the fact that the Notes will initially settle in T+5, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes prior to their date of delivery should consult their advisors.</p>	
	(ii) Interest Commencement Date (if different from the Issue Date):	Issue Date
	(iii) Pricing Date:	March 26, 2019
	(iv) Settlement Date (T+5):	April 2, 2019
9.	Business Days:	A day on which commercial banks and foreign exchange markets settle payments and are open for general business in London, Milan and New York
10.	Regular Record Date:	The fourth Business Day prior to the relevant Interest Payment Date
11.	Maturity Date:	April 2, 2034
12.	First Call Date:	April 2, 2029
13.	Interest Basis:	Fixed Rate (single reset) (further particulars specified below)
14.	Redemption/Payment Basis:	Redemption at par
15.	Change of Interest or Redemption/Payment Basis:	See paragraph 18
16.	Call Options:	Issuer Call Regulatory Call
17.	(i) Status of the Notes:	Subordinated Notes
	(ii) Date of Board approval for issuance of Notes:	December 13, 2018

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

18.	Fixed Rate Note Provisions	Applicable
	(i) Rate(s) of Interest:	For the period from and including the Issue Date to but excluding the First Call Date, 7.296 per cent. per annum (the " Initial Rate of Interest ") payable in arrear on each Interest Payment Date. For the period from and including the First Call Date to but excluding the Maturity Date, a fixed rate per annum (the " Reset Rate of Interest ") payable in arrear on each Interest Payment Date equal to the sum of (i) the Reset Reference Rate at 11:00 a.m. New York Time on second Business Day prior to the First Call Date and (ii) 4.914 per cent. per annum.
	• Reset Reference Rate:	The prevailing mid-swap rate for US Dollar swap transactions with a maturity of five years, as displayed on Bloomberg screen "USISDA05 Index"
	• Reset Reference Rate Replacement:	Applicable
	(ii) Interest Payment Date(s):	April 2 and October 2 in each year, commencing on October 2, 2019 to and including the Maturity Date
	(iii) Business Day Convention:	Following Business Day Convention, unadjusted
	(iv) Fixed Coupon Amount(s)	US\$36.48 per Calculation Amount payable in respect of each Fixed Interest Period in the period from and including the Issue Date to but excluding the First Call Date. From (and including) the First Call Date and up to (but excluding) the Maturity Date, the Fixed Coupon Amount shall be calculated in respect of any Fixed Interest Period by applying the Reset Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest US Dollar cent, half a US Dollar cent being rounded upwards or otherwise in accordance with applicable market convention.
	(v) Day Count Fraction:	30/360
	(vi) Broken Amount(s):	Not Applicable
	(vii) Determination Date(s):	Not Applicable
	(viii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
19.	Floating Rate Note Provisions	Not Applicable
20.	Zero Coupon Note Provisions	Not Applicable
21.	Index-Linked Interest Note Provisions	Not Applicable
22.	Inflation-Linked Interest Note Provisions	Not Applicable
23.	Change of Interest Basis Provisions	See paragraph 18
24.	Zero Coupon Note Provisions	Not Applicable
25.	Dual Currency Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

26.	Notice periods for Condition 10.3, Condition 10.5 and Condition 10.6:	Minimum period: 5 days
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		Maximum period: 90 days
27.	Issuer Call	Applicable
	(i) Optional Redemption Date(s) (Call):	April 2, 2029
	(ii) Optional Redemption Amount(s):	US\$1,000 per Calculation Amount
	(iii) Reference Bond:	Not Applicable
	(iv) Quotation Time:	Not Applicable
	(v) Redemption Margin:	Not Applicable
	(vi) If redeemable in part:	
	(A) Minimum Redemption Amount:	Not Applicable
	(B) Maximum Redemption Amount:	Not Applicable
	(vii) Notice period:	Minimum period: 5 days Maximum period: 90 days
28.	Regulatory Call	Applicable
29.	Issuer Call due to a MREL or TLAC Disqualification Event	Not Applicable
30.	Final Redemption Amount	Not Applicable
31.	Early Redemption Amount	US\$1,000 per Calculation Amount
	Early Redemption Amount payable on redemption:	See also paragraph 28 (<i>Regulatory Call</i>)
	(i) for taxation reasons (subject, in the case of Senior Notes and Non-Preferred Senior Notes issued in accordance with MREL or TLAC Requirements, to the provisions of Condition 10.14 (<i>Conditions to Redemption and Purchase of Senior Notes and Non-Preferred Senior Notes Issued in Accordance With MREL or TLAC Requirements</i>), and in the case of Subordinated Notes and Additional Tier 1 Notes, to the provisions of Condition 10.13 (<i>Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes</i>)) as contemplated by Condition 10.3;	
	(ii) for regulatory reasons (in the case of Subordinated Notes and Additional Tier 1 Notes only and subject to the provisions of Condition 10.13 (<i>Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes</i>)) as contemplated by Condition 10.4;	
	(iii) for MREL or TLAC Disqualification Event ((subject to the provisions of Condition 10.14 (<i>Conditions to Redemption and Purchase of Senior Notes and Non-Preferred Senior Notes Issued in Accordance With MREL or TLAC Requirements</i>)) as contemplated by Condition 10.6; or	
	(iv) on event of default,	
	and/or the method of calculating the same (if required or if different from that set out in Condition 10.7 (<i>Early Redemption Amounts</i>);	

GENERAL PROVISIONS APPLICABLE TO THE NOTES

32.	Form of Notes:	Registered Global Notes
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33.	Additional Financial Center(s) or other special provisions relating to Payment Dates:	TARGET2, London and New York
34.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
35.	Other terms or special conditions:	Not Applicable
DISTRIBUTION		
36.	(i) Names of Managers:	Barclays Capital Inc. BNP Paribas Securities Corp. Citigroup Global Markets Inc. J.P. Morgan Securities LLC Merrill Lynch, Pierce, Fenner & Smith Incorporated Morgan Stanley & Co. LLC UniCredit Bank AG
	(ii) Stabilizing Manager(s) (if any):	Not Applicable
37.	If non syndicated, name of Dealer:	Not Applicable
	U.S. selling restrictions:	Rule 144A Regulation S
	Additional selling restrictions:	As set forth in the Offering Memorandum dated March 25, 2019
38.	Prohibition of Sales to EEA Retail Investors:	Applicable
39.	EU Benchmark Regulation:	Applicable: Amounts payable under the Notes are calculated by reference to the Reset Reference Rate, which is provided by ICE Benchmark Administration Limited.
	EU Benchmark Regulation: Article 29(2) statement on benchmarks:	As at the date of these Final Terms, ICE Benchmark Administration Limited is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (ESMA) pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the BMR).

U.S. Federal Income Tax Treatment of the Notes

As further discussed in the Offering Memorandum (see “Taxation—Certain U.S. federal income tax consequences”), the Notes are unsecured and subordinated and therefore there is an increased risk that the Notes will be treated as equity for U.S. federal income tax purposes. To the extent required to take a position for U.S. federal income tax reporting purposes, the Issuer intends to treat the Notes issued hereby as debt for U.S. federal income tax purposes. In addition, although the matter is not free from doubt, to the extent required to take a position for U.S. federal income tax reporting purposes, the Issuer intends to treat the Notes issued hereby as variable rate debt instruments ("VRDI") and not as contingent payment debt instruments for U.S. federal income tax purposes.

The Issuer has not yet determined if the Notes will be treated as issued with original issue discount for U.S. federal income tax purposes (“OID”). If the Notes are treated as issued with OID, the issue price, the amount of OID, the issue date and the yield to maturity may be obtained by contacting UniCredit S.p.A., attn: Group Strategic Funding & Ratings, at fax, +39 02 88 621 or e-mail: uci.mtn@unicredit.eu.

For a further discussion of the U.S. federal income tax consequences of investing in the Notes, see “Taxation—Certain U.S. federal income tax consequences” in the Offering Memorandum. Persons considering an investment in the Notes should consult their own tax advisors regarding the potential consequences to them of an investment in the Notes, including the tax consequences that could result if the Notes are treated as equity for U.S. federal income tax purposes or are treated as contingent payment debt instruments for U.S. federal income tax purposes.

RESPONSIBILITY

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

SIGNED on behalf of the Issuer:

By: //Signed//
Duly authorized

PART B OTHER INFORMATION

1. Listing and admission to trading

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|-------|---|----------------|
| (i) | Listing: | Not Applicable |
| (ii) | Admission to trading: | Not Applicable |
| (iii) | Estimate of total expenses related to admission to trading: | Not Applicable |

2. Ratings

The Notes to be issued are expected to be rated:
S&P: BB+
Moody's: Ba1
Fitch: BBB-

3. Interests of natural and legal persons involved in the issue

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Managers 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 its affiliates in the ordinary course of business.

4. Reasons for the offer, estimated net proceeds and total expenses

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|------|-------------------------|---|
| (i) | Reasons for the offer: | UniCredit S.p.A. intends to use the proceeds from this offering for general funding purposes. |
| (ii) | Estimated net proceeds: | US\$1,242,500,000 |

5. Yield

7.296% per annum until the First Call Date

Indication of yield:

The yield is calculated on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price until the First Call Date. It is not an indication of future yield. Since the Rate of Interest will be reset at the First Call Date (unless the Issuer Call is exercised), an indication of yield up to the Maturity Date cannot be given.

6. Historic interest rates

Not Applicable

7. Performance of index/formula/other variable, explanation of effect on value of investment and associated risks and other information concerning the underlying

Not Applicable

8. Performance of rate of exchange and explanation of effect on value of investment

Not Applicable

9. Operational information

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| US ISIN Code for X Global Receipts:
(Italian Substitute Tax Exempt, subject to Appendix B) | US904678AQ20 |
| US ISIN Code for N Global Receipts:
(Subject to Italian Substitute Tax) | US904678AR03 |
| IT ISIN Code for X Global Notes:
(Italian Substitute Tax Exempt, subject to Appendix B) | IT0005367468 |

IT ISIN Code for N Global Notes: (Subject to Italian Substitute Tax)	IT0005367450
CUSIP for X Global Receipts: (Italian Substitute Tax Exempt, subject to Appendix B)	904678 AQ2
CUSIP for N Global Receipts: (Subject to Italian Substitute Tax)	904678 AR0
ISIN Code for Reg S Notes:	XS1972731787
Common Code for Reg S Notes:	197273178
Settlement:	<ul style="list-style-type: none"> • The Depository Trust Company (X Global Receipts and N Global Receipts) • Monte Titoli S.p.A. (X Global Notes and N Global Notes) • Euroclear Bank S.A./N.V. and Clearstream Banking, Luxembourg (Reg S Notes)
Any clearing system(s) other than Monte Titoli, The Depository Trust Company, Euroclear and Clearstream and the relevant identification numbers):	Not Applicable
Delivery:	<p>Rule 144A Notes: Delivery free of payment</p> <p>Reg S Notes: Delivery versus payment</p>
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable

10. **Further information relating to the Issuer**

Further information relating to the Issuer is set out below, pursuant to Article 2414 of the Italian Civil Code.

Objects:	<p>The objects of the Issuer, as set out in Article 4 of its by laws, are the collection of savings and the carrying out of all forms of lending activities, through its subsidiaries or otherwise. The Issuer may, in compliance with regulations in force and subject to obtaining any prior authorizations required, perform all banking and financial services and transactions, including the creation and management of open and closed end supplementary pension schemes, as well as any other transaction necessary for, or incidental to, the achievement of its corporate purpose, through its subsidiaries or otherwise.</p> <p>As parent company of the UniCredit banking group, pursuant to Article 61 of Legislative Decree No. 385 of September 1, 1993, the Issuer, in its direction and coordination capacity, issues instructions to Group companies, including those for the purposes of implementing the Bank of Italy's regulations and of ensuring the stability of the Group.</p> <p>The Issuer performs the role of parent company of a financial conglomerate, pursuant to Article 3 of Legislative Decree No. 142 of May 30, 2005.</p>
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Registered office:	Piazza Gae Aulenti 3 – Tower A, 20154 Milano, Italy
Issuer registration:	Registered at the Companies' Registry of the Chamber of Commerce of Milan, Italy under registration no. 00348170101.
Amount of paid-up share capital and reserves:	Paid-up share capital: € 20,940,398,467 Reserves (consolidated): 20,502,728 (€ '000) as of December 31, 2018

This communication is intended for the sole use of the person to whom it is provided by the sender.

This notice shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the Notes or the Receipts in any state or jurisdiction in which such offer, solicitation or sale would be unlawful. The Notes and the Receipts have not been registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may only be sold (i) within the United States to qualified institutional buyers, as defined under Rule 144A of the Securities Act, in transactions exempt from registration under the Securities Act and (ii) outside the United States in accordance with Regulation S of the Securities Act or pursuant to another applicable exemption from registration.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

ANY DISCLAIMERS OR OTHER NOTICES THAT MAY APPEAR BELOW ARE NOT APPLICABLE TO THIS COMMUNICATION AND SHOULD BE DISREGARDED. SUCH DISCLAIMERS OR OTHER NOTICES WERE AUTOMATICALLY GENERATED AS A RESULT OF THIS COMMUNICATION BEING SENT VIA BLOOMBERG OR OTHER EMAIL SYSTEM.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions of the Notes which, as supplemented, amended and/or replaced by the applicable Final Terms, will be endorsed on each Note issued under the Program. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Notes in definitive form to the extent described in the Indenture.

UniCredit S.p.A. (the "**Issuer**") has established a Medium-Term Note Program (the "**Program**") for the issue of up to U.S.\$30,000,000,000 in aggregate principal amount of the following notes to be issued in one or more Series and to be offered and sold without registration under the Securities Act:

- notes of the Issuer to be offered and sold exclusively to investors reasonably believed to be QIBs, in transactions exempt from registration under the Securities Act (the "**Rule 144A Notes**"); and
- notes of the Issuer to be offered and sold to investors outside the United States in reliance on Regulation S of the Securities Act (the "**Reg S Notes**" and together with the Rule 144A Notes, the "**Notes**").

Notes issued under the Program are issued in series (each a "**Series**") of Notes. Each Series is the subject of final terms (the "**Final Terms**") which supplement these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Series of Notes are these Conditions as modified and/or supplemented by the Final Terms applicable to such Series as any of the same may, from time to time, be modified in accordance with the Indenture (as defined below). In the event of any inconsistency between these Conditions and the applicable Final Terms, the applicable Final Terms shall prevail.

The Notes are subject to, and have the benefit of, an amended and restated Indenture dated as of November 26, 2018 as supplemented by the Supplemental Indenture dated as of March 25 2019 (as further modified, supplemented or restated, the "**Indenture**") between the Issuer, and Citibank, N.A., London Branch, as trustee (the "**Trustee**", which expression shall include all Persons for the time being the trustee or trustees appointed under the Indenture) issuing agent, Paying Agent, transfer agent and Note Registrar.

All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the applicable Final Terms and which may be Senior Notes, Non-Preferred Senior Notes, Subordinated Notes or Additional Tier 1 Notes. Copies of the applicable Final Terms are available for inspection and obtainable free of charge by the public during normal business hours at the Corporate Trust Office of the Trustee or the Note Registrar.

The Holders and Beneficial Owners of the Notes, by accepting delivery thereof, acknowledge and agree that Italian Substitute Tax will be withheld from any payment of interest and other income arising in respect of the Notes to any investor that is not, or ceases to be, eligible to receive interest free of Italian Substitute Tax in respect of the Notes (including, in the case of investors in the Rule 144A Notes, if the Tax Certification Procedures prove to be ineffective or incorrect) or in respect of any investor in the Rule 144A Notes or its DTC Participant who fails to comply with the Tax Certification Procedures. The Issuer will not pay any additional amounts in respect of any such withholding. Investors in the Regulation S Notes will not be required to comply with the Tax Certification Procedures, although Euroclear or Clearstream

will require such investors to comply with certain procedures to be eligible to receive interest free of Italian Substitute Tax in respect of the Regulation S Notes.

Certain provisions of these Conditions are summaries of the Indenture and are subject to its detailed provisions. Holders are bound by, and are deemed to have notice of all the provisions of the Indenture applicable to them. Copies of the Indenture are available for inspection by Holders during normal business hours at the Corporate Trust Office of the Trustee.

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In these Conditions the following expressions have the following meanings:

"Acupay" means Acupay System LLC, provided that if Acupay is succeeded or replaced as tax compliance agent under the terms of the TCA Agreement, references to Acupay in these Conditions and the Indenture shall be deemed to refer to such successor tax compliance agent.

"Additional Disruption Event" means any Change of Law, Hedging Disruption and/or Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

"Additional Tier 1 Capital" has the meaning given to such term (or any other equivalent or successor term) in the Relevant Regulations.

"Additional Tier 1 Notes" means Notes specified in the applicable Final Terms as being subordinated and intended to qualify as Additional Tier 1 Capital.

"Additional Business Center" means the Additional Business Center specified in the applicable Final Terms.

"Adjustment Spread" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the relevant Independent Adviser or the Issuer (as applicable) determines is required to be applied to a Successor Reference Rate or an Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to the Noteholders as a result of the replacement of the Reference Rate or the Reset Reference Rate with such Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which: (i) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Reference Rate or the Reset Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or (ii) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate or the Reset Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable); or (iii) if no such customary market usage is recognised or acknowledged, the relevant Independent Adviser or

the Issuer (as applicable) in its discretion determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

"Alternative Reference Rate" means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines has replaced the Reference Rate or the Reset Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Periods, or, if such Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the Reference Rate or the Reset Reference Rate.

"Approved Reorganization" means a solvent and voluntary reorganization involving, alone or with others, the Issuer and whether by way of consolidation, amalgamation, merger, transfer of all or part of any business or assets, or otherwise, provided that the principal resulting, surviving or transferee entity which is a banking company effectively assumes all the obligations of the Issuer under, or in respect of, the Notes.

"Bail-in Power" means any statutory write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements, whether relating to the resolution or independent of any resolution action, of credit institutions, investment firms and/or Group Entities incorporated in the relevant Member State in effect and applicable in the relevant Member State to the Issuer or other Group Entities, including (but not limited to) any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of any European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a relevant Member State resolution regime or otherwise, pursuant to which liabilities of a credit institution, investment firm and/or any Group Entities can be reduced, cancelled and/or converted into shares or obligations of the obligor or any other person.

"Base Level" means, in respect of an Inflation Index, the level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined.

"Beneficial Owner" means any Person owning any beneficial interest in the Notes or the Receipts (other than the Receipt Issuer), it being understood that the term "Beneficial Owner" shall not include any agent or financial intermediary holding an interest in the Notes (or the Receipts if so indicated in context) solely to the extent such interest is held for or on behalf of any Beneficial Owner.

"BRRD" means Directive 2014/59/EU of the European Parliament and of the Council of May 15, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time.

"Calculation Agent" means the entity designated for such purpose and specified in the applicable Final Terms.

"Calculation Amount" has the meaning given to such term in the applicable Final Terms.

"Change of Law" means that, on or after the Issue Date (as specified in the applicable Final Terms): (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in its discretion that (i) it has become illegal to hold, acquire or dispose of any relevant hedging arrangements in respect of the Inflation Index, or (ii) any Hedging Party will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer, any of its affiliates or any other Hedging Party).

"Clearstream" means Clearstream Banking S.A.

"Common Depositary" means a common depositary of Euroclear and Clearstream, their respective nominees and their respective successors.

"Common Equity Tier 1 Capital", at any time, has the meaning given to such term (or any other equivalent or successor term) in the Relevant Regulations.

"Common Equity Tier 1 Capital Ratio" means, at any time, the ratio of the Common Equity Tier 1 Capital of the Issuer or the UniCredit Group, as the case may be, divided by the Risk Weighted Assets of the Issuer or the UniCredit Group (as applicable) at such time, calculated by the Issuer or the Competent Authority in accordance with the Relevant Regulations.

"Competent Authority" means the European Central Bank, the Bank of Italy or any successor entity or replacement entity to, either such entity, and/or any other authority having primary responsibility for the prudential oversight and supervision of the Issuer or the UniCredit Group.

"Consolidated Net Income" means the consolidated net income of the UniCredit Group, as calculated and set out in the most recent published audited annual consolidated accounts of the UniCredit Group, as approved by the Issuer.

"Corporate Trust Office" means the office of the Trustee at which the corporate trust business of the Trustee shall, at any particular time, be principally administered, which office is, at the date hereof, located at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom.

"CRD IV" means, taken together (i) the CRD IV Directive, (ii) the CRD IV Regulation, and (iii) the Future Capital Instruments Regulations.

"CRD IV Directive" means Directive 2013/36/EU of the European Parliament and of the Council of June 26, 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended or replaced from time to time.

"CRD IV Regulation" means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as amended or replaced from time to time.

"Cut-Off Date" means, in respect of a Determination Date, five Business Days prior to any due date for payment under the Notes, unless otherwise stated in the applicable Final Terms.

"Delayed Index Level Event" means, in respect of any Determination Date and an Inflation Index, that the relevant Inflation Index Sponsor fails to publish or announce the level of such Inflation Index (the **"Relevant Level"**) in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer in respect of such Determination Date, at any time on or prior to the Cut-Off Date.

"Deposit Agreement" means the amended and restated deposit agreement dated November 26, 2018, as amended on March 25, 2019, among the Receipt Issuer, the Issuer and the Holders and the Beneficial Owners of the Receipts issued thereunder, as amended from time to time, concerning the deposit of Notes and the issuance of Receipts by the Receipt Issuer representing beneficial interests in the Notes.

"Depository" means Euroclear and/or Clearstream.

"Designated Maturity" means, in relation to any Screen Rate Determination, the period of time designated in the Reference Rate.

"Determination Date" means each date specified as such in the applicable Final Terms.

"Determination Period" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

"Distributable Items" means, subject as otherwise defined in the Relevant Regulations from time to time:

- (a) an amount equal to the Issuer's profits at the end of the financial year immediately preceding the financial year in which the relevant Interest Payment Date falls plus any profits brought forward and reserves available for that purpose before distributions to holders of Own Funds instruments (which, for the avoidance of doubt, excludes any such distributions paid or made on Tier 2 Capital instruments or any such distributions which have already been provided for, by way of deduction, in calculating the amount of Distributable Items); less
- (b) an amount equal to any losses brought forward, profits which are non-distributable pursuant to applicable Italian law or the by-laws of the Issuer from time to time and sums placed to non-distributable reserves in accordance with applicable Italian law or the by-laws of the Issuer from time to time,

those profits, losses and reserves being determined on the basis of the Issuer's non-consolidated accounts.

"DTC" means The Depository Trust Company, or one of its nominees, and their respective successors.

"DTC Participants" means institutions that have participant accounts with DTC.

"End Date" means each date specified as such in the applicable Final Terms.

"Equal Loss Absorbing Instrument" means, in respect of a Series of Additional Tier 1 Notes:

- (a) in respect of an Issuer Contingency Event (as defined in Condition 8.1 (*Loss Absorption*)), at any time, any instrument (irrespective of whether such instrument is included in the Tier 1 Capital or Tier 2 Capital of the Issuer or the UniCredit Group and irrespective of whether such instrument ranks or is expressed to rank senior to, *pari passu* with, or junior to the Series of Additional Tier 1 Notes) issued directly or indirectly by the Issuer (other than the Additional Tier 1 Notes) which contains provisions relating to a write-down (or write-off) (whether on a permanent or temporary basis) or conversion into Ordinary Shares of the principal amount of such instrument (in each case in accordance with its conditions or otherwise) on the occurrence, or as a result, of the Common Equity Tier 1 Capital Ratio of the Issuer falling below a level that is equal to 5.125% or the then minimum trigger event ratio for loss absorption applicable to Additional Tier 1 Capital instruments specified in the Relevant Regulations applicable to the Issuer; and
- (b) in respect of a Group Contingency Event (as defined in Condition 8.1 (*Loss Absorption*)), at any time, any instrument (irrespective of whether such instrument is included in the Tier 1 Capital or Tier 2 Capital of the Issuer or the UniCredit Group and irrespective of whether such instrument ranks or is expressed to rank senior to, *pari passu* with, or junior to the Series of Additional Tier 1 Notes) issued directly or indirectly by a Group Entity which contains provisions relating to a write-down (or write-off) (whether on a permanent or temporary basis) or conversion of the principal amount of such instrument (in each case in accordance with its conditions or otherwise) on the occurrence, or as a result, of the Common Equity Tier 1 Capital Ratio of the UniCredit Group falling below a level that is equal to 5.125% or the then minimum trigger event ratio for loss absorption applicable to Additional Tier 1 Capital instruments specified in the Relevant Regulations applicable to the UniCredit Group,

and, in each case, in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied.

"EURIBOR" means the Euro-zone interbank offered rate.

"Euroclear" means Euroclear Bank S.A./N.V.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended.

"Exchange Rate Agent" means the entity appointed under the exchange agency agreement and indicated in the Final Terms.

"FA Selected Bond" means a government security or securities selected by the Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes.

"Fallback Bond" means, in respect of an Inflation Index, a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the relevant Inflation Index relates and which pays a coupon or redemption amount which is calculated by reference to such Inflation Index, with a maturity date which falls on (a) the End Date specified in the applicable Final Terms, (b) the next longest maturity after the End Date if there is no such bond maturing on the End Date, or (c) the next shortest maturity before the End Date if no bond defined in (a) or (b) is selected by the Calculation Agent. If the relevant Inflation Index relates to the level of inflation across the European Monetary Union, the Calculation Agent will select an inflation-linked bond that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Calculation Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Issue Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Calculation Agent from those bonds. If the Fallback Bond redeems, the Calculation Agent will select a new Fallback Bond on the same basis, but notwithstanding the immediately prior sentence, selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged).

"Financial Adviser" means an independent and internationally recognized financial adviser selected by the Issuer.

"First Call Date" means such date as set out in the applicable Final Terms.

"Fixed Interest Period" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

"Future Capital Instruments Regulations" means any regulatory capital rules or regulations introduced after the Issue Date by the Competent Authority or which are otherwise applicable to the Issuer (on a stand-alone or consolidated basis), which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the Own Funds of the Issuer (on a stand-alone or consolidated basis) to the extent required by (i) the CRD IV Regulation or (ii) the CRD IV Directive.

"Global Note" means Notes issued in global form in accordance with the Indenture.

"Global Receipt(s)" means Receipt(s) issued in global form and registered in the name of DTC or a nominee thereof, including any X Global Receipt(s) and any N Global Receipt(s).

"Group" and **"UniCredit Group"** means the Issuer and each entity within the prudential consolidation of the Issuer pursuant to Section 3, Chapter 2 of Title II of Part One of the CRD IV Regulation.

"Group Entity" means the Issuer or any legal person that is part of the UniCredit Group.

"Hedging Disruption" means that any Hedging Party is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the relevant price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (b) freely realize, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s), as determined by the Calculation Agent.

"Hedging Party" means at any relevant time, the Issuer, or any of its Affiliates or any other party providing the Issuer directly or indirectly with hedging arrangements in relation to the Notes as the Issuer may select at such time.

"Holder" means a Person in whose name a Note is registered in the Note Register, and with respect to a Receipt, a Receipt Holder.

"ICSD Legend" has the meaning specified in the Indenture.

"Increased Cost of Hedging" means that any Hedging Party would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the market risk (including, without limitation, price risk, foreign exchange risk and interest rate risk) of the Issuer issuing and performing its obligations with respect to the Notes, or (b) realize, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense.

"Inflation Index" means each inflation index specified in the applicable Final Terms and related expressions shall be construed accordingly.

"Inflation Index Sponsor" means, in relation to an Inflation Index, the entity that publishes or announces (directly or through an agent) the level of such Inflation Index which, as of the Issue Date, is the Inflation Index Sponsor specified in the applicable Final Terms.

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period.

"Initial Principal Amount" means, in respect of a Series of Additional Tier 1 Notes, or as the case may be, a Written-Down Additional Tier 1 Instrument, the principal amount of such Additional Tier 1 Notes or such Written-Down Additional Tier 1 Instrument, as at the Issue Date or the issue date of the Written-Down Additional Tier 1 Instrument, as applicable.

"Interest Commencement Date" means the date specified in the applicable Final Terms.

"Interest Payment Date(s)" means the date(s) specified in the applicable Final Terms.

"Interest Period" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

"Issue Date" means the date specified in the applicable Final Terms.

"Issue Price" has the meaning set out in the applicable Final Terms.

"Italian Banking Act" means Legislative Decree No. 385 of 1 September 1993 of the Republic of Italy, as amended.

"Italian Substitute Tax" or "Imposta Sostitutiva" means the imposta sostitutiva (at the then applicable rate of tax) pursuant to Legislative Decree No. 239, or any related implementing regulations, or successors thereto.

"Latest Level" means, in respect of an Inflation Index, the latest level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor prior to the month in respect of which the Substitute Index Level is being determined.

"Legislative Decree No. 239" means Italian Legislative Decree No. 239 of April 1, 1996 as amended or supplemented from time to time.

"Legislative Decree No. 461" means Italian Legislative Decree No. 461 of November 21, 1997 as amended or supplemented from time to time.

"LIBOR" means the London interbank offered rate.

"London Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

"Loss Absorbing Instrument" means an Equal Loss Absorbing Instrument and/or a Prior Loss Absorbing Instrument, as applicable.

"Loss Absorption Event Notice" means a notice which specifies that a Contingency Event has occurred, the Write-Down Amount (as a percentage of the Initial Principal Amount resulting in a pro rata decrease in the Prevailing Principal Amount of each Note), including the method of calculation of the Write-Down Amount, and the date on

which the Write-Down will take effect (the "**Write-Down Effective Date**"). Any Loss Absorption Event Notice delivered to the Trustee and the Paying Agent must be accompanied by a certificate signed by the authorized signatories stating that the Contingency Event has occurred and setting out the method of calculation of the relevant Write-Down Amount.

"Maximum Distributable Amount" means any applicable maximum distributable amount relating to the Issuer and/or the UniCredit Group, as the case may be, required to be calculated in accordance with the CRD IV Directive and/or any other Relevant Regulation(s) (or any provision of Italian law transposing or implementing the CRD IV Directive and/or, if relevant, any other Relevant Regulation(s)).

"Monte Titoli" means Monte Titoli S.p.A.

"MT Legend" has the meaning specified in the Indenture.

"MREL or TLAC Disqualification Event" means that, at any time, all or part of the aggregate outstanding nominal amount of such Series of Notes is or will be excluded fully or partially from eligible liabilities available to meet the MREL or TLAC Requirements, provided that: (a) the exclusion of a Series of Senior Notes or of Non-Preferred Senior Notes from the MREL or TLAC Requirements due to the remaining maturity of such Notes being less than any period prescribed thereunder, does not constitute an MREL or TLAC Disqualification Event; (b) the exclusion of all or some of a Series of Senior Notes from the MREL or TLAC Requirements due to there being insufficient headroom for such Senior Notes within a prescribed exception to the otherwise applicable general requirements for eligible liabilities does not constitute a MREL or TLAC Disqualification Event; and (c) the exclusion of all or some of a Series of Senior Notes or of Non-Preferred Senior Notes from the MREL or TLAC Requirements as a result of such Notes being purchased by or on behalf of the Issuer or as a result of a purchase which is funded directly or indirectly by the Issuer, does not constitute an MREL or TLAC Disqualification Event.

"MREL or TLAC Requirements" means the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss-absorbing capacity instruments applicable to the Issuer and/or the Group, from time to time, including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by the Republic of Italy, a Competent Authority, a Relevant Resolution Authority or the European Banking Authority from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to the Issuer and/or the Group), as any of the preceding laws, regulations, requirements, guidelines, rules, standards, policies or interpretations may be amended, supplemented, superseded or replaced from time to time.

"Net Income" means the non-consolidated net income of the Issuer as calculated and set out in the last audited annual accounts of the Issuer, as approved by the Issuer.

"Non-Preferred Senior Notes" means Notes specified in the applicable Final Terms as Non-Preferred Senior obligations and intended to qualify as *strumenti di debito chirografario di secondo livello* of the Issuer, as defined under Article 12 *bis* of the Italian Banking Act, as amended from time to time.

"N Global Note" means the N Note(s) of each applicable Series issued as Global Note(s), bearing the Rule 144A Legend (for so long as it is applicable), the Tax Restricted Legend and the MT Legend.

"N Note(s)" means the Note(s) of each applicable Series, subject to the Tax Restricted Legend and any other applicable legends and owned by Non-Eligible Beneficial Owners.

"N Global Receipt" means the Global Receipt(s) of each applicable Series, issued by the Receipt Issuer to evidence the N Receipts, bearing the Rule 144A Legend (for as long as it is applicable) and the Tax Restricted Legend and deposited with or on behalf of, and registered in the name of, DTC or its nominee that is maintained for the purpose of holding book-entry interests in Receipts representing beneficial interests in the N Notes of such Series.

"N Receipt(s)" means the Receipt(s) of any Series issued by the Receipt Issuer representing a beneficial interest in the corresponding N Note(s), bearing the Tax Restricted Legend and any other applicable legend.

"Non-Eligible Beneficial Owner" means a Beneficial Owner that is not, or has ceased to be, eligible to receive interest free of Italian Substitute Tax in respect of the Notes or does not comply with the related certification requirements and has failed to correct such defect in compliance with such Tax Certification Procedures on a timely basis, or whom the Issuer or Receipt Issuer and the Receipt Paying Agent has learned from Acupay is not a person eligible to receive interest free of Italian Substitute Tax in respect of the Notes held by the Note Depositary.

"Note Depositary" means Monte Titoli unless Monte Titoli notifies the Issuer that it is unwilling or unable to continue to act as Note Depositary, in which case an alternate Italian custody institution shall be appointed by the Issuer and shall become the successor Note Depositary in accordance with the terms of the Indenture, and thereafter "Note Depositary" shall mean such successor Note Depositary.

"Note Register" and **"Note Registrar"** have the respective meanings given to such terms in the Indenture.

"Noteholder" means a Person in whose name a Note is registered in the Note Register.

"Optional Redemption Amount" has the meaning set out in the applicable Final Terms.

"Optional Redemption Date" has the meaning set out in the applicable Final Terms.

"Ordinary Shares" means the ordinary shares of the Issuer.

"Own Funds" has the meaning given to such term (or any equivalent or successor term) in the Relevant Regulations.

"Paying Agent" means the Issuer or any Person authorized by the Issuer to pay the principal of and/or, interest on any Notes on behalf of the Issuer. Citibank, N.A., London Branch, shall initially perform the functions of the Paying Agent for the Notes.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Potential Event of Default" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"Prevailing Principal Amount" in respect of an Additional Tier 1 Note on any date, means the Initial Principal Amount of such Additional Tier 1 Note as reduced from time to time (on one or more occasions) pursuant to a Write-Down and/or reinstated from time to time (on one or more occasions) pursuant to a Write-Up in each case on or prior to such date.

"Prior Loss Absorbing Instrument", in respect of a Series of Additional Tier 1 Notes, means;

- (a) in respect of an Issuer Contingency Event, at any time, any instrument (irrespective of whether such instrument is included in the Tier 1 Capital or the Tier 2 Capital of the Issuer or the UniCredit Group and irrespective of whether such instrument ranks or is expressed to rank senior to, *pari passu* with, or junior to the Series of Additional Tier 1 Notes) issued directly or indirectly by the Issuer which contains provisions relating to a write-down (or write-off) (whether on a permanent or temporary basis) or a conversion into Ordinary Shares of the principal amount of such instrument (in each case in accordance with its conditions or otherwise) on the occurrence, or as a result, of the Common Equity Tier 1 Capital Ratio of the Issuer falling below a level that is higher than 5.125% or the then minimum trigger event ratio for loss absorption applicable to Additional Tier 1 Capital instruments specified in the Relevant Regulations applicable to the Issuer; and
- (b) in respect of a Group Contingency Event, at any time: (i) any instrument (irrespective of whether such instrument is included in the Tier 1 Capital or the Tier 2 Capital of the Issuer or the UniCredit Group and irrespective of whether such instrument ranks or is expressed to rank senior to, *pari passu* with, or junior to the Series of Additional Tier 1 Notes) issued directly or indirectly by the Issuer or any Group Entity which contains provisions relating to a write-down (or write-off) (whether on a permanent or temporary basis) or a conversion of the principal amount of such instrument (in each case in accordance with its conditions or otherwise) on the occurrence, or as a result, of the Common Equity Tier 1 Capital Ratio of the UniCredit Group falling below a level that is higher than 5.125% or the then minimum trigger event ratio for loss absorption applicable to Additional Tier 1 Capital instruments specified in the Relevant Regulations applicable to the UniCredit Group; and (ii) any instrument (irrespective of whether such instrument is included in the Tier 1 Capital or the Tier 2 Capital of the Issuer or the UniCredit Group and irrespective of whether such instrument ranks or is expressed to rank senior to, *pari passu* with, or junior to the Series of Additional Tier 1 Notes) issued directly or indirectly by any

Group Entity which contains provisions relating to a write-down (or write-off) or conversion of the principal amount of such instrument on the occurrence, or as a result, of the Common Equity Tier 1 Capital Ratio of that Group Entity, or of a Sub-Group falling below the level specified in such instrument at the date on which the relevant Group Contingency Event first occurred,

and, in each case, in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied.

"QIB" means to qualified institutional buyers, as defined under Rule 144A.

"Qualifying Additional Tier 1 Notes" means securities (whether debt, equity or otherwise) issued directly by the Issuer where such securities:

- (a) have terms not materially less favorable to a holder of the Additional Tier 1 Notes (as reasonably determined by the Issuer) than the terms of the Notes;
- (b) subject to (a) above, shall (1) rank at least equal to the ranking of the Additional Tier 1 Notes, (2) have the same currency, the same (or higher) interest rate and the same Interest Payment Dates as those from time to time applying to the Additional Tier 1 Notes, (3) have the same redemption rights as the Additional Tier 1 Notes, (4) comply with the then current requirements of Relevant Regulations in relation to Additional Tier 1 Capital, (5) preserve any existing rights under the Additional Tier 1 Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation, and (6) are assigned (or maintain) at least the same or higher credit ratings as were assigned to the Additional Tier 1 Notes immediately prior to such variation or substitution; and
- (c) if the Additional Tier 1 Notes were listed on any market(s) or stock exchange(s) immediately prior to such substitution or variation, are listed on the same market(s) or stock exchange(s) or another regulated market or stock exchange of equivalent standing.

"Qualifying Non-Preferred Senior Notes" means securities issued by the Issuer that:

- (a) have terms not materially less favorable to a Holder of the Non-Preferred Senior Notes (as reasonably determined by the Issuer) than the terms of the Non-Preferred Senior Notes, and they shall also (A) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's and/or the Group's (as applicable) minimum requirements for own funds and eligible liabilities under the then applicable MREL or TLAC Requirements; (B) include a ranking at least equal to that of the Non-Preferred Senior Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Non-Preferred Senior Notes; (D) have the same redemption rights as the Non-Preferred Senior Notes; and (E) are assigned (or maintain) the same or higher credit ratings as were assigned to the Non-Preferred Senior Notes immediately prior to such variation or substitution; and

- (b) are listed on a recognized stock exchange if the Non-Preferred Senior Notes were listed immediately prior to such variation or substitution.

"Qualifying Senior Notes" means securities issued by the Issuer that:

- (a) have terms not materially less favorable to a Holder of the Senior Notes (as reasonably determined by the Issuer) than the terms of the Senior Notes, and they shall also (A) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's and/or the Group's (as applicable) minimum requirements for own funds and eligible liabilities under the then applicable MREL or TLAC Requirements; (B) include a ranking at least equal to that of the Senior Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Senior Notes; (D) have the same redemption rights as the Senior Notes; and (E) are assigned (or maintain) the same or higher credit ratings as were assigned to the Senior Notes immediately prior to such variation or substitution; and
- (b) are listed on a recognized stock exchange if the Senior Notes were listed immediately prior to such variation or substitution.

"Qualifying Subordinated Notes" means securities issued by the Issuer that:

- (a) have terms not materially less favourable to a Holder of the Subordinated Notes (as reasonably determined by the Issuer) than the terms of the Subordinated Notes, and they shall also (A) comply with the then-current requirements of the Relevant Regulations in relation to Tier 2 capital, (B) include a ranking at least equal to that of the Subordinated Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Subordinated Notes; (D) have the same redemption rights as the Subordinated Notes; and (E) are assigned (or maintain) the same or higher credit ratings as were assigned to the Subordinated Notes immediately prior to such variation or substitution; and
- (b) are listed on a recognised stock exchange if the Subordinated Notes were listed immediately prior to such variation or substitution.

"Rate Event" means, in respect of a Reference Rate or a Reset Reference Rate:

- (a) the Reference Rate or the Reset Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist or being subject to a material change; or
- (b) a public statement by the administrator of the Reference Rate or the Reset Reference Rate that it will, by a specified date on or prior to the next Interest Determination Date, cease publishing the Reference Rate or the Reset Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Reference Rate or the Reset Reference Rate); or
- (c) a public statement by the supervisor of the administrator of the Reference Rate or the Reset Reference Rate, that the Reference Rate or the Reset Reference

Rate has been or will, by a specified date on or prior to the next Interest Determination Date, be permanently or indefinitely discontinued; or

- (d) a public statement by the supervisor of the administrator of the Reference Rate or the Reset Reference Rate as a consequence of which the Reference Rate or the Reset Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences either generally, or in respect of the Notes, in each case by a specific date on or prior to the next Interest Determination Date; or
- (e) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Reference Rate or the Reset Reference Rate.

"Receipt(s)" means any receipts of a Series issued by the Receipt Issuer pursuant to the terms of the Deposit Agreement, whether in global or definitive form, representing the rights and beneficial interest in the Notes of the same Series specified in the Deposit Agreement and in the applicable Receipt.

"Receipt Paying Agent" means the paying agent under the Deposit Agreement.

"Receipt Holder" means the Person in whose name a Receipt is registered in the records of the Receipt Issuer.

"Receipt Issuer" means Citibank, N.A., acting through its New York office or any successor entity appointed in accordance with the Deposit Agreement.

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount or such other amount in the nature of a redemption amount as may be defined and specified in, or determined in accordance with the provisions of, the relevant Final Terms.

"Redemption Margin" has the meaning set out in the applicable Final Terms.

"Reference Bond" has the meaning set out in the applicable Final Terms or the FA Selected Bond.

"Reference Bond Price" means, with respect to the Optional Redemption Date, (a) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (b) if the Paying Agent receives fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations.

"Reference Bond Rate" means, with respect to the Optional Redemption Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant Day Count Fraction) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Optional Redemption Date.

"Reference Government Bond Dealer" means each of five banks selected by the Issuer, or their Affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues.

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and the Optional Redemption Date, the arithmetic average, as determined by the Paying Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Paying Agent by such Reference Government Bond Dealer.

"Reference Level" means, in respect of an Inflation Index, the level of such Inflation Index (excluding any "flash" estimates) published or announced by the relevant Inflation Index Sponsor in respect of the month that is 12 calendar months prior to the month in respect of the Latest Level.

"Reference Month" means the calendar month for which the level of the Inflation Index is reported as specified in the applicable Final Terms, regardless of when this information is published or announced, except that if the period for which the Relevant Level was reported is a period other than a month, the Reference Month shall be the period for which the Relevant Level is reported.

"Reference Price" has the meaning specified in the applicable Final Terms.

"Regular Record Date" means such date as set out in the applicable Final Terms.

"Regulation S" means Regulation S promulgated under the Securities Act.

"Regulatory Event" means a change in the regulatory classification of Subordinated Notes under the Relevant Regulations that would be likely to result in their exclusion, in whole or in part, from Tier 2 Capital of the UniCredit Group or the Issuer and, in respect of any action with respect to the relevant Subordinated Notes proposed to be made prior to the fifth anniversary of the applicable Issue Date, if and to the extent then required by the Relevant Regulations, both of the following conditions are met: (i) the Competent Authority considers such change to be reasonably certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that such change was not reasonably foreseeable by the Issuer as at the date of the issue of such Subordinated Notes.

"Reg S Global Note(s)" means the Note(s) of each applicable Series issued as Global Note(s), bearing the Regulation S Legend and any other applicable legends (but not a Tax Restricted Legend), and beneficially owned by Persons eligible to own beneficial interests in such Reg S Global Note(s) which will (i) evidence the Notes of such Series that will be issued in an initial amount equal to the principal amount of the applicable Notes, respectively and (ii) be registered in the nominee name of the Common Depositary and delivered to, and held by, the Common Depositary, and which will be initially resold in reliance on Regulation S.

"Related Bond" means, in respect of an Inflation Index, the bond specified as such in the applicable Final Terms. If the Related Bond specified in the applicable Final Terms is a "Fallback Bond", then, for any Related Bond determination, the Calculation Agent

shall use the Fallback Bond. If no bond is specified in the applicable Final Terms as the Related Bond and "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, there will be no Related Bond. If a bond is specified as the Related Bond in the applicable Final Terms and that bond redeems or matures before the End Date (i) unless "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, the Calculation Agent shall use the Fallback Bond for any Related Bond determination and (ii) if "Fallback Bond: Not Applicable" is specified in the applicable Final Terms, there will be no Related Bond.

"Relevant Date" means the date on which any payment of principal and interest on the Notes and Receipts first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Paying Agent or the Trustee, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 17 (*Notices*).

"Relevant Level" has the meaning set out in the definition of "Delayed Index Level Event" above.

"Relevant Net Income" means the lower of Net Income and Consolidated Net Income.

"Relevant Nominating Body" means, in respect of a reference rate: (i) the central bank for the currency to which such reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof.

"Relevant Resolution Authority" means the Italian resolution authority, the Single Resolution Board (SRB) established pursuant to the SRM Regulation and/or any other authority entitled to exercise or participate in the exercise of any Resolution Power or Bail-in Power from time to time.

"Relevant Regulations" means any requirements contained in the laws, regulations, rules, guidelines and policies of the Competent Authority, or of the European Parliament and Council then in effect in the Republic of Italy, relating to capital adequacy and applicable to the Issuer and/or the Group from time to time (including but not limited to, as at the Issue Date of the relevant Series of Notes, the rules contained in, or implementing, CRD IV and the BRRD, delegated or implementing acts adopted by the European Commission and guidelines issued by the EBA), in each case as amended or replaced from time to time.

"Relevant Screen Page" means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Final Terms (or any successor or replacement page, section, caption, column or other part of a particular information service).

"Remaining Term Interest" means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the Rate of Interest applicable to such Note from (and including) the Optional Redemption Date.

"Reset Date" means the First Call Date and every date which falls five, or a multiple of five, years after the First Call Date.

"Resolution Power" means any statutory write-down, transfer and/or conversion power existing from time to time under any laws regulations, rules or requirements relating to the resolution of the Issuer or any other entities of the Group, including but not limited to any laws, regulations, rules or requirements implementing the BRRD and the SRM Regulation.

"Risk Weighted Assets" means, at any time, the aggregate amount of the risk weighted assets of the Issuer or the UniCredit Group, as the case may be, at such time calculated by the Issuer in accordance with the Relevant Regulations.

"Rule 144A" means Rule 144A promulgated under the Securities Act.

"Rule 144A Global Note(s)" means the Note(s) of the applicable Series issued as Global Note(s), bearing the Rule 144A Legend and any other applicable legends, and beneficially owned by Persons eligible to own beneficial interests in such Rule 144A Global Note(s).

"Rule 144A Legend" means the legend set forth in the Indenture to be placed on all Rule 144A Notes issued under the Indenture, except where otherwise permitted by the provisions of the Indenture.

"Securities Act" means the United States Securities Act of 1933, as amended.

"Senior Notes" means Notes specified in the applicable Final Terms as being Senior Notes (and, for the avoidance of doubt, excludes Non-Preferred Senior Notes).

"Series" means a series of the Notes together with any further Tranches of the Notes which are (a) issued to be consolidated and form a single series and (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices and the expressions **"Notes of the relevant Series"** and **"Holders of Notes of the relevant Series"** and related expressions shall be construed accordingly.

"Specified Currency" has the meaning given in the applicable Final Terms.

"Specified Denominations" has the meaning given in the applicable Final Terms.

"SRM Regulation" means Regulation (EU) No 806/2014 of the European Parliament and Council of July 15, 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as amended or replaced from time to time.

"Subordinated Notes" means Notes specified in the applicable Final Terms as being subordinated and intended to qualify as Tier 2 Capital.

"Subsidiary" means any Person or entity which is required to be consolidated with the Issuer for financial reporting purposes under applicable Italian banking laws and regulations.

"Sub-Group" means of a group within the prudential consolidation of such Group Entity pursuant to Chapter 2 of Title II of Part One of the CRD IV Regulation other than the UniCredit Group.

"Sub-unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

"Successor Reference Rate" means the rate: (i) that the Issuer determines is a successor to or replacement of the Reference Rate or the Reset Reference Rate and (ii) that is formally recommended by any Relevant Nominating Body.

"TARGET2 System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

"Tax Event" means:

- (a) in the case of Additional Tier 1 Notes only, the part of the interest payable by the Issuer under the Notes that is tax-deductible by the Issuer for Italian tax purposes is reduced as a result of any change in, or amendment to the laws, regulations or rulings of, or applicable in, the Republic of Italy, or any political subdivision or any authority or agency thereof or therein having power to tax, or any change in the application or official interpretation or administration of such laws, regulations or rulings:
 - (i) which change or amendment:
 - (A) becomes effective after the Issue Date;
 - (B) in the event of any redemption upon the occurrence of a Tax Event prior to the fifth anniversary of the Issue Date, if and to the extent required by the Relevant Regulations, the Issuer demonstrates, to the satisfaction of the Competent Authority, is material and was not reasonably foreseeable by the Issuer as at the Issue Date;
 - (C) is evidenced by the delivery by the Issuer to the Trustee of a certificate signed by two authorized signatories of the Issuer stating that interest payable by the Issuer in respect of the Notes is no longer, or will no longer be, deductible for Italian income tax purposes or such deductibility is materially reduced, or that the Issuer has or will become obliged to pay such additional amounts, as the case may be, and describing the facts leading thereto and an opinion of independent legal advisers of

recognized standing to the effect that such circumstances prevail;
and

- (ii) which obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
- (b) in the case of any Notes, on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (Taxation) as a result of any change in, or amendment to, the laws, treaties or regulations of, or applicable in, a Tax Jurisdiction, or any change in, or amendment to the application, administration or official interpretation of such laws, treaties or regulations, which change or amendment becomes effective after the Issue Date, provided that (i) in the case of any redemption of Subordinated Notes or Additional Tier 1 Notes proposed to be made prior to the fifth anniversary of the Issue Date, if and to the extent then required under the Relevant Regulations any such change or amendment is, to the satisfaction of the Competent Authority, material and was not reasonably foreseeable by the Issuer as at the date of the issue of the relevant Subordinated Notes or Additional Tier 1 Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

"Tax Jurisdiction" means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax, or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal (if applicable) and interest on the Notes and Receipts.

"Tax Certification Procedures" means the procedures applicable to the Rule 144A Notes and the Receipts, but, for the avoidance of, not applicable to the Reg S Notes, for Italian Substitute Tax set forth in the TCA Agreement, as amended from time to time.

"Tax Restricted Legend" has the meaning set out in the Indenture.

"TCA Agreement" means the amended and restated tax compliance agency agreement dated November 26, 2018 as amended from time to time by the parties thereto, between Monte Titoli, Acupay and the Issuer.

"Tier 1 Capital" has the meaning given to such term (or any other equivalent or successor term) in the Relevant Regulations.

"Tier 2 Capital" has the meaning given to such term (or any other equivalent or successor term) in the Relevant Regulations.

"Tranche" means the one or more tranches of a relevant Series, which may be issued on the same Issue Date or on different Issue Dates.

"U.S. dollars" and **"U.S.\$"** means the currency of the United States of America.

"Write-Down Amount" means the amount by which the then Prevailing Principal Amount of each outstanding Additional Tier 1 Note is to be Written Down with effect as of the Write-Down Effective Date on a pro rata basis pursuant to a Write-Down, being:

- (a) the amount that (together with (a) the concurrent Write-Down of the other Additional Tier 1 Notes and (b) the concurrent or substantially concurrent write-down (or write-off) or conversion to the extent possible of any Loss Absorbing Instruments) would be sufficient to cure the Contingency Event; or
- (b) if that Write-Down (together with (a) the concurrent Write-Down of the other Additional Tier 1 Notes and (b) the concurrent or substantially concurrent write-down (or write-off) or conversion of any Loss Absorbing Instruments) would be insufficient to cure the Contingency Event, or the Contingency Event is not capable of being cured, the amount necessary to reduce the Prevailing Principal Amount to one cent.

"Written-Down Additional Tier 1 Instrument" means, in respect of a Series of Additional Tier 1 Notes, an instrument (other than the Series of Additional Tier 1 Notes) issued directly or indirectly by the Issuer or, as applicable, any member of the UniCredit Group, and qualifying as Additional Tier 1 Capital of the Issuer or, as applicable, the UniCredit Group that, as at the time immediately prior to the relevant Write-Up, has a prevailing principal amount lower than the principal amount that it was issued with due to a write-down.

"X Global Note(s)" means the X Note(s) of each applicable Series issued as a Global Note, bearing the Rule 144A Legend (for so long as it is applicable) and the MT Legend.

"X Note(s)" means the Note(s) of the applicable Series, subject to any applicable legends (but not a Tax Restricted Legend).

"X Global Receipt(s)" means the Global Receipt(s) of each applicable Series issued by the Receipt Issuer to evidence X Receipts and bearing any applicable legends (but not a Tax Restricted Legend), deposited with or on behalf of, and registered in the name of, DTC, or its nominee, that is maintained for the purpose of holding book-entry interests in the X Receipts of such Series, which represent beneficial interests in the X Notes of such Series.

"X Receipt(s)" means the Receipt(s) of a Series issued by the Receipt Issuer representing beneficial interests in the corresponding X Notes.

1.2 Interpretation

In these Conditions:

- (a) any reference to principal shall be deemed to include the Prevailing Principal Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of principal payable pursuant to these Conditions;
- (b) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (c) references to Notes being "outstanding" shall be construed in accordance with the Indenture; and

- (d) any reference to a numbered "Condition" shall be to the relevant Condition in these Conditions.

2. FORM, DENOMINATION AND TITLE

The Notes are in registered form and, in the case of definitive Notes, serially numbered, in the currency (the "**Specified Currency**") and the denominations (the "**Specified Denomination(s)**") specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination. Notes are not issuable in bearer form.

This Note may be a Fixed Rate Note, a Floating Rate Note, an Inflation Linked Interest Note, a Zero Coupon Note, a CMS Linked Interest Note (meaning those Notes indicated under Condition 6.2 (b) (iii) (*Interest on Floating Rate Notes and Inflation Linked Interest Notes – Rate of Interest – Floating Rate Notes*) or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may also be a Senior Note, a Non-Preferred Senior Note, a Subordinated Note or an Additional Tier 1 Note, as indicated in the applicable Final Terms.

Each of the Rule 144A Notes and the Reg S Notes will be issued in the form of Global Notes in registered form without interest coupons, and the Global Notes in aggregate will represent the aggregate principal amount of the outstanding Notes.

Rule 144A Notes

Beneficial interests in the Rule 144A Notes may be held through DTC in the form of one or more Global Receipts in registered form, which represent interests in Rule 144A Global Notes. The Rule 144A Global Notes will be issued to, and registered in the name of the Note Depositary. Beneficial interests in each Global Receipt will be reflected in an equivalent amount in the applicable Rule 144A Global Note.

Upon issuance of the Rule 144A Global Notes to the Note Depositary by the Issuer, the Note Depositary will be recorded as the Holder of the Rule 144A Global Notes. The Issuer shall instruct the Note Depositary to maintain a securities account in the name of the Issuer for the deposit of the Rule 144A Global Notes by the Issuer on behalf of the Receipt Issuer for the benefit of the Holders and Beneficial Owners, in respect of which securities account the Receipt Issuer shall have exclusive authority and control at all times and in all instances. All of the book-entry interests in such Rule 144A Global Notes will be credited by the Note Depositary to such securities account in Monte Titoli of the Issuer. The Receipt Issuer will issue and deliver one or more Global Receipts to DTC, which in turn, will hold the Global Receipts, which will be registered in the name of Cede & Co., as DTC's nominee, for the benefit of DTC Participants.

The Receipt Issuer will record Cede & Co., as nominee of DTC, on its books as the initial registered Holder of the Global Receipts and will also record any subsequent registration and transfer of the book-entry interests in the Notes. The Receipt Issuer may not register the transfer of the Global Receipts except as a whole by DTC or its nominee to DTC or another nominee of DTC or a successor of DTC or a nominee of that successor.

Holding of beneficial interests in the book-entry interests on the books of DTC is limited to DTC Participants.

Upon the delivery of the Global Receipts, DTC will credit on its book-entry registration and transfer system the applicable DTC Participants' accounts with the respective principal or face amounts held by the DTC Participants. Dealers, underwriters or agents participating in the distribution of the Notes and beneficial interests therein will designate the accounts to be credited. Ownership of beneficial interests in the Notes will be shown on, and the transfer of ownership interests will be effected only through, records maintained by DTC, with respect to interests of participants, and on the records of participants, with respect to interests of persons holding through participants.

Beneficial Owners must rely on the procedures of DTC and, if that person is not a participant, on the procedures of the participant through which the person owns its beneficial interest, to exercise any rights of a Beneficial Owner.

DTC will typically only accept payments in U.S. dollars. Rule 144A Notes and the related Global Receipts may be issued in a Specified Currency other than U.S. dollars (the "**Designated Currency**") and, in such cases, payments of principal and interest thereon may be payable in the Designated Currency, as specified in the Final Terms. According to the procedures of DTC, Beneficial Owners holding interests in a Global Receipt cleared through DTC denominated in a Designated Currency ("**DTC Holders**") will receive payments in U.S. dollars, unless they elect to receive such payments in the Designated Currency. In the event that a DTC Holder shall not have made such election, payments to such DTC Holder will be converted to U.S. dollars by the Receipt Paying Agent. Pursuant to the Deposit Agreement, the Receipt Paying Agent shall convert Designated Currency amounts to U.S. dollars (or determine any exchange rate for such conversion) on the basis of the Receipt Paying Agent's spot rate for the purchase of U.S. dollars with such aggregate amount of Designated Currency, for settlement on the applicable payment date, at a time and date immediately preceding such payment date, unless another time, date, exchange rate and/or source is specified in the Final Terms, in which case such time, date, exchange rate and/or source shall apply. If such spot rate is not available, the Receipt Paying Agent shall enter into a contract on behalf of the Issuer and will solicit bid quotations from three recognized foreign exchange dealers (which may include the Receipt Paying Agent) for the purchase of U.S. dollars with an amount of the relevant Designated Currency equal to the aggregate amount which DTC has notified the Receipt Paying Agent that Beneficial Owners wish to receive in U.S. dollars. In the event that no notification is received from DTC that a Beneficial Owner has elected to receive the payment in the relevant Designated Currency on or before the second Business Day prior to the applicable payment date, the Receipt Paying Agent shall enter into a contract for the purchase of U.S. dollars in respect of the full amount of the payment due in respect of the relevant Global Receipt. The settlement date for each purchase shall be the applicable payment date and the Receipt Paying Agent shall enter into a contract for the purchase of the relevant amount of U.S. dollars on the basis of the most favorable bid submitted. All costs of any such conversion into U.S. dollars will be borne by the relevant DTC Holders by deduction from any payments to be made to such DTC Holders. The Receipt Paying Agent shall notify the Issuer and the Registrar of such exchange rates and shall, on the relevant payment day: (a) pay all amounts converted into U.S. dollars as stated above to DTC or its nominee for distribution to the relevant Beneficial Owners; and (b)

pay all amounts due in the relevant Designated Currency directly to the relevant Beneficial Owners in accordance with the payment instructions received from DTC or its nominee.

Regulation S Notes

The Reg S Notes will be evidenced at issue by Reg S Global Notes deposited with, and registered in the name of a nominee for, a Common Depositary. Beneficial interests in a Reg S Global Note may be held only through the Depositary any time. By acquisition of a beneficial interest in a Reg S Global Note, the purchaser thereof will be deemed to represent, among other things, that it is not a U.S. person and that, if it determines to transfer such beneficial interest prior to the expiration of the 40-day distribution compliance period, it will transfer such interest only to a person whom the seller reasonably believes to be a non-U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S.

A beneficial interest in the Reg S Global Note may be transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note, and only upon receipt by the Note Registrar of a written certification (in the form provided in the Indenture) to the effect that the transferor reasonably believes that the transferee is a QIB and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Any beneficial interest in the Reg S Global Note that is transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note will, upon transfer, cease to be an interest in the Regulation S Global Note, and become an interest in the Rule 144A Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Reg S Global Note for as long as it remains such an interest. Except in the limited circumstances described below, owners of beneficial interests in Regulation S Global Notes will not be entitled to receive physical delivery of certificated Notes in definitive form.

3. STATUS OF THE SENIOR NOTES AND NON-PREFERRED SENIOR NOTES

3.1 Status of Senior Notes

This Condition 3.1 applies only to Senior Notes (and, for the avoidance of doubt, does not apply to Non-Preferred Senior Notes).

The Senior Notes and any related Receipts constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, ranking (subject to any obligations preferred by any applicable law) *pari passu* with all other unsecured obligations (other than obligations ranking junior to Senior Notes from time to time, including Non-Preferred Senior Notes and any further obligations permitted by law to rank junior to Senior Notes following the Issue Date, if any) of the Issuer, present and future, and *pari passu* and rateably without any preference among themselves.

Each holder of a Senior Note unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have under the laws of any jurisdiction in respect of such Senior Note.

3.2 **Status of Non-Preferred Senior Notes**

This Condition 3.2 applies only to Non-Preferred Senior Notes.

The Non-Preferred Senior Notes and any related Receipts constitute direct, unconditional, unsubordinated, unsecured and non-preferred obligations of the Issuer, ranking junior to Senior Notes and any other unsecured and unsubordinated obligations of the Issuer which rank, or are expressed to rank by their terms, senior to the Non-Preferred Senior Notes, *pari passu* without any preference among themselves, and with all other present or future obligations of the Issuer which do not rank or are not expressed by their terms to rank junior or senior to the relevant Non-Preferred Senior Notes and in priority to any subordinated instruments and to the claims of shareholders of the Issuer pursuant to Article 91, section 1-*bis*, letter c-*bis* of the Italian Banking Act, as amended from time to time.

Each holder of a Non-Preferred Senior Note unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have under the laws of any jurisdiction in respect of such Non-Preferred Senior Note.

4. **STATUS OF THE SUBORDINATED NOTES**

This Condition 4 applies only to Subordinated Notes.

Subordinated Notes and any related Receipts constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank after unsubordinated unsecured creditors (including depositors and holders of Senior Notes and Non-Preferred Senior Notes) of the Issuer and after all creditors of the Issuer holding instruments which are less subordinated than the relevant Subordinated Notes but at least *pari passu* without any preferences among themselves and with all other present and future subordinated obligations of the Issuer which do not rank or are not expressed by their terms to rank junior or senior to the relevant Subordinated Notes and in priority to the claims of shareholders of the Issuer.

In relation to each Series of Subordinated Notes, all Subordinated Notes of such Series will be treated equally and all amounts paid by the Issuer in respect of principal and interest thereon will be paid *pro rata* on all Subordinated Notes of such Series.

Each holder of a Subordinated Note unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Subordinated Note.

5. **STATUS OF THE ADDITIONAL TIER 1 NOTES**

This Condition 5 applies only to Additional Tier 1 Notes.

Additional Tier 1 Notes and any related Receipts constitute direct, unsecured and subordinated obligations of the Issuer ranking:

- (a) subordinated and junior to all indebtedness of the Issuer, including unsubordinated indebtedness (including Non-Preferred Senior Notes) of the

Issuer, the Issuer's obligations in respect of any dated subordinated instruments and any instruments issued as Tier 2 Capital of the Issuer or any guarantee in respect of any such instruments (other than any instrument or contractual right ranking, or expressed to rank, *pari passu* with the Additional Tier 1 Notes);

- (b) *pari passu* among themselves and with the Issuer's obligations in respect of any Additional Tier 1 Capital instruments or any other instruments or obligations which rank or are expressed to rank *pari passu* with the Additional Tier 1 Notes or, in each case, any guarantee in respect of such instruments; and
- (c) senior to:
 - (i) the share capital of the Issuer, including its *azioni privilegiate*, ordinary shares and *azioni di risparmio*, if any;
 - (ii) (a) any securities of the Issuer (including *strumenti finanziari* issued under Article 2346 of the Italian Civil Code); and (b) any securities issued by a Subsidiary which have the benefit of a guarantee or similar instrument from the Issuer,

which securities (in the case of (ii) (a)) or guarantee or similar instrument (in the case of (ii) (b)) rank or are expressed to rank *pari passu* with the claims described under (i) and (ii) above and/or otherwise junior to the Additional Tier 1 Notes.

Each holder of an Additional Tier 1 Note unconditionally and irrevocably waives any right of set-off, netting, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Additional Tier 1 Note.

6. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes, Inflation Linked Interest Notes or Zero Coupon Notes.

6.1 Interest on Fixed Rate Notes

This Condition 6.1 applies only to Fixed Rate Notes only.

The applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Reset Reference Rate (if applicable), the Interest Payment Date(s), any applicable Business Day Convention, the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date in respect of Fixed Rate Notes.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (but excluding) the Maturity Date or the date of early redemption, if applicable. The Rate of Interest may be specified in the applicable Final Terms either (i) as the same Rate of Interest for all Interest Periods or (ii) as a different Rate of Interest in respect of one or more Interest Periods.

If the Notes are in definitive form, except as provided in the applicable Final Terms, or if the applicable Final Terms specify that a Fixed Coupon Amount or Broken Amount(s) shall apply in the case of Notes represented by a global Note the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

Except in the case of (i) Notes in definitive form where an applicable Fixed Coupon Amount or a Broken Amount is specified in the applicable Final Terms or (ii) Notes represented by a global Note where the applicable Final Terms specify that a Fixed Coupon Amount or Broken Amount(s) shall apply, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In this Condition:

"Day Count Fraction" means, in respect of the calculation of an amount of interest, in accordance with this Condition 6.1:

- (c) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **"Accrual Period"**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

- (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates that would normally occur in one calendar year;
- (d) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
- (e) if "Actual/Actual (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (f) if "Actual/Actual Canadian Compound Method" is specified in the applicable Final Terms, whenever it is necessary to compute any amount of accrued interest in respect of the Notes for a period of less than one full year, other than in respect of any Fixed Coupon Amount or Broken Amount, such interest will be calculated on the basis of the Actual number of days in the period and a year of 365 days; and
- (g) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365; and

"Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business in London, Milan and New York (including dealing in foreign exchange and foreign currency deposits) and in any Additional Business Center specified in the applicable Final Terms.

6.2 **Interest on Floating Rate Notes and Inflation Linked Interest Notes and Reference Rate Replacement**

This Condition 6.2 applies only to Floating Rate Notes and Inflation Linked Interest Notes; except that Condition 6.2(j) applies only to Floating Rate Notes, Inflation Linked Interest Notes and Fixed Rate Notes having a Reset Rate of Interest.

(a) **Interest Payment Dates**

The applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any

Additional Business Centers, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest (applicable to Floating Rate Notes only), the party who will calculate the amount of interest due if it is not the Paying Agent or, as the case may be, the Calculation Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction applicable to Floating Rate Notes and Inflation Linked Interest Notes. Where, in the case of Floating Rate Notes, ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

Each Floating Rate Note and Inflation Linked Interest Note bears interest in respect of each Interest Period from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls in the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified as:

- (A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii), the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis*;
- (B) or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (C) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (D) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which

event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

- (E) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

Solely in this Condition 6.2:

"Business Day" means a day which is both:

- (iii) a day on which commercial banks and foreign exchange markets settle payments and are open for general business in London, Milan and New York (including dealing in foreign exchange and foreign currency deposits) and in any Additional Business Center specified in the applicable Final Terms; and
- (iv) either (a) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial center of the country of the relevant Specified Currency (if other than any Additional Business Center and which if the Specified Currency is Australian dollars, or New Zealand dollars shall be Sydney and Auckland, respectively) or (b) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(b) **Rate of Interest – Floating Rate Notes**

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms. It may be specified in the applicable Final Terms that the Rate of Interest is multiplied by a factor.

(i) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this Condition 6.2(b)(i), **"ISDA Rate"** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Paying Agent under an interest rate swap transaction if the Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date (the **"ISDA Definitions"**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this Condition 6.2(b) (i), Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity and Reset Date have the meanings given to those terms in the ISDA Definitions. Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) *Screen Rate Determination for Floating Rate Notes (other than CMS Linked Interest Notes)*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the rate or offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates or offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR or the Canadian dollar offered rate ("**CAD-BA-CDOR**"), as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) or 10.00 a.m. (Toronto time, in the case of CAD-BA-CDOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Paying Agent. If five or more of such rates or offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such rates or offered quotations.

If the Relevant Screen Page is not available or if no rate or offered quotation appears or, in the case of fewer than three such rates or offered quotations appears, in each case as at the Specified Time, the Paying Agent in consultation with the Issuer shall request each of the Reference Banks to provide the Paying Agent with its bid rate or offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Paying Agent with bid rates or offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the bid rates or offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Paying Agent with a bid rate or offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005

being rounded upwards) of the rates, as communicated to (and at the request of) the Paying Agent by the Reference Banks or any two or more of them (a) if the Reference Rate is CAD-BA-CDOR, for Canadian Dollar bankers acceptances for a period of the applicable Interest Period in an amount representative for a single transaction in the relevant market at the relevant time accepted by those banks as of 10:00 a.m. (Toronto time), or (b) at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Paying Agent with bid rates or offered rates, the bid rate or offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the bid rates or offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Paying Agent it is quoting (a) if the Reference Rate is CAD-BA-CDOR, for Canadian Dollar bankers acceptances in an amount representative for a single transaction in the relevant market at the relevant time accepted by those banks as of 10:00 a.m. (Toronto time), or (b) to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any), **provided that**, subject to Condition 6.2(j) (*Reference Rate Replacement*) (if Reference Rate Replacement is specified in the relevant Final Terms as being applicable), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period). Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

Notwithstanding any other provision of this Condition 6.2(b): (i) no amendment to the terms of the Notes will be made pursuant to this Condition 6.2(b), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as: (A) in the case of Senior Notes or Non-Preferred Senior Notes, satisfying the MREL or TLAC Requirements; (B) in the case of Subordinated Notes, Tier 2 Capital for regulatory capital purposes of the Issuer and/or the Group; and (C) in the case of Additional Tier 1 Notes, Additional Tier 1 Capital for regulatory capital purposes of the Issuer and/or the Group; and/or (ii) in the case of Senior Notes and Non-Preferred Senior Notes only, no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other

amendments to the terms of the Notes will be made pursuant to this Condition 6.2(b), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Competent Authority or, if applicable, the Relevant Resolution Authority treating an Interest Payment Date as the effective maturity of the Notes, rather than the relevant Maturity Date.

(iii) *Screen Rate Determination for Floating Rate Notes which are CMS Linked Interest Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be:

- (A) where "CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

$$\text{CMS Rate} + \text{Margin}$$

- (B) where "Leveraged CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

$$\text{Leverage} \times \text{CMS Rate}$$

- (C) where "Steepener CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

Either:

- (1) where "Steepener CMS Reference Rate: Unleveraged" is specified in the applicable Final Terms:

$$\text{CMS Rate 1} - \text{CMS Rate 2}$$

or

- (2) where "Steepener CMS Reference Rate: Leveraged" is specified in the applicable Final Terms:

$$\text{Leverage} \times [(\text{Min} (\text{CMS Rate 1}; \text{Cap} - \text{CMS Rate 2})) + \text{Margin}]$$

- (D) where "Call Spread CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

$$\text{Leverage} \times \text{Min} [\text{Max} (\text{CMS Rate} + \text{Margin}; \text{Floor}); \text{Cap}]$$

Unless otherwise stated in the applicable Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

"CMS Rate" shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, as published on the Relevant Screen Page, fixed at 11:00 AM CET on the relevant Determination Date, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Calculation Agent shall in consultation with the Issuer request each of the Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately the Specified Time on the Interest Determination Date in question. If at least three of the Reference Banks provide the Calculation Agent with such quotation, the CMS Rate for such Interest Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If on any Interest Determination Date less than three or none of the Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the Issuer or one of its affiliates will determine a substitute or successor based rate after consulting any source it deems to be reasonable. Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero;

"CMS Rate 1" and **"CMS Rate 2"** shall mean the CMS Rate with a particular Designated Maturity as specified in the applicable Final Terms;

"Cap" means a percentage per annum as specified in the applicable Final Terms;

"Floor" means a percentage per annum as specified in the applicable Final Terms;

"Leverage" means a percentage number as specified in the applicable Final Terms;

"Margin" means a percentage per annum as specified in the applicable Final Terms;

"Reference Banks" means (i) where the Reference Currency is Euro, the principal office of five leading swap dealers in the inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five leading swap dealers in the London interbank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, (iv) where the Reference Currency is Canadian dollars, the principal Toronto office of four major Canadian chartered banks listed in Schedule I to the Bank Act (Canada), or (v) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case selected by the Issuer or one of its affiliates;

"Relevant Swap Rate" means:

- (i) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA

Definitions) with a designated maturity determined by the Paying Agent by reference to standard market practice and/or the ISDA Definitions;

- (ii) where the Reference Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;
- (iii) where the Reference Currency is United States dollars, the mid-market semiannual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and
- (iv) where the Reference Currency is any other currency of if the applicable Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms.

"Representative Amount" means an amount that is representative for a single transaction in the relevant market at the relevant time; and

(c) **Rate of Interest – Inflation Linked Interest Notes**

The Rate of Interest payable from time to time in respect of Inflation Linked Interest Notes, for each Interest Period, shall be determined by the Calculation Agent, or other party specified in the applicable Final Terms, on the relevant Determination Date in accordance with the following formula:

$$\text{Rate of Interest} = [[\text{Index Factor}] * \text{YoY Inflation}] + \text{Margin}$$

subject to the Minimum Rate of Interest or the Maximum Rate of Interest if, in either case, designated as applicable in the applicable Final Terms in which case the provisions of Condition 6.2(d) below shall apply as appropriate.

The Rate of Interest shall be rounded (if necessary) to the fifth decimal place, with 0.000005 being rounded upwards.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

"Index Factor" has the meaning given to it in the applicable Final Terms, provided that if Index Factor is specified as "Not Applicable", the Index Factor shall be deemed to be equal to one;

"Inflation Index" has the meaning given to it in the applicable Final Terms;

"Inflation Index (t)" means the value of the Inflation Index for the Reference Month in the calendar year in which the relevant Specified Interest Payment Date falls;

"Inflation Index (t-1)" means the value of the Inflation Index for the Reference Month in the calendar year preceding the calendar year in which the relevant Specified Interest Payment Date falls;

"Margin" has the meaning given to it in the applicable Final Terms;

"Reference Month" has the meaning given to it in the applicable Final Terms; and

"YoY Inflation (t)" means in respect of the Specified Interest Payment Date falling in month (t), the value calculated in accordance with the following formula:

$$\left[\frac{\text{Inflation Index}(t)}{\text{Inflation Index}(t-1)} - 1 \right]$$

(d) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 6.2(a) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 6.2(b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(e) **Change of Interest Basis**

If Change of Interest Basis is specified as applicable in the applicable Final Terms, the interest payable in respect of the Notes will be calculated in accordance with Condition 6.1 (*Interest on Fixed Rate Notes*) or Condition 6.2 (*Interest on Floating Rate Notes and Inflation Linked Interest Notes*), each applicable only for the relevant periods specified in the applicable Final Terms.

If Change of Interest Basis is specified as applicable in the applicable Final Terms, and Issuer's Switch Option is also specified as applicable in the applicable Final Terms, the Issuer may, on one or more occasions, as specified in the applicable Final Terms, at its option (any such option, a **"Switch Option"**), having given notice to the Noteholders in accordance with Condition 17 (*Notices*) on or prior to the relevant Switch Option Expiry Date specified in the applicable Final Terms, change the Interest Basis of the

Notes from Fixed Rate to Floating Rate or Floating Rate to Fixed Rate or as otherwise specified in the applicable Final Terms with effect from (and including) the Switch Option Effective Date specified in the applicable Final Terms to (but excluding) the Maturity Date (or, where more than one Switch Option Effective Date is specified in the applicable Final Terms, up to and excluding the next following Switch Option Effective Date), provided that (A) the Switch Option may be exercised only in respect of all the outstanding Notes, (B) upon exercise of a Switch Option, the Interest Basis change will be effective from (and including) the relevant Switch Option Effective Date until the Maturity Date (or, where more than one Switch Option Effective Date is specified as applicable in the applicable Final Terms, up to and excluding the next following Switch Option Effective Date to the extent the related Switch Option is exercised), and (C) where a Switch Option has not been exercised prior to the relevant Switch Option Expiry Date, the Issuer shall no longer be entitled to exercise such Switch Option and the Interest Basis shall not change.

Switch Option Expiry Date and Switch Option Effective Date shall mean any date specified as such in the applicable Final Terms provided that any date specified in the applicable Final Terms as a Switch Option Effective Date shall be deemed as such subject to the exercise of the relevant Switch Option having been notified by the Issuer pursuant to this Condition 6.2 and in accordance with Condition 17 (*Notices*) prior to the relevant Switch Option Expiry Date.

(f) Determination of Rate of Interest and Calculation of Interest Amounts

The Paying Agent (in the case of Floating Rate Notes (other than CMS Linked Interest Notes)) and the Calculation Agent (in the case of Inflation Linked Interest Notes and CMS Linked Interest Notes) will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. If applicable, the Calculation Agent will notify the Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Paying Agent (in the case of Floating Rate Notes (other than CMS Linked Interest Notes)) and the Calculation Agent (in the case of Inflation Linked Interest Notes and CMS Linked Interest Notes) will calculate the Interest Amount payable on the Floating Rate Notes (other than CMS Linked Interest Notes) or Inflation Linked Interest Notes and CMS Linked Interest Notes, as appropriate, for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes or Inflation Linked Interest Notes, as appropriate, which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (ii) in the case of Floating Rate Notes or Inflation Linked Interest Notes, as appropriate, in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Inflation Linked Interest Note, as appropriate, in definitive form is a multiple

of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"Day Count Fraction" means, in respect of the calculation of an amount of interest for any Interest Period in accordance with Condition 6.2 (*Interest on Floating Rate Notes and Inflation Linked Interest Notes*):

- (A) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (B) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (C) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (D) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (E) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[(\text{Mod})(Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- Y₁** is the year, expressed as a number, in which the first day of the Interest Period falls;
- Y₂** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- M₁** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;
- M₂** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- D₁** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 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 Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (F) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[(\text{Mod})(Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M₂ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D₁ is the first calendar day, expressed as a number, of the Interest Period, unless such number is 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 Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (G) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[(\text{Mod})(Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y₁ is the year, expressed as a number, in which the first day of the Interest Period falls;

Y₂ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M₁ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

- M₂** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- D₁** is the first calendar day, expressed as a number, of the Interest 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 Interest Period, unless (I) that day is the last day of February but not the Maturity Date or (II) such number would be 31 and in which case D₂ will be 30.

(g) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Paying Agent (in the case of Floating Rate Notes (other than CMS Linked Interest Notes)) or the Calculation Agent (in the case of Inflation Linked Interest Notes or CMS Linked Interest Notes) by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Paying Agent (in the case of Floating Rate Notes (other than CMS Linked Interest Notes)) or the Calculation Agent (in the case of Inflation Linked Interest Notes or CMS Linked Interest Notes) shall determine such rate at such time and by reference to such sources as it determines appropriate.

(h) Notification of Rate of Interest and Interest Amounts

The Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee, the Paying Agent, Acupay through the Acupay System, the Note Depository and each stock exchange or listing agent (if any) on which the Notes are then listed at the latest on the first London Business Day of each Interest Period, and notice thereof shall be published in accordance with Condition 17 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may be amended subsequently (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Noteholders in accordance with Condition 17 (*Notices*).

(i) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.2 by the Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of bad faith or manifest error or proven error) be binding on the Issuer, the Trustee, the Paying Agent, the Calculation Agent (if applicable), and all Noteholders and Receipt Holders and (in the absence as aforesaid) no liability shall attach to any of the Issuer, the Trustee, the Noteholders, the Receipt Holders, the Paying Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(j) **Reference Rate Replacement**

If: (i) Reference Rate Replacement is specified in the relevant Final Terms as being applicable and 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 or, in the case of Fixed Rate Notes having a Reset Rate of Interest, Reset Reference Rate Replacement is specified in the relevant Final Terms as being applicable; and (ii) notwithstanding the other provisions of this Condition 6.2 with respect to Screen Rate Determination, the Issuer determines that a Rate Event has occurred when any Rate of Interest (or component thereof) remains to be determined by reference to the Reference Rate or the Reset Reference Rate, then the following provisions shall apply to the relevant Series of Notes:

- (i) the Issuer shall use reasonable endeavours: (A) to determine a Successor Reference Rate and an Adjustment Spread (if any); or (B) if the Issuer cannot determine a Successor Reference Rate and an Adjustment Spread (if any), appoint an Independent Adviser to determine an Alternative Reference Rate, and an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) no later than five Business Days prior to the Interest Determination Date relating to the next Interest Period (the "**IA Determination Cut-off Date**"), for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Period and for all other future Interest Periods (subject to the subsequent operation of this Condition 6.2(j) during any other future Interest Period(s));
- (ii) if the Issuer is unable to determine a Successor Reference Rate and the Independent Adviser is unable to determine an Alternative Reference Rate (as applicable) prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine an Alternative Reference Rate and, an Adjustment Spread (if any) no later than three Business Days prior to the Interest Determination Date relating to the next Interest Period (the "**Issuer Determination Cut-off Date**"), for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Period and for all other future Interest Periods (subject to the subsequent operation of this Condition 6.2(j) during any other future Interest Period(s)). Without prejudice to the definitions thereof, for the purposes of determining any Alternative Reference Rate and/or any Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;

(iii) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) is determined by the relevant Independent Adviser or the Issuer (as applicable) in accordance with this Condition 6.2(j):

(A) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall be the Reference Rate or the Reset Reference Rate for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 6.2(j));

(B) if the relevant Independent Adviser or the Issuer (as applicable):

(I) determines that an Adjustment Spread is required to be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 6.2(j)); or

(II) is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, then such Successor Reference Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread for all future Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 6.2(j)); and

(C) the relevant Independent Adviser or the Issuer (as applicable) (acting in good faith and in a commercially reasonable manner) may in its discretion specify:

(I) changes to these Conditions in order to follow market practice in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to (1) any Additional Business Center(s), Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Reference Banks, Relevant Financial Centre and/or Relevant Screen Page applicable to the Notes and (2) the method for determining the fallback to the Rate of Interest in relation to the Notes if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and

(II) any other changes which the relevant Independent Adviser or the Issuer (as applicable) determines are reasonably necessary to ensure the proper operation and comparability to the Reference Rate or the Reset Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable),

which changes shall apply to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 6.2(j)); and

- (iv) promptly following the determination of (i) any Successor Reference Rate or Alternative Reference Rate (as applicable) and (ii) if applicable, any Adjustment Spread, the Issuer shall give notice thereof and of any changes (and the effective date thereof) pursuant to Condition 6.2(j)(iii)(C) to the Trustee, the Paying Agent and, if applicable, the Calculation Agent and the Noteholders in accordance with Condition 17 (Notices).

No consent of the Holders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) as described in this Condition 6.2(j) or such other relevant changes pursuant to Condition 6.2(j)(iii)(C), including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Indenture.

For the avoidance of doubt, if a Successor Reference Rate or an Alternative Reference Rate is not determined pursuant to the operation of this Condition 6.2(j) prior to the relevant Issuer Determination Cut-off Date, then the Rate of Interest for the next Interest Period shall be determined by reference to the fallback provisions of Condition 6.2(b).

Notwithstanding any other provision of this Condition 6.2(j): (i) no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 6.2(j), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as: (A) in the case of Senior Notes or Non-Preferred Senior Notes, satisfying the MREL or TLAC Requirements; (B) in the case of Subordinated Notes, Tier 2 Capital for regulatory capital purposes of the Issuer and/or the Group; and (C) in the case of Additional Tier 1 Notes, Additional Tier 1 Capital for regulatory capital purposes of the Issuer and/or the Group; and/or (ii) in the case of Senior Notes and Non-Preferred Senior Notes only, no Successor Reference Rate or Alternative Reference Rate (as applicable) will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 6.2(j), if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Competent Authority or, if applicable, the Relevant Resolution Authority treating an Interest Payment Date as the effective maturity of the Notes, rather than the relevant Maturity Date.

6.3 Inflation Linked Interest Note Provisions

Unless previously redeemed or purchased and cancelled in accordance with this Condition 6.3 or as specified in the applicable Final Terms and subject to this Condition 6.3, each Inflation Linked Interest Note will bear interest in the manner specified in the applicable Final Terms and these Conditions.

Inflation Index Delay and Disruption Provisions

(a) Delay in Publication

If the Calculation Agent determines that a Delayed Index Level Event in respect of an Inflation Index has occurred with respect to any Determination Date, then the Relevant Level for such Inflation Index with respect to the relevant

Reference Month subject to such Delayed Index Level Event (the "**Substitute Index Level**") shall be determined by the Calculation Agent as follows:

- (i) if "Related Bond" is specified as applicable for such Inflation Index in the applicable Final Terms, the Calculation Agent shall determine the Substitute Index Level by reference to the corresponding index level determined under the terms and conditions of the relevant Related Bond;
- (ii) if (I) "Related Bond" is not specified as applicable for such Inflation Index in the applicable Final Terms, or (II) the Calculation Agent is not able to determine a Substitute Index Level under (i) above, the Calculation Agent shall determine the Substitute Index Level by reference to the following formula:
- (iii) $\text{Substitute Index Level} = \text{Base Level} \times (\text{Latest Level}/\text{Reference Level})$;
or
- (iv) otherwise in accordance with any formula specified in the applicable Final Terms,

in each case as of such Determination Date.

The Issuer shall give notice to Noteholders, in accordance with Condition 17 (*Notices*) of any Substitute Index Level calculated pursuant to Condition 6.3 (*Inflation Linked Interest Note Provisions*).

If the Relevant Level is published or announced at any time on or after the relevant Cut-off Date, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to this Condition 6.3 (*Inflation Linked Interest Note Provisions*) will be the definitive level for that Reference Month.

(b) **Cessation of Publication**

If the Calculation Agent determines that the level for the Inflation Index has not been published or announced for two (2) consecutive months, the Inflation Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index or the Inflation Index Sponsor otherwise cancels the Inflation Index, then the Calculation Agent shall determine a successor inflation index (the "**Successor Inflation Index**") (in lieu of any previously applicable Inflation Index) for the purposes of the Inflation Linked Interest Notes by using the following methodology:

- (i) if at any time (other than after an early redemption or cancellation event has been designated by the Calculation Agent pursuant to Condition 6.3(b)(v) below), a successor inflation index has been designated by the calculation agent (or equivalent) pursuant to the terms and conditions of the Related Bond, such successor inflation index shall be designated a Successor Inflation Index notwithstanding that any other Successor Inflation Index may previously have been determined under Conditions 6.3(b)(ii), 6.3(b)(iii) or 6.3(b)(iv) below;

- (ii) if a Successor Inflation Index has not been determined pursuant to Condition 4(b)(i) above, and a notice has been given or an announcement has been made by the Inflation Index Sponsor, specifying that the Inflation Index will be superseded by a replacement Inflation Index specified by the Inflation Index Sponsor, and the Calculation Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Inflation Index, such replacement index shall be the Inflation Index for purposes of the Inflation Linked Interest Notes from the date that such replacement Inflation Index comes into effect;
- (iii) if a Successor Inflation Index has not been determined pursuant to Conditions 6.3(b)(i) or 6.3(b)(ii) above, the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be. If four or five responses are received and, of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed to be the Successor Inflation Index. If three responses are received and two or more leading independent dealers state the same index, this index will be deemed to be the Successor Inflation Index. If fewer than three responses are received or no Successor Inflation Index is determined pursuant to this Condition 6.3(b)(iii), the Calculation Agent will proceed to Condition 6.3(b)(iv) below;
- (iv) if no replacement index or Successor Inflation Index has been determined under Conditions 6.3(b)(i), 6.3(b)(ii) or 6.3(b)(iii) above by the next occurring Cut-Off Date, the Calculation Agent, subject as provided below, will determine an appropriate alternative index from such Cut-Off Date, and such index will be deemed to be a Successor Inflation Index; or
- (v) if the Calculation Agent determines that there is no appropriate alternative index in relation to Inflation Linked Interest Notes, on giving notice to Noteholders in accordance with Condition 17 (*Notices*), the Issuer shall redeem or cancel, as applicable all but not some only of the Inflation Linked Interest Notes, each Inflation Linked Interest Note being redeemed or cancelled, as applicable by payment of the relevant Early Redemption Amount or, in the case of Additional Tier 1 Notes, at their Prevailing Principal Amount. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 17 (*Notices*).

(c) **Rebasing of the Inflation Index**

If the Calculation Agent determines that the Inflation Index has been or will be rebased at any time, the Inflation Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the level of the Inflation Index from the date of such rebasing; provided, however, that the Calculation Agent shall make such adjustments as are made by the calculation agent (or equivalent) pursuant to the terms and conditions of the Related Bond, if "Related Bond" is

specified as applicable in the applicable Final Terms, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased, or, if "Related Bond" is not specified as applicable in the applicable Final Terms, the Calculation Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Inflation Index before it was rebased.

(d) **Material Modification Prior to Last Occurring Cut-Off**

If, on or prior to the last occurring Cut-Off Date, the Inflation Index Sponsor announces that it will make a material change to the Inflation Index then the Calculation Agent shall make any such adjustments, if "Related Bond" is specified as applicable in the applicable Final Terms, consistent with adjustments made to the Related Bond, or, if "Related Bond" is not specified as applicable in the applicable Final Terms, only those adjustments to the Inflation Index necessary for the modified Inflation Index to continue as the Inflation Index.

(e) **Manifest Error in Publication**

With the exception of any corrections published after the day which is three (3) Business Days prior to the relevant Maturity Date, if, within thirty (30) calendar days of publication, the Calculation Agent determines that the Inflation Index Sponsor has corrected the level of the Inflation Index to remedy a manifest error in its original publication, the Calculation Agent may, in its discretion, make such adjustments to the terms of the Inflation Linked Interest Notes as it determines appropriate to account for the correction and will notify the Noteholders of any such adjustments in accordance with Condition 17 (*Notices*).

(f) **Consequences of an Additional Disruption Event**

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may at its option:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any of these Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
- (ii) redeem or cancel, as applicable, all but not some of the Inflation Linked Interest Notes on the date notified by the Calculation Agent to Noteholders in accordance with Condition 17 (*Notices*) by payment of the relevant Early Redemption Amount or, in the case of Additional Tier 1 Notes, at their Prevailing Principal Amount, as at the date of redemption or cancellation, as applicable, taking into account the relevant Additional Disruption Event.

(g) **Inflation Index Disclaimer**

The Notes are not sponsored, endorsed, sold or promoted by the Inflation Index or the Inflation Index Sponsor and the Inflation Index Sponsor does not make any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Inflation Index and/or the levels at which the Inflation Index stands at any particular time on any particular date or otherwise. Neither the Inflation Index nor the Inflation Index Sponsor shall be liable (whether in negligence or otherwise) to any Person for any error in the Inflation Index and the Inflation Index Sponsor is under no obligation to advise any Person of any error therein. The Inflation Index Sponsor is not making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. The Issuer shall have no liability to the Noteholders for any act or failure to act by the Inflation Index Sponsor in connection with the calculation, adjustment or maintenance of the Inflation Index. Except as disclosed prior to the Issue Date, neither the Issuer nor its affiliates has any affiliation with or control over the Inflation Index or the Inflation Index Sponsor or any control over the computation, composition or dissemination of the Inflation Index. Although the Calculation Agent will obtain information concerning the Inflation Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its Affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Inflation Index.

7. INTEREST AND INTEREST CANCELLATION IN RESPECT OF ADDITIONAL TIER 1 NOTES

This Condition 7 applies only to Additional Tier 1 Notes. The application of Condition 6 (Interest) to Additional Tier 1 Notes is subject to this Condition 7.

7.1 Cancellation of Interest Amounts

The Issuer may at any time elect at its full discretion to cancel (in whole or in part) for an unlimited period and on a non-cumulative basis the Interest Amounts otherwise scheduled to be paid on an Interest Payment Date.

Without prejudice to (i) such full discretion of the Issuer to cancel the Interest Amounts and (ii) prohibition to make payments on the Additional Tier 1 Notes pursuant to any provisions of Italian law implementing Article 141(2) of the CRD IV Directive and, if relevant, in any other similar payment restriction provision(s) under the Relevant Regulations, before the Maximum Distributable Amount is calculated, payment of Interest Amounts on any Interest Payment Date must be cancelled (in whole or, as the case may be, in part) if and to the extent that such Interest Amounts:

- (a) when aggregated together with distributions on all other Own Funds instruments of the Issuer (excluding Tier 2 Capital instruments) paid or scheduled for payment in the then current financial year and any potential write-ups exceed the amount of Distributable Items, excluding any payments already accounted for in determining the Distributable Items; and/or

- (b) when aggregated together with other distributions of the Issuer or the UniCredit Group, as applicable, of the kind referred to in Article 141(2) of the CRD IV Directive and, if relevant, in any other similar payment restriction provision(s) under the Relevant Regulations (or, if different, any provisions of Italian law implementing Article 141(2) of the CRD IV Directive) or, if relevant, such other provision(s)) and the amount of any write-up (if applicable), would, if paid, cause the Maximum Distributable Amount (if any) then applicable to the Issuer and/or the UniCredit Group to be exceeded; and/or
- (c) are required to be cancelled (in whole or in part) by an order to the Issuer from the Competent Authority.

If a Contingency Event occurs, as set out in Condition 8.1 (*Loss absorption*), any accrued and unpaid interest on the Notes to (but excluding) the Write-Down Effective Date shall be cancelled.

Notice of any cancellation of payment of a scheduled Interest Amount must be given to the Noteholders in accordance with Condition 17 (*Notices*), the Trustee and the Paying Agent as soon as possible, but not more than 60 calendar days prior to the relevant Interest Payment Date. Such notice shall specify the amount of the relevant cancellation. Any failure by the Issuer to give such notice shall not affect the validity of the cancellation and shall not constitute a default for any purpose. In the absence of any notice of cancellation being given, the fact of non-payment (in whole or in part) of the relevant Interest Amount on the relevant Interest Payment Date shall be evidence of the Issuer having elected or being required to cancel such distributions payment in whole or in part, as applicable.

For the avoidance of doubt (i) the cancellation of any Interest Amounts in accordance with this Condition 7.1 or Condition 8.1 (*Loss absorption*) shall not constitute a default for any purpose on the part of the Issuer and (ii) interest on the Notes is not cumulative and any Interest Amounts that the Issuer elects not to pay or is prohibited from paying will not accumulate or compound and all rights and claims in respect of such amounts shall be fully and irrevocably forfeited and no payments shall be made nor shall any Noteholder be entitled to any payment or indemnity in respect thereof.

7.2 No Restriction Following Cancellation of Interest Amounts

In the event that the Issuer exercises its discretion not to pay interest or is prohibited from paying interest on any Interest Payment Date, it will not give rise to any contractual restriction on the Issuer making distributions or any other payments to the holders of any securities ranking *pari passu* with, or junior to, the Additional Tier 1 Notes (or, for the avoidance of doubt, Tier 2 Capital instruments).

7.3 Calculation of Interest Amount

The amount of interest payable in respect of an Additional Tier 1 Note for any period shall be calculated by the Paying Agent (in the case of Floating Rate Notes (other than CMS Linked Interest Notes)) or the Calculation Agent (in the case of Inflation Linked Interest Notes or CMS Linked Interest Notes) by:

- (a) applying the applicable Rate of Interest to the Prevailing Principal Amount of such Note;
- (b) multiplying the product thereof by the Day Count Fraction; and
- (c) rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

7.4 **Calculation of Interest Amount in Case of Write-Down**

Subject to Condition 7.1 (*Cancellation of Interest Amounts*), in the event that a Write-Down occurs during an Interest Period, any accrued and unpaid interest shall be cancelled and the Interest Amount payable on the Interest Payment Date immediately following such Interest Period shall be calculated in accordance with Condition 7.3 (*Calculation of Interest Amount*), provided that the Day Count Fraction shall be determined as if the Interest Period started on, and included, the Write-Down Effective Date.

7.5 **Calculation of Interest Amount in Case of Write-Up**

Subject to Condition 7.1 (*Cancellation of Interest Amounts*), in the event that a Write-Up occurs during an Interest Period, the Interest Amount payable on the Interest Payment Date immediately following such Interest Period shall be calculated as the sum (rounding the resulting figure to the nearest cent, with half a cent being rounded upwards) of the following:

- (a) the product of the applicable Rate of Interest, the Prevailing Principal Amount before such Write-Up, and the Day Count Fraction (determined as if the Interest Period ended on, but excluded, the date of such Write-Up); and
- (b) the product of the applicable Rate of Interest, the Prevailing Principal Amount after such Write-Up, and the Day Count Fraction (determined as if the Interest Period started on, and included, the date of such Write-Up).

8. **LOSS ABSORPTION AND REINSTATEMENT OF PRINCIPAL AMOUNT IN RESPECT OF ADDITIONAL TIER 1 NOTES**

This Condition 8 applies only to Additional Tier 1 Notes.

8.1 **Loss Absorption**

If, at any time, the Common Equity Tier 1 Capital Ratio of the Issuer falls below 5.125% (an "**Issuer Contingency Event**") or the Common Equity Tier 1 Capital Ratio of the UniCredit Group falls below 5.125% (a "**Group Contingency Event**") or, in each case, the then minimum trigger event ratio for loss absorption applicable to Additional Tier 1 Capital instruments specified in the Relevant Regulations (excluding any guidelines or policies of non-mandatory application) applicable to the Issuer and/or the UniCredit Group (each, a "**Contingency Event**"), the Issuer shall:

- (a) immediately notify the Competent Authority of the occurrence of the relevant Contingency Event;

- (b) as soon as reasonably practicable deliver a Loss Absorption Event Notice to Noteholders (in accordance with Condition 17 (*Notices*)), the Trustee and the Paying Agent (provided that failure or delay in delivering a Loss Absorption Event Notice shall not constitute a default for any purpose or in any way impact on the effectiveness of, or otherwise invalidate, any Write-Down);
- (c) cancel any accrued and unpaid interest up to (but excluding) the Write-Down Effective Date; and
- (d) without delay, and in any event within one month (or such shorter period as the Competent Authority may require) from the determination that the relevant Contingency Event has occurred, reduce the then Prevailing Principal Amount of each Note by the Write-Down Amount (such reduction being referred to as a "**Write-Down**" and "**Written Down**" being construed accordingly), pro rata with the other Additional Tier 1 Notes.

Whether a Contingency Event has occurred at any time shall be determined by the Issuer and the Competent Authority.

For the avoidance of doubt, even if the cancellation of interest pursuant to Condition 8.1(c) would cure the relevant Contingency Event, the relevant Write-Down shall occur in any event and any increase in the CET1 Ratio as a result of such cancellation shall be disregarded for the purpose of calculating the relevant Write-Down Amount in respect of such Contingency Event.

Any Write-Down of a Note will be effected, save as may otherwise be required by the Competent Authority and subject as otherwise provided in these Conditions, pro rata with the Write-Down of the other Notes and with the concurrent (or substantially concurrent) write-down (or write-off) or conversion into Ordinary Shares, as the case may be, of any Equal Loss Absorbing Instruments (based on the prevailing amount of the relevant Equal Loss Absorbing Instrument). To the extent possible, the write-down (or write-off) or conversion into Ordinary Shares of any Prior Loss Absorbing Instruments will be taken into account in the calculation of the Write Down Amount, and of the amount of write-down (or write-off) or conversion into Ordinary Shares of any Equal Loss Absorbing Instruments, required to cure the relevant Contingency Event.

A Write-Down may occur on more than one occasion and the Notes may be Written Down on more than one occasion.

In respect of any Write-Down, to the extent the write-down (or write-off) or the conversion into Ordinary Shares of any Loss Absorbing Instrument is not, or within one month (or such shorter period as the Competent Authority may require) from the determination that the relevant Contingency Event has occurred will not be, effective for any reason (i) the ineffectiveness of any such write-down (or write-off) or conversion into Ordinary Shares shall not prejudice the requirement to effect the Write-Down of the Notes pursuant to this Condition 8.1 and (ii) (ii) such write-down (or write-off) or conversion into Ordinary Shares shall not be taken into account in calculating the Write Down Amount in respect of such Write-Down. For the avoidance of doubt, the write-down (or write-off) or conversion into Ordinary Shares of any Loss Absorbing Instrument will only be taken into account in the calculation of the Write-Down

Amount to the extent (and in the amount, if any) that such Loss Absorbing Instrument can actually be written-down (or written-off) or converted into Ordinary Shares in the relevant circumstances within one month (or such shorter period as the Competent Authority may require) from the determination that the relevant Contingency Event has occurred.

If, in connection with a Write-Down or the calculation of a Write-Down Amount, there are outstanding any Loss Absorbing Instruments the terms of which provide that they shall be written-down (or written-off) or converted into Ordinary Shares in full and not in part only ("**Full Loss Absorbing Instruments**") then:

(A) the requirement that a Write-Down of the Additional Tier 1 Notes shall be effected pro rata with the write-down (or write-off) or conversion into Ordinary Shares, as the case may be, of any such Loss Absorbing Instruments shall not be construed as requiring the Notes to be Written-Down in full (or in full save for the one cent floor) simply by virtue of the fact that such Full Loss Absorbing Instruments will be written-down (or written-off) or converted in full; and

(B) for the purposes of calculating the Write-Down Amount, the Full Loss Absorbing Instruments will be treated (for the purposes only of determining the write-down (or write-off) of principal or conversion into Ordinary Shares, as the case may be, among the Notes and such other Loss Absorbing Instruments on a pro rata basis) as if their terms permitted partial write-down (or write-off) or conversion into Ordinary Shares, such that the write-down (or write-off) or conversion into Ordinary Shares of such Full Loss Absorbing Instruments shall be deemed to occur in two concurrent stages: (a) first, the principal amount of such Full Loss Absorbing Instruments shall be written-down (or written-off) or converted into Ordinary Shares pro rata with the Additional Tier 1 Notes and all other Loss Absorbing Instruments (in each case subject to and as provided in the preceding paragraph) to the extent necessary to cure the relevant Contingency Event; and (b) secondly, the balance (if any) of the principal amount of such Full Loss Absorbing Instruments remaining following (a) shall be written-down (or written-off) or converted into Ordinary Shares, as the case may be, with the effect of increasing the Issuer's and/or the UniCredit Group's, as the case may be, CET1 Ratio above the minimum required level under (a) above.

8.2 **Consequences of Loss Absorption**

Following the giving of a Loss Absorption Event Notice which specifies a Write-Down of the Additional Tier 1 Notes, the Issuer shall procure that:

- (a) a similar notice is, or has been, given in respect of each Loss Absorbing Instrument (in each case, in accordance with, and to the extent required by, its terms); and
- (b) the prevailing principal amount of each Loss Absorbing Instrument outstanding (other than the Additional Tier 1 Notes) (if any) is written down (or written-off) or converted, as appropriate, on a pro rata basis in accordance with its terms prior to or, as appropriate, as soon as reasonably practicable following the giving of such Loss Absorption Event Notice.

8.3 Reinstatement of Principal Amount

If both a positive Net Income and a positive Consolidated Net Income are recorded at any time while the Prevailing Principal Amount of the Additional Tier 1 Notes is less than their Initial Principal Amount, the Issuer may, at its full discretion and subject to the Maximum Distributable Amount (if any) (when the amount of the Write-Up is aggregated together with other distributions of the Issuer or the UniCredit Group, as applicable, of the kind referred to in Article 141(2) of the CRD IV Directive and, if relevant, in any other similar payment restriction provision(s) under the Relevant Regulations (or, if different, any provision of Italian law implementing Article 141(2) of the CRD IV Directive or if relevant, such other provision(s))) not being exceeded thereby, increase the Prevailing Principal Amount of each Additional Tier 1 Note (a "**Write-Up**") up to a maximum of the Initial Principal Amount, on a pro rata basis with the other Additional Tier 1 Notes and with any Written-Down Additional Tier 1 Instruments that have terms permitting a principal write-up to occur on a basis similar to that set out in this Condition 8.3 in the circumstances existing on the date of the relevant Write-Up (based on their Initial Principal Amounts), provided that the sum of:

- (a) the aggregate amount of the relevant Write-Ups on all the Additional Tier 1 Notes (aggregated with the aggregate amounts of any other Write-Ups out of the same Relevant Net Income);
- (b) the aggregate amount of any interest payments on the Additional Tier 1 Notes that were paid on the basis of a Prevailing Principal Amount lower than the Initial Principal Amount at any time after the end of the previous financial year;
- (c) the aggregate amount of the increase in principal amount of each such Written-Down Additional Tier 1 Instrument at the time of the relevant Write-Up; and
- (d) the aggregate amount of any interest payments on each such Written-Down Additional Tier 1 Instrument that were calculated or paid on the basis of a prevailing principal amount that is lower than the principal amount it was issued with at any time after the end of the previous financial year,

does not exceed the Maximum Write-Up Amount.

The "**Maximum Write-Up Amount**" means:

- (a) if the Relevant Net Income for the relevant Write-Up is equal to the Consolidated Net Income, the Consolidated Net Income multiplied by the sum of the aggregate Initial Principal Amount of the Additional Tier 1 Notes and the aggregate initial principal amount of all Written-Down Additional Tier 1 Instruments of the UniCredit Group, and divided by the total Tier 1 Capital of the UniCredit Group as at the date of the relevant Write-Up; or
- (b) if the Relevant Net Income for the relevant Write-Up is equal to the Net Income, the Net Income multiplied by the sum of the aggregate Initial Principal Amount of the Additional Tier 1 Notes and the aggregate initial principal amount of all Written-Down Additional Tier Instruments of the Issuer, and divided by the total Tier 1 Capital of the Issuer as at the date of the relevant Write-Up.

The Issuer will not reinstate the principal amount of any Written-Down Additional Tier 1 Instruments of the Issuer that have terms permitting a principal write-up to occur on a similar basis to that set out in this Condition 8.3 unless it does so on a *pro rata* basis with a Write-Up on the Notes.

A Write-Up may be made on one or more occasions in accordance with this Condition 8.3 until the Prevailing Principal Amount of the Notes has been reinstated to the Initial Principal Amount. No Write-Up shall be operated (i) whilst a Contingency Event has occurred and is continuing, or (ii) where any such Write-Up (together with the write-up of all other Written-Down Additional Tier 1 Instruments) would cause a Contingency Event to occur.

Any decision by the Issuer to effect or not to effect any Write-Up pursuant to this Condition 8.3 on any occasion shall not preclude it from effecting or not effecting any Write-Up on any other occasion pursuant to this Condition 8.3.

If the Issuer decides to Write-Up the Notes pursuant to this Condition 8.3, it shall deliver a notice to the Noteholders in accordance with Condition 17 (*Notices*) and to the Trustee and the Paying Agent (a "**Write-Up Notice**") at least ten Business Days prior to the date on which the relevant Write-Up becomes effective, specifying the amount of any Write-Up (as a percentage of the Initial Principal Amount of a Note resulting in a pro rata increase in the Prevailing Principal Amount of each Note) and the date on which such Write-Up shall take effect shall be given.

9. PAYMENTS

9.1 Payment of Principal

Payments of principal shall be made by check or wire transfer drawn in the currency in which the payment is due on or, upon application by a Holder to the specified office of the Paying Agent not later than the 15th day before the due date for any such payment, by transfer to an account denominated in such currency maintained by the payee with a bank in New York, New York.

9.2 Payment of Interest

Payments of interest shall be made, subject to the Tax Certification Procedures, by check or wire transfer drawn in the currency in which the payment is due on or, upon application by a Holder to the specified office of the Paying Agent not later than the 15th day before the due date for any such payment, by transfer to an account denominated in such currency (or, if that currency is euro, any other account to which euro may be credited or transferred) maintained by the payee with a bank which is a member of the U.S. Federal Reserve System in the United States of America and, in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note.

Interest on any Note which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid subject to the Tax Certification Procedures, to the Person in whose name that Note is registered at the close of business on the Regular Record Date for such interest.

Subject to the foregoing provisions of this Condition 9.2, each Note delivered upon registration of transfer of or in exchange for or in lieu of any other Note shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Note.

The Issuer has been advised by DTC that DTC will, in accordance with its customary accounting and payment procedures, credit interest payments received by DTC on any Interest Payment Date based on DTC Participant holdings of the beneficial interests in the Notes (i) on the close of business on the New York business day immediately preceding such Interest Payment Date, with respect to Rule 144A Notes and the related Global Receipts issued in U.S. Dollars, and (ii) on the close of business on the New York business day that is 15 days prior to such Interest Payment Date, with respect to Rule 144A Notes and the related Global Receipts issued in a Designated Currency. DTC will typically only accept payments in U.S. dollars. Rule 144A Notes and the related Global Receipts may be issued in a Designated Currency and, in such cases, payments of interest thereon may be payable in the Designated Currency, as specified in the Final Terms. According to the procedures of DTC, DTC Holders will receive payments in U.S. dollars, unless they elect to receive such payments in the Designated Currency. In the event that a DTC Holder shall not have made such election, payments to such DTC Holder will be converted to U.S. dollars by the Receipt Paying Agent pursuant to the terms and procedures specified in the Deposit Agreement.

9.3 Payments on Business Days

Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated and, where payment is to be made by check, the check will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note is surrendered (or, in the case of part payment only, endorsed) at the Corporate Trust Office of the Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Business Day or (B) a check mailed in accordance with Condition 9.1 (*Payment of Principal*) or Condition 9.2 (*Payment of Interest*) arriving after the due date for payment or being lost in the mail.

9.4 Payment of Principal Amount or Prevailing Principal Amounts due After Exercise of Resolution Power

No payment of any principal amount of the Notes or of any other Prevailing Principal Amounts due under or in respect of the Notes will be made after the exercise of any Resolution Power by the Relevant Resolution Authority unless, at the time that such payment is scheduled to become due, such payment would be permitted to be made by the Issuer after the exercise of such Resolution Power.

10. REDEMPTION AND PURCHASE

10.1 Redemption at Maturity

This Condition 10.1 applies only to Senior Notes, Non-Preferred Senior Notes and Subordinated Notes.

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer on the Maturity Date specified in the applicable Final Terms at *par* in the relevant Specified Currency.

10.2 No Fixed Redemption

This Condition 10.2 applies only to Additional Tier 1 Notes.

The Additional Tier 1 Notes are perpetual and have no fixed redemption date.

Unless previously redeemed or purchased and cancelled as provided below, the Additional Tier 1 Notes will mature on the date on which voluntary or involuntary winding up, dissolution, liquidation or bankruptcy (including, inter alia, *Liquidazione Coatta Amministrativa*) proceedings are instituted in respect of the Issuer, in accordance with (a) a resolution of the shareholders' meeting of the Issuer, (b) any provision of the by-laws of the Issuer (as of the date hereof, the maturity of the Issuer is set in its by-laws at 31 December 2100), or (c) any applicable legal provision, or any decision of any jurisdictional or administrative authority. Upon maturity, the Additional Tier 1 Notes will become due and payable at an amount equal to their Prevailing Principal Amount, together with any accrued but unpaid interest (to the extent not cancelled in accordance with Condition 7.1 (*Cancellation of Interest Amounts*)) up to, but excluding the date fixed for redemption on the Notes and any additional amounts due pursuant to Condition 11 (*Taxation*).

10.3 Redemption for Tax Reasons

Subject to Condition 10.7 (*Early Redemption Amounts*), the Notes may be redeemed at the option of the Issuer (subject, in the case of Senior Notes and Non-Preferred Senior Notes issued in accordance with MREL or TLAC Requirements, to the provisions of Condition 10.14 (*Conditions to Redemption and Purchase of Senior Notes and Non-Preferred Senior Notes Issued in Accordance With MREL or TLAC Requirements*), and in the case of Subordinated Notes and Additional Tier 1 Notes, to the provisions of Condition 10.13 (*Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes*)) in the case of Senior Notes, Non-Preferred Senior Notes or Subordinated Notes, in whole, but not in part, and in the case of Additional Tier 1 Notes, in whole or in part (to the extent permitted by the Relevant Regulations), at any time (if the Note is not a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 17 (*Notices*), to the Paying Agent and to the Trustee, if a Tax Event has occurred, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which (i) the Issuer would be obliged to pay such additional amounts were a

payment in respect of the Notes then due or (ii) the part of the interest payable by the Issuer under the Notes that is tax-deductible by the Issuer for Italian tax purposes is reduced.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver or procure that there is delivered to the Trustee to make available to the Noteholders at its Corporate Trust Office, a certificate signed by two authorised signatories of the Issuer stating that the said circumstances prevail and describing the facts leading thereto, and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Receipt holders.

Upon the expiry of any such notice as is referred to in this Condition 10.3, the Issuer shall be bound to redeem the Notes in accordance with this Condition 10.3. Notes redeemed pursuant to this Condition 10.3 will be redeemed at their Early Redemption Amount referred to in Condition 10.7 (*Early Redemption Amounts*) below, together (if applicable) with accrued and unpaid interest on the Notes to (but excluding) the date of redemption or, in the case of Additional Tier 1 Notes, at their Prevailing Principal Amount, together (if applicable) with accrued but unpaid interest (to the extent not cancelled in accordance with Condition 7.1 (*Cancellation of Interest Amounts*)) up to, but excluding the date fixed for redemption on the Notes.

10.4 Redemption for Regulatory Reasons (Regulatory Call)

This Condition 10.4 applies only to Subordinated Notes and Additional Tier 1 Notes.

If Regulatory Call is specified in the applicable Final Terms as applicable, the Notes may be redeemed at the option of the Issuer (subject to the provisions of Condition 10.13 (*Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes*)), in whole, but not in part, at any time (if the Note is not a Floating Rate Note or an Index Linked Interest Note or on any Interest Payment Date (if the Note is a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 17 (*Notices*), the Paying Agent and the Trustee, if (a) a Regulatory Event occurs in respect of Subordinated Notes or (b) there is a change in the regulatory classification of the Additional Tier 1 Notes under the Relevant Regulations that would be likely to result in their exclusion, in whole or in part, from Additional Tier 1 Capital of the UniCredit Group or the Issuer (other than as of a consequence of write-down or conversion, where applicable) and, in respect of any redemption of the relevant Subordinated Notes or Additional Tier 1 Notes proposed to be made prior to the fifth anniversary of the applicable Issue Date, if and to the extent then required by the Relevant Regulations, both of the following conditions are met: (i) the Competent Authority considers such a change to be reasonably certain, and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the change in the regulatory classification of the Subordinated Notes or the Additional Tier 1 Notes was not reasonably foreseeable by the Issuer as at the date of the issue of the Subordinated Notes or Additional Tier 1 Notes.

Prior to the publication of any notice of redemption pursuant to this Condition 10.4, the Issuer shall deliver or procure that there is delivered to the Trustee a certificate signed

by two authorised signatories of the Issuer stating that the said circumstances exist and describe the facts leading thereto. The Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Receipt Holders.

Upon the expiry of any such notice as is referred to in this Condition 10.4, the Issuer shall be bound to redeem the Notes in accordance with this Condition 10.4. Notes redeemed pursuant to this Condition 10.4 will be redeemed at their Early Redemption Amount referred to in Condition 10.7 (*Early Redemption Amounts*) below, together (if applicable) with any accrued and unpaid interest on the Notes to (but excluding) the date of redemption or, in the case of Additional Tier 1 Notes, at their Prevailing Principal Amount, together (if applicable) with accrued but unpaid interest (to the extent not cancelled in accordance with Condition 7.1 (*Cancellation of Interest Amounts*)) up to, but excluding the date fixed for redemption on the Notes.

10.5 Redemption at the Option of the Issuer (Issuer Call)

This Condition 10.5 applies to Notes which are subject to redemption at the option of the Issuer (other than for taxation reasons or for regulatory reasons), such option being referred to as an Issuer Call. The applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may (subject, in the case of Senior Notes and Non-Preferred Senior Notes issued in accordance with MREL or TLAC Requirements, to the provisions of Condition 10.14 (*Conditions to Redemption and Purchase of Senior Notes and Non-Preferred Senior Notes Issued in Accordance With MREL or TLAC Requirements*), and in the case of Subordinated Notes and Additional Tier 1 Notes, to the provisions of Condition 10.13 (*Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes*)), having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 17 (*Notices*) (which notice shall specify the date fixed for redemption), the Paying Agent and the Trustee redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms, together, if appropriate, with any accrued and unpaid interest to (but excluding) the relevant Optional Redemption Date or, in the case of Additional Tier 1 Notes, at their Prevailing Principal Amount, together (if applicable) with accrued but unpaid interest (to the extent not cancelled in accordance with Condition 7.1 (*Cancellation of Interest Amounts*)) up to, but excluding the date fixed for redemption on the Notes. In the case of Senior Notes, Non-Preferred Senior Notes and Subordinated Notes, any such redemption must be in a principal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

The Optional Redemption Amount will either be the specified percentage of the principal amount of the Notes stated in the applicable Final Terms or, if a Make-whole Amount is specified in the applicable Final Terms, will be an amount calculated by the Issuer (or an agent appointed by the Issuer at the time) equal to the higher of:

- (a) 100% of the principal amount of the Notes to be redeemed; or
- (b) the sum of the present values of the principal amount of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of accrued and unpaid interest to (but excluding) the Optional Redemption Date) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) 366) at the Reference Bond Rate (as defined below), together with the specified Redemption Margin,

in each case together with any accrued and unpaid interest on the Notes to (but excluding) the Optional Redemption Date.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 10.5 by the Issuer (or an agent appointed by the Issuer at the time), shall (in the absence of negligence, wilful default or fraud) be binding on the Issuer, the Calculation Agent, the Trustee, the Paying Agent and the Noteholders.

10.6 Issuer Call Due to a MREL or TLAC Disqualification Event

This Condition 10.6 applies only to Senior Notes and Non-Preferred Senior Notes.

If Issuer Call due to a MREL or TLAC Disqualification Event is specified as being applicable in the applicable Final Terms, the Issuer may (subject to the provisions of Condition 10.14 (*Conditions to Redemption and Purchase of Senior Notes and Non-Preferred Senior Notes Issued in Accordance With MREL or TLAC Requirements*), having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 17 (*Notices*) (which notice shall specify the date fixed for redemption), the Paying Agent and the Trustee, redeem in whole, but not in part, the Notes then outstanding at any time (if the Note is not a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), if the Issuer determines that a MREL or TLAC Disqualification Event has occurred and is continuing.

Upon the expiry of any such notice as is referred to in this Condition 10.6, the Issuer shall redeem the Notes in accordance with this Condition 10.6. Notes redeemed pursuant to this Condition 10.6 will be redeemed at their Early Redemption Amount referred to in Condition 10.7 (*Early Redemption Amount*) together (if applicable) with accrued and unpaid interest on the Notes to (but excluding) the date of redemption.

10.7 Early Redemption Amounts

For the purpose of Condition 10.3 (*Redemption for tax reasons*), Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*) and Condition 10.6 (*Issuer Call Due to a MREL or TLAC Disqualification Event*) above and Condition 13 (*Events of Default*) the Early Redemption Amount shall be set:

- (a) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount equal to the Issue Price of the first Tranche of the Series, at the Final Redemption Amount thereof;
- (b) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price of the first Tranche of the Series, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its principal amount; or
- (c) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated by the Issuer in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360- day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

10.8 Purchases

Subject as provided in the following paragraph, and, in the case of Senior Notes and Non-Preferred Senior Notes issued in accordance with MREL or TLAC Requirements, to the provisions of Condition 10.14 (*Conditions to Redemption and Purchase of Senior Notes and Non-Preferred Senior Notes Issued in Accordance With MREL or TLAC Requirements*), and, in the case of Subordinated Notes and Additional Tier 1 Notes, to the provisions of Condition 10.13 (*Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes*), the Issuer or any Subsidiary may purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the purchaser, surrendered to any Paying Agent for cancellation.

Notwithstanding the above, Subordinated Notes and/or Additional Tier 1 Notes may be purchased by the Issuer or any of its Subsidiaries at any time for market making purposes provided that:

- (a) the conditions set out in Article 29 of Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014, as amended and replaced from time to time, are met, in particular with respect to the prior permission of the Competent Authority and with respect to the predetermined amount, which shall not exceed the lower of (i) 10 per cent. (or any other threshold as may be requested or required by the Competent Authority from time to time) of the aggregate nominal amount of the relevant Series of the Subordinated Notes or the Additional Tier 1 Notes and (ii) 3 per cent. (or any other threshold as may be requested or required by the Competent Authority from time to time) of the outstanding aggregate nominal amount of the Subordinated Notes or the Additional Tier 1 Notes; and
- (b) the Subordinated Notes or the Additional Tier 1 Notes are not purchased in order to be surrendered to any Paying Agent for cancellation.

10.9 Cancellation

All Notes which are redeemed will forthwith be cancelled. All Notes so cancelled and the Notes purchased by the Issuer or any Subsidiary of the Issuer and surrendered to the Paying Agent for cancellation pursuant to Condition 10.8 (*Purchases*) above shall (subject, in the case of the cancellation of Subordinated Notes and Additional Tier 1 Notes, to the prior permission of the Competent Authority) be forwarded to the Paying Agent and cannot be reissued or resold.

10.10 Late Payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 10.1 (*Redemption at maturity*), 10.3 (*Redemption for tax reasons*), 10.4 (*Redemption for regulatory reasons (Regulatory Call)*), 10.5 (*Redemption at the option of the Issuer (Issuer Call)*) or 10.6 (*Issuer Call Due to a MREL or TLAC Disqualification Event*) or upon its becoming due and repayable as provided in Condition 13 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 10.7(b) (*Early Redemption Amounts*) above as though the references therein to the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Paying Agent, or the Trustee and notice to that effect has been given by the Issuer to the Noteholders in accordance with Condition 17 (*Notices*).

10.11 **Index Linked Interest Notes and Other Structured Notes**

The Issuer may, as indicated in the applicable Final Terms, be entitled to redeem Index Linked Interest Notes or other structured Notes, including where the amount of principal and/or interest in respect of such Notes is based on the price, value, performance or some other factor relating to an asset or other property (the "**Reference Asset**"), by physical delivery of all or part of the Reference Asset or of some other asset or property ("**Physically-Settled Notes**").

10.12 **Italian Civil Code**

The Notes are not subject to Article 1186 of the Italian Civil Code nor, to the extent applicable, to Article 1819 of the Italian Civil Code.

10.13 **Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes**

Any redemption or purchase of Subordinated Notes and Additional Tier 1 Notes in accordance with Conditions 10.3 (*Redemption for tax reasons*), 10.4 (*Redemption for regulatory reasons (Regulatory call)*), 10.5 (*Redemption at the option of the Issuer (Issuer call)*), 10.8 (*Purchases*), Condition 10.9 (*Cancellation*) or Condition 19 (*Meetings of noteholders, modification, waiver and substitution*) is subject to:

- (a) the Issuer giving notice to the Competent Authority or, if applicable, the Relevant Resolution Authority and the Competent Authority or, if applicable, the Relevant Resolution Authority granting prior permission to redeem or purchase the relevant Subordinated Notes or Additional Tier 1 Notes, in each case to the extent, and in the manner, required by the relevant Regulatory Capital Requirements, including Articles 77(b) and 78 of the CRD IV Regulation, where either (A) on or before such redemption or purchase (as applicable), the Issuer has replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the Issuer's income capacity; or (B) the Issuer having demonstrated to the satisfaction of the Competent Authority that its Own Funds would, following such repayment or purchase, exceed the minimum capital requirements (including any capital buffer requirements) required under the CRD IV Directive (or any relevant provision of Italian law implementing the CRD IV Directive) by a margin that the Competent Authority or, if applicable, the Relevant Resolution Authority considers necessary at such time; and
- (b) compliance by the Issuer with any applicable alternative or additional pre-conditions to redemption or purchase set out in the Relevant Regulations.

10.14 **Conditions to Redemption and Purchase of Senior Notes and Non-Preferred Senior Notes Issued in Accordance With MREL or TLAC Requirements**

Any redemption or purchase in accordance with Conditions 10.3 (*Redemption for tax reasons*), 10.5 (*Redemption at the option of the Issuer (Issuer call)*), 10.6 (*Issuer Call Due to a MREL or TLAC Disqualification Event*), or 10.8 (*Purchases*) of Senior Notes and Non-Preferred Senior Notes issued in accordance with the MREL or TLAC Requirements is subject to compliance by the Issuer with any conditions to such

redemption or repurchase prescribed by the MREL or TLAC Requirements at the relevant time (including any requirements applicable to such redemption or repurchase due to the qualification of such Senior Notes or Non-Preferred Senior Notes at such time as eligible liabilities available to meet the MREL or TLAC Requirements).

11. TAXATION

All payments of principal (if applicable) and interest in respect of the Notes and Receipts by the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed or levied by or on behalf of any Tax Jurisdiction, unless such withholding or deduction is required by law. In the event of such withholding or deduction, the Issuer will (subject to Condition 7.1 (*Cancellation of Interest Amounts*) in the case of Additional Tier 1 Notes) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall be equal to the amounts of principal, in the case of Senior Notes and Non-Preferred Senior Notes (if permitted by the MREL or TLAC Requirements), and interest, in the case of any Notes, which would otherwise have been receivable in respect of the Notes, in the absence of such withholding or deduction, except that:

- (a) no such additional amounts shall be payable with respect to any Note or Receipt for or on account of *imposta sostitutiva* (at the then applicable rate of tax) pursuant to Legislative Decree No. 239 or to Legislative Decree No. 461 or any related implementing regulations; and
- (b) no such additional amounts shall be payable with respect to any Note or Receipt:
 - (i) the holder or Beneficial Owner of which is liable for such taxes or duties in respect of such Note or Receipt by reason of having some connection with the Tax Jurisdiction other than the mere holding of such, the enforcement of any rights thereunder or the receipt of payments thereon; or
 - (ii) presented for payment by, or on behalf of, a holder or Beneficial Owner who is entitled to avoid or reduce, to the extent of such reduction, such withholding or deduction in respect of such Note or Receipt by making a declaration, certifications 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
 - (iii) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day (assuming such day to have been a Payment Date); or
 - (iv) presented for payment in all circumstances in which the procedures set forth in Legislative Decree No. 239, as amended, have not been met or complied with or, in respect of interests in the Securities held through an X Global Receipt, in the event that a DTC Participant of a Beneficial Owner does not comply with the Tax Certification Procedures and

Italian substitute tax is applied in respect of the payment of interest or principal in respect of the interests in the Securities held by all Beneficial Owners through such DTC Participant on an Interest Payment Date as provided in the Tax Certification Procedures; or

- (v) in respect of Notes that are not qualified as bonds or similar securities where such withholding or deduction is required pursuant to Law Decree No. 512 of September 30, 1983, as amended, supplemented and/or re-enacted from time to time;
- (vi) where the holder or Beneficial Owner who 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;
- (vii) in respect of any estate, inheritance, gift, sale, excise, transfer, personal property, or similar taxes
- (viii) in respect of taxes which are payable otherwise than by deduction or withholding from payments made under or with respect to the Notes;
- (ix) to a fiduciary or partnership or person other than the sole beneficial owner of the payment to the extent that such person would not have been entitled to additional amounts had the sole beneficial owner been the Holder thereof;
- (x) any combination of (i) through (ix) above.

Notwithstanding any other provision in these Conditions, the Issuer shall be permitted to withhold or deduct any amounts required by (i) the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions) and any regulations thereunder or official interpretations thereof, (ii) any treaty, law, regulation or other official guidance enacted in any jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (i) above or (iii) any agreement pursuant to the implementation of paragraph (i) or (ii) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction ("**FATCA Withholding**") as a result of a holder, Beneficial Owner or an intermediary or any other Person that is not an agent of the Issuer not being entitled to receive payments free of FATCA Withholding. The Issuer will have no obligation to pay additional amounts or otherwise indemnify any holder, Beneficial Owner, intermediary or any other Person for any such FATCA Withholding deducted or withheld by the Issuer, the Paying Agent or any other party.

Notwithstanding any other provisions in these Conditions, the Issuer shall be permitted to withhold and deduct, and shall have no obligation to pay any additional amounts or otherwise indemnify any holder, Beneficial Owner, intermediary or any other Person for, any amounts imposed under U.S. Internal

Revenue Code Section 871(m) (or any amended or successor provision) or any current or future regulations thereunder or official interpretations thereof.

Any reference in these Conditions to principal (if applicable) or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 11 or under any obligation undertaken in addition thereto or in substitution therefor pursuant to the Indenture.

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy in respect of payments made by it of principal and interest on the Notes, references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

12. PRESCRIPTION

The Notes and the Receipts will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date.

13. EVENTS OF DEFAULT

13.1 Events of Default Relating to Senior Notes and Non-Preferred Senior Notes

This Condition 13.1 applies only to Senior Notes and Non-Preferred Senior Notes.

The Trustee, at its discretion, may, and if so requested in writing by the holders of at least one quarter in principal amount of the Notes then outstanding, or if so directed by an Extraordinary Resolution (as defined in the Indenture) of the Noteholders, shall (subject in each case to the Trustee being indemnified and/or secured to its satisfaction) give notice to the Issuer that the Notes are, and the Notes shall thereupon immediately become, due and repayable at the Early Redemption Amount, together with accrued and unpaid interest on the Notes, if the Issuer becomes subject to *Liquidazione Coatta Amministrativa* as defined in Legislative Decree No. 385 of September 1, 1993 of the Republic of Italy (as amended from time to time) (such event, an "**Event of Default**").

13.2 Events of Default Relating to Subordinated Notes and Additional Tier 1 Notes

This Condition 13.2 applies only to Subordinated Notes and Additional Tier 1 Notes.

The Trustee, at its discretion, may, and if so requested in writing by the Holders of at least one quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to the Trustee being indemnified and/or secured to its satisfaction) give notice to the Issuer that the Notes are, and the Notes shall thereupon immediately become due and repayable at their Early Redemption Amount or, in the case of Additional Tier 1 Notes, at their Prevailing Principal Amount, together with accrued and unpaid interest on the Notes, if the Issuer becomes subject to *Liquidazione Coatta Amministrativa* as defined in Legislative Decree No. 385 of September 1, 1993 of the Republic of Italy (as amended from time to time) (such event, an "**Event of Default**").

14. ENFORCEMENT

- 14.1 Subject to Condition 14.2, the Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the obligations of the Issuer under the Indenture or the Notes, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding, and (b) it shall have been indemnified and/or secured to its satisfaction.

No Noteholder or Receipt Holder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed as aforesaid, fails so to do within a reasonable time and such failure is continuing.

- 14.2 Proceedings for the winding-up or liquidation of the Issuer may only be initiated in the Republic of Italy (and not elsewhere), by the Trustee on behalf of the Noteholders, in accordance with the laws of the Republic of Italy (except for the purposes of an Approved Reorganization).

15. REPLACEMENT OF NOTES AND RECEIPTS

Should any Note or Receipt be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Corporate Trust Office of the Trustee, subject to the terms of the Indenture and all applicable law, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Receipts must be surrendered before replacements will be issued.

16. TRUSTEE AND AGENTS

The Indenture contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceeds to enforce payment unless indemnified to its satisfaction, and to be paid its costs and expenses in priority to the claims of Holders. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

17. NOTICES

17.1 Notices to the Holders

Where these Conditions or the Indenture provide for notice to the Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at its address as it appears in the Note Register not later than the latest date (if any) and not earlier than the earliest date (if any), prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. If a notice or communication is mailed or published in the manner provided for above, within the time prescribed, it is duly given, whether or not the Holder, or the Beneficial Owner, receives it.

While the beneficial interests in the Global Notes are (i) in the case of the Rule 144A Notes registered in the name of the Note Depositary, some or all of which may be represented by Receipts and the Receipts are registered in the name of DTC or its nominee or (ii) in the case of the Reg S Notes, represented by Reg S Global Notes registered in the name of the Common Depositary or its nominee and, in each case, held on behalf of the applicable securities clearing and settlement facility, notices from, or on behalf of, the Issuer to Beneficial Owners may be given by delivery of the relevant written notice to, as applicable, the Receipt Issuer, DTC, the Trustee, Acupay, the Paying Agents, the Note Depositary and the Common Depositary for communication to such Beneficial Owners, in accordance with the procedures of such clearing systems, where applicable. Any such notices shall be deemed to have been given to the Beneficial Owners on the Business Day immediately following the date of receipt by the Receipt Issuer and the Depositary (as applicable).

17.2 Notices to the Trustee and Issuer

Any request, demand, authorization, direction, notice, consent, waiver or act of the Holders or any other document provided or permitted by these Conditions or the Indenture to be made upon, given or furnished to, or filed with,

- (a) the Trustee by any Holder or by the Issuer shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom, marked Attention: Agency and Trust; or
- (b) the Issuer by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Issuer addressed to it at the address of its principal office specified in the Indenture or at any other address previously furnished in writing to the Trustee by the Issuer, marked Attention: Treasurer.

17.3 Waiver

Where these Conditions or the Indenture provide for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

17.4 Impossibility

If, by reason of the suspension of regular mail service or by reason of any other cause, it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

18. PROVISION OF INFORMATION

The Issuer shall, during any period in which it is not subject to and in compliance with the reporting requirements of Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, duly provide to any

Holder of a Note which is a "**restricted security**" within the meaning of Rule 144(a)(3) under the Securities Act or to any prospective purchaser of such securities designated by such Holder, upon the written request of such Holder or (as the case may be) prospective Holder addressed to the Issuer and delivered to the Issuer or to the Corporate Trust Office of the Trustee, the information specified in Rule 144A(d)(4) under the Securities Act.

19. **MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION**

- (a) The Issuer and the Trustee may amend or supplement the Indenture, these Conditions or the Notes of one or more Series without the consent of any Holder of the outstanding Notes of a particular Series for the purposes set forth in Clause 9.1 of the Indenture and including evidencing the succession of another Person to the Issuer and such Person's assumption of the Issuer's obligations under the Indenture; adding to the Issuer's covenants or Events of Default; establishing forms or terms of the Notes of a particular Series; curing ambiguities, defects or inconsistencies and other purposes which are not materially prejudicial to the interests of the Holders of the outstanding Notes of a particular Series; or making any modification which is of a formal, minor or technical nature or is made to correct a manifest error.
- (b) The Trustee shall agree with the Issuer (or any successor) at any time without the consent of the Holders of the outstanding Notes of a particular Series to any changes modifying the Tax Certification Procedures set forth in Exhibit 7 of the Indenture or waivers undertaken pursuant to the TCA Agreement.
- (c) The Trustee may, without the consent of any Holder of the outstanding Notes of a particular Series, and 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 outstanding Notes of a particular Series shall not be materially prejudiced thereby, authorize or waive, on such terms and conditions (if any) as shall seem expedient to it, any breach or proposed breach of any of the covenants or provisions contained in the Indenture, the Conditions or the Notes or determine that any Event of Default or Potential Event of Default shall not be treated as such for the purposes of the Indenture, the Conditions and the Notes; provided that the Trustee shall not exercise any powers conferred upon it by this Condition 18(d) in contravention of any express request in writing made by the holders of not less than 25% in aggregate principal amount of the Notes then outstanding of a Series (but so that no such request shall affect any authorization, waiver or determination previously given or made) or so as to authorize or waive any such breach or proposed breach relating to any of the matters set forth in Condition 19(e) below.
- (d) The Issuer and the Trustee may enter into a supplemental indenture with the written consent of the Holders of at least a majority in aggregate principal amount of the outstanding Notes of each Series affected by such supplemental indenture (including consents obtained in connection with a tender offer or exchange offer for the Notes of such Series), for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of

this Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of each such Series.

The Holders of at least a majority in principal amount of the outstanding Notes of each Series by notice to the Trustee (including consents obtained in connection with a tender offer or exchange offer for the Notes of such Series) may waive compliance by the Issuer with any provision of this Indenture or the Notes with respect to such Series.

- (e) Without the consent of at least two-thirds of the aggregate principal amount of outstanding Notes of each Series affected, an amendment or waiver may not (with respect to any Notes of such Series held by a non-consenting Holder):
 - (i) (a) change the date fixed for payment of principal or interest in respect of the Notes of such Series, (b) except for Additional Tier 1 Notes, reduce the amount of principal or interest payable on any date in respect of the Notes of such Series, or (c) alter the method of calculating the amount of any payment in respect of the Notes of such Series on redemption or maturity or the date for any such payment;
 - (ii) change the currency of payment of principal or interest on, any such Note of such Series;
 - (iii) impair the right to institute suit for the enforcement of any payment on any such Note of such Series;
 - (iv) reduce the percentage in principal amount of outstanding Notes of a particular Series, the consent of whose Holders is required for modification or amendment of the Indenture, or for the waiver of compliance with certain provisions of the Indenture or the waiver of certain defaults; or
 - (v) modify such provisions with respect to modification and waiver.
- (f) If at any time one of the events set out in Condition 10.3 (*Redemption for Tax Reasons*) or Condition 10.4 (*Redemption for Regulatory Reasons (Regulatory Call)*) occurs or to align to best practices from time to time published by the European Banking Authority, then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Competent Authority (without any requirement for the consent or approval of the Holders of the Additional Tier 1 Notes of that Series) and having given not less than 30 nor more than 60 days' notice to the Trustee and the Holders of the Additional Tier 1 Notes of that Series (which notice shall be revocable, including in the event that a Contingency Event subsequently occurs, in which case the relevant notice shall be automatically rescinded and shall have no force or effect and a Write-Down shall be effected in accordance with Condition 8 (*Loss Absorption and Reinstatement of Principal Amount in respect of Additional Tier 1 Notes*)), at any time either substitute all (but not some only) of such Additional Tier 1 Notes, or vary the terms of such Additional Tier 1 Notes so that they remain or, as appropriate, become, Qualifying Additional Tier 1 Notes provided that such variation or substitution does not itself give rise to any right of the Issuer to

redeem the varied or substituted securities that would otherwise provide the Issuer with a right of redemption pursuant to the provisions of the Additional Tier 1 Notes.

- (g) In addition, (i) in the case of Senior Notes or Non-Preferred Senior Notes, if at any time a MREL or TLAC Disqualification Event occurs, or (ii) in the case of Subordinated Notes, if at any time a Regulatory Event occurs, then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Competent Authority and/or as appropriate the Relevant Resolution Authority (without any requirement for the consent or approval of the Holders of the Senior Notes or of the Non-Preferred Senior Notes or of the Subordinated Notes of that Series) and having given not less than 30 nor more than 60 days' notice to the Trustee and the Holders of the Senior Notes or of the Non-Preferred Senior Notes or of the Subordinated Notes of that Series, at any time either substitute all (but not some only) of such Senior Notes or Non-Preferred Senior Notes or Subordinated Notes, or vary the terms of such Senior Notes or Non-Preferred Senior Notes or Subordinated Notes so that they remain or, as appropriate, become, Qualifying Senior Notes or Qualifying Non-Preferred Senior Notes or Qualifying Subordinated Notes, as applicable, provided that such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities.
- (h) In addition, no consent of the Noteholders shall be required in connection with effecting the relevant Successor Reference Rate or Alternative Reference Rate (as applicable) as described in Condition 6.2 (j) (*Reference Rate Replacement*) or such other relevant changes pursuant to Condition 6.2 (j) (iii)(C), including for the execution of any documents or the taking of other steps by the Issuer or the Trustee.

20. INDEMNIFICATION OF THE TRUSTEE

The Indenture contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured to its satisfaction and to be paid to its costs and expenses in priority to the claims of the Noteholders.

The Indenture also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any of the Issuer's Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Receipt Holders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

21. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Receipt Holders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first

payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

The Issuer may from time to time, with the prior written consent of the Trustee, create and issue other series of Notes having the benefit of the Indenture. The Indenture contains provisions for and governs the convening of a single meeting of the Noteholders and the holders of notes of other Series in certain circumstances where the Trustee so decides.

22. GOVERNING LAW, SUBMISSION TO JURISDICTION AND RESOLUTION POWER

The laws of the State of New York will govern and be used to construe these Conditions, the Indenture and the Notes (save that the provisions applicable to the Senior Notes, Non-Preferred Senior Notes, Subordinated Notes and the Additional Tier 1 Notes described in Conditions 3.1 (*Status of the Senior Notes*), 3.2 (*Status of the Non-Preferred Senior Notes*), 4 (*Status of the Subordinated Notes*) and 5 (*Status of the Additional Tier 1 Notes*) above and the relevant Clauses of the Indenture shall be governed by the laws of the Republic of Italy).

The Issuer has irrevocably consented and agreed, for the benefit of the Noteholders from time to time, that any legal action, suit or proceeding against it with respect to its obligations or liabilities arising out of or in connection with the Indenture or the Notes shall be brought in any state or federal court located in the Borough of Manhattan, City of New York, State of New York, for which the Issuer has appointed UniCredit Bank AG, New York Branch, 150 East 42nd Street, New York, NY 10017, USA, as its authorized agent upon which process may be served, and, until amounts due and to become due in respect of the Notes have been paid, has irrevocably consented and submitted to the exclusive jurisdiction of each such court in personam, generally and unconditionally with respect to any action, suit or proceeding for itself and in respect of its properties, assets and revenues.

23. CONTRACTUAL RECOGNITION OF STATUTORY BAIL-IN POWERS

By the acquisition of the Notes, each Noteholder acknowledges and agrees to be bound by the exercise of any Bail-in Power by the Relevant Resolution Authority that may result in the write-down or cancellation of all or a portion of the principal amount of, or distributions on, the Notes and/or the conversion of all or a portion of the principal amount of, or distributions on, the Notes into Ordinary shares or other obligations of the Issuer or another person, including by means of a variation to the terms of the Notes to give effect to the exercise by the Relevant Resolution Authority of such Bail-in Power. Each Noteholder further agrees that the rights of the Noteholders are subject to, and will be varied if necessary so as to give effect to, the exercise of any Bail-in Power by the Relevant Resolution Authority.

For the avoidance of doubt, the potential write-down or cancellation of all or a portion of the principal amount of, or distributions on, the Notes or the conversion of the Notes into Ordinary Shares or other obligations in connection with the exercise of any Bail-in Power by the Relevant Resolution Authority is separate and distinct from a Write-Down following a Contingency Event although these events may occur consecutively.

Upon the Issuer being informed or notified by the Relevant Resolution Authority of the actual exercise of the date from which the Bail-in Power is effective with respect to the Notes, the Issuer shall notify the holders without delay. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the Notes described in this clause.

The exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Notes shall not constitute an Event of Default and the terms and conditions of the Notes shall continue to apply in relation to the residual principal amount of, or outstanding amount payable with respect to, the Notes subject to any modification of the amount of distributions payable to reflect the reduction of the principal amount, and any further modification of the terms that the Relevant Resolution Authority may decide in accordance with applicable laws and regulations relating to the resolution of credit institutions, investment firms and/or Group Entities incorporated in the relevant Member State.

Each Noteholder also acknowledges and agrees that this provision is exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings relating to the application of any Bail-in Power to the Notes.