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# UNICREDIT S.p.A.

(incorporated with limited liability as a *Società per Azioni* in the Republic of Italy under registered number 00348170101)

# €60,000,000,000 EURO MEDIUM TERM NOTE PROGRAMME

Under the €60,000,000,000 Euro Medium Term Note Programme (the **Programme**) described in this document (the **Base Prospectus**), UniCredit S.p.A. (**UniCredit** or the **Issuer**) may from time to time issue notes governed by English law (the **English Law Notes**) and notes governed by Italian law (the **Italian Law Notes** and together with the English Law Notes, the **Notes**). The Notes may be denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or, in the case of English Law Notes, registered form (respectively **Bearer Notes** and **Registered Notes**). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €60,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

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

The terms and conditions for the English Law Notes are set out herein in *"Terms and Conditions for the English Law Notes"* and the terms and conditions for the Italian Law Notes are set out herein in *"Terms and Conditions for the Italian Law Notes"*. References to the "Notes" shall be to the English Law Notes and/or the Italian Law Notes, as appropriate and references to the "Terms and Conditions" or the "Conditions" shall be to the Terms and Conditions for the English Law Notes and/or the Terms and Conditions for the Italian Law Notes, as appropriate and as specified in the applicable Final Terms. For the avoidance of doubt, in *"Terms and Conditions for the English Law Notes*", references to the "Notes" shall be to the English Law Notes, and in *"Terms and Conditions for the Italian Law Notes"*, references to the "Notes" shall be to the Italian Law Notes.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see "*Risk Factors*".**

This Base Prospectus has been approved as a base prospectus by the *Commission de Surveillance du Secteur Financier* (the **CSSF**), as competent authority under Regulation (EU) 2017/1129, as amended (the **Prospectus Regulation**). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval by the CSSF should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

By approving this Base Prospectus, in accordance with the Prospectus Regulation, the CSSF does not engage in respect of the economic or financial opportunity of the operation or the quality and solvency of the Issuer. Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market (as contemplated by Directive 2014/65/EU) and to be listed on the Official List of the Luxembourg Stock Exchange. Application may also be made for notification to be given to competent authorities in other Member States of the EEA in order to permit Notes issued under the Programme to be offered to the public and admitted to trading on regulated markets in such other Member States in accordance with the procedures under Article 25 of the Prospectus Regulation.

References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a

regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU), as amended.

**This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from the date of its approval) in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the EEA) and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid. The validity of this Base Prospectus ends upon expiration on 7 June 2022.**

References in this Base Prospectus to **Exempt Notes** are to Notes for which no prospectus is required to be published under the Prospectus Regulation and the Financial Services and Markets Act 2000. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under, as appropriate, "*Terms and Conditions for the English Law Note*s" or under "*Terms and Conditions for the Italian Law Notes*") of Notes will (other than in the case of Exempt Notes, as defined above) be set out in a final terms document (the **Final Terms**) which will be filed with the CSSF.

Copies of the Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). In the case of Exempt Notes, notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche will be set out in a pricing supplement document (the **Pricing Supplement**).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer and the relevant Dealer(s). The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

As more fully set out in "*Terms and Conditions for the English Law Note*s – *Taxation*" and in "*Terms and Conditions for the Italian Law Notes – Taxation*", in the case of payments by the Issuer, additional amounts will not be payable to holders of the Notes or of the interest coupons appertaining to the Notes (the **Coupons**) with respect to any withholding or deduction pursuant to Italian Legislative Decree No. 239 of 1 April 1996 (as amended or supplemented) and related regulations of implementation which have been or may subsequently be enacted (**Decree 239**). In addition, certain other (more customary) exceptions to the obligation of the Issuer to pay additional amounts to holders of the Notes with respect to the imposition of withholding or deduction from payments relating to the Notes also apply, also as more fully set out in "*Terms and Conditions for the English Law Note*s – *Taxation*" and in "*Terms and Conditions for the Italian Law Notes – Taxation*".

UniCredit, having made all reasonable enquiries, confirms that this Base Prospectus contains or incorporates all information which is material in the context of the issuance and offering of Notes, that the information contained or incorporated in this Base Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Base Prospectus are honestly held and that there are no other facts the omission of which would make this Base Prospectus or any of such information or the expression of any such opinions or intentions misleading. UniCredit accepts responsibility accordingly.

Certain information under the heading "*Book Entry Clearance Systems*" has been extracted from information provided by the clearing systems referred to therein. UniCredit confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant clearing systems, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The information relating to each of the Depository Trust Company (**DTC**), Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**) has been accurately reproduced from information published by each of DTC, Euroclear and Clearstream, Luxembourg respectively. So far as UniCredit is aware and is able to ascertain from information published by the Clearing Systems, no facts have been omitted which would render the reproduced information misleading.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Notes will be (i) issued or endorsed by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) or by a credit rating agency which is certified under the CRA Regulation, and/or (ii) issued or endorsed by a credit rating agency established in the United Kingdom and registered under the CRA Regulation, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the **UK CRA Regulation**) or by a credit rating agency which is certified under the UK CRA Regulation, and whether such credit rating agency is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation, will be disclosed in the Final Terms (or Pricing Supplement, in the case of Exempt Notes). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation or (i) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (ii) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (i) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (ii) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation. The European Securities and Markets Authority (**ESMA**) is obliged to maintain on its website, https://www.esma.europa.eu/page/Listregistered-and-certified-CRAs, a list of credit rating agencies registered and certified in accordance with the CRA Regulation. Please also refer to "*Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes*" in the "*Risk Factors*" section of this Base Prospectus.

Amounts payable under the Floating Rate Notes and/or the Reset Notes may be calculated by reference to certain reference rates such as LIBOR, EURIBOR, CAD-BA-CDOR, CMS or SOFR, as specified in the relevant Final Terms. As at the date of this Base Prospectus, Thomson Reuters Benchmark Services Limited (as administrator of CAD-BA-CDOR) and the European Money Markets Institute (as administrator of EURIBOR) are included in the register of administrators maintained by the ESMA under Article 36 of Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**). As at the date of this Base Prospectus, the ICE Benchmark Administration (as administrator of LIBOR and CMS) and the Federal Reserve Bank of New York (as administrator of SOFR) are not included in the register of administrators maintained by ESMA under Article 36 of the EU Benchmarks Regulation. As far the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that ICE Benchmark Administration (as administrator of LIBOR and CMS) is not currently required to obtain authorization/registration (or, if located outside the European Union, recognition, endorsement or equivalence). As far as the Issuer is aware, SOFR does not fall within the scope of the EU Benchmarks Regulation by virtue of Article 2 of that Regulation.

Amounts payable on Inflation Linked Notes will be calculated by reference to CPI or HICP (each as defined below). As at the date of this Base Prospectus, the administrators of CPI and HICP are not included in ESMA's register of administrators under Article 36 of the Benchmarks Regulation.

As far as the Issuer is aware, CPI and HICP do not fall within the scope of the Benchmarks Regulation by virtue of Article 2 of that Regulation.

The Additional Tier 1 Notes are not intended to be sold and should not be sold to "retail clients" (as defined in Directive 2014/65/EU (as amended, **MiFID II**)) in the European Economic Area (**EEA**). In addition to the above, pursuant to the United Kingdom (**UK**) Financial Conduct Authority Conduct of Business Sourcebook (**COBS**), the Additional Tier 1 Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients (as defined in COBS 3.4) in the UK. Potential investors should read the whole of this document, in particular the "Risks relating to Additional Tier 1 Notes" set out on

pages 44 to 55 and "Restrictions on marketing, sales and resales of Additional Tier 1 Notes to Retail Investors" set out on page 65.

## *Arranger and Dealer*

## UNICREDIT BANK AG

**The date of this Base Prospectus is 7 June 2021.**

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# General Description of the Programme

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement). The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of Notes other than Exempt Notes, and if appropriate, a new Base Prospectus or a supplement to the Base Prospectus, will be published.*

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No. 2019/980 (the **Delegated Regulation**).

Words and expressions defined in the sections headed "*Form of the Notes*", "*Terms and Conditions for the English Law Notes"* or, as the case may be, "*Terms and Conditions for the Italian Law Notes*" shall have the same meanings in this Overview.

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| **Issuer:** | UniCredit S.p.A. (**UniCredit**) |
| **Issuer Legal Entity Identifier (LEI):** | 549300TRUWO2CD2G5692 |
| **Description:** | Euro Medium Term Note Programme |
| **Arranger:** | UniCredit Bank AG |
| **Dealers:** | UniCredit Bank AG<br><br>and any other Dealers appointed from time to time in accordance with the Nineteenth Amended and Restated Programme Agreement. |
| **Certain Restrictions:** | Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale and Transfer and Selling Restrictions*") including the following restrictions applicable at the date of this Base Prospectus. |
| **Programme Size:** | Up to €60,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement. |
| **Principal Paying Agent:** | Citibank, N.A., London Branch or such other agent(s) specified in the applicable Final Terms or Pricing Supplement. |
| **Trustee (for the English Law Notes):** | Citicorp Trustee Company Limited. |
| **Distribution:** | Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. |
| **Currencies:** | Subject to any applicable legal or regulatory restrictions, Notes may be denominated in euro, Sterling, U.S. dollars, yen, Renmimbi (CNY) and any other currency agreed between the Issuer and the relevant Dealer(s). |

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| **Rule 144A Option:** | Registered Notes may be freely traded among "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act (**QIBs**) in accordance with Rule 144A. |
| **Institutional Accredited Investor Option:** | Registered Notes may be privately placed with Institutional Accredited Investors pursuant to Regulation D and may be traded in accordance with Section 4 of the Securities Act. |
| **Registrar:** | Citigroup Global Markets Europe AG. |
| **Transfer Agents:** | Citibank, N.A., London Branch and Citibank Europe plc |
| **Maturities:** | The Senior Notes, Non-Preferred Senior Notes and Subordinated Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or by any laws or regulations applicable to the Issuer or the relevant Specified Currency.<br><br>The Senior Notes, Non-Preferred Senior Notes and Subordinated Notes may however be issued with an Initial Maturity Date which may be extended from time to time up to a Final Maturity Date at the option of the holders. Please see Condition 8.7 (*Extendible Notes*) of the Terms and Conditions for the English Law Notes and Condition 10.8 (*Extendible Notes*) of the Terms and Conditions for the Italian Law Notes.<br><br>Subject as set out herein, 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 (currently, the maturity of the Issuer is set at 31 December 2100); or (c) any applicable legal provision or any decision of any judicial or administrative authority. Upon maturity, the Notes will become due and payable at an amount equal to their Prevailing Principal Amount, together with any accrued interest and any additional amounts due pursuant to Condition 11 (*Taxation*) of the Terms and Conditions for the Italian Law Notes.<br><br>Unless otherwise permitted by current laws, regulations, directives and/or the Competent Authority's requirements applicable to the issue of Subordinated Notes and, in the case of Italian law Notes, Additional Tier 1 Notes, the Subordinated Notes and Additional Tier 1 Notes must have a minimum maturity of five years. |
| **Issue Price:** | Notes may be issued on a fully-paid or in the case of Exempt Notes, a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par. |
| **Form of Notes:** | The Notes may be issued in bearer or, in the case of English Law Notes, registered form as described in "*Form of the Notes*". Notes may not be issued or sold in the United States in bearer form, except in certain transactions permitted by U.S. tax regulations. |
| **Fixed Rate Notes:** | Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s). |

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| **Reset Notes:** | Reset Notes will, in respect of an initial period, bear interest at the initial fixed rate of interest specified in the relevant Final Terms. Thereafter, the fixed rate of interest will be reset on one or more date(s) specified in the relevant Final Terms by reference to a mid-market swap rate, as adjusted for any applicable margin, in each case, as may be specified in the relevant Final Terms. |
| **Floating Rate Notes:** | Floating Rate Notes will bear interest at a rate determined:<br><br>(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by 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 of the first Tranche of the Notes of the relevant Series); or<br><br>(b) on the basis of the reference rate set out in the applicable Final Terms (or, in the case of Exempt Notes, Pricing Supplement).<br><br>The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Notes.<br><br>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.<br><br>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer(s). |
| **Reference Rate Replacement** | According to Condition 6.3(j) of the Terms and Conditions for the English Law Notes and Condition 6.4 of the Terms and Conditions for the Italian Law Notes, if the Issuer determines that a Benchmark Event has occurred in relation to an Original Reference Rate, the Issuer shall determine a Successor Reference Rate and an Adjustment Spread (if any). If the Issuer cannot determine a Successor Reference Rate and an Adjustment Reference Rate (if any), an Independent Adviser will be appointed to determine an Alternative Reference Rate and an Adjustment Spread (if any).<br><br>Such Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable), shall replace the Original Reference Rate for all future Interest Periods or Reset Periods.<br><br>For further information, please see Condition 6.3(j) and Condition 6.4 of, respectively, the Terms and Conditions for English Law Notes and the Terms and Conditions for the Italian Law Notes. |
| **Inflation Linked Interest Notes:** | Payments of interest in respect of Inflation Linked Interest Notes will be calculated by reference to one or more inflation Indices as set out in Condition 6 (*Interest*) of the Terms and Conditions for the English Law Notes and Condition 6 (*Interest*) of the Terms and Conditions for the Italian Law Notes. |
| **Zero Coupon Notes:** | Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest. |
| **Extendible Notes:** | Notes may be issued with an Initial Maturity Date which may be extended from time to time upon the election of the holders on specified Election |

Date(s) specified in the applicable Final Terms (or, in the case of Exempt Notes, the applicable Pricing Supplement).

**Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:**

Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms).

The Notes may bear interest on a different interest basis in respect of different interest periods. The Issuer has the option of changing the interest basis between fixed rate and floating rate and vice versa in respect of different periods, upon prior notification of such change in interest basis to noteholders.

**Other provisions in relation to Italian Law Notes which are Additional Tier 1 Notes:**

*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) the 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.

Interest shall also be cancelled if a Contingency Event occurs, as set out in Condition 8.1 (*Loss Absorption*) of the Terms and Conditions for the Italian Law Notes.

See Condition 7.1 (*Cancellation of Interest Amounts*) of the Terms and Conditions for the Italian Law Notes.

**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 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.

**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)).

*Calculation of Interest Amount in case of Write-Down*

Subject to Condition 7.1 (*Cancellation of Interest Amounts*) of the Terms and Conditions for the Italian Law Notes, in the event that a Write-Down occurs during an Interest Period, any accrued and unpaid interest shall be cancelled pursuant to Condition 8.1 (*Loss Absorption*) of the Terms and Conditions for the Italian Law Notes and the Interest Amount payable on the Interest Payment Date immediately following such Interest Period shall be calculated in accordance with Condition 6.3(f) (*Determination of Rate of Interest and calculation of Interest Amounts*) of the Terms and Conditions for the Italian Law Notes, provided that the Day Count Fraction shall be determined as if the Interest Period started on, and included, the Write-Down Effective Date.

*Calculation of Interest Amount in case of Write-Up*

Subject to Condition 7.1 (*Cancellation of Interest Amounts*) of the Terms and Conditions for the Italian Law Notes, 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).

*Non-cumulative interest*

Interest on the Additional Tier 1 Notes is not cumulative. Interest 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 cancelled and forfeited, and no payments shall be made nor shall any Noteholders be entitled to any payment or indemnity in respect thereof.

*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 instruments).

*Loss Absorption and Reinstatement of Principal Amount*

If, at any time, the Common Equity Tier 1 Capital Ratio of the Issuer falls below 5.125 per cent. (an **Issuer Contingency Event**) or the Common Equity Tier 1 Capital Ratio of the UniCredit Group falls below 5.125 per cent. (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*) of the Terms and Conditions for the Italian Law Notes), the Principal Paying Agent and the Paying Agents (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).

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) of the Terms and Conditions for the Italian Law Notes 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 an Additional Tier 1 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 Additional Tier 1 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 Additional Tier 1 Notes may be Written Down on more than one occasion.

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 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, in accordance with its terms prior to or, as appropriate, as soon as reasonably practicable following the giving of such Loss Absorption Event Notice.

**Equal Loss Absorbing Instrument** 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 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 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 per cent. 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, 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 Notes) issued directly or indirectly by the Issuer or any member of the UniCredit Group (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 per cent. 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;

**Loss Absorbing Instrument** means an Equal Loss Absorbing Instrument and/or a Prior Loss Absorbing Instrument, as applicable;

**Prior Loss Absorbing Instrument** 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 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 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 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 per cent. 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 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 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 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 per cent. 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 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 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 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, 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.

**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, taking into account any applicable transitional provisions under the Relevant Regulations.

**Write-Down Amount** means the amount by which the then Prevailing Principal Amount of each outstanding 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 on a *pro rata* basis of the other Additional Tier 1 Notes and (b) the concurrent or substantially concurrent write-down (or write-off) or conversion on a *pro rata* basis 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 on a *pro rata* basis of the other Additional Tier 1 Notes and (b) the concurrent or substantially concurrent write-down (or write-off) or conversion on a *pro rata* basis to the extent possible 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.

In respect of any Write-Down, to the extent the write-down (or write-off) or 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 Additional Tier 1 Notes pursuant to Condition 8.1 (*Loss Absorption*) of the Terms and Conditions for the Italian Law Notes; and (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 Additional Tier 1 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 Additional Tier 1 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.

See Condition 8.1 (*Loss Absorption*) of the Terms and Conditions for the Italian Law Notes.

*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 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 Condition 8.3 (*Reinstatement of principal amount*) of the Terms and Conditions for the Italian Law Notes 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-Up 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 1 Instruments of the Issuer, and divided by the total Tier 1 Capital of the Issuer as at the date of the relevant Write-Up.

**Relevant Net Income** means the lowest of the Net Income and the Consolidated Net Income.

**Written-Down Additional Tier 1 Instrument** means an instrument (other than the 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.

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 Condition

8.3 (*Reinstatement of principal amount*) of the Terms and Conditions for the Italian Law Notes unless it does so on a *pro rata* basis with a Write-Up on the Additional Tier 1 Notes.

A Write-Up may be made on one or more occasions in accordance with Condition 8.3 (*Reinstatement of principal amount*) of the Terms and Conditions for the Italian Law Notes until the Prevailing Principal Amount of the Additional Tier 1 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 Condition 8.3 (*Reinstatement of principal amount*) of the Terms and Conditions for the Italian Law Notes on any occasion shall not preclude it from effecting or not effecting any Write-Up on any other occasion pursuant to Condition 8.3 (*Reinstatement of principal amount*) of the Terms and Conditions for the Italian Law Notes.

If the Issuer decides to Write-Up the Additional Tier 1 Notes pursuant to Condition 8.3 (*Reinstatement of principal amount*) of the Terms and Conditions for the Italian Law Notes, it shall deliver a notice (a **Write-Up Notice**) 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 to Noteholders in accordance with Condition 17 (*Notices*) of the Terms and Conditions for the Italian Law Notes and to the Principal Paying Agent. Such Write-Up Notice shall be given at least ten Business Days prior to the date on which the relevant Write-Up becomes effective.

See Condition 8.3 (*Reinstatement of principal amount*) of the Terms and Conditions for the Italian Law Notes.

**Exempt Notes:**

The Issuer may issue Exempt Notes which are Index Linked Notes, Dual Currency Notes, Partly Paid Notes and Notes redeemable in one or more instalments. References in this Base Prospectus to **Exempt Notes** are to Notes for which no prospectus is required to be published under the Prospectus Regulation. The CSSF has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

***Index Linked Notes***: payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer(s) may agree.

***Dual Currency Notes***: payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer(s) may agree.

***Partly Paid Notes***: the Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer(s) may agree.

***Notes redeemable in instalments***: the Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer(s) may agree.

The Issuer may agree with any Dealer and, in the case of English Law Notes, the Trustee, that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions, in which event the relevant provisions will be included in the applicable Pricing Supplement.

**Redemption:**

The applicable Final Terms of the Senior Notes, Non-Preferred Senior Notes and Subordinated Notes (or, in the case of Exempt Notes, the applicable Pricing Supplement) will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in the case of Exempt Notes in specified instalments, if applicable, or for taxation reasons or, in the case of Subordinated Notes, for regulatory reasons subject to, *inter alia*, the prior approval of the relevant Competent Authority, as applicable or following an Event of Default or, in the case of Senior Notes or Non-Preferred Senior Notes, at the option of the Issuer (and subject to compliance with any conditions to such redemption prescribed by the Relevant Regulations at the relevant time) if the Issuer determines that a MREL or TLAC Disqualification Event has occurred and is continuing) or that such Notes will be redeemable at the option of the Issuer. The terms of any such redemption, including notice periods, any relevant conditions to be satisfied and the relevant redemption dates and prices will, as appropriate, be indicated in the applicable Final Terms.

In the case of Subordinated Notes, early redemption may occur only at the option of UniCredit and with the prior approval of the relevant Competent Authority and otherwise in accordance with applicable laws and regulations, including Articles 77 and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations, and is subject to the provisions of Condition 8.14 of the Terms and Conditions for the English Law Notes and Condition 10.15 of the Terms and Conditions for the Italian Law Notes.

The applicable Pricing Supplement, in the case of Exempt Notes, may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.

If the applicable Final Terms specify that the Issuer Call due to MREL or TLAC Disqualification Event applies, then any Series of Senior Notes or Non-Preferred Senior Notes may on or after the date specified in a notice published on the Issuer's website be redeemed at the option of the Issuer in whole, but not in part, at any time (if the 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 Principal Paying Agent and, in the case of English Law Notes, the Trustee and, in accordance with Condition 16 (*Notices*) of the Terms and Conditions for the English Law Notes and Condition 17 (*Notices*) of the Terms and Conditions for the Italian Law Notes, the Noteholders (which notice shall be irrevocable), if the Issuer determines that a MREL or TLAC Disqualification Event has occurred and is continuing.

Early redemption of Senior Notes or Non-Preferred Senior Notes is subject to the provisions of Condition 8.15 of the Terms and Conditions for the English Law Notes and Condition 10.16 of the Terms and Conditions for the Italian Law Notes.

Under the Prospectus Regulation, prospectuses for the admission to trading of money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions stated therein.

The applicable Final Terms of the Additional Tier 1 Notes (or, in the case of Exempt Notes, the applicable Pricing Supplement) will indicate if such Notes will be redeemable at the option of the Issuer and if the applicable Final Terms specify that the Issuer Call applies, the Issuer may, at its sole discretion (but subject to the provisions of Condition 10.15 (*Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes*) of the Terms and Conditions for the Italian Law Notes), redeem the Notes in whole or in part, on any Optional Redemption Date (Call) at their Prevailing Principal Amount plus any accrued but unpaid interest (to the extent not cancelled in accordance with Condition 7.1 (*Cancellation of Interest Amounts*) of the Terms and Conditions for the Italian Law Notes) up to, but excluding the date fixed for redemption, and any additional amounts due pursuant to Condition 11 (*Taxation*) of the Terms and Conditions for the Italian Law Notes. In addition, the Issuer may, at its sole discretion (but subject to the provisions of Condition 10.15 (*Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes*) of the Terms and Conditions for the Italian Law Notes), redeem the Notes in whole, but not in part, following the occurrence of a Capital Event (if the applicable Final Terms specify that the Regulatory Call applies) or in whole or in part (to the extent permitted by the Relevant Regulations) following the occurrence of a Tax Event (each as defined herein), in each case, at their Prevailing Principal Amount, plus, in each case, any accrued but unpaid interest (to the extent not cancelled in accordance with Condition 7.1 (*Cancellation of Interest Amounts*) of the Terms and Conditions for the Italian Law Notes) up to, but excluding the date fixed for redemption, and any additional amounts due pursuant to Condition 11 (*Taxation*) of the Terms and Conditions for the Italian Law Notes, as described in Condition 10.3 (*Redemption for tax reasons*) or Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*)) of the Terms and Conditions for the Italian Law Notes.

**Redemption for Indexation Reasons:**

Inflation Linked Interest Notes may be redeemed before their stated maturity at the option of the Issuer, if the Index ceases to be published or any changes are made to it which, in the opinion of an Expert, constitute a fundamental change in the rules governing the Index and the change would, in the opinion of the Expert, be detrimental to the interests of the Noteholders.

**Denomination of Notes:**

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) save that (i) the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or by any laws or regulations applicable to the relevant Specified Currency, (ii) the minimum denomination of each Note which is not a Non-Preferred Senior Note or an Additional Tier 1 Note may be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency), (iii) where it is a Note to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors (as defined in the Prospectus Regulation) have access,

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| | the minum denominational may be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency), (iv) the minimum denomination of each Non-Preferred Senior Note will be Euro 250,000 (or, if the Senior Non-Preferred Notes are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) and (iv) the minimum denomination of each Additional Tier 1 Note will be Euro 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body). |
| **Governing Law:** | The English Law Notes (except for Condition 4 (*Status of the Non-Preferred Senior Notes*), Condition 5 (*Status of the Subordinated Notes*) and Condition 22 (*Contractual Recognition of Statutory Bail-In Powers*)), the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, English law. Each of Condition 4 (*Status of the Non-Preferred Senior Notes*), Condition 5 (*Status of the Subordinated Notes*) and Condition 22 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the English law Notes and any non-contractual obligations arising out of or in connection with each of them shall be governed by, and construed in accordance with, Italian law.<br><br>The Italian Law Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, Italian law. |
| **Substitution and Variation:** | *In relation to Senior Notes and Non-Preferred Senior Notes which are English Law Notes*<br><br>If (i) at any time a MREL or TLAC Disqualification Event occurs and is continuing in relation to any Series of Senior Notes or Non-Preferred Senior Notes which are English Law Notes, or (ii) in order to ensure the effectiveness and enforceability of Condition 22 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the English Law Notes, 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 Non-Preferred Senior Notes of that Series), at any time either substitute all (but not some only) of such Senior Notes or Non-Preferred Senior Notes, or vary the terms of such Senior Notes or Non-Preferred Senior Notes so that they remain or, as appropriate, become, Qualifying Senior Notes or Qualifying Non-Preferred Senior 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.<br><br>Qualifying Senior Notes or Qualifying Non-Preferred Senior Notes, as applicable, are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 22 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the English Law Notes, have terms not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms of the relevant Senior Notes or Non-Preferred Senior Notes, as applicable.<br><br>*In relation to Subordinated Notes which are English Law Notes* |

If (i) at any time a Regulatory Event occurs or (ii) in order to ensure the effectiveness and enforceability of Condition 22 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the English Law Notes, 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 Non-Preferred Senior Notes of that Series), at any time either substitute all (but not some only) of a Series of Subordinated Notes which are English Law Notes, or vary the terms of such Subordinated Notes so that they remain or, as appropriate, become, 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.

Qualifying Subordinated Notes are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 22 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the English Law Notes have terms not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms of the relevant Subordinated Notes.

*In relation to Senior Notes and Non-Preferred Senior Notes which are Italian Law Notes*

If (i) at any time a MREL or TLAC Disqualification Event occurs and is continuing in relation to any Series of Senior Notes or Non-Preferred Senior Notes which are Italian Law Notes, or (ii) in order to ensure the effectiveness and enforceability of Condition 21 *Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Italian Law Notes, 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 Non-Preferred Senior Notes of that Series), at any time vary the terms of such Senior Notes or Non-Preferred Senior Notes so that they remain or, as appropriate, become, Qualifying Senior Notes or Qualifying Non-Preferred Senior Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

Qualifying Senior Notes or Qualifying Non-Preferred Senior Notes, as applicable, are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 21 *Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Italian Law Notes, have terms not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms of the relevant Senior Notes or Non-Preferred Senior Notes, as applicable.

*In relation to Subordinated Notes which are Italian Law Notes*

If (i) at any time a Regulatory Event occurs or (ii) in order to ensure the effectiveness and enforceability of Condition 21 *Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Italian Law Notes, 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 Subordinated Notes of that Series), at any time vary the terms of such Subordinated Notes so that they remain or, as appropriate, become, Qualifying Subordinated

Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

Qualifying Subordinated Notes are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 21 *Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Italian Law Notes have terms not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms of the relevant Subordinated Notes.

*In relation to Additional Tier 1 Notes which are Italian Law Notes*

If (i) at any time a Capital Event occurs or (ii) in order to ensure the effectiveness and enforceability of Condition 21 *Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Italian Law Notes, 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 Additional Tier 1 Notes of that Series), at any time vary the terms of such Additional Tier 1 Notes so that they remain or, as appropriate, become, Qualifying Additional Tier 1 Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

Qualifying Additional Tier 1 Notes are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 21 *Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Italian Law Notes have terms not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms of the relevant Additional Tier 1 Notes.

# Risk Factors

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the material risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons. The Issuer has identified in this "Risk Factors" section a number of factors which could materially adversely affect its businesses and ability to make payments due under the Notes. Prospective investors should read these risk factors together with the other detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*The risk factors relating to the Group are deemed to cover the Issuer.*

*Any reference in the Risk Factors to "applicable Final Terms" or "Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" or "Pricing Supplement" where relevant in the case of Exempt Notes.*

**FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME**

## 1.1 Risks related to the financial situation of the Issuer and of the Group

### *1.1.1 Risks associated with the impact of current macroeconomic uncertainties and the effects of the COVID-19 pandemic outbreak*

*The UniCredit Group's performance is affected by the financial markets and the macroeconomic and political environment of the countries in which it operates. Expectations regarding the performance of the global economy remain uncertain in both the short term and medium term. Therefore, there is a risk that changes in the macroeconomic environment may have adverse effects on the financial and economic situation as well as on the creditworthiness of the Issuer and/or the Group. It should be noted that the national and international macroeconomic environment is subject to the risks arising from the outbreak of the viral pneumonia known as "Coronavirus" (**COVID-19**) and that, currently, the negative effects of this virus on international and domestic economic activities are evident, thus having an inevitable impact on the performance of the Group.*

*From the main effects of COVID-19 observed impacting on UniCredit performance in 2020, important to be noticed are the following: (i) negative impacts on the retail loans demand and on the corporate loans interest rates, even following the facilitation of loans with state guarantees, with resulting decrease on the interest margin; about the customer loans moratorium, they did not significantly affect the interest margin; (ii) decreases of the commissions, in all service areas; (iii) additional costs, specifically for devices and equipment needed for the employee's protection and for a massive transfer to a remote way of working (smart working); (iv) worsening of the cost of risk because of higher provisions on loans. The current environment continues to be characterised by highly uncertain elements, with the possibility that the slowdown of the economy, jointly with the termination of the safeguard measures, such as the customer loans moratorium, generate a worsening of the loan portfolio quality, followed by an increase of the non-performing loans and the necessity to increase the provisions to be charged to the income statement.*

*It should be noted that the Group registered a decrease in revenues compared to the corresponding period of 2019, reflecting the extended COVID-19 related restrictions present in all geographies, down 9.0 per cent. Y/Y, to Euro 17.1 billion in FY20 with a decrease in all revenue line items. In 1Q21, the Group delivered revenues of Euro 4.7 billion, up 10.6 per cent Q/Q, and up 7.1 per cent. Y/Y.*

*The Group realized Loan Loss Provisions (**LLPs**) totaled Euro 4,496 million in Financial Year 2020 (**FY20**) (+47.7 per cent FY/FY) of which Euro 2,220 million were specific LLPs, and Euro 2,203 million were overlays*

*on LLP increasing the forward-looking coverage to reflect COVID-19 economic impact on the portfolio, and Euro 572 million on regulatory impacts stemming from the introduction of new models or updating of the existing ones and from the quantification of the evaluative effects correlated to the new European rules on to the classification of the default clients (new Definition of Default).*

*In 1Q21, the Group realized LLPs totaled Euro 167 million (- 86.7 per cent. Y/Y) of which Euro 204 million were specific LLPs, and - Euro 37 million were write-backs overlays on loans updating the forward-looking coverage to reflect COVID-19 economic impact on the portfolio.*

*The Group stated in 2020 a net loss of Euro 2,785 million, compared with the Euro 3,373 million of net profit achieved in 2019, mainly driven by Yapi deconsolidation, integration costs in Italy and CIB goodwill impairment, in addition to the financial-economic context deteriorated by the COVID-19 crisis. The Group delivered underlying net profit of Euro 1.264 billion for FY20, decreasing compared to the underlying net profit of Euro 4.675 billion delivered for FY19 and in 1Q21 the Group delivered an underlying net profit of Euro 0.9 billion, thanks to a rebound in revenues, despite the ongoing impact of lockdowns on client activity in the quarter, as well as to a lower cost of risk.*

*Finally, taking into account the deteriorated conditions of the macroeconomic context and the following adjustments to the revised estimates of the cost of risk, it results that the financial objectives of Team 23 for 2021 are no longer considered relevant, although the strategic priorities communicated last December 2019 have been confirmed. It should be noted that, due to the current framework of high uncertainty and volatility, it is not currently possible to make an overall final assessment of the impacts on the medium/long-term Plan objectives in order to determine whether they are still relevant or how they are impacted, analyses that will be finalised over the next months. In particular, the current scenario is affected by a high degree of uncertainty, whose outcome is not foreseeable at the moment and may require updates in evaluations already performed, in light of the evolution of the pandemic, on the effect of relief measures put in place and the shape of economic recovery.*

*These factors will affect the Group profitability and the parameters, such as discount rates, used for evaluating Group's assets. Furthermore, considering the high uncertainty of current context, an update in the strategic plan Team 23 that reflects current conditions will be presented during the second half of 2021. As a result, the evaluation made for Investments in associates and Deferred Tax Assets, whose recoverable amount depends on cash flows projections, might be subject to a change not foreseeable at the moment and from which could derive possible negative effects, including significant ones, on the bank's financial and economic situation.*

The UniCredit Group's performance is affected by the financial markets and the macroeconomic and political environment of the countries in which it operates. Expectations regarding the performance of the global economy remain still uncertain in both the short term and medium term.

The past year has been defined by the outbreak of the form of viral pneumonia known as "Coronavirus" (**COVID-19**) which had a profound impact on communities, employees and customers. Currently, the negative effects of this virus on international and domestic economic activities are evident, thus having an inevitable impact on the performance of the Group in particular on revenues and cost of risk.

From the main effects of COVID-19 observed impacting on UniCredit performance in 2020, important to be noticed are the following:

- negative impacts on the retail loans demand and on the corporate loans interest rates, even following the facilitation of loans with state guarantees, with resulting decrease on the interest margin; about the customer loans moratorium, they didn't significantly affect the interest margin;
- decreases of the commissions, in all service areas;
- additional costs, specifically for devices and equipment needed for the employee's protection and for a massive transfer to a remote way of working (smart working);
- worsening of the cost of risk because of higher provisions on loans.

The current environment continues to be characterised by highly uncertain elements, with the possibility that the slowdown of the economy, jointly with the termination of the safeguard measures, such as the customer loans moratorium, generate a worsening of the loan portfolio quality, followed by an increase of the non-performing loans and the necessity to increase the provisions to be charged to the income statement.

Revenues were down 9.0 per cent. FY/FY to Euro 17.1 billion in FY20 with a decrease in all revenue line items. In 1Q21, revenues were up 7.1 per cent Y/Y to Euro 4.7 billion, with stronger fees (+ 4.3 per cent. Y/Y) and trading (+ Euro 466 million Y/Y) more than offsetting lower NII (-12.6 per cent. Y/Y). For both the FY20 and 1Q21, the largest revenue contribution came from Commercial Banking Italy (CB Italy), Corporate Investment Banking (CIB) and Central and Eastern Europe (CEE).

In detail: (i) Net interest income[1] was down 6.3 per cent. FY/FY to Euro 9.4 billion, mainly due to lower customer rates and volumes reflecting the Group's prudent approach, only partially offset by the positive effect of TLTRO3. In 1Q21, NII[2] was down 3.1 per cent. Q/Q to Euro 2.2 billion, mainly due to lower customer rates impacted by market rates, competition and lower yielding government guaranteed loans, as well as the impact of weak demand on volumes (-Euro 13 million Q/Q) mainly in Corporate & Investment Banking. Additional headwinds came from the negative effect of TLTRO3 (- Euro 18 million Q/Q)[3] given the absence of the catch-up payment booked in 4Q20 and from Treasury and the investment portfolio (-Euro 18 million Q/Q), partially offset by term funding (+Euro 24 million Q/Q); (ii) fees and commission were down 5.2 per cent. FY/FY, totaling Euro 6.0 billion, reflecting the lockdown impact on client activity from 2Q20 onwards. Despite continued lockdowns, in 1Q21 fees and commission were up 4.3 per cent. Y/Y, totaling Euro 1.7 billion.

The Group stated in 2020 a net loss of Euro 2,785 million, compared with the Euro 3,373 million of net profit achieved in 2019, mainly driven by Yapi deconsolidation, integration costs in Italy and CIB goodwill impairment, in addition to the financial-economic context deteriorated by the COVID-19 crisis. The Group delivered underlying net profit of Euro 1.264 billion for FY20, decreasing compared to the underlying net profit[4] of Euro 4.675 billion delivered for FY19 and in 1Q21 the Group delivered an underlying net profit[5] of Euro 0.9 billion, thanks to a rebound in revenues, despite the ongoing impact of lockdowns on client activity in the quarter, as well as to a lower cost of risk..

The current scenario is characterised by elements of high uncertainty – strongly influenced also by the relevant restriction measures. In particular, in this context, it should be noted that the economic slowdown may determine a deterioration of credit portfolio quality, thus increasing the incidence of non-performing loans and the need to increase the provisions to be charged in the income statement. The Group realized LLPs totaled Euro 4,996 million in FY20 (+47.7 per cent FY/FY) of which Euro 2,220 million were specific LLPs, and Euro 2,203 million were overlays on LLP increasing the forward-looking coverage to reflect COVID-19 economic impact on the portfolio, and Euro 572 million on regulatory impacts stemming from the introduction of new models or updating of the existing ones and from the quantification of the evaluative effects correlated to the new European rules on to the classification of the default clients (new Definition of Default).

For further information in relation to the net write-downs on loans, please see the consolidated financial statements of UniCredit as at 31 December 2020 – Consolidated report on operations – Group results, page 62.

Therefore, the Cost of Risk (**CoR**) in the FY20 is 105 bps, increasing compared to the same period of the past year (71 bps).

[1] Net contribution from hedging strategy of non-maturity deposits in 4Q20 at Euro 361.1 million, +Euro 7.4 million Q/Q and + Euro 7.0 million Y/Y whereas in FY20 at Euro 1,390.0 million, -Euro 11.4 million FY/FY.

[2] Net contribution from hedging strategy of non-maturity deposits in 1Q21 at Euro 362.6 million, - Euro 2.4 million Q/Q and + Euro 9.0 million Y/Y.

3 Managerial calculation. The ECB Governing Council in December 2020 extended the more favorable conditions referred to TLTRO3 to the period June 2021 - June 2022,subject to the achievement of certain thresholds. These more favorable conditions, compared to the incremental adoption of TLTRO2 for both 3Q20 and 4Q20, were recognized in 4Q20 with reference to the amounts accrued from the subscription date of the securities (June 2020).

[4] Group underlying net profit excludes the net impact of Fineco disposal (+ Euro 1,176 million in 2Q19), Ocean Breeze disposal (- Euro 178 million in 2Q19), the impact of REV (+ Euro 46 million in 1Q19, - Euro 1 million in 2Q19, + Euro 80 million in 3Q19 and - Euro 45 million in 4Q19), other one-offs (- Euro 173 million in 2Q19), disposal of 9 per cent. Yapi Kredi (- Euro 365 million in 4Q19), integration costs in Germany & Austria (- Euro 319 million in 4Q19), Non Core LLPs given the update of Non Core rundown strategy (- Euro 1,055 million in 4Q19 including - Euro 6 million related to net interest) and impairment of intangible and other assets (- Euro 468 million in 4Q19 o/w - Euro 189 million software write-off and - Euro 279 million other), Yapi Kredi deconsolidation (- Euro 1,576 million in 1Q20), integration costs in Italy (- Euro 1,272 million in 1Q20), additional real estate disposals (+ Euro 296 million in 1Q20), regulatory headwinds impact on Cost of Risk (- Euro 3 million in 1Q20, - Euro 4 million in 2Q20, - Euro 3 million in 3Q20 and - Euro 519 million in 4Q20), revaluation of real estate (+ Euro 9 million in 1Q20, - Euro 7 million in 2Q20, - Euro 5 million in 3Q20 and + Euro 23 million in 4Q20), Non Core rundown (- Euro 98 million in 2Q20, - Euro 4 million in 3Q20 and - Euro 8 million in 4Q20) and goodwill impairment (- Euro 878 million in 4Q20).

[5] Underlying net profit normalised for revaluation of real estate (+ Euro 4 million in 1Q21).

In 1Q21, the Group realized LLPs totaled Euro 167 million (-86.7 per cent Y/Y) of which Euro 204 million were specific LLPs, and -Euro 37 million were write-backs overlays on loans updating the forward-looking coverage to reflect COVID-19 economic impact on the portfolio.

Therefore, the cost of risk in the 1Q21 is 15 bps, decreasing compared to the same period of the past year (104 bps).

For further information on the overall exposure to counterparty credit risk and the main activities undertaken by the Group to support its customers, please see Risk 1.1.3 "*Credit risk and risk of credit quality deterioration*".

The containment measures adopted to contain the spread of the COVID-19 would have a severe impact on economic activity. The European Central Bank (**ECB**) has stepped up interventions and, with its pandemic emergency purchase program (**PEPP** – Pandemic Emergency Purchase Programme), it stands ready to act as a buyer of last resort in the government-bond market for as long as needed.

Finally, taking into account deteriorated conditions of the macroeconomic context and the following adjustments to the revised estimates of the cost of risk and the target of gross cost savings, it results that the financial objectives of Team 23 for 2021 are no longer considered relevant, although the strategic priorities communicated last December 2019 have been confirmed. It should be noted that, due to the current framework of high uncertainty and volatility, it is not currently possible to make an overall final assessment of the impacts on the medium/long-term Plan objectives in order to determine whether they are still relevant or how they are impacted, analyses that will be finalised over the next months. In particular, the current scenario is affected by a high degree of uncertainty whose outcome is not foreseeable at the moment and may require updates in evaluations already performed, in light of the evolution of the pandemic, on the effect of relief measures put in place and the shape of economic recovery.

These factors will affect the Group profitability and the parameters, such as discount rates, used for evaluating Group's assets. Furthermore, considering the high uncertainty of current context, an update in the strategic plan Team 23 that reflects current conditions will be presented during the second half of 2021. As a result, the evaluation made for Investments in associates and Deferred Tax Assets, whose recoverable amount depends on cash flows projections, might be subject to a change not foreseeable at the moment and from which could derive possible negative effects, including significant ones, on the bank's financial and economic situation.

For further information on the risks associated with the Strategic Plan, see Risk 1.1.2 "*Risks connected with the Strategic Plan 2020 – 2023*".

Material adverse effects on the business and profitability of the Group may also result from further developments of the monetary policies and additional events occurring on an extraordinary basis (such as political instability, terrorism and any other similar event occurring in the countries where the Group operates and, as recently experienced, a pandemic emergency). Furthermore, the economic and political uncertainty of recent years has also introduced a considerable volatility and uncertainty in the financial markets, potentially impacting on credit spreads/cost of funding and, therefore, on the values the Group can realize from sales of financial assets.

The outlook of the pandemic normalization path in terms of its timeline and further evolution remains highly uncertain, as well as the magnitude of the economic downturn. The global economic downturn can be further impacted by the potential new rounds of restrictions that might be induced by some countries across the world, with the risk of further slowing down the expected recovery.

In particular, besides the impact on global growth and individual countries due to COVID-19, the current macroeconomic situation is characterized by high levels of uncertainty, mainly due to: (i) Brexit related uncertainties; (ii) future developments in the ECB and Federal Reserve (**FED**) monetary policies; and (iii) the sustainability of the sovereign debt of certain countries and the related, repeated shocks to the financial markets.

The economic slowdown experienced in the countries where the Group operates has had (and might continue to have) a negative effect on the Group's business and on the financial costs (e.g. lower NII due to excess liquidity), as well as on the value of its assets, and could result in further costs related to write-downs and impairment losses.

### *1.1.2 Risks connected with the Strategic Plan 2020 – 2023*

*On 3 December 2019, following the completion of the 2016-2019 Strategic Plan, UniCredit presented to the financial community in London the 2020-2023 Strategic Plan called "Team 23" (the* ***Strategic Plan*** *or* ***Plan*** *or* ***Team 23****). The Strategic Plan contains determined strategic, capital and financial objectives (collectively, the* ***Strategic Objectives****) based on four pillars. Such Strategic Objectives focus on improving the cost of risk, reducing the gross NPE ratio, maintaining an appropriate capital buffer throughout the Plan as well as objectives in terms of underlying net profit and capital distribution. The four pillars are: (i) growth and strengthen client franchise; (ii) transform and maximise productivity; (iii) disciplined risk management & controls; and (iv) capital and balance sheet management. UniCredit's ability to meet the Strategic Objectives depends on a number of assumptions and circumstances, some of which are outside UniCredit's control, including those relating to developments in the macroeconomic environment in which the UniCredit Group operates, developments in applicable laws and regulations and assumptions related to the effects of specific actions or future events which we can partially forecast/manage. The assumptions concerning the macroeconomic scenario and the development of the regulatory framework, as well as the hypothetical assumptions on which the Plan is based, were made prior to the adoption of the restrictive provisions related to the spread of COVID-19 throughout the countries and, therefore, in a macroeconomic environment different from that one determined next to the entry into force of the restrictive provisions ("lockdown") resulting from the pandemic. Indeed, whilst the 2020 financial results have been influenced by the pandemic, the financial results for this year and potentially subsequent years could be reasonably influenced by the dynamics of COVID-19, which were not foreseeable at the date of the Strategic Plan presentation and which are still uncertain. Taking into account the revised estimates of the cost of risk, it results that the financial objectives of Team 23 for 2021 are no longer considered relevant, although the strategic priorities communicated last December 2019 have been confirmed. Given the high uncertainty of the environment, an update of Team 23 strategic plan will be run and presented to the markets in the Capital Markets Day in the second half of 2021 (the review of the Strategic Plan initiated following arrival of the new Chief Executive Offer and Board of Directors).*

*For all these reasons, investors are cautioned against making their investment decisions based exclusively on the forecast data included in the Strategic Objectives. Any failure to implement the Strategic Objectives or meet the Strategic Objectives may have a material adverse effect on UniCredit's business, financial condition or results of operations.*

As mentioned above, the current macroeconomic scenario is worse than the planned assumptions. For this reason, UniCredit has updated the macroeconomic assumptions connected with the determination of LLPs in accordance with IFRS9 (International Financial Reporting Standards 9). Furthermore, UniCredit realized additional LLPs totaled Euro 4,996 million in FY20 (+47.7 per cent. FY/FY) of which Euro 2,220 million were specific LLPs, and Euro 2,203 million were overlays on LLP increasing the forward-looking coverage to reflect COVID-19 economic impact on the portfolio, and Euro 572 million on regulatory impacts stemming from the introduction of new models or updating of the existing ones and from the quantification of the evaluative effects correlated to the new European rules on to the classification of the default clients (new Definition of Default).

For further information in relation to the net write-downs on loans, please see the consolidated financial statements of UniCredit as at 31 December 2020 – Consolidated report on operations – Group results, page 62.

FY20 stated CoR[6] at 105 bps (lower end of 100-120 bps guidance) as a result of the proactive anticipation of future expected impacts. For the 2020 financial year, the CoR resulted from the combination of the provisions relating to the update of the IFRS9 macroeconomic scenario and the potential effects deriving from the risks that occurred during the year with reference to specific sectors and counterparties.

In 1Q21, the Group realized LLPs totaled Euro 167 million (-86.7 per cent. Y/Y), of which Euro 204 million were specific LLPs, and -Euro 37 million were write-backs overlays on loans updating the forward-looking coverage to reflect COVID-19 economic impact on the portfolio.

In 1Q21 stated CoR[7] at 15 bps, down 165 bps Q/Q impacted by seasonality and further supported by write-backs and the anticipation of future economic impacts taken in 2020[8].

[6] Stated CoR based on reclassified P&L and Balance sheet (BS).

[7] Stated CoR based on reclassified P&L and Balance sheet (BS).

[8] Anticipation of future economic impacts: increased overlays, proactive classification and regulatory headwinds including new Definition of Default.

Currently remains the UniCredit target of gross cost savings of Euro 1.25 billion, up 25 per cent. from the original figure of Euro 1 billion. Group's branch network optimization and FTEs reduction program confirmed on track to meet the Team 23 target of around -8,000 Full Time Equivalents (FTEs) reductions and around 500 branches closures.

In light of the CoR reviewed estimates and target of gross cost savings, it results that the financial objectives of Team 23 for 2021 are no longer considered relevant, although the strategic priorities communicated last December 2019 have been confirmed. It should be noted that, due to the current framework of high uncertainty and volatility, it is not currently possible to make an overall final assessment of the impacts on the medium/long-term Plan objectives in order to determine whether they are still relevant or how they are impacted, analyses that will be finalised over the next months. The review of the Strategic Plan initiated following arrival of the new Chief Executive Officer and new Board of Directors. The overarching objective is disciplined, profitable and sustainable profit growth. Client centricity will be reinforced, increasing interaction of technology will be delivered and the business will be simplified. Review expected to be concluded in the second half of 2021 and communicated at Capital Markets Day. In this context, it will be presented the Group's strategic priorities and the Team 23 Plan Objectives.

Currently, the key pillars of Team 23 remain strategic priorities, specifically:

- **Growth and strengthen client franchise:** through a renewed focus on customer satisfaction and service quality, confirm position as "go to" bank for small and mid-sized corporates, reinforce market leadership in CEE, and strengthen CIB and Commercial Banking cooperation and redesign customer service for individuals, thanks to a mix of integrated channels;

- **Transform and maximise productivity:** adopt new ways of working to continuously optimise processes, enhance customer experience and deliver efficiencies;

- **Disciplined risk management & controls:** further strengthen monitoring and management of Credit and Financial Risk: enhanced business accountability and in-depth monitoring by control functions. Targeted actions on Compliance and Operational Risk, reinforcing governance and risk of Anti Financial Crime controls, AML and KYC, Cyber security and Operational Risk;

- **Capital and balance sheet management:** proactive capital allocation based on financial performance, preference for share buybacks over M&A, only small bolt-on acquisitions might be considered to accelerate capital allocation towards businesses or geographies with higher risk-adjusted profitability. Gradual alignment of domestic sovereign bond portfolios with those of European peers. The project related to the creation of a sub-holding for the international activities of the Group remains under investigation. There is therefore no predefined timeframe for its possible implementation, also considering that the current market and macroeconomic conditions (e.g. purchases of securities by the ECB and reduced government spreads) make some assumptions of the project no longer valid, such as the optimisation of the cost of funding.

Team 23 plan is based on assumptions both in terms of interest rates and economic growth of the countries of presence of the Group. As macroeconomic variables are volatile, UniCredit has also developed two sensitivities on top of the base case scenario embedded in the Strategic plan, both on interest rates and economic growth. One sensitivity, internally called "Draghi", assumes rates close to the current levels throughout the plan (Euribor 3M *end of period* at minus 50 basis points until 2023) and lower GDP (Gross Domestic Product) growth both in Western Europe and Central Eastern Europe countries. "Draghi" scenario assumes an economic slowdown in normal market conditions, consequently, it is not directly comparable to the impacts related to the COVID-19 containment measures applied by most of Countries. Considering the high uncertainty of the environment, as explained above for financial results also interest rates and economic assumptions are influenced by COVID-19 and will be updated and presented during the Capital Markets Day in the second half of 2021.

Furthermore, it should be noted that, as disclosed to the Market in the context of Strategic Plan – Team 23 presentation, the capital distribution in the plan is based on the concept of underlying net profit. Underlying net profit adjusts stated net profit for certain non-operating items to better demonstrate the recurring, sustainable profit base of the bank.

Such adjustments include:

(i) sale of non-strategic assets and selected real estate properties;

(ii) non-operating non-recurring charges including, but not limited to, integration costs and extraordinary IT write-offs;

(iii) non-operating items in LLPs, for example the updated rundown strategy for Non Core and the regulatory headwinds.

UniCredit, complying with the ECB's 2020 payout recommendations, did not pay dividends nor did share buybacks (SBB) in 2020.

For 2021, the ordinary capital distribution complies with ECB recommendations on dividends issued on 15 December 2020, which for UniCredit limits distributions to Euro 447 million[9] until 30 September 2021.

Consequently, in 2021, the cash distribution of Euro 268 million was paid on 21 April 2021 and the SBB distribution of Euro 179 million, approved by ECB and AGM, is expected to be completed by the end of 3Q21. In addition, a resolution for an extraordinary distribution of capital after 1 October 2021 has been approved by the AGM in April 2021 for an amount of Euro 652 million, entirely in the form of SBB, subject to ECB approval.

CET1 MDA buffer fully loaded remains well above 200-250bps targets. UniCredit remains committed to gradually return excess capital vs. MDA buffer to shareholders subject to receive regulatory "green light". Capital distribution policy confirmed with 50 per cent. ordinary payout (max 30 per cent. cash, min 20 per cent. share buyback). Medium to long term CET1 MDA buffer target confirmed at 200-250 bps.

Considering the above, the Issuer evaluates that the materiality of such risk shall be high.

*1.1.3 Credit risk and risk of credit quality deterioration*

*The activity, financial and capital strength and profitability of the UniCredit Group depend, among other things, on the creditworthiness of its customers. In carrying out its credit activities, the Group is exposed to the risk that an unexpected change in the creditworthiness of a counterparty may generate a corresponding change in the value of the associated credit exposure and give rise to the partial or total write-down thereof. Following the COVID-19 outbreak, it cannot be excluded that credit quality for this year could be influenced with potential impacts not yet quantifiable. From the main effects of COVID-19 observed impacting on UniCredit risk profile in 2020, it is important to notice the worsening of the cost of risk because of higher provisions on loans. The current environment continues to be characterised by highly uncertain elements, with the possibility that the slowdown of the economy, jointly with the termination of the safeguard measures, such as the customer loans moratorium, generate a worsening of loan portfolio quality, followed by an increase of the non-performing loans and the necessity to increase the provisions to be charged in the income statement.*

*The Group realized LLPs totaled Euro 4,996 million in FY20 (+47.7 per cent. FY/FY) of which Euro 2,220 million were specific LLPs, and Euro 2,203 million were overlays on LLP increasing the forward-looking coverage to reflect COVID-19 economic impact on the portfolio, and Euro 572 million on regulatory impacts stemming from the introduction of new models or updating of the existing ones and from the quantification of the evaluative effects correlated to the new European rules on to the classification of the default clients (new Definition of Default).*

*In 1Q21, the Group realized LLPs totaled Euro 167 million (-86.7 per cent. Y/Y), of which Euro 204 million were specific LLPs, and -Euro 37 million were write-backs overlays on loans updating the forward-looking coverage to reflect COVID-19 economic impact on the portfolio.*

[9] Calculated as 15 per cent. ("ECB cap") of the cumulated stated net profits for the years 2019 and 2020, adjusted as per ECB recommendation. The additional 20 bps of CET1r limit, introduced by ECB, is less stringent for the Group thus it does not apply. Ordinary distribution (Euro 447 million): 60 per cent cash. (Euro 268 million), 40 per cent. SBB (Euro 179 million). Ordinary cash distribution: Euro 0.12 per share, approved by AGM, Ex-dividend date 19 April 2021, record date 20 April 2021 and payment date 21 April 2021. Ordinary SBB distribution has been approved by Competent Authorities and AGM. Ordinary SBB execution is expected to be completed by end of 3Q21. In addition, the AGM held in April 2021 has authorized an extraordinary capital distribution (Euro 652 million): 100 per cent. SBB. The extraordinary SBB distribution is subject to supervisory approval and to the condition that on 30 September 2021 the ECB will repeal the recommendation of 15 December 2020. Extraordinary SBB execution expected to commence not before 1 October 2021.

*In the context of credit activities, this risk involves, among other things, the possibility that the Group's contractual counterparties may not fulfil their payment obligations, as well as the possibility that Group companies may, based on incomplete, untrue or incorrect information, grant credit that otherwise would not have been granted or that would have been granted under different conditions.*

*Other banking activities, besides the traditional lending and deposit activities, can also expose the Group to credit risks. "Non-traditional" credit risk can, for example, arise from: (i) entering derivative contracts; (ii) buying and selling securities, currencies or goods; and (iii) holding third-party securities. The counterparties of said transactions or the issuers of securities held by Group entities could fail to comply due to insolvency, political or economic events, lack of liquidity, operating deficiencies, or other reasons.*

*The Group has adopted procedures, rules and principles aimed at monitoring and managing credit risk at both individual counterparty and portfolio level. However, there is the risk that, despite these credit risk monitoring and management activities, the Group's credit exposure may exceed predetermined risk's levels pursuant to the procedures, rules and principles it has adopted. The importance of reducing the ratio of non-performing loans to total loans has been stressed on several occasions by the supervisory authorities, both publicly and within the ongoing dialogue with the Italian banks and, therefore, with the UniCredit Group.*

The credit risk inherent in the traditional activity of providing credit is material, regardless of the form it takes (cash loan or endorsement loan, secured or unsecured, etc.).

With regard to "non-traditional" credit risk, the UniCredit Group negotiates derivative contracts and repos on a wide range of products, such as interest rates, exchange rates, share prices/indices, commodities (precious metals, base metals, oil and energy materials), both with institutional counterparties, including brokers and dealers, central counterparties, central governments and banks, commercial banks, investment banks, funds and other institutional customers, and with non-institutional Group customers. These operations expose the UniCredit Group to the risk of counterparty, which is the risk that the counterparty may become insolvent before the contract matures, not being able to fulfil its obligations towards to the Issuer or one of the other Group companies.

As at 31 March 2021, Group gross NPEs were down by 10.0 per cent. Y/Y and up by 5.5 per cent. Q/Q to Euro 22.4 billion in 1Q21 (while, as at 31 December 2020, they were equal to Euro 21.2 billion) with a worsened gross NPE ratio of 4.8 per cent. (-0.1 p.p. Y/Y,+0.3 p.p. Q/Q), while as at 31 December 2020 the gross NPE ratio was equal to 4.5 per cent.

As at 31 March 2021, Group Net NPEs stood at Euro 9.4 billion, increased compared to 31 December 2020 (Group Net NPE ratio increased compared to 31 December 2020 and is equal to 2.1 per cent.).

As at 31 March 2021, the Group excluding Non Core gross NPEs increased to Euro 18.8 billion (+7.3 p.p Q/Q, +12.0 p.p Y/Y, while as at 31 December 2020 they were equal to Euro 17.6 billion), while Group excluding Non Core Net NPEs were slightly increased to Euro 8.6 billion.

The NPL ratio for UniCredit, using the EBA definition, is 2.8 per cent. in 1Q21, compared to weighted average of EBA sample banks of 2.6 per cent.

For more information on European legislative initiatives on Non-Performing Loans, please see Section headed "*Information about the Issuer*", paragraph 1.1.4 (*The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer*) of this Base Prospectus.

Furthermore, since 2014, the Italian market has seen an increase in the number of disposals of non-performing loans, characterised by sale prices that are lower than the relative book values, with discounts greater than those applied in other European Union countries. In this context, the UniCredit Group has launched a structured activity to reduce the amount of non-performing loans on its books, while simultaneously seeking to maximise its profitability and strengthen its capital structure.

In the last years, also in accordance with the EBA Guidelines of 31 October 2018 on management of non-performing and forborne exposures for credit institutions with a gross NPL ratio greater than 5 per cent., the Group has adopted a strategic plan to reduce Non-Performing Exposures (**NPE)** and operational and governance systems to support it.

Starting from the year 2015, the overall reduction of the Group NPE amounted to about Euro 55 billion, moving from Euro 77.8 billion of 2015 to Euro 22.4 billion of 1Q21 (Euro 21.2 billion of 2020). This amount includes the loans disposed through Project Fino in July 2017 and IFRS 5 positions.

Building on the experience gained in Transform 2019, according to the Strategic Plan 2020-2023, the Group will continue to manage NPEs proactively to optimise value and capital.

Following the COVID-19 outbreak it cannot be excluded that, credit quality for this year could be influenced with potential impacts not yet quantifiable. From the main effects of COVID-19 observed impacting on UniCredit risk profile in 2020, it is important to notice the worsening of the cost of risk because of higher provisions on loans.

The current environment continues to be characterised by highly uncertain elements, with the possibility that the slowdown of the economy, jointly with the termination of the safeguard measures, such as the customer loans moratorium, generate a worsening of the loan portfolio quality, followed by an increase of the non-performing loans and the necessity to increase the provisions to be charged to the income statement.

In order to mitigate the negative consequences caused by the restrictive measures adopted to contain the COVID-19 outbreak, several countries in which the Group operates have enacted national provisions to postpone the payment of the instalments upon request of customers or automatically (the so-called "*moratoria*").

In accordance with ESMA statements of 25 March 2020, the Group has not derecognised credit exposures that were subject to such *moratoria*.

LLPs totaled Euro 4,996 million in FY20 (+47.7 per cent. FY/FY) of which Euro 2,220 million were specific LLPs, and Euro 2,203 million were overlays on LLP increasing the forward-looking coverage to reflect COVID-19 economic impact on the portfolio, and Euro 572 million on regulatory impacts stemming from the introduction of new models or updating of the existing ones and from the quantification of the evaluative effects correlated to the new European rules on to the classification of the default clients (new Definition of Default). The specific cost of risk, including only the specific LLPs was 47 bps, still under control despite COVID-19.

In order to cope with the extraordinary contingency of COVID-19 and the peculiar dynamic of a deflated default risk observed in the course of 2020 as a consequence of supporting measures and a potential cliff-effect in 2021 when the measures will expire, an upward corrective factor has been applied on both the 2020 default rate and the 2021 forecast underlying the updated calibration of IFRS models for the 31 December 2020 figures and likely postponement of part of default risk in 2021.

It is worth pointing out that the measurement is affected by the already mentioned degree of uncertainty on the evolution of the pandemic, the effect of the relief measures and, ultimately, the existence and degree of economic recovery. The evolution of these factors may, indeed, require in future financial years the classification of additional credit exposures as non-performing thus determining the recognition of additional loan loss provisions related to both these exposures as well as performing exposures following the update in credit parameters. In this context, it will be relevant, among other factors, the ability of the customers to service their debt once moratoria measures adopted by the Governments of the countries where the Group operates or voluntarily adopted by the Group's banks themselves, will expire.

For further information in relation to the net write-downs on loans, please see the consolidated financial statements of UniCredit as at 31 December 2020 – Consolidated report on operations – Group results, page 62.

In 1Q21, LLPs totaled Euro 167 million (-86.7 per cent Y/Y) of which Euro 204 million were specific LLPs, and -Euro 37 million were write-backs overlays on loans updating the forward-looking coverage to reflect COVID-19 economic impact on the portfolio. The specific cost of risk, including only the specific LLPs, was 18 bps, still under control despite COVID-19.

In light of the above, the Issuer evaluates that the materiality of both the credit risk and the risk of credit quality deterioration shall be medium-high.

### *1.1.4 Risks associated with the Group's exposure to sovereign debt*

*As at 31 March 2021, the Group's sovereign exposures in debt amounts to Euro 118,052 million (as at 31 December 2020 it amounted to Euro 110,542 million), of which about 85 per cent. concentrated in eight countries.*

*In particular, the Group's exposure to Italian sovereign debt in debt securities amounts to Euro 46,318 million (at 31 December 2020 it amounted to Euro 42,638 million) and represents, respectively, over 39 per cent. of the Group's total sovereign exposure represented by debt securities (about 39 per cent. at 31 December 2020) and about 5 per cent. of the Group total assets (unchanged from 31 December 2020). Increased financial instability and the volatility of the market, with particular reference to the increase of credit spread, or the rating downgrade of sovereign debt, as well as the rating downgrade of Italian sovereign debt, or forecasts that such downgrades may occur, could negatively impact the financial position of UniCredit and/or the Group considering their exposure to sovereign debt.*

*Sovereign exposures are bonds issued by and loans given to central and local governments and governmental bodies. For the purposes of the current risk exposure, positions held through Asset Backed Securities (**ABS**) are not included.*

With reference to the Group's sovereign exposures in debt, the book value of sovereign debts securities as at 31 March 2021 amounted to Euro 118,052 million (as at 31 December 2020 it amounted to Euro 110,542 million), of which about 85 per cent. was concentrated in eight countries, including: Italy with Euro 46,318 million (at 31 December 2020 it amounted to Euro 42,638 million), representing over 39 per cent. of the total (about 39 per cent. at 31 December 2020) and about 5 per cent. of the Group total assets (unchanged from 31 December 2020); Spain with Euro 17,243 million; Germany with Euro 13,705 million; Japan with Euro 8,536 million; Austria with Euro 4,967 million; United States of America with Euro 3,432 million; France with Euro 3,215 million and Romania with Euro 2,371 million.

As at 31 March 2021, the remaining 15 per cent. of the total sovereign exposures in debt securities, equal to Euro 18,265 million as recorded at the book value, was divided between 37 countries, including: Hungary (Euro 1,929 million), Bulgaria (Euro 1,913 million), Czech Republic (Euro 1,723 million), Portugal (Euro 1,693 million), Croatia (Euro 1,512 million), Russia (Euro 1,182 million), Ireland (Euro 1,096 million), Serbia (Euro 995 million), Poland (Euro 914 million), Israel (Euro 534 million) and Belgium (Euro 525 million). The exposures in sovereign debt securities relating to Greece are immaterial.

As at 31 March 2021, there is no evidence of default of the exposures in question.

Note that the aforementioned remainder of the sovereign exposures held as at 31 March 2021 also included debt securities relating to supranational organisations, such as the European Union, the European Financial Stability Facility and the European Stability Mechanism, worth Euro 2,617 million (as at 31 December 2020 it amounted to Euro 2,275 million).

In addition to the Group's sovereign exposure in debt securities, there were also loans issued to central and local governments and government bodies.

Total loans to countries to which the total exposure is greater than Euro 130 million, which represented about 95 per cent. of said exposures, as at 31 March 2021, amounts to Euro 24,080 million (as at 31 December 2020 it amounted to Euro 25,009 million).

Furthermore, it should be noted that one of the pillars of the Strategic Plan 2020-2023 is the capital and balance sheet management, according to which the strengthening of the balance sheet will continue with the ongoing, gradual alignment of the domestic sovereign bond portfolio with those of Italian and European peers.

### *1.1.5 Risks relating to deferred taxes*

*As at 31 December 2020, UniCredit recognized Deferred Tax Assets (**DTAs**) for Euro 11,361 million, of which Euro 7,491 million may be converted into tax credits pursuant to Law No. 214 of 22 December 2011 (**Law 214/2011**). As of 31 December 2019, DTAs totally amounted to Euro 12,129 million, of which Euro 8,302 million available for conversion to tax credits pursuant to Law 214/2011. In relation to Convertible DTAs the fee due for fiscal year 2020 was paid on 26 June 2020 for an amount equal to Euro 112 million.*

*The above mentioned amounts are the ones resulting from the sustainability test provided for IAS12, which takes into account the economic projections foreseeable for future years and the peculiarities of the fiscal legislations of each country, in order to check whether there are future taxable incomes against which tax loss carry forward (**TLCF**) can be offset.*

*If, for whatever reason, significant changes in the current tax legislation may occur, not foreseeable at present, such as the rate change, or the updating of the income statement estimates with the latest available official projections should lead to lower taxable future income than those estimated in the sustainability test, and therefore not sufficient to guarantee the reabsorption of the DTAs in question, negative and even significant effects on the activities and on the economic, equity and / or financial situation of the Issuer and / or the Group could occur.*

Following the outbreak of the COVID-19 pandemic, on 17 March 2020, Law Decree No. 18 (**Cura Italia Decree**) has been adopted, which, among other things, provides special measures to mitigate the effects of COVID-19 for taxpayers. In particular, Article 55 of the Cura Italia Decree allows to convert DTAs into tax credits, following the disposal of non-performing loans to legal entities not belonging to the Group by 31 December 2020. The conversion into tax credits applies to the DTA's on TLCF and allowance for corporate equity (**ACE**) surpluses, also in case the DTA's are off balance sheet. As of 31 December 2020, Euro 110 million of DTA's were converted into tax credits.

As at 31 December 2020, UniCredit recognized DTAs for Euro 11,361 million, of which Euro 7,491 million may be converted into tax credits pursuant to Law No. 214 of 22 December 2011 (**Law 214/2011**). As of 31 December 2019, DTAs totally amounted to Euro 12,129 million, of which Euro 8,302 million available for conversion to tax credits pursuant to Law 214/2011. In relation to Convertible DTAs the fee due for fiscal year 2020 was paid on 26 June 2020 for an amount equal to Euro 112 million.

As at 31 December 2020, the remaining Deferred Tax Assets (i.e., DTAs non-convertible into tax credits) are related to costs and write-offs deductible in future years, for Euro 2,749 million (net of related deferred tax liabilities), and to tax losses carried forward (TLCF) for Euro 1,120 million (of which Euro 982 million DTAs on TLCF and Euro 138 million tax credit IRAP deriving from the conversion of the ACE benefit). DTAs on TLCF are mainly related to UniCredit S.p.A., also as Italian Tax Group Parent Company, for Euro 677 million, to UniCredit Bank Austria AG for Euro 210 million, and to UniCredit Bank AG for Euro 64 million.

The above mentioned amounts are the ones resulting from the sustainability test provided for IAS12, which takes into account the economic projections foreseeable for future years and the peculiarities of the fiscal legislations of each country, in order to check whether there are future taxable incomes against which TLCF can be offset.

At Group level total not recognized DTAs TLCF are equal to Euro 4,368 million mainly referred to UniCredit S.p.A. for Euro 3,392 million, to UniCredit Leasing S.p.A. for Euro 277 million and to Sub-groups UniCredit Bank AG for Euro 401 million and UniCredit Bank Austria AG for Euro 287 million.

If, for whatever reason, significant changes in the current tax legislation may occur, not foreseeable at present, such as the rate change, or the updating of the income statement estimates with the latest available official projections should lead to lower taxable future income than those estimated in the sustainability test, and therefore not sufficient to guarantee the reabsorption of the DTAs in question, negative and even significant effects on the activities and on the economic, equity and / or financial situation of the Issuer and/or the Group could occur.

## 1.2 Risks related to the business activities and industry of the Issuer and of the Group

### *1.2.1 Liquidity Risk*

*The main indicators used by the UniCredit Group to assess its liquidity profile are (i) the Liquidity Coverage Ratio (**LCR**), which represents an indicator of short-term liquidity subject to a minimum regulatory requirement of 100 per cent. from 2018 and which was equal to 180 per cent. in March 2021, whereas as at 31 December 2020 was equal to 171 per cent. (calculated as the average of the 12 latest end of month ratios), and (ii) the Net Stable Funding Ratio (**NSFR**), which represents the indicator of structural liquidity and which, in March 2021, was above the internal limit set at 102.5 per cent, whereas as at 31 December 2020 was above the internal limit set at 101.3 per cent.. within the risk appetite framework. Liquidity risk refers to the possibility that the UniCredit Group may find itself unable to meet its current and future, anticipated and unforeseen cash payment and delivery obligations without impairing its day-to-day operations or financial position. The activity of the UniCredit Group is subject in particular to funding liquidity risk, market liquidity risk, mismatch risk and contingency risk. The most relevant risks that the Group may face are: i) an exceptionally high usage of the committed and uncommitted lines granted to corporate customers; ii) the capacity to roll over the expiring wholesale funding and the potential cash or collateral outflows the Group may suffer in case of rating downgrades of both the banks or the sovereign debt in the geographies in which it operates. In addition to this, some risks may arise from the limitations applied to the cross-border lending among banks, which have been increased in some countries. Due to the financial*

*market crisis, followed also by the reduced liquidity available to operators in the sector, the ECB has implemented important interventions in monetary policy, such as the "Targeted Longer-Term Refinancing Operation" (**TLTRO**) introduced in 2014 and the TLTRO II introduced in 2016. In March 2019, the ECB announced a new series of quarterly targeted longer-term refinancing operations (**TLTRO-III**) to be launched in September 2019 to March 2021, each with a maturity of two years, recently shifted by an additional year. In March 2020, new long term refinancing operations (**LTROs**) were announced to provide a bridge until the TLTRO III window in June 2020 and ensure liquidity and regular money market conditions. These measures were integrated with temporary collateral easing measures.*

*It is not possible to predict the duration and the amounts with which these liquidity support operations can be repeated in the future, with the result that it is not possible to exclude a reduction or even the cancellation of this support. This would result in the need for banks to seek alternative sources of borrowing, without ruling out the difficulties of obtaining such alternative funding as well as the risk that the related costs could be higher. Such a situation could therefore adversely affect UniCredit's business, operating results and the economic and financial position of UniCredit and / or the Group.*

Funding liquidity risk refers to the risk that the Issuer may not be able to meet its payment obligations, including financing commitments, when these become due. In light of this, the availability of the liquidity needed to carry out the Group's various activities and the ability to fund long-term loans are essential for the Group to be able to meet its anticipated and unforeseen cash payment and delivery obligations, so as not to impair its day-to-day operations or financial position.

In order to assess the liquidity profile of the UniCredit Group, the following principal indicators are also used:

- the short-term indicator LCR, which expresses the ratio between the amount of available assets readily monetizable (cash and the readily liquidable securities held by UniCredit) and the net cash imbalance accumulated over a 30-day stress period; the indicator is subject to a minimum regulatory requirement of 100 per cent.; and
- the 12-month structural liquidity indicator NSFR, which corresponds to the ratio between the available amount of stable funding and the required amount of stable funding. While the LCR is already in force, the NSFR has been introduced as a requirement in the CRRII published in June 2019 and will apply from June 2021.

As of March 2021, the LCR of the Group was equal to 180 per cent., whereas as at 31 December 2020 was equal to 171 per cent. (calculated as the average of the 12 latest end of month ratios). As of March 2021, the NSFR was above the internal limit of 102.5 per cent., whereas as at 31 December 2020 was above the internal limit set at 101.3 per cent. set in the risk appetite framework.

The Group's access to liquidity could be damaged by the inability of the Issuer and/or the Group companies to access the debt market, including also the forms of borrowing from retail customers, thus compromising the compliance with prospective regulatory requirements, with consequent negative effects on the operating results and capital and/or financial position of the Issuer and/or of the Group.

As regards market liquidity, the effects of the highly liquid nature of the assets held are considered as a cash reserve. Sudden changes in market conditions (interest rates and creditworthiness in particular) can have significant effects on the time to sell, including for high-quality assets, typically represented by government securities. The "dimensional scale" factor plays an important role for the Group, insofar as it is plausible that significant liquidity deficits, and the consequent need to liquidate high-quality assets in large volumes, may change market conditions. In addition to this, the consequences of a possible decline of the price of the securities held and of a change in the criteria applied by the counterparties in repos operations could make it difficult to ensure that the securities can be easily liquidated under favourable economic terms.

In addition to risks closely connected to funding risk and market liquidity risk, a risk that could impact the day-to-day liquidity management is the differences in the amounts or maturities of incoming and outgoing cash flows (mismatch risk) and the risk that (potentially unexpected) future requirements (i.e. use of credit lines, withdrawal of deposits, increase in guarantees offered as collateral) may use a greater amount of liquidity than that considered necessary for day-to-day activities (contingency risk).

The slowdown in economic activity caused by lockdowns across Europe and the measures the Governments have taken to face the effects of the current health and economic emergency impacted the Group operations in the

different countries of its perimeter. The business continuity management plans were activated in order to ensure the regular execution of Treasury activities and the proper information flows to the senior management and the Supervisors. Despite the overall liquidity situation of the Group is safe and under constant control, some risks may materialize in the coming months, depending on the length of the current lockdown and expected economic recovery.

An important mitigating factor to these risks are the contingency management policies in place in the Group system of rules and the measures announced by the ECB, which have granted a higher flexibility in the management of the current liquidity situation by leveraging on the available liquidity buffers.

As of 31 March 2021, the total debt of the UniCredit Group with the ECB through TLTRO III was Euro 107.1 billion, with a timetable of maturities scheduled for June 2023 and March 2024.

Please find below the details of the TLTRO III participations of the Group with ECB:

**TLTRO III**

| Effect from | Maturity | Amounts (Euro – billion) |
|---|---|---|
| 24 June 2020 | 28 June 2023 | 94.33 |
| 24 March 2021 | 27 March 2024 | 12.7 |
| **Total** | | **107.1** |

*1.2.2 Risk related to the property market trends*

*The UniCredit Group is exposed to risks relating to the property market as a result of its significant property portfolio (both in Italy and abroad), as well as due to loans granted to companies operating in the commercial real estate market, whose cash flow is generated mainly by the rental or sale of commercial properties, and loans to individuals secured by real property. A downturn in property prices, also in light of COVID-19 pandemics, could cause to the UniCredit Group to have recognize reduction in the value of the property owned where book value is higher than market value, with possible material adverse effects on the business, operating results and financial position of UniCredit and / or the Group.*

*Furthermore, the UniCredit Group has outstanding a significant amount of loans to individuals secured by residential property. Should property prices, which represents most of the collateral securing UniCredit's loans, fall, the value of the collateral securing such loans would decline.*

In this regard, starting from 31 December 2019 financial statements, the Group has decided to change the evaluation criterion of the Group's real estate portfolio, in particular for the properties used in business (ruled by IAS16 "Property, plant and equipment") providing for the transition from the cost model to the revaluation model for the measurement subsequent to initial recognition while for the properties held for investment (ruled by IAS40 "Investment property") providing for the transition from the cost model to the fair value model.

The Group has considered that the possibility of measuring real estate assets at current values (and no longer at cost) allows, in line with the provisions of IAS8 concerning changes in accounting principles, to provide reliable and more relevant information on the effects of business management as well as the Group's financial position and economic result.

As at 31 December 2020, fair value of both properties held for investment and properties used in business was re-determined through external appraisals.

The update of appraisals has led to an overall positive balance sheet effect of Euro 115 million gross of tax, as detailed below:

- for real estate assets used in business, the recognition of an increase in the specific valuation reserve for an amount of Euro 105 million gross of tax effect. In addition to this increase, net gains for Euro 6 million were recognised in the income statement gross of the tax effect;
- for real estate assets held for investment, the recognition of an income statement results equal to Euro 4 million gross of the tax effect.

It is worth to note that the valuation of properties at current values implies a possible risk of volatility as well as an increase of the so-called real estate risk. By reference to the real estate units held as at 31 December 2020 and their corresponding market value overall equal to Euro 5,961 million, has been estimated a sensitivity to the increase/decrease in real estate values of +/-1 per cent. equal to approximately Euro 60 million corresponding to approximately +/-2 basis point of CET1 ratio.

It must furthermore be noted that the measurement of inventories of property, plant and equipment, to the lower between cost and net realizable value, has determined the recognition of a write-down for Euro 20 million.

Furthermore, during the first half 2020, the Group has sold a real estate complex in Munich composed by both real estate assets held for investment and real estate assets used in business for a sale price equal to Euro 1,012 million.

This circumstance has determined for assets used in business, for which according to IAS8 the change to revaluation model is applied prospectively from 31 December 2019, the recognition of a gain on disposal for Euro 443 million (gross of tax) in the first half 2020 when these properties have been derecognised.

Conversely, for assets held for investments, for which according to IAS8 the change to fair value model is applied retrospectively, the adjustment to the sale price has already been recognized in the last quarter of 2019.

For further information, please see the consolidated financial statements of UniCredit as at 31 December 2020, Part B - Consolidated balance sheet - Assets - Section 9 - Property, plant and equipment - Item 90.

*1.2.3 Risks connected with the UniCredit Group's activities in different geographical areas*

*The UniCredit Group operates in different countries and, therefore, the UniCredit Group's activities are affected by the macroeconomic context of the markets in which it operates. Italy accounted for 48 per cent. of the UniCredit Group's total revenue during FY20[10] and is the Group's primary market. The UniCredit Group also operates and has a significant presence in Austria and Germany (which accounted for 10 per cent. and 23 per cent., respectively, of the UniCredit Group's total revenue for FY20). The deterioration in the macroeconomic conditions in either Austria, Germany or Italy (including the increase of domestic capital markets volatility) may adversely affect the UniCredit Group's profitability, as well as its assets and operations, balance sheet and/or income statement.*

The Group's business is closely connected to the Italian economy and could, therefore, be negatively impacted by any changes in its macroeconomic environment. Economic forecasts and the current political and social health situation generate considerable uncertainty surrounding the future growth of the Italian economy.

In addition to other factors that may arise in the future, declining or stagnating Italian Gross Domestic Product (**GDP**), rising unemployment and unfavourable conditions in the financial and capital markets in Italy could result in declining consumer confidence and investment in the Italian financial system and increases in the number of impaired loans and/or loan defaults, leading, among others, to an overall reduction in demand for services the Group offers. Thus, a persistence of adverse economic conditions, political and economic uncertainty and/or a slower economic recovery in Italy compared with other countries of the Organization for Economic Co-operation and Development (**OECD**) could have a material adverse effect on the Group's results of operations, business and financial condition.

The UniCredit Group operates and has a significant presence also in Central and Eastern European countries (**CEE countries**) including, among others, Turkey, Russia, Croatia, the Czech Republic, Bulgaria and Hungary, which accounted for 20 per cent. of the Group's total revenue for FY20. The risks and uncertainties to which the UniCredit Group is exposed are of a different nature and magnitude depending on the country and whether the

[10] Based on regional view

country belongs to the European Union, which is one of the main factors taken into consideration when evaluating these risks and uncertainties.

CEE countries will recover gradually from the COVID-19 induced decline in economic activity. While GDP could return to pre-pandemic levels by late 2021 in most CEE countries, services – especially tourism – and manufacturing with long global supply chains could lag in the recovery. The introduction of further sanctions remains a limited risk for Turkey. In addition, the economic recovery in Turkey remains vulnerable to global financial conditions, although the hawkish CBRT supports TRY financial assets.

For further information, see Risk 1.1.1 "*Risks associated with the impact of current macroeconomic uncertainties and the effects of the COVID-19 pandemic outbreak*".

Additional and adverse effects may result from the more restrictive CEE regulations as they may bind the Group to implement further recapitalization operations for its subsidiaries considering the risk of being subject to - among other things - regulatory and governmental initiatives of these countries. As a result, the UniCredit Group may be called upon to ensure a greater level of liquidity for its subsidiaries in these areas. Furthermore, the Group may have to increase impairments on loans issued due to a rise in estimated credit risk. Negative implications in terms of quality of credit could, specifically, involve the UniCredit Group's exposures denominated in Swiss francs (CHF) in selected CEE countries, also as a result of the decision by the Swiss Central Bank in January 2015 to remove the Swiss franc/Euro ceiling.

Finally it should be noted that, on the other hand, as a result of the financial crisis, in many of the countries in which the Group operates, the supervisory authorities have adopted measures aimed at reducing the exposure of banks operating within these territories to associated banks that operate in countries other than those in which the said authorities exercise their regulatory powers. In this context, some supervisory authorities have asked that the Group companies reduce their credit exposure to other Group companies and, in particular, their exposure to UniCredit. This has prompted UniCredit to implement self-sufficiency policies, based essentially on increasing the commercial funding and using financing from outside the Group where necessary.

The implementation of such policies could result in a deterioration, whether real or perceived, in the credit profile (particularly in Italy) and could have a significant negative effect on borrowing costs and, consequently, on the operating and financial results of the Issuer and of the Group.

### *1.2.4 Market risks*

*The UniCredit Group is exposed to Market Risk. Market risk derives from the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can cause to the economic value of the Group's portfolio, including the assets held both in the Trading Book, as well as those posted in the Banking Book, both on the operations characteristically involved in commercial banking and in the choice of strategic investments. As at 31 December 2020, RWA (Risk-Weighted Assets) for Market Risk (excluding credit valuation adjustments - CVA Risk) amounted to Euro 9.1 billion out of a total of Euro 325.7 billion of Total Group RWA. Total Market Risk RWA (excluding CVA Risk) are split between the part calculated under the internal model (Euro 6,292 million) and the standardised approach (Euro 2,839 million). In addition, an additional capital requirement of Euro 507 million was introduced starting from 31 December 2019.*

*Therefore it is not possible to exclude, considering the trend of the market variables, possible negative effects on the activities and the economic, capital and/or financial situation of the Issuer and/or the Group.*

Market risk management within the UniCredit Group accordingly includes all the activities relating to cash transactions and capital structure management, both for the Parent Company, as well as for the individual companies making up the Group.

Specifically, the trading book includes positions in financial instruments and commodities held either for trading purposes or to hedge other elements of the trading book. In order to be subject to the capital treatment for the trading book in accordance with the applicable policy "Eligibility Criteria for the Regulatory Trading Book Assignment", the financial instruments must be free from any contractual restrictions on their tradability, or able to be hedged. Furthermore, the positions must be frequently and accurately valued and the portfolio must be actively managed.

The risk that the value of a financial instrument (asset or liability, liquidity or derivative instrument) may change over time is determined by five standard market risk factors: (i) credit risk: the risk that the value of an instrument may decrease due to a change in credit spreads; (ii) share price risk: the risk that the value of an instrument may decrease due to changes in share prices or indices; (iii) interest rate risk: the risk that the value of an instrument may decrease due to a change in interest rates; (iv) exchange rate risk: the risk that the value of an instrument may decrease due to a change in exchange rates; and (v) commodity price risk: the risk that the value of an instrument may decrease due to a change in the prices of commodities (e.g. gold, crude oil).

The UniCredit Group manages and monitors its market risk using two sets of measures: (i) broad market risk measures; and (ii) granular market risk measures.

As at 31 December 2020, RWA (Risk-Weighted Assets) for Market Risk (excluding credit valuation adjustments - CVA Risk) amounted to Euro 9.1 billion out of a total of Euro 325.7 billion of Total Group RWA. Total Market Risk RWA (excluding CVA Risk) are split between the part calculated under the internal model (Euro 6,292 million) and the standardised approach (Euro 2,839 million). In addition, an additional capital requirement of Euro 507 million was introduced starting from 31 December 2019.

*1.2.5 Interest rate fluctuation and exchange rate risk*

*The interest rate banking book, earnings and economic value are exposed to: changes in interest rate that may have a major negative impact in the value of the assets and liabilities held by the Group, change the behavioural model, change in basis of Interest rate curve tenor and changes of the Interest rate volatilities.*

*The UniCredit Group implements also a hedging policy of risks related to the fluctuation of interest rates. Such hedges are based on estimates of behavioural models and interest rate scenarios and aimed to mitigate the negative effect of an adverse and unexpected change of the interest rates on the activity, operating results and capital and financial position of the Group.*

*Furthermore, a significant portion of the Group's business is done in currencies other than Euros. Therefore, any negative change in exchange rates and/or a hedging policy that turns out to be insufficient to hedge the related risk could have major negative effects on the activity, operating results and capital and financial position of the Issuer and/or the Group.*

It should be considered that UniCredit Group is mainly exposed to foreign-exchange risk toward the U.S. dollar.

The Market Risk impact on the Group is low, in coherence with the mission of the Group and it is tracked by an ad hoc Key Performance Indicator (KPI) on the Ratio between Market Risk-Weighted Assets (RWA) and Overall RWA.

For further information, please see the consolidated financial statements of UniCredit as at 31 December 2020, Part E – Information on risks and hedging policies, incorporated by reference herein.

*1.2.6 Operational risk*

*The UniCredit Group is exposed to operational risk, namely the risk of suffering losses due to errors, violations, interruptions, damages caused by internal processes, personnel, strikes, systems (including IT systems on which the UniCredit Group depends to a great extent) or caused by external, unforeseen events, entirely or partly out of the control of the UniCredit Group (including, for example, fraud, deception or losses resulting from the disloyalty of employees and/or from the violation of control procedures, IT virus / cyber attacks or the malfunction of electronic and/or communication services, possible terrorist attacks). The realisation of one or more of these risks could have significant negative effects on the activity, operating results and capital and financial position of the Issuer and/or the Group.*

The complexity and geographical distribution of the UniCredit Group's activities requires a capacity to carry out a large number of transactions efficiently and accurately, in compliance with the various different regulations applicable.

The main sources of operational risk statistically include the instability of operational processes, poor IT security, excessive concentration of the number of suppliers, changes in strategy, fraud, errors, recruitment, staff training

and loyalty and, lastly, social and environmental impacts. It is not possible to identify one consistent predominant source of operational risk.

The UniCredit Group has a framework for managing operational risks, comprising a collection of policies and procedures for controlling, measuring and mitigating Group operational risks. These measures could prove to be inadequate to deal with all the types of risk that could occur and one or more of these risks could occur in the future.

Referring to operational risks' effects arising from the COVID-19 pandemic, analysis were carried out in order to identify risks arising from process changes adopted time by time to protect the health of employees and customers.

With reference to the operational risks identified, the effectiveness of the risk mitigation measures was then assessed also through a comparative analysis between different Group Legal Entities. In addition, specific second-level controls were activated to oversee those areas that were subject to the most significant changes. A specific monitoring of operational incidents linked, even indirectly, to the entire COVID-19 pandemic has been created in order to promptly intercept potential process criticalities or inappropriate behaviours.

Moreover, in the context of its operation, the UniCredit Group outsources the execution of certain services to third companies, regarding, *inter alia*, banking and financial activities, and supervises outsourced activities according to policies and regulations adopted by the Group. The failure by the outsourcers to comply with the minimum level of service as determined in the relevant agreements might cause adverse effects for the operation of the Group.

UniCredit Group has always invested a lot of efforts and resources in upgrading its IT systems and improving its defence and monitoring systems. Based also on the Strategic Plan 2020-2023, operational risk remains a significant focus for the Group, with reinforced controls of business and governance process across all legal entities and with the launch of a permanent optimisation of work process. However, possible risks remain with regard to the reliability of the system, the quality, integrity and confidentiality of the data managed and the threats to which IT systems are subject, as well as physiological risks related to the management of software changes (change management), which could have negative effects on the operations of the UniCredit Group, as well as on the capital and financial position of the Issuer and/or the Group.

Some of the more serious risks relating to the management of IT systems that the UniCredit Group has to deal with are possible violations of its systems due to unauthorised access to its corporate network, or IT resources, the introduction of viruses into computers or any other form of abuse committed via the Internet. Similar attempts have become more frequent over the years throughout the world and therefore can threaten the protection of information relating to the Group and its customers and can have negative effects on the integrity of the Group's IT systems, as well as on the confidence of its customers and on the actual reputation of the Group, with possible negative effects on the capital and financial position of the Issuer and/or the Group.

UniCredit Group is subject to the regulations governing the protection, collection and processing of personal data in the jurisdictions in which it operates. While the Group has internal procedures that are responsive to applicable regulation, it remains exposed to the risk that the data could be damaged or lost, or removed, disclosed or processed (data breach) for purposes other than those authorized by the customer, including by unauthorized parties (such as third parties or Group employees) or with insufficient lawful basis (e.g. Standard Contractual Clauses to be signed in case of transfer of personal data outside EEA as per European Court of Justice decision of July 2020[11]). Examples of data processed for purposes other than those for which they were collected or by unauthorised parties may be: the viewing of data by employees outside their work duties or for clients of other branches/portfolios of other managers; the employee of a supplier, appointed as Data Processor, processing the data with procedures/methods or for purposes other than those stated in the Data Processing Agreement.

With reference to the insufficient lawful basis, the European Court of Justice, in the aforementioned decision, confirmed the validity of Standard Contract Clauses as an instrument of transfer/lawful basis, but added the responsibility, on the "exporter" of the personal data, to assess whether the country of destination of the data offers a level of protection of the righs and freedoms of the data subject equal to the one guaranteed in Europe, by Regulation (EU) 2016/679. Moreover, the European Data Protection Board has stated, in documents released after the decision, that even simple access to the data (i.e. by an employee of the third company engaged for IT platform

[11] Judgment in Case C-311/18, Data Protection Commissioner v Facebook Ireland and Maximillian Schrems, that invalidated the adequacy decision of personal data protection provided by the "EU-US Data Protection Shield".

maintenance activities) may constitute a transfer of personal data. Thus, the potential risk is that personal data may be processed by third parties, appointed as Data Processor, from countries outside the European Economic Area without the presence of Standard Contract Clauses and/or without an adequate assessment by the data controller of the privacy rules in the destination country.

Considering the above, it should be noted that the UniCredit Group, over the past few years, has been subject to cyber-attacks which led, even though only in a few limited cases, to the theft of personal data. In this regard, taking into account the type of risks detected, UniCredit, in addition to strengthening the protection measures already in place, carried out a wide and in-depth assessment of the effects that may derive also for financial statements purposes.

In this regard, it should be noted that on 5 February 2020, the Italian Personal Data Protection Authority notified UniCredit S.p.A. of the start of sanctioning proceedings regarding a violation of customers' personal data following a cyber-attack (data breach) occurred in October 2018, communicated through its Group website on 22 October 2018. It is currently not possible to define the timeline and outcome of the proceedings.

In addition, the investment made by the UniCredit Group of relevant resources in software development creates the risk that when one or more of the above-mentioned circumstances occurs, the Group may suffer financial losses if the software is destroyed or seriously damaged, or will incur repair costs for the violated IT systems, as well as being exposed to regulatory sanctions.

Starting from 2018, the UniCredit Group has subscribed a Cyber Insurance Policy with European Insurance Companies with adequate rating and with reasonably high limits, to cover damages, in compliance with the current local legislation, caused by data breaches and other cyber-attacks on the IT systems, except for compensation for sanctions where national law does not allow it.

### *1.2.7 Risks connected with legal proceedings*

#### *1.2.7.1 Risks connected with legal proceedings in progress*

*As at the date of this Base Prospectus, UniCredit and other UniCredit Group companies are named as defendants in several legal proceedings. In particular, as at 31 December 2020, UniCredit and other UniCredit Group companies were named as defendants in about 37,900 legal proceedings of which approx. 9,200 involving UniCredit (excluding labour law cases, tax cases and credit recovery actions in which counterclaims were asserted or objections raised with regard to the credit claims of Group companies). Moreover, from time to time, past and present directors, officers and employees may be involved in civil and/or criminal proceedings, the details of which the UniCredit Group may not lawfully know about or communicate.*

*Risk arising from legal pending proceedings consists in the possibility for UniCredit to bear claims for damages in case of unfavourable outcome of such proceedings.*

In many of these cases, there is substantial uncertainty regarding the outcomes of the proceedings and the amount of possible losses. These cases include criminal proceedings, administrative proceedings brought by supervisory or prosecution authorities and/or claims in which the claimed damages and/or potential liabilities of the Group is not and cannot be determined, either because of how the claims is presented and/or because of the nature of the legal proceeding. In such cases, until the time when it will be possible to estimate reliably the potential outcome, no provisions are made. Instead, where it is possible to estimate reliably the amount of possible losses and loss is considered likely, provisions have been made in the financial statements to the extent the parent company UniCredit S.p.A., or any of the Group companies involved, deemed appropriate based on the circumstances and in accordance with IAS.

To provide for possible liabilities and costs that may result from pending legal proceedings (excluding labour law and tax cases), as of 31 December 2020, the UniCredit Group set aside a provision for risks and charges of Euro 655.9 million, of which Euro 370.7 million for the parent company UniCredit S.p.A. As of 31 December 2020, the total amount of claimed damages relating to judicial proceedings other than labour, tax and debt collections proceedings was Euro 10 billion, of which approximately Euro 6.6 billion for the proceedings involving the parent company UniCredit S.p.A. This figure is affected by both the heterogeneous nature of the pending proceedings and the number of involved jurisdictions and their corresponding characteristics in which UniCredit Group companies are named as defendants.

It is also necessary for the Group to comply in the most appropriate way with the various legal and regulatory requirements in relation to the different aspects of the activity such as the rules on the subject of conflict of interest, ethical questions, anti-money laundering, EU, US and international sanctions, customers' assets, rules governing competition, privacy and security of information and other regulations.

For further information in relation to the single legal and arbitration proceedings please see Section headed "*Legal and Arbitration proceedings*" in the "*Description of UniCredit and the UniCredit Group*" of this Base Prospectus.

*1.2.7.2 Risks arising from tax disputes*

*At the date of this Base Prospectus, there are various tax-related proceedings pending with regard to UniCredit and other companies belonging to the UniCredit Group, as well as tax inspections by the competent authorities in the various countries in which the Group operates. In consideration of the uncertainty that defines the tax proceedings in which the Group is involved, there is the risk that an unfavourable outcome and/or the emergence of new proceedings could lead to an increase in risks of a tax nature for UniCredit and/or for the Group, with the consequent need to make further provisions and/or outlays, with possible negative effects on the operating results and capital and/or financial position of UniCredit and/or the Group.*

Specifically, as at 31 December 2020, there were 346 tax disputes involving counterclaims pending with regard to UniCredit and other companies belonging to the UniCredit Group's Italian perimeter, net of settled disputes, for a total amount equal to Euro 110.32 million.

As of 31 December 2020, the total amount of provisions for tax risks related to legal proceedings, inspections, and tax credits amounted to Euro 180.8 million, of which Euro 6.4 million for legal expenses.

As far as the tax inspections and tax disputes are concerned, in relation to 31 December 2020, reference is made to Section headed "*Legal and Arbitration proceedings*" of this Base Prospectus.

Finally, it should be pointed out that in the event of a failure to comply with or a presumed breach of the tax law in force in the various countries, the UniCredit Group could see its tax-related risks increase, potentially resulting in an increase in tax disputes and possible reputational damage.

For further information in relation to the tax proceedings please see Section headed "*Legal and Arbitration proceedings*" in the "*Description of UniCredit and the UniCredit Group*" of this Base Prospectus.

**1.3 Risks connected with the legal and regulatory framework**

*1.3.1 Basel III and Bank Capital Adequacy*

*The Issuer shall comply with the revised global regulatory standards (**Basel III**) on bank capital adequacy and liquidity, which impose requirements for, inter alia, higher and better-quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards. In terms of banking prudential regulations, the Issuer is also subject to the Bank Recovery and Resolution Directive 2014/59/EU of 15 May 2014 (**BRRD**, implemented in Italy with the Legislative Decree 180 and 181 of 16 November 2015) on the recovery and resolution of credit institutions, as well as the relevant technical standards and guidelines from EU regulatory bodies (i.e. the European Banking Authority (EBA)), which, inter alia, provide for capital requirements for credit institutions, recovery and resolution mechanisms.Should UniCredit not be able to meet the capital requirements imposed by the applicable laws and regulations, it may be required to maintain higher levels of capital which could potentially impact its credit ratings, and funding conditions and which could limit UniCredit's growth opportunities.*

The Basel III framework has been implemented in the EU through new banking requirements: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the **CRD IV Directive**) and Regulation 2013/575/EU (the **CRR**, together with the CRD IV Directive, the **CRD IV Package**) subsequently updated in the Regulation No. 876/2019 and Directive (EU) No. 2019/878 (the **Banking Reform Package** with CRR II and CRD V). In addition to the capital requirements under CRD IV, the BRRD introduces requirements for banks to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities (the **Minimum Requirement for Own Funds and Eligible Liabilities,** or **MREL**). The Issuer has to meet MREL requirements

on a consolidated basis, as well as the standard on total loss absorbing capacity for systemically important banks (**TLAC**). The MREL and TLAC requirements involve similar risks. They constrain the structure of liabilities and require the use of subordinated debt, which have an impact on cost and potentially on the Issuer's financing capacity. The Banking Reform Package also contains the Directive (EU) 2019/879 (**BRRD II**), which amended the BRRD, introducing, inter alia, significant changes to the standards regarding the calibration of the MREL requirement for banks that are systematically relevant and redefining the scope of MREL itself in order to align the eligibility criteria with those set out in the CRR so as to converge this ratio with the TLAC.

For more information on the capital adequacy legislation applicable to the Issuer, please see Section headed "*Information about the Issuer*", paragraph 1.1.4 (*The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer*) of this Base Prospectus.

*Capital Adequacy requirements*

The ECB is required under the Council Regulation (EU) No. 1024/2013 (the SSM Regulation establishing the Single Supervisory Mechanism (**SSM**)) to carry out a Supervisory Review and Evaluation Process (**SREP**) at least on an annual basis. The key purpose of the SREP is to ensure that institutions have adequate arrangements as well as capital and liquidity to ensure sound management and coverage of the risks to which they are or might be exposed, including those revealed by stress testing, as well as risks the institution may pose to the financial system.

In December 2019, UniCredit has been informed by ECB of its final decision concerning capital requirements following the results of its annual SREP. With its decision, the Single Supervisor has lowered, compared to the SREP decision of the previous year, the Pillar 2 capital requirement by 25 basis points to 175 basis points, applicable from 1 January 2020. As a consequence, UniCredit was required to meet the following overall capital requirements on a consolidated basis from 1 January 2020:

- Common Equity Tier 1 ratio 9.84 per cent.;
- Tier 1 ratio 11.34 per cent.;
- Total Capital ratio 13.34 per cent.[12].

Furthermore, the SREP 2019 letter includes, among the qualitative measures, the same regarding the management of non-performing loans as in the previous year. Indeed, following the ECB's request to banks in countries with relatively high levels of non-performing loans, the Issuer has been requested to:

i. provide the ECB by 31 March 2020 with an update of the three-year strategic and operational plan for the management of NPEs, including clear quantitative targets aimed at reducing the high level of NPEs;

ii. provide the ECB, by 31 August 2020 and based on data as at 30 June 2020, with information on the status of implementation of the strategic and operational plan for the management of NPEs.

Subsequently, within the framework of the ECB's actions to mitigate the impact of COVID-19 and allow banks to focus on related operations, the above deadlines were initially amended to 30 September; last July they were postponed to 31 March 2021 in order to provide banks with additional time to better estimate the impact of the COVID-19 pandemic on asset quality.

It should also be noted that the ECB indicated in its SREP 2019 letter the Group's activities in Russia and Turkey as an area of weakness, uncertainty and potential risk due to potential macroeconomic and political developments in these countries.

In addition, in April 2020, following the COVID-19 emergency, the ECB has amended its SREP 2019 decision establishing that the Pillar 2 requirement (**P2R**) shall be held in the form of 56.25 per cent. of CET1 capital and

[12] Assuming the Countercyclical Capital Buffer equal to the 2019 year-end value. The Countercyclical Capital Buffer (**CCyB**) depends on the credit exposures of UniCredit to countries where countercyclical capital ratios have been or will be set and on the respective requirements set by the relevant national authorities, and may therefore vary on a quarterly basis over the reporting period.

75 per cent. of Tier 1 capital, as a minimum (in the original decision the P2R was to be held entirely in the form of Common Equity Tier 1 Capital).

This implies that UniCredit and the other Banks supervised by ECB are allowed to partially use Additional Tier 1 or Tier 2 instruments in order to comply with the P2R instead of Common Equity Tier 1 (**CET1**) capital. This advances a measure that was initially planned to enter into force in January 2021, following the latest revision of the Capital Requirements Directive (**CRD V**).

The early introduction of this measure brings further improvement in the UniCredit Capital adequacy, as UniCredit's Overall Capital Requirement to be held in form of CET1 Capital is lowered by maximum 77bps, as a function of how Tier 1 and Total Capital compares with their respective requirements (i.e. being UniCredit's P2R equal to 175 bps it can be covered by maximum 77 bps by Additional Tier 1 and Tier 2 instruments of which maximum 44 bps can be covered by Tier 2 instruments).

As a consequence of all what above and of the decision adopted by the competent National Authorities concerning the Countercyclical Capital Buffers, as of 31 December 2020, UniCredit shall meet the following overall capital requirements on a consolidated basis:

- Common Equity Tier 1 ratio 9.03 per cent.;
- Tier 1 ratio 10.85 per cent.;
- Total Capital ratio 13.29 per cent..

On 12 May 2020, ECB Banking Supervision announced it had adjusted its SREP approach for 2020 in light of the COVID-19 pandemic. The European Banking Authority (**EBA**) also published on 23 July Guidelines for competent authorities for the special procedure for the SREP 2020, identifying how flexibility and pragmatism could be exercised in relation to the SREP framework in the context of this pandemic. The 2020 SREP cycle focused on the ability of the supervised entities to handle the challenges of the COVID-19 crisis and its impact on their current and prospective risk profile.

The ECB in fact announced that only in exceptional cases it would have updated the banks' current requirements and that it would not issue SREP decisions for the 2020 SREP cycle. The 2019 SREP decisions therefore would not be superseded nor amended and would remain in force (as amended by the March 2020 ECB Decisions changing the P2R compositions).

An operational letter from the ECB on 24 November 2020 confirmed this approach for UniCredit and the ECB did not make a formal 2020 SREP decision. Consequently, the abovementioned requirements as of 31 December 2020 are in force also for 2021 (except for any change in the countercyclical capital buffer, which is updated every quarter).

As of 31 December 2020, the consolidated capital ratios (CETI Capital, Tier 1 and Total Capital Transitional ratios) were equal to, respectively, 15.96 per cent., 18.22 per cent. and 20.72 per cent. with an excess of CET1 with respect to the requirement which the Group shall comply with (so called MDA buffer) of 693 bps.

It should be noted that from 30 June 2020 the Group has adopted the so called transitional phase-in regarding the application of the IFRS9 accounting principle, that implies a difference between the CET1 ratio Transitional (relevant for the respect of capital requirements) and the CET1 ratio Fully Loaded. As of 31 December 2020, the CET1 Fully Loaded of the Group was equal to 15.14 per cent., exceeding by 611 bps the fully loaded minimum capital requirements for CET1 ratio.

As of 31 December 2020, the fully loaded leverage ratio was 5.70 per cent., while the transitional leverage ratio stood at 6.21 per cent.

As a consequence of all what above above and of the decision adopted by the competent National Authorities concerning the Countercyclical capital buffers, as of 31 March 2021, UniCredit shall meet the following overall capital requirements on a consolidated basis:

- Common Equity Tier 1 ratio: 9.03 per cent.

- Tier 1 ratio: 10.86 per cent.
- Total Capital ratio: 13.30 per cent.

As of 31 March 2021, the consolidated capital ratios (CETI Capital, Tier 1 and Total Capital Transitional ratios) were equal to, respectively, 16.54 per cent., 18.80 per cent. and 21.60 per cent. with an excess of CET1 with respect to the requirement which the Group shall comply with (so called MDA buffer) of 751 bps.

As of 31 March 2021, the CET1 Fully Loaded, i.e. calculated without considering the benefit arising from IFRS 9 Transitional arrangements, ratio of the Group was equal to 15.92 per cent., exceeding by 689 bps the fully loaded minimum capital requirements for CET1 ratio.

Always as of 31 March 2021, the fully loaded leverage ratio was 5.68 per cent., while the transitional leverage ratio stood at 6.09 per cent.

UniCredit participated in the 2019 stress test conducted by the ECB, the "Sensitivity analysis of Liquidity Risk - Stress Test 2019" (**LiST 2019**), which was an analysis based on idiosyncratic liquidity shocks with no macro-economic scenario nor market risk shocks. The outcome has been included into the SREP 2019. The sensitivity analysis also aimed to integrate the ECB SREP analyses with respect to banks' ILAAP and to deep-dive on certain aspects of their liquidity risk management, such as the ability to mobilize collateral and impediments to collateral flows. No individual results have been published by the ECB.

It should be noted that, if UniCredit participates in a new stress test, it may face a potential increase in minimum capital requirements, in the event that the Group is identified as vulnerable to the stress scenarios designed by the supervisory authorities. In this context, it should be noted that UniCredit is participating in the 2021 EBA EU-wide Stress Test, coordinated by the EBA together with the ECB, the European Systemic Risk Board and the competent national authorities, originally planned for 2020 but postponed in order to reduce the operational burden in the COVID-19 context. The results for the individual banks will be published at the end of July 2021.

During the fourth quarter of 2020, EBA performed an additional EU-wide transparency exercise to provide updated information as of June 2020 on banks' exposures and asset quality to financial operators; EBA published the results in the beginning of December 2020.

It should be noted that, on 12 March 2020, the ECB, taking into account the economic effects of COVID-19, announced certain measures aimed at ensuring that banks, under its direct supervision, can continue to provide credit support to the real economy.

Considering that the European banking sector acquired a significant amount of capital reserves (with the aim of enabling banks to face with stressful situations such as COVID-19), the ECB allows banks to operate temporarily below the capital level defined by the Pillar 2 Guidance (**P2G**) and the capital conservation buffer (**CCB**). Furthermore, the ECB expects these temporary measures to be further improved by an appropriate revision of the countercyclical capital buffer (**CCyB**) by the competent national authorities.

Moreover, due to the COVID-19 outbreak, with the recommendation of 27 March 2020 the ECB recommended that at least until 1 October 2020 no dividends are paid out and no irrevocable commitment to pay out dividends is undertaken by the credit institutions for the financial year 2019 and 2020 and that credit institutions refrain from share buy-backs aimed at remunerating shareholders.

Therefore, in order to be compliant with the ECB's recommendation, on 29 March 2020 the Board of Directors resolved to withdraw the proposed resolutions (i) to distribute a FY19 dividend and (ii) to authorize a share buyback and (iii) to cancel the treasury shares that may be purchased under the above mentioned authorisation, which were to be submitted for the Shareholders' Meeting convened on 9 April 2020.

Therefore, in March 2020, the Group released the FY19 dividend deducted up to December 2019 from CET1 capital for prudential purposes, with a positive effect of 37 basis points on the CET1 capital ratio.

Since the ECB, on 28 July 2020, extended its recommendation to banks on dividend distributions and share buy-backs until 1 January 2021 and asked banks to be extremely moderate with regard to variable remuneration, UniCredit has not paid dividends nor did share buybacks (**SBB**) in 2020. This was neutral for coupon payments on AT1 bond and cashes instruments.

On 15 December 2020, updating the communication of 28 July 2020, the ECB published the Recommendation 2020/62 "on dividend distributions during the COVID-19 pandemic and repealing Recommendation ECB/2020/35". The recommendation asks banks to "refrain from or limit dividends until September 2021"; banks are asked to limit dividends to the lower between (i) 15 per cent. of cumulated 2019-20 adjusted profits and (ii) 20 bps of CET1 ratio. At UniCredit, the lower value is represented by the 15 per cent. (ECB cap) of the cumulated stated net profits for the years 2019 and 2020, adjusted, as per ECB recommendation.

In particular, in accordance with the ECB recommendation, the cumulated 2019-2020 adjusted profit at consolidated level, on which the 15 per cent. payout ratio is applied, is calculated by adjusting the profit/loss result for the following items: (i) goodwill and intangible assets impairment, (ii) impairment of deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities, (iii) reclassifications from other comprehensive income into profit and (iv) distribution related to AT1 instruments charged against equity.

The amount resulting from such calculation is equal to a total amount of Euro 447 million, whose distribution for (i) 60 per cent. has been paid via cash dividends (equal to Euro 268 million) on 21 April 2021 following the approval by the Shareholders' Meeting and (ii) 40 per cent. will be made via SBB (equal to Euro 179 million), already authorized by the Shareholders' Meeting and ECB, which is expected to be completed by the end of 3Q21. The cash component was already deducted from Own Funds in 4Q20, while the SBB component has been deducted from 1Q21, once the ECB authorization has been released.

In addition, the AGM in April 2021 has approved an extraordinary capital distribution for an amount of Euro 652 million, entirely in the form of SBB. This extraordinary capital distribution is subject to approval of the competent authorities and conditioned on the fact that, on 30 September 2021, the ECB will repeal the recommendation of 15 December 2020. This extraordinary SBB execution is expected to commence not before 1 October 2021.

Moreover, always conditional to the repeal of the recommendations on dividend distribution, UniCredit will re-instate the capital distribution policy in 2021 for financial year 2020 and following years. This means UniCredit targets to distribute 50 per cent. of underlying net profit to shareholders through a maximum 30 per cent. cash dividend payout of the underlying net profit and minimum 20 per cent. for share buyback. Based on the market environment, the Group could review the split between cash dividend and share buyback.

To conservatively account for its capital position, UniCredit has started from March 2021 to accrue the cash dividend for 2021 at a rate of 30 per cent. of the underlying net income, while the SBB is subject to regulatory approval and the related deduction from CET1 capital for prudential purposes will be done in Spring 2022 following such regulatory approval.

Having regard to the assessments made in relation to the probability of the occurrence of such risk and the extent of any negative impact, the Issuer evaluates that the materiality of such risk shall be medium-high.

*1.3.2 Evolution of banking prudential regulation*

*The Group and the Issuer operate in a stringent and detailed regulatory context and are subject to the supervision by the competent supervisory authorities (i.e. ECB, Bank of Italy, CONSOB). Either the regulatory framework and the supervision activity are subject to ongoing changes in the law and ongoing developments respectively. Moreover, being a listed issuer, the Issuer shall comply with all the further provisions enacted by CONSOB. Together with all these laws and regulations, the Issuer shall also comply with, by way of example but not limited to, anti-money laundering, usury and consumer protections legislations.*

*Notwithstanding, the Issuer undertakes to comply with all the applicable statutory provisions. The risk of non-compliance with different legal and regulatory requirements could lead to additional legal risk and financial losses, as a result of regulatory fines or reprimands, litigations, or reputational damage, and in extreme scenarios, to the suspension of operations or even withdrawal of authorization to pursue business.*

The banking and financial regulatory framework to which the Group is subject is extremely stringent and detailed. The Issuer is also subject to the supervision by the competent supervisory authorities, including ECB, Bank of Italy and CONSOB.

Failure to observe any of the legal and regulatory provisions currently in force or any changes relating to the interpretation of the applicable legislation by the competent authorities could negatively impact the operating results and capital and financial position of UniCredit.

For more information on legislation applicable to the Issuer, please see section headed "*Information about the Issuer*", paragraph 1.1.4 (*The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer*) of this Base Prospectus.

*1.3.3 Risks connected with ordinary and extraordinary contributions to funds established under the scope of the banking crisis rules*

*The Issuer and the Group shall comply with the contribution obligations required by the bank resolution legislation. Should the amount of ordinary contributions requested to Group companies increase, the Group's profitability would decrease and the level of capital resources of the Issuer and the Group would be negatively affected; should extraordinary contributions be requested to the Group, this could have a negative impact, even significant, on financial position and economic results of the Group.*

Following the crisis that affected many financial institutions from 2008, various risk-reducing measures have been introduced, both at European level and at individual Member State level. Their implementation involves significant outlays by individual financial institutions in support of the banking system.

The ordinary contribution obligations contribute to reducing profitability and have a negative impact on the Group's capital resources. It is not possible to rule out that the level of ordinary contributions required from the Group banks will increase in the future in relation to the development of the amount related to protected deposits and/or the risk relating to Group banks compared with the total number of banks committed to paying said contributions.

In addition, it is not possible to rule out that, even in future, as a result of events that cannot be controlled or predetermined, the Deposit Guarantee Scheme (**DGS**), the Single Resolution Fund (**SRF**), the National Resolution Fund (**NRF**) and/or the Fondo Interbancario di tutela dei depositi (**FITD**), do not find themselves in a situation of having to ask for more, new extraordinary contributions. This would involve the need to record further extraordinary expenses with impacts, including significant ones, on the capital and financial position of UniCredit.

For further information in relation to the above-mentioned ordinary and extraordinary contributions, please see the Issuer's audited consolidated annual financial report at 31 December 2020 incorporated by reference herein.

*1.3.4 Risks connected with the entry into force of new accounting principles and changes to applicable accounting principles*

*The UniCredit Group is exposed, like other parties operating in the banking sector, to the effects of the entry into force and subsequent application of new accounting principles or standards and regulations and/or changes to them (including those resulting from IFRS as endorsed and adopted into European law). Specifically, in the future, the UniCredit Group may need to revise the accounting and regulatory treatment of some existing assets and liabilities and transactions (and related income and expense), with possible negative effects, including significant ones, on the estimates in financial plans for future years, and this could lead the Group to having to restate financial data published previously.*

In 2020 the following standards, amendments or interpretations came into force:

- Amendment to IFRS16 Leases Covid-19 Related Rent Concessions (EU Regulation 2020/1434);
- Amendments to IFRS3: Business Combinations (EU Regulation 2020/551);
- Amendments to IFRS9, IAS39 and IFRS7: Interest Rate Benchmark Reform (EU Regulation 2020/34);
- Amendments to IAS1 and IAS8: Definition of Material (EU Regulation 2019/2104);

- Amendments to References to the Conceptual Framework in IFRS Standards (EU Regulation 2019/2075);

whose adoption has not determined substantial effects on the amounts recognised in balance sheet or income statement.

As at 31 December 2020, the accounting standard "Amendments to IFRS4 Insurance Contracts - deferral of IFRS9" (EU Regulation 2020/2097) applicable to reporting starting from 1 January 2021 has been endorsed by the European Commission.

As at 31 December 2020, the IASB issued the following accounting standards whose application is subject to completion of the endorsement process by the competent bodies of the European Union, which is still ongoing:

- IFRS17 Insurance Contracts (May 2017) including Amendments to IFRS17 (June 2020);

- Amendments to IAS1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (January 2020 and July 2020 respectively);

- Amendments to IFRS3 Business Combinations; IAS16 Property, Plant and Equipment; IAS37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements (May 2020);

- Amendments to IFRS9, IAS39, IFRS7, IFRS4 and IFRS16 Interest Rate Benchmark Reform - Phase 2 (August 2020). It should be noted that these amendments have been endorsed by the competent bodies of the European Union on 13 January 2021. The Group has not yet adopted these amendments.

**FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME**

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Exempt Notes:

**1.1 Risks applicable to all Notes**

*If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.*

*1.1.1 Notes subject to optional redemption by the Issuer*

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

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

The Issuer may, at its option, redeem Notes for tax reasons in the circumstances described in, and in accordance with, Condition 8.2 (*Redemption for tax reasons*) of the Terms and Conditions for the English Law Notes and Condition 10.3 (*Redemption for tax reasons*) of the Terms and Conditions for the Italian Law Notes or, if so specified in the applicable Final Terms, in accordance with Condition 8.4 (*Redemption at the option of the Issuer (Issuer Call)*) of the Terms and Conditions for the English Law Notes and Condition 10.5 (*Redemption at the option of the Issuer (Issuer Call)*) of the Terms and Conditions for the Italian Law Notes.

Also, if so specified in the applicable Final Terms, the Issuer may, at its option, redeem Senior Notes or Non-Preferred Senior Notes in the circumstances described in, and in accordance with Condition 8.5 (*Issuer Call due to MREL or TLAC Disqualification Event*) of the Terms and Conditions for the English Law Notes and Condition 10.6 (*Issuer Call due to MREL or TLAC Disqualification Event*) of the Terms and Conditions for the Italian Law Notes. See also "*Risks relating to Senior Notes and Non-Preferred Senior Notes - Senior Notes and Non-Preferred Senior Notes could be subject to an MREL or TLAC Disqualification Event redemption*" below.

In addition, if so specified in the applicable Final Terms, the Issuer may also, at its option, redeem Subordinated Notes and, in the case of the Italian Law Notes, the Additional Tier 1 Notes following a change of the regulatory classification of the relevant Subordinated Notes or, in the case of the Italian Law Notes, the Additional Tier 1 Notes, in the circumstances described in, and in accordance with Condition 8.3 (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions for the English Law Notes and Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions for the Italian Law Notes. See also "*Risks relating to Subordinated Notes - Regulatory classification of the Notes*" in respect of Subordinated Notes and "*Risks relating to Additional Tier 1 Notes - Regulatory classification of the Notes*" in respect of Additional Tier 1 Notes below.

Any redemption of the Senior Notes or Non-Preferred Senior Notes is subject to compliance by the Issuer with any conditions to such redemption prescribed by the then applicable MREL or TLAC Requirements (including any requirements applicable to such redemption 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). See "*Risks relating to Senior Notes and Non-Preferred Senior Notes - Early redemption and purchase of the Senior Notes and Non-Preferred Senior Notes may be restricted*" below for further information.

Any redemption of the Subordinated Notes or, in the case of Italian Law Notes, Additional Tier 1 Notes is subject to the prior approval of the relevant Competent Authority and in accordance with the then applicable Relevant Regulations. See also "*Risks relating to Subordinated Notes - Early redemption and purchase of the Subordinated Notes may be restricted*" in respect of Subordinated Notes and "*Risks relating to Additional Tier 1 Notes - Early redemption and purchase of the Additional Tier 1 Notes may be restricted*" in respect of Additional Tier 1 Notes below for further information.

*1.1.2* *If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned*

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

*1.1.3* *Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates*

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities. The credit rating assigned to the Notes may be suspended, reduced or withdrawn.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

## 1.2 Risks relating to Senior Notes and Non-Preferred Senior Notes

### *1.2.1 An investor in Non-Preferred Senior Notes assumes an enhanced risk of loss in the event of insolvency of UniCredit*

UniCredit's obligations under Non-Preferred Senior Notes will be unsecured, unsubordinated and non-preferred obligations of the Issuer and will rank junior in priority of payment to Senior Liabilities and claims arising from the excluded liabilities within the meaning of Article 72a(2) of the CRR. **Senior Liabilities** means any direct, unconditional, unsecured and unsubordinated indebtedness or payment obligations (or indebtedness or obligations which rank, or are expressed to rank by their terms, senior to the Non-Preferred Senior Notes) of UniCredit for money borrowed or raised or guaranteed by UniCredit, as the case may be, and any indebtedness or mandatory payment obligations preferred by the laws of the Republic of Italy. Although Non-Preferred Senior Notes may pay a higher rate of interest than comparable Senior Notes which are preferred, there is a real risk that an investor in Non-Preferred Senior Notes will lose all or some of his investment should UniCredit become insolvent.

### *1.2.2 Senior Notes and Non-Preferred Senior Notes have limited Events of Default and remedies*

The Events of Default in respect of Senior Notes and Non-Preferred Senior Notes, being events upon which the Trustee in the case of English Law Notes (or, in certain circumstances, the Noteholders in the case of Italian Law Notes) may declare the Senior Notes or Non-Preferred Senior Notes to be immediately due and payable, are limited to circumstances in which the Issuer becomes, subject to *Liquidazione Coatta Amministrativa* as defined in Legislative Decree No. 385 of 1 September 1993 of the Republic of Italy (as amended from time to time) (the **Banking Act**) as set out in Condition 11.1 of the Terms and Conditions for the English Law Notes and Condition 13.1 of the Terms and Conditions for the Italian Law Notes. Accordingly, other than following the occurrence of an Event of Default, even if the Issuer fails to meet any of its obligations under the Senior Notes or Non-Preferred Senior Notes, including the payment of any interest, the Trustee in the case of English Law Notes (and the Noteholders in the case of Italian Law Notes) will not have the right of acceleration of principal and the sole remedy available to Noteholders for recovery of amounts owing in respect of any of the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

In the case of Senior Notes or Non-Preferred Senior Notes which are issued as Green Bonds, Social Bonds or Sustainability Bonds, please also see Risk Factor "*Notes issued, if any, as "Green Bonds", "Social Bonds" or "Sustainability Bonds" may not be a suitable investment for all investors seeking exposure to green assets or social assets or sustainable assets*".

### *1.2.3 Early redemption and purchase of the Senior Notes and Non-Preferred Senior Notes may be restricted*

Any early redemption or purchase of Senior Notes and Non-Preferred Senior Notes is subject to compliance by the Issuer with any conditions to such redemption or repurchase prescribed by the then applicable Relevant Regulations, 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.

In addition, under the Banking Reform Package, the early redemption or purchase of Senior Notes and Non-Preferred Senior Notes which qualify as eligible liabilities available to meet MREL or TLAC Requirements is subject to the prior approval of the Relevant Resolution Authority where applicable from time to time under the applicable laws and regulations. The Banking Reform Package states that the Relevant Resolution Authority would approve an early redemption of the Senior Notes and Non-Preferred Senior Notes where any of the following conditions is met:

- on or before such early redemption or purchase of the Senior Notes or Non-Preferred Senior Notes, the Issuer replaces the Senior Notes or Non-Preferred Senior Notes with Own Funds instruments or eligible liabilities of an equal or higher quality on terms that are sustainable for the income capacity of the Issuer;

- the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that its Own Funds and eligible liabilities would, following such redemption or purchase, exceed the requirements for Own

Funds and eligible liabilities set out in the CRD IV Directive or the BRRD (or, in either case, any relevant provisions of Italian law implementing the CRD IV Directive or, as appropriate, the BRRD) or the CRD IV Regulation by a margin that the Relevant Resolution Authority, in agreement with the Competent Authority, considers necessary; or

- the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that the partial or full replacement of the eligible liabilities with Own Funds instruments is necessary to ensure compliance with the Own Funds requirements laid down in the CRD IV Regulation and in the CRD IV Directive for continuing authorisation.

In addition, the Issuer may elect not to exercise any option to redeem any Senior Notes or Non-Preferred Senior Notes early or at any time. Holders of such Notes should be aware that they may be required to bear the financial risks of an investment in such Notes for a period of time in excess of the minimum period.

*1.2.4 Senior Notes and Non-Preferred Senior Notes could be subject to an MREL or TLAC Disqualification Event redemption*

If at any time a MREL or TLAC Disqualification Event occurs and is continuing in relation to any Series of Senior Notes or Non-Preferred Senior Notes and the applicable Final Terms for the Senior Notes or Non-Preferred Senior Notes of such Series specify that Issuer Call due to an MREL or TLAC Disqualification Event is applicable, the Issuer may redeem all, but not some only, of the Notes of such Series at their Early Redemption Amount together with any outstanding interest. Senior Notes or Non-Preferred Senior Notes may only be redeemed by the Issuer provided that any conditions to such redemption prescribed by the MREL or TLAC Requirements at the relevant time (including any requirements applicable to such redemption 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) have been complied with by the Issuer. A MREL or TLAC Disqualification Event means that, at any time, all or part of the aggregate outstanding nominal amount of such Series of Senior Notes or Non-Preferred Senior Notes is or will be excluded fully or partially from the eligible liabilities available to meet the MREL or TLAC Requirements, subject as set out in Condition 8.5 (*Issuer Call due to MREL or TLAC Disqualification Event*) of the Terms and Conditions for the English Law Notes and Condition 10.6 (*Issuer Call due to MREL or TLAC Disqualification Event*) of the Terms and Conditions for the Italian Law Notes.

If the Senior Notes or Non-Preferred Senior Notes are to be so redeemed, there can be no assurance that Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investment in the Senior Notes or Non-Preferred Senior Notes. In addition, the occurrence of a MREL or TLAC Disqualification Event could result in a decrease in the market price of the Notes. Also, if at any time an MREL or TLAC Disqualification Event with regard to Senior Notes or Non-Preferred Senior Notes which are English Law Notes occurs then the Issuer may, as specified in the risk factor "*Senior Notes and Non-Preferred Senior Notes which are English Law Notes may be subject to substitution and modification without Noteholder consent"* above, at any time either substitute all (but not some only) of such Notes, or vary the terms of such Notes so that they remain or, as appropriate, become Qualifying Senior Notes or Qualifying Non-Preferred Senior Notes, as applicable.

*1.2.5 Senior Notes and Non-Preferred Senior Notes which are English Law Notes may be subject to substitution and modification without Noteholders' consent. Senior Notes and Non-Preferred Senior Notes which are Italian Law Notes may be subject to modification without Noteholders' consent*

If (i) at any time a MREL or TLAC Disqualification Event occurs and is continuing in relation to any Series of Senior Notes or Non-Preferred Senior Notes or (ii) in order to ensure the effectiveness and enforceability of Condition 22 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the English Law Notes and Condition 21 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Italian Law Notes, 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 Non-Preferred Senior Notes of that Series), at any time either substitute all (but not some only) of such Senior Notes or Non-Preferred Senior Notes which are English Law Notes, or vary the terms of Senior Notes or Non-Preferred Senior Notes which are either English Law Notes or Italian Law Notes so that they remain or, as appropriate, become, Qualifying Senior Notes or Qualifying Non-Preferred Senior Notes, as applicable, provided that such variation or (for the English Law Notes only) substitution does not itself give rise to any right of the Issuer to redeem the varied or (for the English Law Notes only) substituted securities.

Qualifying Senior Notes or Qualifying Non-Preferred Senior Notes, as applicable, are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 22 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the English Law Notes and Condition 21 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Italian Law Notes, have terms not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms of the relevant Senior Notes or Non-Preferred Senior Notes, as applicable. However, no assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such substituted or varied (for either English Law Notes or Italian Law Notes) notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the notes prior to such substitution or variation (for either English Law Notes or Italian Law Notes).

*1.2.6 Senior Notes and Non-Preferred Senior Notes may be subject to loss absorption on any application of the general bail-in-tool*

Investors should be aware that Senior Notes and Non-Preferred Senior Notes may be subject to write-down or conversion into equity capital instruments on any application of the general bail-in tool, which may result in such holders losing some or all of their investment. The exercise of the general bail-in tool, or any other power under the BRRD or any suggestion or perceived suggestion of such exercise could, therefore, materially adversely affect the rights of holders Senior Notes and Non-Preferred Senior Notes, the price or value of their investment in any such Notes and/or the ability of the Issuer to satisfy its obligations under such Notes. Any shares issued to holders of Senior Notes or Non-Preferred Senior Notes upon any such conversion into equity capital instruments may be of little value at the time of conversion and may also be subject to any future application of the BRRD.

**1.3 Risks relating to Subordinated Notes**

*1.3.1 An investor in Subordinated Notes assumes an enhanced risk of loss in the event of insolvency of UniCredit*

UniCredit's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to Senior Liabilities. **Senior Liabilities** means any direct, unconditional, unsecured and unsubordinated indebtedness or payment obligations (or indebtedness or obligations which are subordinated but to a lesser degree than the obligations under the relevant Subordinated Notes) of UniCredit for money borrowed or raised or guaranteed by UniCredit, as the case may be, and any indebtedness or mandatory payment obligations preferred by the laws of the Republic of Italy. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should UniCredit become insolvent.

*1.3.2 Subordinated Notes may be subject to loss absorption on any application of the general bail-in-tool or at the point of non-viability of the Issuer or may be the subject to the burden sharing requirements of the EU State aid framework and the BRRD*

Investors should be aware that, in addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to write-down permanently/convert into equity capital instruments such as the Subordinated Notes at the point of non-viability and before any other resolution action is taken, with losses absorbed in accordance with the priority of claims under normal insolvency proceedings (Non-Viability Loss Absorption). Any shares issued to holders of Subordinated Notes upon any such conversion into equity capital instruments may also be subject to any future application of the BRRD.

Furthermore, the BRRD provides for a Member State as a last resort, after having assessed and applied the resolution tools (including the general bail-in tool) to the maximum extent practicable whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the burden sharing requirements of the EU state aid framework and the BRRD. As an exemption from these principles, the BRRD allows for three kinds of extraordinary public support to be provided to a solvent institution without triggering resolution: 1) a State guarantee to back liquidity facilities provided by central banks according to the central banks' conditions; 2) a State guarantee of newly issued liabilities; or 3) an injection of own funds in the form of precautionary recapitalisation. In the case of precautionary recapitalization EU state aid rules require that shareholders and junior bond holders (such as holders of the Subordinated Notes) contribute to the costs of restructuring.

As a result, Subordinated Notes may be subject to a partial or full write-down or conversion to Common Equity Tier 1 instruments of the Issuer or one of the UniCredit Group's entities or another institution. Accordingly, trading behaviour may also be affected by the threat that Non-Viability Loss Absorption (or the general bail-in tool) may be applied to Subordinated Notes or the burden sharing requirements of the EU state aid framework and the BRRD may be applied and, as a result, Subordinated Notes are not necessarily expected to follow the trading behaviour associated with other types of securities. Noteholders should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest if the Non-Viability Loss Absorption (or the general bail-in tool) is applied to the Subordinated Notes or the burden sharing requirements of the EU state aid framework and the BRRD are applied or that such Subordinated Notes may be converted into ordinary shares which ordinary shares may be of little value at the time of conversion.

In addition, on 20 April 2021, the Italian Parliament approved delegation law (*Legge di delegazione europea*) 2019-2020 (the **BRRD II Delegation Law**), which provides for the implementation of the BRRD II in Italy and sets forth, under Article 11, the principles for such implementation. However, the BRRD II Delegation Law does not contain specific provisions transposing Article 48(7) of BRRD II into Italian law, and it is therefore unclear how this provision will be implemented in Italy. According to Article 48(7) of BRRD II, a claim resulting from an Own Funds item shall rank lower than any claim that does not result from an Own Funds item and if an instrument is only partly recognised as an Own Funds item, the whole instrument shall be treated as a claim resulting from an Own Funds item. In other jurisdictions in the EU, such transposition requires certain instruments which are fully disqualified as own funds items to be treated with an improved ranking compared to any claim that results from an Own Funds item (such as Subordinated Notes). Once Article 48(7) of BRRD II is implemented in Italy, if Subordinated Notes of the Issuer were to be disqualified entirely as Own Funds items in the future, their ranking could improve compared to Subordinated Notes which at the relevant time qualify as Own Funds items (in whole or in part) and, in the event of a liquidation or bankruptcy of the Issuer, the Issuer would, *inter alia*, be required to pay subordinated creditors of the Issuer, whose claims arise from liabilities that no longer fully or partially are recognized as an own funds instrument in full before it can make any payments on the Subordinated Notes. Furthermore, if the Subordinated Notes are fully disqualified as Own Funds items, such Notes could not be subject to a write-down or conversion into common shares at the point of non-viability even though they would continue to be subject to bail-in, and, in the event the Issuer were to receive extraordinary financial support in accordance with the EU state aid framework and the BRRD, the burden sharing requirements of such legislation.

*1.3.3 Subordinated Notes have limited Events of Default and remedies*

The Events of Default in respect of Subordinated Notes, being events upon which the Trustee in the case of English Law Notes (or, in certain circumstances, the Noteholders in the case of Italian Law Notes) may declare the Subordinated Notes to be immediately due and payable, are limited to circumstances in which the Issuer becomes subject to *Liquidazione Coatta Amministrativa* as defined in the Banking Act as set out in Condition 11.2 of the Terms and Conditions for the English Law Notes and Condition 13.2 of the Terms and Conditions for the Italian Law Notes. Accordingly, other than following the occurrence of an Event of Default, even if the Issuer fails to meet any of its obligations under the Subordinated Notes, including the payment of any interest, the Trustee in the case of English Law Notes and the Noteholders in the case of Italian Law Notes will not have the right of acceleration of principal and the sole remedy available to Noteholders for recovery of amounts owing in respect of any of the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

In the case of Subordinated Notes which are issued as Green Bonds, Social Bonds or Sustainability Bonds, please also see Risk Factor "*Notes issued, if any, as "Green Bonds", "Social Bonds" or "Sustainability Bonds" may not be a suitable investment for all investors seeking exposure to green assets or social assets or sustainable assets*".

*1.3.4 Early redemption and purchase of the Subordinated Notes may be restricted*

Any early redemption or purchase of Subordinated Notes is subject to compliance with the then applicable Relevant Regulations, including for the avoidance of doubt:

(a) the Issuer giving notice to the Competent Authority and the Competent Authority granting prior permission to redeem or purchase the relevant Subordinated Notes (in each case to the extent, and in the manner, required by the then applicable Relevant Regulations, including Articles 77 and 78 of the CRD IV Regulation, as amended or replaced from time to time), where either:

(i) on or before such redemption or purchase (as applicable), the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

(ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that its Own Funds and eligible liabilities would, following such repayment or purchase, exceed the minimum requirements (including any capital buffer requirements) required under the Relevant Regulations by a margin that the Competent Authority considers necessary at such time; and

(b) in respect of a call, redemption repayment or repurchase prior to the fifth anniversary of the Issue Date of the relevant Subordinated Notes, if and to the extent required under Article 78(4) of the CRD IV Regulation or the Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014:

(i) in the case of redemption pursuant to Condition 8.2 (*Redemption for tax reasons*), the Issuer having demonstrated to the satisfaction of the Competent Authority that the change in the applicable tax treatment of the Subordinated Notes is material and was not reasonably foreseeable as at the Issue Date; or

(ii) in case of redemption pursuant to Condition 8.3 (*Redemption for regulatory reasons (Regulatory call)*), a Regulatory Event having occurred in respect of Subordinated Notes; or

(iii) on or before such redemption or repurchase (as applicable), the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority having permitted that action on the basis of the determination that it would be classified from a prudential point of view and justified by exceptional circumstances; or

(iv) the Notes being repurchased for market making purposes,

subject in any event to any alternative or additional conditions or requirements as may be applicable from time to time under the Relevant Regulations for the time being.

There can be no assurance that the relevant Competent Authority will permit such redemption or purchase. In addition, the Issuer may elect not to exercise any option to redeem any Subordinated Notes early or at any time. Holders of Subordinated Notes should be aware that they may be required to bear the financial risks of an investment in such Notes for a period of time in excess of the minimum period.

*1.3.5 Regulatory classification of the Notes*

The intention of UniCredit is for Subordinated Notes to qualify on issue as "Tier 2 Capital" for regulatory capital purposes.

Although it is UniCredit's expectation that the Notes qualify on issue as "Tier 2 Capital", there can be no representation that this is or will remain the case during the life of the Notes. If there is a change in the regulatory classification of the Subordinated Notes that would be likely to result in their exclusion from "Tier 2 Capital" and, in respect of any redemption of the relevant Subordinated Notes proposed to be made prior to the fifth anniversary of their Issue Date, both of the following conditions are met: (i) the Competent Authority (as defined in Condition 8.14 of the Terms and Conditions for the English Law Notes and Condition 10.15 of the Terms and Conditions for the Italian Law Notes) considers such a change to be reasonably certain and (ii) UniCredit demonstrates to the satisfaction of the Competent Authority that the change in the regulatory classification of the Subordinated Notes was not reasonably foreseeable by UniCredit as at the date of the issue of the relevant Subordinated Notes, UniCredit will (if so specified in the applicable Final Terms) have the right to redeem the Subordinated Notes in accordance with Condition 8.3 (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions for the English Law Notes and Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions for the Italian Law Notes, subject to, inter alia, the prior approval of the relevant Competent Authority and in accordance with the then applicable Relevant Regulations. There can be no assurance that holders of such Subordinated Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the relevant Notes, as the case may be. In

addition, the occurrence of such event could result in a decrease in the market price of the Notes. Also, if at any time a Regulatory Event with regard to Subordinated Notes which are English Law Notes occurs then the Issuer may, as specified in the risk factor "Subordinated Notes which are English Law Notes may be subject to substitution and modification without Noteholder consent" above, at any time either substitute all (but not some only) of such Notes, or vary the terms of such Notes so that they remain or, as appropriate, become Qualifying Subordinated Notes, as applicable.

*1.3.6* *Subordinated Notes which are English Law Notes may be subject to substitution and modification without Noteholders' consent. Subordinated Notes which are Italian Law Notes may be subject to modification without Noteholders' consent*

If (i) at any time, a Regulatory Event occurs for any Series of Subordinated Notes, or (ii) in order to ensure the effectiveness and enforceability of Condition 22 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for any Series of Subordinated Notes which are English Law Notes and Condition 21 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for any Series of Subordinated Notes which are Italian Law Notes, 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 Subordinated Notes of that Series), at any time either substitute all (but not some only) of a Series of Subordinated Notes which are English Law Notes, or vary the terms of Subordinated Notes which are either English Law Notes or Italian Law Notes so that they remain or, as appropriate, become, Qualifying Subordinated Notes, as applicable, provided that such variation or (for the English Law Notes only) substitution does not itself give rise to any right of the Issuer to redeem the varied or (for the English Law Notes only) substituted securities.

Qualifying Subordinated Notes are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 22 (*Contractual Recognition of Statutory Bail-In Powers)* of the Terms and Conditions for the English Law Notes and Condition 21 (*Contractual Recognition of Statutory Bail-In Powers*) of the Terms and Conditions for the Italian Law Notes have terms not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms of the relevant Subordinated Notes. However, no assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such substituted or varied (for either English Law Notes or Italian Law Notes) notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the notes prior to such substitution or variation (for either English Law Notes or Italian Law Notes).

## 1.4 Risks relating to Additional Tier 1 Notes

*1.4.1* *The Additional Tier 1 Notes are subordinated obligations of the Issuer*

The Issuer's obligations under the Additional Tier 1 Notes are unsecured and subordinated and will rank subordinate and junior to all indebtedness of the Issuer, including unsubordinated indebtedness of the Issuer, the Issuer's obligations in respect of any dated subordinated instruments and any Tier 2 Capital or guarantee in respect of any such instruments (other than any instrument or contractual right expressed to rank *pari passu* with the Additional Tier 1 Notes), as more fully described in the "*Terms and Conditions for the Italian Law Notes*".

If any judgment is rendered by any competent court declaring the judicial liquidation of the Issuer or if the Issuer is liquidated for any other reason, the rights of payment of the Noteholders shall rank senior to any payments to holders of the Issuer's shares, including its *azioni privilegiate,* ordinary shares and *azioni di risparmio* (or certain securities or guarantees expressed to rank *pari passu* with the Issuer's shares or otherwise junior to the Additional Tier 1 Notes, as further described in Condition 5 (*Status of the Additional Tier 1 Notes*) of the Terms and Conditions for the Italian Law Notes). In the event of incomplete payment of unsubordinated creditors on liquidation, the obligations of the Issuer in connection with the Additional Tier 1 Notes will be terminated (save as otherwise provided under applicable law from time to time). Noteholders shall be responsible for taking all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation in relation to any claims they may have against the Issuer.

Although the Additional Tier 1 Notes may pay a higher rate of interest than notes which are not subordinated, there is a substantial risk that investors in subordinated notes such as the Additional Tier 1 Notes will lose all or some of their investment should the Issuer become insolvent.

*1.4.2* *The Additional Tier 1 Notes may be subject to write-down, cancellation or conversion upon the occurrence of the exercise by the relevant resolution authority of the general bail-in tool or capital instruments write-down and conversion powers, which powers are in addition to the terms of the Additional Tier 1 Notes which provide for Write-Down on the occurrence of a Contingency Event, or may be subject to the burden sharing requirements of the EU State aid framework and the BRRD*

Noteholders should understand that the powers to convert, write-down or cancel the Additional Tier 1 Notes given to resolution authorities pursuant to the rules and regulations described below are in addition to the terms of the Additional Tier 1 Notes which provide for Write-Down upon the occurrence of a Contingency Event.

Investors should be aware that, in addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to write-down permanently/convert into equity capital instruments such as the Additional Tier 1 Notes through the application of Non-Viability Loss Absorption. Any shares issued to holders of Additional Tier 1 Notes upon any such conversion into equity capital instruments may also be subject to any future application of the BRRD.

Furthermore, the BRRD provides for a Member State as a last resort, after having assessed and applied the resolution tools (including the general bail-in tool) to the maximum extent practicable whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the burden sharing requirements of the EU state aid framework and the BRRD. As an exemption from these principles, the BRRD allows for three kinds of extraordinary public support to be provided to a solvent institution without triggering resolution: 1) a State guarantee to back liquidity facilities provided by central banks according to the central banks' conditions; 2) a State guarantee of newly issued liabilities; or 3) an injection of own funds in the form of precautionary recapitalisation. In the case of precautionary recapitalization EU state aid rules require that shareholders and junior bond holders (such as holders of the Additional Tier 1 Notes) contribute to the costs of restructuring.

As a result, the Additional Tier 1 Notes may be subject to a partial or full write-down or conversion to common equity Tier 1 instruments of the Issuer or one of the UniCredit Group's entities or another institution. Accordingly, trading behaviour may also be affected by the threat that Non-Viability Loss Absorption (or the general bail-in tool) may be applied to the Additional Tier 1 Notes or the burden sharing requirements of the EU state aid framework and the BRRD may be applied and, as a result, the Additional Tier 1 Notes are not necessarily expected to follow the trading behaviour associated with other types of securities. Noteholders should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest if the Non-Viability Loss Absorption (or the general bail-in tool) is applied to the Additional Tier 1 Notes or the burden sharing requirements of the EU state aid framework and the BRRD are applied or that such Additional Tier 1 Notes may be converted into ordinary shares which ordinary shares may be of little value at the time of conversion.

For as long as the Additional Tier 1 Notes are in global form and in the event that any Write-Down or Write-Up is required pursuant to the Conditions, the records of Euroclear and Clearstream, Luxembourg or any other clearing system of their respective participants' position held in the Additional Tier 1 Notes may not be immediately updated to reflect the amount of Write-Down or Write-Up and may continue to reflect the Prevailing Principal Amount of the Additional Tier 1 Notes prior to such Write-Down or Write-Up, for a period of time. The update process of the relevant clearing system may only be completed after the date on which the Write-Down or Write-Up will occur. No assurance can be given as to the period of time required by the relevant clearing system to complete the update of their records. Further, the conveyance of notices and other communications by the relevant clearing system to their respective participants, by those participants to their respective indirect participants, and by the participants and indirect participants to beneficial owners of interests in the Additional Tier 1 Notes in global form will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

In addition, on 20 April 2021, the Italian Parliament approved the BRRD II Delegation Law, which provides for the implementation of the BRRD II in Italy and sets forth, under Article 11, the principles for such implementation. However, the BRRD II Delegation Law does not contain specific provisions transposing Article 48(7) of BRRD II into Italian law, and it is therefore unclear how this provision will be implemented in Italy. According to Article 48(7) of BRRD II, a claim resulting from an Own Funds item shall rank lower than any claim that does not result from an Own Funds item and if an instrument is only partly recognised as an Own Funds item, the whole instrument shall be treated as a claim resulting from an Own Funds item. In other jurisdictions in the EU, such

transposition requires certain instruments which are fully disqualified as own funds items to be trated with an improved ranking compared to any claim that results from an Own Funds item (such as Additional Tier 1 Notes). Once Article 48(7) of BRRD II is implemented in Italy, if Additional Tier 1 Notes of the Issuer were to be disqualified entirely as Own Funds items in the future, their ranking could improve compared to Additional Tier 1 Notes which at the relevant time qualify as Own Funds items (in whole or in part) and, in the event of a liquidation or bankruptcy of the Issuer, the Issuer would, *inter alia*, be required to pay subordinated creditors of the Issuer, whose claims arise from liabilities that no longer fully or partially are recognized as an own funds instrument in full before it can make any payments on the Additional Tier 1 Notes. Furthermore, if the Additional Tier 1 Notes are fully disqualified as Own Funds items, such Notes could not be subject to a write-down or conversion into common shares at the point of non-viability even though they would continue to be subject to bail-in, and, in the event the Issuer were to receive extraordinary financial support in accordance with the EU state aid framework and the BRRD, the burden sharing requirements of such legislation.

*1.4.3* *There are no events of default, other than in the case of* Liquidazione Coatta Amministrativa, *under the Additional Tier 1 Notes*

The Terms and Conditions for the Italian Law Notes do not provide for events of default, other than in the case of *Liquidazione Coatta Amministrativa* as defined in the Banking Act as set out in Condition 13.2 of the Terms and Conditions for the Italian Law Notes, allowing acceleration of the Additional Tier 1 Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Additional Tier 1 Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Additional Tier 1 Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

In the case of Additional Tier 1 Notes which are issued as Green Bonds, Social Bonds or Sustainability Bonds, please also see Risk Factor "*Notes issued, if any, as "Green Bonds", "Social Bonds" or "Sustainability Bonds" may not be a suitable investment for all investors seeking exposure to green assets or social assets or sustainable assets*".

*1.4.4* *The Issuer may elect in its full discretion to cancel interest on the Additional Tier 1 Notes and may, in certain circumstances, be required to cancel such interest*

The Issuer may elect at any time in its full discretion to cancel (in whole or in part) for an unlimited period and on a no-cumulative basis Interest Amounts otherwise scheduled to be paid on any Interest Payment Date.

Further, the Issuer will be required to cancel payment of Interest Amounts (in whole or, as the case may be, in part) if and to the extent that such Interest Amounts, 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, exceed the amount of Distributable Items, excluding any payments already accounted for in determining the Distributable Items. The Issuer's Distributable Items will depend to a large extent on, *inter alia*, the dividends that it receives from its subsidiaries and affiliates. See also "*–The level of the Issuer's Distributable Items is affected by a number of factors and insufficient Distributable Items will restrict the ability of the Issuer to make interest payments on the Additional Tier 1 Notes*" below.

The Issuer will also be required to cancel payment of Interest Amounts (in whole or, as the case may be, in part) if and to the extent that such payment, 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)), would cause the Maximum Distributable Amount (if any) then applicable to the Issuer and/or the UniCredit Group to be exceeded, or where such Interest Amounts are required to be cancelled (in whole or in part) by an order to the Issuer from the Competent Authority. For further details, see section below "*If the Issuer breaches the combined buffer requirement a Maximum Distributable Amount will apply which may restrict the Issuer from making interest payments on the Additional Tier 1 Notes in certain circumstances; Noteholders may not be able to anticipate whether or when the Issuer will cancel such interest payments*".

Additionally, the Competent Authority has the power under Article 104 of the CRD IV Directive to restrict or prohibit payments of interest by the Issuer to holders of Additional Tier 1 instruments such as the Additional Tier

1 Notes. The risk of any such intervention by the Competent Authority is most likely to materialise if at any time the Issuer or the UniCredit Group is failing, or is expected to fail, to meet its capital requirements – see "*If the Issuer breaches the combined buffer requirement a Maximum Distributable Amount will apply which may restrict the Issuer from making interest payments on the Additional Tier 1 Notes in certain circumstances; Noteholders may not be able to anticipate whether or when the Issuer will cancel such interest payments*" below.

Also, in accordance with Article 63(j) of the BRRD (as implemented in Italy by Article 60(1)(i) of Legislative Decree No. 180/2015), the Competent Authority has the power to alter the amount of interest payable under debt instruments issued by banks subject to resolution proceedings and the date on which the interest becomes payable under the debt instrument (including the power to suspend payment for a temporary period). The Competent Authority also has the power under Articles 53-*bis* and 67-*ter* of the Banking Act to impose requirements on the Issuer, the effect of which will be to restrict or prohibit payments of interest by the Issuer to Noteholders, which is most likely to materialise if at any time the Issuer is failing, or is expected to fail, to meet its capital or liquidity requirements. If the Competent Authority exercises its discretion, the Issuer will exercise its discretion to cancel (in whole or in part, as required by the Competent Authority) interest payments in respect of the Additional Tier 1 Notes.

Furthermore, upon the occurrence of a Contingency Event (as defined in Condition 8 (*Loss absorption and Reinstatement of Principal Amount*) of the Terms and Conditions for the Italian Law Notes), the Issuer will not make payment of accrued and unpaid interest in respect of the Additional Tier 1 Notes up to the Write-Down Effective Date and any such accrued and unpaid interest shall be cancelled.

The cancellation of any Interest Amounts shall not constitute a default for any purpose on the part of the Issuer. Interest on the Additional Tier 1 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. See Condition 7 (*Interest and Interest Cancellation in respect of Additional Tier 1 Notes*) of the Terms and Conditions for the Italian Law Notes.

Because the Issuer is entitled to cancel Interest Amounts in its full discretion, it may do so even if it could make such payments without exceeding the limits described above. Interest Amounts on the Additional Tier 1 Notes may be cancelled even if holders of the Issuer's shares continue to receive dividends and/or the Issuer and/or its subsidiaries continues to make payments of interest or other amounts on other Additional Tier 1 instruments.

Any actual or anticipated cancellation of interest on the Additional Tier 1 Notes will likely have an adverse effect on the market price of the Additional Tier 1 Notes. In addition, as a result of the interest cancellation provisions of the Additional Tier 1 Notes, the market price of the Additional Tier 1 Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Issuer's financial condition. Any indication that, for example, the Issuer may not have sufficient Distributable Items and/or distributions may be limited by a Maximum Distributable Amount may have an adverse effect on the market price of the Additional Tier 1 Notes.

Also, the Common Equity Tier 1 Capital Ratio, Distributable Items and any Maximum Distributable Amount will depend in part on decisions made by the Issuer and other entities in the UniCredit Group relating to their businesses and operations, as well as the management of their capital position. The Issuer and other entities in the UniCredit Group will have no obligation to consider the interests of Noteholders in connection with their strategic decisions, including in respect of capital management and the relationship among the various entities in the UniCredit Group and the UniCredit Group's structure. The Issuer may decide not to raise capital at a time when it is feasible to do so, even if that would result in the occurrence of a Contingency Event. Moreover, in order to avoid the use of public resources, the Competent Authority may decide that the Issuer should allow a Contingency Event to occur at a time when it is feasible to avoid it. Noteholders will not have any claim against the Issuer or any other entity in the UniCredit Group relating to decisions that affect the capital position of the Issuer or the UniCredit Group, regardless of whether they result in the occurrence of a Contingency Event. Such decisions could cause Noteholders to lose all or part of their investment in the Additional Tier 1 Notes.

*1.4.5* *The level of the Issuer's Distributable Items is affected by a number of factors and insufficient Distributable Items will restrict the ability of the Issuer to make interest payments on the Additional Tier 1 Notes*

As noted above, the Issuer will be required to cancel any Interest Amounts (in whole or, as the case may be, in part) if and to the extent that such Interest Amounts, 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, exceed the amount of Distributable Items, excluding any payments already accounted for in determining the Distributable Items.

The Issuer had approximately €20,23 billion of Distributable Items as at 31 December 2019, of which approximately €13,23 billion were represented by the distributable portion of the Share Premium Reserve (see also Section 12 Part B Liabilities, reported in the Notes to the Accounts of the 2019 UniCredit Annual Report and Accounts).

The level of the Issuer's Distributable Items is affected by a number of factors. The Issuer's future Distributable Items, and therefore the ability of the Issuer to make interest payments under the Additional Tier 1 Notes, are a function of the Issuer's existing Distributable Items and its future profitability. In addition, the Issuer's Distributable Items may also be adversely affected by the servicing of more senior instruments, parity ranking instruments or more junior ranking instruments, including dividends on the Issuer's shares.

The level of the Issuer's Distributable Items may be affected by changes to accounting rules, regulation or the requirements and expectations of applicable regulatory authorities. Any such potential changes could adversely affect the Issuer's Distributable Items in the future.

Further, the Issuer's Distributable Items, and therefore the Issuer's ability to make interest payments under the Additional Tier 1 Notes, may be adversely affected by the performance of the business of the UniCredit Group in general, factors affecting its financial position (including capital and leverage), the economic environment in which the UniCredit Group operates and other factors outside of the Issuer's control. See generally "*Factors that may affect the Issuer's ability to fulfil its obligations under the Notes*" above. In addition, adjustments to earnings, as determined by the Board, may fluctuate significantly and may materially adversely affect Distributable Items.

*1.4.6* *If the Issuer breaches the combined buffer requirement or the Leverage Ratio buffer requirement, a Maximum Distributable Amount will apply which may restrict the Issuer from making interest payments on the Additional Tier 1 Notes in certain circumstances; Noteholders may not be able to anticipate whether or when the Issuer will cancel such interest payments*

Under Article 141 (Restrictions on distributions) of the CRD IV Directive, EU Member States must require that institutions that fail to meet the combined buffer requirement (as described below) will be subject to restricted "discretionary payments" (which are defined broadly by CRD IV as payments relating to Common Equity Tier 1 and Additional Tier 1 instruments and variable remuneration to staff). In addition, the Banking Reform Package includes a new Article 141b in the CRD IV Directive which introduces restrictions on distributions in the case of failure to meet the Leverage Ratio buffer requirement (i.e. G-SIB buffer), thus introducing a new Leverage Ratio Maximum Distributable Amount (**L-MDA**). The BRRD II also introduces in the BRRD a new Article 16a that clarifies the stacking order between the combined buffer requirement and the MREL requirements (including the TLAC requirement). Pursuant to this new provision the resolution authority shall have the power to prohibit an entity from distributing more than the Maximum Distributable Amount for the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) (calculated in accordance with Article 16a(4) of the BRRD, the **M-MDA**) where the combined buffer requirement is not met when considered in addition to the MREL requirement. Article 16a, envisages a potential nine month grace period whereby the resolution authority assesses on a monthly basis whether to exercise its powers under the provision, before such resolution authority is compelled to exercise its power under the provisions (subject to certain limited exceptions).

The restrictions will be scaled according to the extent of the breach of the combined buffer requirement or, as appropriate, the Leverage Ratio buffer requirement and calculated as a percentage of the profits of the institution since the last distribution of profits or "discretionary payments". Such calculation will result in a "Maximum Distributable Amount" in each relevant period. As an example, if the available CET1 capital is within the bottom quartile of the combined buffer requirement or, as appropriate, if the available Tier 1 capital is within the bottom quartile of the Leverage Ratio buffer requirement, no "discretionary distributions" will be permitted to be paid.

As a consequence, in the event of breach of the combined buffer requirement or the Leverage Ratio buffer requirement, it may be necessary to reduce discretionary payments, including potentially cancelling (in whole or in part) interest payments in respect of the Additional Tier 1 Notes. In addition, the Issuer will have the discretion to determine how to allocate the Maximum Distributable Amount among the different types of payments contemplated in Article 141 or Article 141b of the CRD IV Directive or Article 16a of the BRRD and it may elect to allocate such amounts to "discretionary payments" other than in respect of the Additional Tier 1 Notes. Moreover, payments made earlier in the relevant period will reduce the remaining relevant Maximum Distributable Amount available for payments later in the relevant period, and the Issuer will have no obligation to preserve any portion of the relevant Maximum Distributable Amount for payments scheduled to be made later in a given period. Even if the Issuer attempts to do so, there can be no assurance that it will be successful, because the relevant Maximum Distributable Amount will depend on the amount of Net Income earned during the course of the relevant period, which will necessarily be difficult to predict.

Under CRD IV, the Issuer is required to hold a minimum amount of regulatory capital equal to 8 per cent. of risk weighted assets (the **Pillar 1 Requirement**). In addition to these so called "Own Funds" requirements under CRD IV, supervisory authorities may add extra capital requirements to cover risks they believe are not covered, or are insufficiently covered, by the minimum capital requirements under CRD IV (**Pillar 2 Requirement**). See also "*Factors that may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme – Risks connected to Bank Capital Adequacy*" above.

The CRRII and the CRDV introduce, among other things, a leverage ratio requirement of 3 per cent Tier 1 Capital, a leverage ratio related maximum distributable amount for G-SIIs (as described above) and changes to the relevant regulator's application of the Pillar 2 Requirement. The CRRII and the CRDV entered into force on 27 June 2019. The date of application of the new rules varies from the date of their entry into force and 12 months to four years after their entry into force.

According to the CRDV, the Pillar 2 Requirement must be fulfilled with at least 56.25 per cent. Common Equity Tier 1 Capital and at least 75 per cent. Tier 1 capital. Furthermore, the CRDV authorises the relevant competent authority to require that the institution fulfils its additional own funds requirement with a higher portion of Tier 1 Capital or Common Equity Tier 1 Capital where necessary (while having regard to the specific circumstances of the relevant institution).

The CRDV also introduces a so-called "guidance on additional own funds" requirement (the **Pillar 2 Guidance**), which sets a level and quality of capital the relevant credit institution is expected to hold in excess of its overall capital requirement. The Pillar 2 Guidance will be based on expectations of competent authorities for each institution to hold capital in excess of its capital requirements (Pillar 1 and Pillar 2) and combined buffer requirement in order to address forward-looking and remote situations. A failure to meet the Pillar 2 Guidance does not trigger automatic restrictions on distributions provided for in Article 141 and 141b of the CRD IV Directive or Article 16a of the BRRD. However, where an institution repeatedly fails to meet the Pillar 2 Guidance, the competent authority is entitled to take supervisory measures and, where appropriate, impose additional own funds requirements.

According to EBA's guidelines to national supervisors on common procedures and methodologies for the supervisory review and evaluation process (SREP) and supervisory stress testing (the **SREP Guidelines**), as most recently updated on 19 July 2018, competent authorities may, on the basis of the vulnerabilities and deficiencies identified in the SREP assessment, among other things, restrict or prohibit distributions or interest payments by a credit institution to members or holders of its Additional Tier 1 Capital instruments, as provided by Article 104 (1 (i)) of the CRD IV. Accordingly, the additional Pillar 2 Requirement that may be imposed on the Issuer and/or the UniCredit Group by the ECB pursuant to the SREP will require the Issuer and/or the UniCredit Group to hold capital levels above the Pillar 1 Requirement.

Also, as part of the CRD IV transitional arrangements, regulatory capital recognition of outstanding instruments which qualified as Tier 1 and Tier 2 Capital instruments under the framework which the CRD IV has replaced that no longer meet the minimum criteria under the CRD IV Package will be gradually phased out. Fixing the base at the nominal amount of such instruments outstanding on 1 January 2013, their recognition is capped at 80 per cent. in 2014, with this cap decreasing by 10 per cent. in each subsequent year. A further rule introduced by the CRRII, applicable in respect of liabilities issued before 27 June 2019, allows for the "grandfathering" of instruments as, respectively, Additional Tier 1 instruments, Tier 2 instruments and eligible liabilities, even if they do not fully comply with certain requirements of the CRRII. This treatment is available until 28 June 2025 at the latest.

The Banking Reform Package clarifies the distinction between the Pillar 2 Requirement and Pillar 2 Guidance. Under the Banking Reform Package (and as described above), only the "Pillar 2 Requirement", and not "Pillar 2 Guidance", will be relevant in determining whether an institution meets its combined buffer requirement for the purposes of the Maximum Distributable Amount restrictions.

On 12 March 2020, the ECB, taking into account the economic effects of COVID-19, announced certain measures aimed at ensuring that banks, under its direct supervision, are still able to provide credit support to the real economy. In such context, the ECB has allowed banks to operate temporarily below the capital level defined by the Pillar 2 Guidance, the CCB and the LCR. Furthermore, the ECB expects these temporary measures to be further improved by an appropriate revision of the CCyB by the competent national authorities. The Bank of Italy has decided to keep the CCyB at zero per cent. for the second quarter of 2021.

The following tables show the impact of the Pillar 2 Requirement on the required minimum CET1 Capital ratio, Tier 1 Capital ratio and Total Capital ratio, in each case on a consolidated basis, as from the dates indicated, on the level at which the Maximum Distributable Amount restrictions will take effect:

| **Required minimum CET1 Capital ratio** | | |
|---|---|---|
| | **As at 31 December 2020** | **As at 31 March 2021** |
| Pillar 1 CET1 | 4.50% | 4.50% |
| Pillar 2 CET1 requirement | 0.98% | 0.98% |
| Combined capital buffer requirement | 3.54%[1] | 3.55%[1] |
| **MDA level** | **9.03%** | **9.03%** |

[1] Including 0.04 per cent. of countercyclical capital buffer as at 31 December 2020, and 0.05 per cent. as at 31 March 2021 to be calculated on a quarterly basis.

| **Required Minimum Tier 1 ratio** | | |
|---|---|---|
| | **As at 31 December 2020** | **As at 31 March 2021** |
| Pillar 1 CET1 | 4.5% | 4.5% |
| Pillar 1 Additional Tier 1[1] | 1.5% | 1.5% |
| Pillar 2 Tier 1 requirement | 1.31% | 1.31% |
| Combined capital buffer requirement | 3.54%[2] | 3.55%[2] |
| **MDA level** | **10.85%** | **10.86%** |

[1] May be comprised of Additional Tier 1 or CET1.

[2] Including 0.04 per cent. of countercyclical capital buffer as at 31 December 2020, and 0.05 per cent. as at 31 March 2021 to be calculated on a quarterly basis.

| **Required Minimum Total Capital ratio** | | |
|---|---|---|
| | **As at 31 December 2020** | **As at 31 March 2021** |
| Pillar 1 CET1 | 4.5% | 4.5% |

| | | |
|---|---|---|
| Pillar 1 Additional Tier 1[1] | 1.5% | 1.5% |
| Pillar 1 Tier 2[2] | 2% | 2% |
| Pillar 2 Total Capital requirement | 1.75% | 1.75% |
| Combined capital buffer requirement | 3.54%[3] | 3.55%[3] |
| **MDA level** | **13.29%** | **13.30%** |

[1] May be comprised of Additional Tier 1 or CET1.

[2] May be comprised of Tier 2, Additional Tier 1 or CET1.

[3] Including 0.04 per cent. of countercyclical capital buffer as at 31 December 2020, and 0.05 per cent. as at 31 March 2021 to be calculated on a quarterly basis.

As at 31 December 2020 and 31 March 2021, the consolidated capital ratios (CET1 Capital, Tier 1 and Total Capital ratios), are set out in the table below:

| **Capital ratios** | **31 March 2021** | **31 December 2020** | **31 December 2019** |
|---|---|---|---|
| CET1 Capital ratio | 16.54% | 15.96% | 13.22% |
| Tier 1 ratio | 18.80% | 18.22% | 14.90% |
| Total Capital ratio | 21.60% | 20.72% | 17.69% |

The fully loaded leverage ratio proforma[13] was 5.68 per cent. in 1Q21.

The transitional leverage ratio proforma stood at 6.09 per cent. in 1Q21.

UniCredit is fully compliant with its TLAC requirement[14] with a 1Q21 pro forma TLAC transitional ratio of 27.30 per cent. and a pro forma TLAC MDA transitional buffer of 775 bps.

Starting from 30 June 2020, CET1 Capital (and as a consequence also the CET1, the Tier 1 and the Total Capital ratios) benefits from the application of the transitional arrangements foreseen by the regulation for IFRS9 provisions adopted by the Group in the quarter. Moreover, the transitional adjustments with reference to the phase out limits for the Additional Tier 1 and Tier 2 capital instruments subject to grandfathering, in compliance with CRR Article 486, are still applicable (the applicable limit was 20 per cent. as of 31 December 2020, and 10 per cent. as of 31 March 2021). In addition, the new grandfathering framework is applicable, until 2025 and according to the CRR2 Article 494b, to the Additional Tier 1 and Tier 2 instruments issued before 27 June 2019 that do not fully comply with the CRR2 Articles 52 and 63.

If at any time the Issuer is unable to maintain its total own funds at the level necessary to meet its combined buffer requirement or, as appropriate, its Leverage Ratio buffer requirement, a Maximum Distributable Amount restriction would be applicable and the Issuer may be required to cancel interest payments on the Additional Tier 1 Notes. The Issuer's own funds requirements, including the Pillar 1 Requirement and the Pillar 2 Requirement, TLAC, MREL, the combined buffer requirement and the Leverage Ratio buffer requirement, are, by their nature, calculated by reference to a number of factors any one of which or combination of which may not be easily observable or capable of calculation by investors. Investors in the Additional Tier 1 Notes may not be able to assess or predict accurately the proximity of the risk of discretionary payments on the Additional Tier 1 Notes being prohibited from time to time as a result of the operation of Article 141 or Article 141b of the CRD IV Directive or Article 16a of the BRRD and, if relevant, in other similar payment restriction provision(s) under the

[13] Pro forma ratio including deduction of the ordinary share buyback (subject to supervisory and AGM approval) of Euro 179 million. Stated Leverage Ratio fully Loaded at 5.70 and stated Leverage Ratio transitional at 6.21.

[14] 1Q21 TLAC transitional ratio 27.30 per cent. (o/w 24.80 per cent. TLAC subordination ratio and 2.5 per cent. senior preferred exemption) and MDA buffer of 775 bps. Current requirement 19.55 per cent. (assuming combined capital buffer as of 1Q21) with 2.50 per cent. senior exemption. Fully loaded requirement 21.55 per cent. (assuming combined capital buffer as of 1Q21) with 3.50 per cent. senior exemption.

Relevant Regulations. There can be no assurance that any of the own funds and MREL requirements, the combined buffer requirement or the Leverage Ratio buffer requirement applicable to the Issuer and/or the Group will not be amended in the future to include new and more onerous requirements, which in turn may affect the Issuer's capacity to make payments of interest on the Additional Tier 1 Notes.

There can be no assurance that the own funds and MREL requirements, the combined buffer requirement or the Leverage Ratio buffer requirement applicable to the Issuer and/or the Group from time to time may not be higher than the levels of own funds and/or eligible liabilities, as applicable, available to the Issuer and/or the Group at such point in time. Also, there can also be no assurance as to the result of any future SREP carried out by the ECB and whether this will impose any higher Pillar 2 Requirement on the Issuer and/or the UniCredit Group. In addition, the measures put in place by the ECB to address concerns relating to the economic effects of COVID-19 are temporary in nature and are expected to expire.

These issues and other possible issues of interpretation make it difficult to determine how the Maximum Distributable Amount will apply as a practical matter to limit interest payments on the Additional Tier 1 Notes, the reinstatement of the Prevailing Principal Amount of the Additional Tier 1 Notes following a Write-Down, and the ability of the Issuer to redeem and purchase the Additional Tier 1 Notes. This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Additional Tier 1 Notes.

*1.4.7* *The Additional Tier 1 Notes may be traded with accrued interest, but under certain circumstances, such interest may be cancelled and not paid on the relevant Interest Payment Date; the Issuer may be required to reduce the principal amount of the Additional Tier 1 Notes to absorb losses*

The Additional Tier 1 Notes may trade, and/or the prices for the Additional Tier 1 Notes may appear, on the Official List of the Luxembourg Stock Exchange and in other trading systems with accrued interest. If this occurs, purchasers of Additional Tier 1 Notes in the secondary market will pay a price that reflects such accrued interest upon purchase of the Additional Tier 1 Notes. However, if a payment of interest on any Interest Payment Date is cancelled (in whole or in part) as described herein and thus is not due and payable, purchasers of such Additional Tier 1 Notes will not be entitled to that interest payment (or, if the Issuer elects to make a payment of a portion, but not all, of such interest payment, the portion of such interest payment not paid) on the relevant Interest Payment Date. This may affect the value of any investment in the Additional Tier 1 Notes.

For the avoidance of doubt accrued interest will also be cancelled following a Write-Down as described below.

The Additional Tier 1 Notes are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Additional Tier 1 Capital under the CRD IV both at the level of the Issuer and at the level of the UniCredit Group. Such eligibility depends upon a number of conditions being satisfied. One of these relates to the ability of the Additional Tier 1 Notes and the proceeds of their issue to be available to absorb any losses of the Issuer. Accordingly, under the Terms and Conditions for the Italian Law Notes, if at any time the Issuer's or the UniCredit Group's Common Equity Tier 1 Capital Ratio falls below 5.125 per cent. or the then minimum trigger event ratio for loss absorption applicable to Additional Tier 1 instruments specified in the Relevant Regulations (excluding any guidelines or policies of non-mandatory application) applicable to the Issuer and/or the UniCredit Group (a **Contingency Event**), the Issuer shall reduce the then Prevailing Principal Amount of the Additional Tier 1 Notes by the Write-Down Amount, *pro rata* with the other Additional Tier 1 Notes and taking into account the write-down (or write-off) or conversion into Ordinary Shares of any other Loss Absorbing Instruments. See Condition 8 (*Loss Absorption and Reinstatement of Principal Amount*) of the Terms and Conditions for the Italian Law Notes.

Although Condition 8.3 (*Reinstatement of principal amount*) of the Terms and Conditions for the Italian Law Notes permits the Issuer in its full discretion to reinstate Written-Down principal amounts up to a maximum of the Initial Principal Amount if certain conditions (further described therein) are met, the Issuer is under no obligation to do so. Moreover, the Issuer will only have the option to Write-Up the principal amount of the Additional Tier 1 Notes if, at a time when the Prevailing Principal Amount of the Additional Tier 1 Notes is less than their Initial Principal Amount, both a positive Net Income and a positive Consolidated Net Income are recorded, and if 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 transposing or implementing Article 141(2) of the CRD IV Directive or, if relevant, such other provision(s), as amended or replaced)) would not be exceeded as a result of the Write-Up.

No assurance can be given that these conditions will ever be met, or that the Issuer will ever Write-Up the principal amount of the Additional Tier 1 Notes following a Write-Down. Furthermore, any Write-Up must be undertaken on a *pro rata* basis with the other Additional Tier 1 Notes and any Written-Down Additional Tier 1 Instruments of the Issuer that have terms permitting a principal write-up to occur on a basis similar to that set out in Condition 8.3 (*Reinstatement of principal amount*) of the Terms and Conditions for the Italian Law Notes in the circumstances then existing.

During the period of any Write-Down pursuant to Condition 8 (*Loss Absorption and Reinstatement of Principal Amount*) of the Terms and Conditions for the Italian Law Notes, interest will accrue (subject in certain circumstances to the Maximum Distributable Amount, as further set out below) on the Prevailing Principal Amount of the Additional Tier 1 Notes, which shall be lower than the Initial Principal Amount unless and until the Additional Tier 1 Notes are subsequently Written-Up in full. Furthermore, in the event that a Write-Down occurs during an Interest Period, any interest accrued but not yet paid up to the occurrence of such Write-Down will be cancelled. See generally Condition 7.4 (*Calculation of Interest Amount in case of Write Down*) of the Terms and Conditions for the Italian Law Notes.

Noteholders may lose all or some of their investment as a result of a Write Down. If any judgment is rendered by any competent court declaring the judicial liquidation of the Issuer, or if the Issuer is liquidated for any other reason prior to the Additional Tier 1 Notes being written-up in full pursuant to Condition 8 (*Loss Absorption and Reinstatement of Principal Amount*) of the Terms and Conditions for the Italian Law Notes, Noteholders' claims for principal and interest will be based on the reduced Prevailing Principal Amount of the Additional Tier 1 Notes.

In addition, in certain circumstances the Maximum Distributable Amount will impose a cap on the Issuer's ability to pay interest on the Additional Tier 1 Notes, on the Issuer's ability to reinstate the Prevailing Principal Amount of the Additional Tier 1 Notes following a Write-Down and on its ability to redeem or repurchase Additional Tier 1 Notes. See generally "*If the Issuer breaches the combined buffer requirement a Maximum Distributable Amount will apply which may restrict the Issuer from making interest payments on the Additional Tier 1 Notes in certain circumstances; Noteholders may not be able to anticipate whether or when the Issuer will cancel such interest payments*".

The market price of the Additional Tier 1 Notes is expected to be affected by fluctuations in the Issuer's and the UniCredit Group's Common Equity Tier 1 Capital Ratio. Any indication that the Issuer's or the UniCredit Group's Common Equity Tier 1 Capital Ratio is approaching the level that would trigger a Contingency Event may have an adverse effect on the market price of the Additional Tier 1 Notes.

In the event that the relevant resolution authority utilises the general bail-in tool, this could materially adversely affect the rights of Noteholders, the price or value of their investment in any Additional Tier 1 Notes and/or the ability of the Issuer to satisfy its obligations under the Additional Tier 1 Notes. In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments such as the Additional Tier 1 Notes at the point of non-viability and before any other resolution action is taken. Any shares issued to holders of subordinated notes (such as the Additional Tier 1 Notes) upon any such conversion into equity may also be subject to any application of the general bail-in tool. See generally "*– The Additional Tier 1 Notes may be subject to write-down, cancellation or conversion upon the occurrence of the exercise by the relevant resolution authority of the general bail-in tool or capital instruments write-down and conversion powers, which powers are in addition to the terms of the Additional Tier 1 Notes which provide for Write-Down on the occurrence of a Contingency Event, or may be subject to the burden sharing requirements of the EU State aid framework and the BRRD*".

*The calculation of the Common Equity Tier 1 Capital Ratios will be affected by a number of factors, many of which may be outside the Issuer's control.*

The occurrence of a Contingency Event, which would result in a Write-Down of the Prevailing Principal Amount of the Additional Tier 1 Notes (and the cancellation of interest accrued not yet paid up to the occurrence of the Write-Down) or the application of a Maximum Distributable Amount, is inherently unpredictable and depends on a number of factors, many of which may be outside the Issuer's control. Also, whether a Contingency Event has occurred at any time shall be determined by the Issuer and the Competent Authority. Because the Competent Authority may require Common Equity Tier 1 Capital Ratios to be calculated as of any date (which calculation shall be binding on the Noteholders), a Contingency Event could occur at any time. The calculation of the Common Equity Tier 1 Capital Ratios of the Issuer or of the UniCredit Group could be affected by a wide range of factors, including, among other things, factors affecting the level of the Issuer's earnings or dividend payments,

the mix of its businesses, its ability to effectively manage the risk-weighted assets in its ongoing businesses, losses in the context of its banking activities or other businesses, changes in the UniCredit Group's structure or organisation. The calculation of the ratios also may be affected by changes in the applicable laws and regulations or applicable accounting rules and the manner in which accounting policies are applied, including the manner in which permitted discretion under the applicable accounting rules is exercised.

Accordingly, the trading behaviour of the Additional Tier 1 Notes may not necessarily follow the trading behaviour of other types of subordinated securities. Any indication that the Common Equity Tier 1 Capital Ratio of the Issuer or of the UniCredit Group is approaching the level that would trigger a Contingency Event or a breach of the combined buffer requirement may have an adverse effect on the market price and liquidity of the Additional Tier 1 Notes. Under such circumstances, investors may not be able to sell their Additional Tier 1 Notes easily or at prices that will provide them with a yield comparable to more conventional investments.

*Changes to the calculation of Common Equity Tier 1 Capital and/or Risk Weighted Assets may negatively affect the Issuer or the UniCredit Group's Common Equity Tier 1 Capital Ratio.*

In addition, regulatory initiatives may impact the calculation of the Issuer or the UniCredit Group's Risk Weighted Assets, being the denominator of the Issuer's and the UniCredit Group's Common Equity Tier 1 Capital Ratio, respectively. The Basel Committee on Banking Supervision (BCBS) concluded the review process of the standardised models (for credit risk, counterparty risk, operational risk and market risk) for the calculation of minimum capital requirements, including constraints on the use of internal models and introducing the so-called "output floor" (setting a minimum level of capital requirements calculated on the basis of internal models equal, when fully implemented, to 72.5 per cent. of those calculated on the basis of the standardised methods). The main purpose is to enhance consistency and comparability among banks. The new framework was finalised for market risk in 2016 and finally revised in January 2019. The new framework for credit risk and operational risk was completed in December 2017. The implementation of this new risk assessment framework, which should have originally occured on 1 January 2022 (with transitional arrangement for phasing in the aggregate output floor), has been postponed – due to COVID-19 outbreak – by the Group of Central Bank Governors and Heads of Supervision (GHOS) to 1 January 2023. The EU is expected to implement these standards by way of new changes to the CRR (CRR III) which are expected to be proposed by end of 2020/beginning of 2021. It will impact the calculation of the Issuer's or the UniCredit Group's Risk Weighted Assets and, consequently, the Issuer or the UniCredit Group's Common Equity Tier 1 Capital Ratio.

Any changes that may occur in the application to the Issuer and/or the UniCredit Group of the CRD IV rules, the loss absorbency requirements under the BRRD (including MREL) or the FSB's TLAC proposals subsequent to the date of this Base Prospectus and/or any subsequent changes to such rules and other variables may individually and/or in the aggregate negatively affect the Issuer or the UniCredit Group's Common Equity Tier 1 Capital Ratio and thus increase the risk of a Contingency Event, which will lead to Write-Down, and a breach of the combined buffer requirement, as a result of which Noteholders could lose all or part of the value of their investment in the Additional Tier 1 Notes.

### *1.4.8 The Issuer is not prohibited from issuing further debt which may rank pari passu with or senior to the Additional Tier 1 Note*

The Terms and Conditions for the Italian Law Notes place no restriction on the amount of debt that the Issuer may issue that ranks senior to the Additional Tier 1 Notes or on the amount of securities that it may issue that rank *pari passu* with the Additional Tier 1 Notes. The issue of any such debt or securities may reduce the amount recoverable by investors upon the Issuer's bankruptcy. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including cancellation of interest and reduction of principal and, if the Issuer were liquidated (whether voluntarily or involuntarily), the Noteholders could suffer loss of their entire investment.

### *1.4.9 No scheduled redemption – early redemption and purchase of the Additional Tier 1 Notes may be restricted*

The Issuer is under no obligation to redeem the Additional Tier Notes at any time before the date on which voluntary or involuntary winding up proceedings are instituted in respect of the Issuer, and the Noteholders have no right to call for their redemption.

The Issuer may, at its sole discretion (but subject to the provisions of Condition 10.15 (*Conditions to Early Redemption and Purchase of Subordinated Notes and Additional Tier 1 Notes*) of the Terms and Conditions for the Italian Law Notes) redeem the Additional Tier 1 Notes in whole, but not in part, on any Optional Redemption Date (Call) at their Prevailing Principal Amount, plus any accrued interest and any additional amounts due pursuant to Condition 11 (*Taxation*), as described in Condition 10.2 (*No fixed redemption for the Additional Tier 1 Notes*) of the Terms and Conditions for the Italian Law Notes.

In addition, the Issuer may also, at its sole discretion (but subject to the provisions of Condition 10 (*Redemption and Purchase*) of the Terms and Conditions for the Italian Law Notes), redeem the Additional Tier 1 Notes in whole, but not in part, following the occurrence of a Capital Event and in whole, or in part, following the occurrence of a Tax Event (each as defined herein) at their Prevailing Principal Amount, plus, in each case, if relevant, any accrued interest and any additional amounts due pursuant to Condition 11 (*Taxation*) as described in Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*) and Condition 10.3 (*Redemption for tax reasons*) of the Terms and Conditions for the Italian Law Notes.

The intention of UniCredit is for Additional Tier 1 Notes to qualify on issue as "Additional Tier 1 Capital" for regulatory capital purposes.

Although it is UniCredit's expectation that the Additional Tier 1 Notes qualify on issue as "Additional Tier 1 Capital", there can be no representation that this is or will remain the case during the life of the Additional Tier 1 Notes. If there is a change in the regulatory classification of the Additional Tier 1 Notes that would be likely to result in their exclusion from "Additional Tier 1 Capital" and, in respect of any redemption of the relevant Additional Tier 1 Notes proposed to be made prior to the fifth anniversary of the Issue Date, both of the following conditions are met: (i) the Competent Authority considers such a change to be reasonably certain and (ii) UniCredit demonstrates to the satisfaction of the Competent Authority that the change in the regulatory classification of the Additional Tier 1 Notes was not reasonably foreseeable by UniCredit as at the date of the issue of the relevant Additional Tier 1 Notes, UniCredit will (if so specified in the applicable Final Terms) have the right to redeem the Additional Tier 1 Notes in accordance with Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions for the Italian Law Notes, subject to, *inter alia*, the prior approval of the relevant Competent Authority and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations. There can be no assurance that holders of such Additional Tier 1 Notes will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the relevant Notes, as the case may be.

Any early redemption or purchase of Additional Tier 1 Notes is subject to compliance with the then applicable Relevant Regulations, including for the avoidance of doubt:

(a) the Issuer giving notice to the Competent Authority and the Competent Authority granting prior permission to redeem or purchase the relevant Additional Tier 1 Notes (in each case to the extent, and in the manner, required by the then Relevant Regulations, including Articles 77 and 78 of the CRD IV Regulation, as amended or replaced from time to time), where either:

  (i) on or before such redemption or purchase (as applicable), the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

  (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that its Own Funds and eligible liabilities would, following such repayment or purchase, exceed the minimum requirements (including any capital buffer requirements) required under the Relevant Regulations by a margin that the Competent Authority considers necessary at such time; and

(b) in respect of a call, redemption repayment or repurchase prior to the fifth anniversary of the Issue Date of the relevant Additional Tier 1 Notes, if and to the extent required under Article 78(4) of the CRD IV Regulation or the Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014:

  (i) in the case of redemption pursuant to Condition 10.3 (*Redemption for tax reasons*), the Issuer having demonstrated to the satisfaction of the Competent Authority that the change in the applicable tax treatment of the Additional Tier 1 Notes is material and was not reasonably foreseeable as at the Issue Date; or

(ii) in case of redemption pursuant to Condition 10.4 (*Redemption for regulatory reasons (Regulatory call)*), a Capital Event having occurred in respect of Additional Tier 1 Notes; or

(iii) on or before such redemption or repurchase (as applicable), the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority has permitted that action on the basis of the determination that it would be classified from a prudential point of view and justified by exceptional circumstances; or

(iv) the Notes being repurchased for market marketing purposes.

subject in any event to any alternative or additional conditions or requirements as may be applicable from time to time under the Relevant Regulations.

In addition, any proposed redemption of Additional Tier 1 Notes prior to the fifth anniversary of their Issue Date shall (i) in the case of a Capital Event, be restricted as set out above under "*Regulatory Classification of the Notes*" and (ii) in the case of a Tax Event, be limited to circumstances in which the change or amendment giving rise to the Tax Event is, to the satisfaction of the relevant Competent Authority, material and was not reasonably foreseeable by the Issuer as at the Issue Date of the relevant Additional Tier 1 Notes.

There can be no assurance that the relevant Competent Authority will permit any redemption or purchase of Additional Tier 1 Notes. See also "No scheduled redemption" above. In addition, the Issuer may elect not to exercise any option to redeem any Additional Tier 1 Notes early or at any time. Holders of Additional Tier 1 Notes should be aware that they may be required to bear the financial risks of an investment in such Notes for an indefinite period.

*1.4.10 Additional Tier 1 Notes may be subject to modification without Noteholders' consent*

If (i) at any time, a Capital Event occurs for any Series of Additional Tier 1 Notes, or (ii) in order to ensure the effectiveness and enforceability of Condition 21 (Contractual Recognition of Statutory Bail-In Powers) of the Terms and Conditions for the Italian Law Notes for any Series of Additional Tier 1 Notes, 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 Additional Tier 1 Notes of that Series), at any time vary the terms of a Series of Additional Tier 1 Notes so that they remain or, as appropriate, become, Qualifying Additional Tier 1 Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

Qualifying Additional Tier 1 Notes are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 21 (Contractual Recognition of Statutory Bail-In Powers) of the Terms and Conditions for the Italian Law Notes have terms not materially less favourable to the Noteholders (as reasonably determined by the Issuer) than the terms of the relevant Additional Tier 1 Notes. However, no assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such varied notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the notes prior to such variation.

**1.5 Risks applicable to certain types of Exempt Notes**

*1.5.1 There are particular risks associated with an investment in certain types of Exempt Notes, such as Index Linked Notes and Dual Currency Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or all of the principal amount invested by it*

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or to other factors (each, a **Relevant Factor**). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(a) the market price of such Notes may be volatile;

(b) they may receive no interest;

(c) payment of principal or interest may occur at a different time or in a different currency than expected;

(d) they may lose all or a substantial portion of their principal;

(e) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(f) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified; and

(g) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in the light of its particular circumstances.

*1.5.2 Where Notes are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of its investment*

The Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of his Notes could result in such investor losing all of its investment.

*1.5.3 Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities*

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

*1.5.4 Inverse Floating Rate Notes will have more volatile market values than conventional Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes are typically more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

**1.6 Risks related to Notes generally**

Set out below is a description of material risks relating to the Notes generally:

*1.6.1 Waiver of set-off*

As specified in the Terms and Conditions for the English Law Notes and in the Terms and Conditions for the Italian Law Notes, each Noteholder 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 or otherwise, in respect of such Note.

*1.6.2 The interest rate on Reset Notes will reset on each Reset Date, which can be expected to affect the interest payment on an investment in Reset Notes and could affect the market value of the Reset Notes*

Reset Notes will initially bear interest at the Initial Rate of Interest from and including the Interest Commencement Date up to but excluding the First Reset Date. On the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Mid-Swap Rate and the First Margin or Subsequent Margin (as applicable) as determined by the Calculation Agent on the relevant Reset Determination Date (each such interest rate, a **Subsequent Reset Rate of Interest**). The Subsequent Reset Rate of Interest for any Reset Period could be less than the Initial Rate of Interest or the Subsequent Reset Rate of Interest for prior Reset Periods and could affect the market value of an investment in the Reset Notes.

*1.6.3 The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"*

Interest rates and indices which are deemed to be "benchmarks" (including, without limitation, LIBOR and EURIBOR), are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark".

Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of "benchmarks" of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the Financial Conduct Authority (**FCA**) or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a rate or index deemed to be a "benchmark", including, without limitation, any Floating Rate Notes linked to or referencing LIBOR and/or EURIBOR or any Reset Notes referencing the relevant swap rate for swap transactions in the Specified Currency (as specified in the applicable Final Terms or Pricing Supplement with respect to the relevant Notes), in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

On 5 March 2021, ICE Benchmark Administration Limited (IBA), the administrator of LIBOR, published a statement confirming its intention to cease publication of all LIBOR settings, together with the dates on which this will occur, subject to the FCA exercising its powers to require IBA to continue publishing such LIBOR settings using a changed methodology (the **IBA announcement**). Concurrently, the FCA published a statement on the future cessation and loss of representativeness of all LIBOR currencies and tenors, following the dates on which IBA has indicated it will cease publication (the **FCA announcement**). Permanent cessation will occur immediately after 31 December 2021 for all Euro and Swiss Franc LIBOR tenors and certain Sterling, Japanese Yen and US Dollar LIBOR settings and immediately after 30 June 2023 for certain other USD LIBOR settings. In relation to the remaining LIBOR settings (1-month, 3-month and 6-month Sterling, US Dollar and Japanese Yen LIBOR settings), the FCA will consult on, or continue to consider the case for, using its powers to require IBA to continue their publication under a changed methodology for a further period after end of 2021 (end of June 2023 in the case of US Dollar LIBOR). The FCA announcement states that consequently, these LIBOR settings will no longer be representative of the underlying market that such settings are intended to measure immediately after 31 December 2021, in the case of the Sterling and Japanese Yen LIBOR settings and immediately after 30 June 2023, in the case of

the USD LIBOR settings. Any continued publication of the Japanese Yen LIBOR settings will also cease permanently at the end of 2022.

The euro risk free-rate working group for the euro area has published a set of guidelines principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to such "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark".

As an example of such benchmark reforms, the FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forward. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted. Other interbank offered rates such as EURIBOR (together with LIBOR, **IBORs**) suffer from similar weaknesses to LIBOR and as a result (although no deadline has been set for their discontinuation), they may be discontinued or be subject to changes in their administration.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, among other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicated, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

Investors should be aware that, if an IBOR or any originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes (each an **Original Reference Rate**) were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes or Reset Notes which reference such Original Reference Rate will be determined for the relevant period by the fallback provisions applicable to such Notes, as indicated in the "Terms and Conditions for the English Law Notes" or the "Terms and Conditions for the Italian Law Notes". Such provisions could have an adverse effect on the value or liquidity of, and return on, any relevant Notes referring the relevant Original Reference Rate.

Investors should also be aware that the market continues to develop in relation to risk free rates, such as Secured Overnight Financing Rates (**SOFR**), as reference rates in the capital markets for U.S. dollar bonds, as applicable, and their adoption as alternatives to the relevant interbank offered rates. In addition, market participants and relevant working groups are exploring alternative reference rates based on risk free rates, including term SOFR reference rates (which seek to measure the market's forward expectation of an average SOFR rate over a designated term). The market or a significant part thereof may adopt an application of risk free rates that differs significantly from that set out in the Terms and Conditions and used in relation to Floating Rate Notes that reference a risk free rate issued under this Base Prospectus. Interest on Notes which reference a risk free rate can be capable of being determined only immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk free rates to reliably estimate the amount of interest which will be payable on such Notes. Further, if the Notes become due and payable under Condition 11 (*Events of default*) of the Terms and Conditions for the English Law Notes and under Condition 13 (*Events of default*) of the Terms and Conditions for the Italian Law Notes, the Rate of Interest payable shall be determined on the date the Notes became due and payable and shall not be reset thereafter. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of any Notes. Investors

should consider these matters when making their investment decision with respect to any such Floating Rate Notes.

The "Terms and Conditions for the English Law Notes" or the "Terms and Conditions for the Italian Law Notes", as the case may be, provide for certain arrangements in the event that a published Original Reference Rate (including any page on which such Original Reference Rate may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a Successor Reference Rate determined by the Issuer or an Alternative Reference Rate determined by an Independent Adviser or failing that, by the Issuer, and that such Successor Reference Rate or Alternative Reference Rate may be adjusted (if required) by the application of an Adjustment Spread. The application of a Successor Reference Rate or an Alternative Reference Rate or an Adjustment Spread may result in the relevant Notes performing differently (which may include payment of a lower interest rate) than they would do if the relevant Original Reference Rate were to continue to apply in its current form. If no Adjustment Spread is determined, a Successor Reference Rate or Alternative Reference Rate may nonetheless be used to determine the rate of interest. In certain circumstances, the ultimate fallback of interest for a particular Interest Period or Reset Period (as applicable) may result in the rate of interest for the last preceding Interest Period or Reset Period (as applicable) being used. This may result in the effective application of a fixed rate for Floating Rate Notes or Reset Notes (as applicable) based on the rate which was last used for the relevant Notes.

In the case of Notes not linked to SOFR, if 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 Reset Notes, Reset Reference Rate Replacement is specified in the relevant Final Terms as being applicable, if the Issuer determines that a Benchmark Event (as defined in the Conditions) has occurred in relation to an Original Reference Rate (as defined in the Conditions) when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then: (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 or Reset Determination Date, as the case may be, relating to the next Interest Period or Reset Period (the IA Determination Cut-off Date); (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 or Reset Determination Date, as the case may be, relating to the next Interest Period or Reset Period (the Issuer Determination Cut-off Date). No consent of the Noteholders shall be required in connection with effecting any relevant changes pursuant to the terms and conditions, including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Trust Deed or the Agency Agreement for the Italian Law Notes (as applicable).

In the case of Notes linked to SOFR, if 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, if the Issuer determines that a Benchmark Event and the relevant SOFR Index Cessation Date (as defined in the Conditions) have both occurred, when a Rate of Interest (or the relevant component part thereof) remains to be determined, then: (i) the Benchmark Replacement shall be the rate that was recommended as the replacement for the SOFR by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the SOFR (which rate may be produced by the Federal Reserve Bank of New York or other designated administrator, and which rate may include any adjustments or spreads) ; or (ii) if no such rate has been recommended within one Business Day of the SOFR Index Cessation Date, the Benchmark Replacement shall be the ISDA Fallback Rate (which rate may include any adjustments or spreads that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark Replacement); or (iii) if the replacement rate cannot be determined in accordance with the previous paragraph, then the Benchmark Replacement shall be the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current rate for the applicable Corresponding Tenor that gives due consideration to any industry-accepted rate of interest as

a replacement for the then-current Original Reference Rate for U.S. dollar denominated floating rate notes at such time (which rate may include any adjustments or spreads). No consent of the Noteholders shall be required in connection with effecting any relevant changes pursuant to the terms and conditions, including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Trust Deed or the Agency Agreement for the Italian Law Notes (as applicable).

In addition, due to the uncertainty concerning the availability of Successor Reference Rates and Alternative Reference Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. If the Independent Adviser or, as applicable, the Issuer determines that amendments to the "Terms and Conditions for the English Law Notes" or the "Terms and Conditions for the Italian Law Notes", as the case may be, the Trust Deed, the Agency Agreement for the English Law Notes and the Agency Agreement for the Italian Law Notes are necessary to ensure the proper operation of any Successor Reference Rate or Alternative Reference Rate and/or Adjustment Spread or to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority, then such amendments shall be made without any requirement for the consent or approval of Noteholders, as provided by Condition 6.3(j) (*Reference Rate Replacement*) of the Terms and Conditions for the English Law Notes and by Condition 6.4 (*Reference Rate Replacement*) of the Terms and Conditions for the Italian Law Notes.

### *1.6.4 Risks relating to Inflation Linked Interest Notes*

The Issuer may issue Inflation Linked Interest Notes where the amount of interest is dependent upon the level of an inflation/consumer price index or indices.

Potential investors in any such Notes should be aware that depending on the terms of the Inflation Linked Interest Notes they may receive no interest or a limited amount of interest. In addition, the movements in the level of the inflation/consumer price index or indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual return to investors, even if the average level is consistent with their expectations.

Inflation Linked Interest Notes may be subject to certain disruption provisions or extraordinary event provisions. Relevant events may relate to an inflation/consumer price index publication being delayed or ceasing or such index being rebased or modified. If the Calculation Agent determines that any such event has occurred this may delay valuations under and/or settlements in respect of the Notes and consequently adversely affect the value of the Notes. Any such adjustments may be by reference to a Related Bond if specified in the applicable Final Terms. In addition certain extraordinary or disruption events may lead to early termination of the Notes which may have an adverse effect on the value of the Notes. Whether and how such provisions apply to the relevant Notes can be ascertained by reading the Inflation Linked Conditions in conjunction with the applicable Final Terms.

If the amount of interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the inflation/consumer price index or the indices or interest payable will be magnified.

A relevant consumer price index or other formula linked to a measure of inflation to which the Notes are linked may be subject to significant fluctuations that may not correlate with other indices. Any movement in the level of the index may result in a reduction of the interest payable on the Notes (if applicable).

The timing of changes in the relevant consumer price index or other formula linked to the measure of inflation comprising the relevant index or indices may affect the actual yield to investors on the Notes, even if the average level is consistent with their expectations.

An inflation or consumer price index to which interest payments are linked is only one measure of inflation for the relevant jurisdiction or area, and such Index may not correlate perfectly with the rate of inflation experienced by Noteholders in such jurisdiction or area.

The market price of Inflation Linked Interest Notes may be volatile and may depend on the time remaining to the maturity date or expiration and the volatility of the level of the inflation or consumer price index or indices. The level of the inflation or consumer price index or indices may be affected by the economic, financial and political events in one or more jurisdictions or areas.

*1.6.5 Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

*1.6.6 Risks related to Singapore taxation*

Notes issued in Singapore dollars to be issued from time to time under the Programme, during the period from the date of this Base Prospectus to 31 December 2023, are intended to be, where applicable, "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore (the **ITA**), subject to the fulfilment of certain conditions as further described under "*Taxation in Singapore*". However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith under the ITA should the relevant tax laws be amended or revoked at any time, which amendment or revocation may be prospective or retroactive.

*1.6.7 The value of the Notes could be adversely affected by a change in English or Italian laws or administrative practice*

The Terms and Conditions for the English Law Notes are based on English law in effect as at the date of this Base Prospectus, save that subordination provisions applicable to Subordinated Notes and the contractual recognition of statutory Bail-in Powers are governed by, and shall be construed in accordance with, Italian law in effect as at the date of this Base Prospectus, the Italian Law Notes are based on Italian law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or to Italian law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

*1.6.8 Risk relating to the governing law of the Italian Law Notes*

The Terms and Conditions for the Italian Law Notes are governed by Italian law and Condition 20.1 of the Terms and Conditions for the Italian Law Notes provides that contractual and non-contractual obligations arising out or in connection with them are governed by, and shall be construed in accordance with, Italian Law. The Global Notes representing the Italian Law Notes provide that all contractual and non-contractual obligations arising out of or in connection with the Global Notes representing the Italian Law Notes are governed by Italian law, save for the form and transferability of the Global Notes which are governed by English law. Furthermore, Temporary Global Notes and Permanent Global Notes, whether issued in CGN or NGN form, as the case may be, representing the Italian Law Notes are signed by the Issuer in the United Kingdom and, thereafter, delivered to Citibank N.A., London Branch as initial Principal Paying Agent, being the entity in charge for, *inter alia*, completing, authenticating and delivering the Temporary Global Notes and Permanent Global Notes and (if required) authenticating and delivering Definitive Notes, hence the Italian Law Notes would be deemed to be issued in England and according to Italian law. Article 59 of Law No. 218 of 31 May 1995 (regarding the Italian international private law rules) provides that "other debt securities (*titoli di credito*) are governed by the law of the State in which the security was issued".

In light of the above, the Issuer cannot foresee the effect of any potential misalignment between the laws applicable to the Terms and Conditions for the Italian Law Notes and the Global Notes and the laws

applicable to their transfer and circulation for any prospective investors in the Italian Law Notes and any disputes which may arise in relation to, *inter alia*, the transfer of ownership in the Italian Law Notes.

*1.6.9 Notes issued, if any, as "Green Bonds", "Social Bonds" or "Sustainability Bonds" may not be a suitable investment for all investors seeking exposure to green assets or social assets or sustainable assets*

If so specified in the relevant Final Terms, the Issuer may issue Notes under the Programme described as "green bonds" (**Green Bonds**), "social bonds" (**Social Bonds**), "sustainability bonds" (**Sustainability Bonds**) in accordance with the principles set out by the International Capital Market Association (**ICMA**) (respectively, the Green Bond Principles (**GBP**), the Social Bond Principles (**SBP**) and the Sustainability Bond Guidelines (**SBG**)).

In such a case, prospective investors should have regard to the information set out at "Reasons for the Offer, estimated net proceeds and total expenses" in the applicable Final Terms and must determine for themselves the relevance of such information for the purpose of any investment in the Notes together with any other investigation such investors deem necessary, and must assess the suitability of that investment in light of their own circumstances. In particular, no assurance is given by the Issuer, the Arranger or the Dealers that the use of such proceeds for the funding of any green project or social project or sustainable project, as the case may be, will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations (including, amongst others, Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the EU Taxonomy Regulation) and the Sustainable Finance Taxonomy Regulation Delegated Acts for climate change mitigation and adaption (the **Sustainable Finance Taxonomy Regulation Delegated Acts**) adopted by the EU Commission on 21 April 2021 (jointly, the **EU Taxonomy Regulation**) or by its own by-laws or other governing rules or investment portfolio mandates. Furthermore, it should be noted that there is currently no clearly established definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, respectively "green" or a "social" or a "sustainable" project or as to what precise attributes are required for a particular project to be defined as "green" or "social" or "sustainable" or such other equivalent label. The EU Taxonomy Regulation has been recently enacted and the Sustainable Finance Taxonomy Regulation Delegated Acts was published in agreed form between EU Member States on 21 April 2021. The EU Taxonomy Regulation is subject to further development by way of the implementation by the European Commission through the formal adoption of the Taxonomy Regulation Delegated Acts, which is expected to take place by the second quarter of 2021. Accordingly, no assurance is or can be given to investors that any green or social or sustainable project, as the case may be, towards which proceeds of the Notes are to be applied will meet any or all investor expectations regarding such "green" or "social" or "sustainable"(or other equivalently labelled) performance objectives (including those set out under the EU Taxonomy Regulation and the Taxonomy Regulation Delegated Acts) or that any adverse social, green, sustainable and/or other impacts will not occur during the implementation of any green or social or sustainable project. Moreover, in light of the continuing development of legal, regulatory and market conventions in the green, sustainable and positive social impact markets, there is a risk that the legal frameworks and/or definitions may (or may not) be modified to adapt any update that may be made to the ICMA's Green Bond Principles and/or the ICMA's Social Bonds Principles and/or the ICMA's Sustainable Bonds Guidelines and/or the EU framework standard. Such changes may have a negative impact on the market value and the liquidity of any Green Bond, Social Bond or Sustainability Bond issued prior to their implementation.

Furthermore, it should be noted that in connection with the issue of Green Bonds, Social Bonds and Sustainability Bonds, the Issuer may request a sustainability rating agency or sustainability consulting firm to issue a second-party opinion confirming that the relevant green and/or social and/or sustainable project, as the case may be have been defined in accordance with the broad categorisation of eligibility for green, social and sustainable projects set out in the GBP, the SBP and the SBG and/or a second-party opinion regarding the suitability of the Notes as an investment in connection with certain environmental, sustainability or social projects (any such second-party opinion, a **Second-party Opinion**). A Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes or the projects financed or refinanced toward an amount corresponding the net proceeds of the relevant issue of Green Bonds, Social Bonds or Sustainability Bonds. A Second-party Opinion would not constitute a recommendation to buy, sell or hold the relevant Green Bonds or Social Bonds or Sustainability Bonds and would only be current as of the date

it is released. In addition, no assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any Second-party Opinion, which may or may not be made available in connection with the issue of any Green Bond, Social Bond or Sustainability Bond and in particular with any eligible projects to fulfil any environmental, social, sustainability and/or other criteria. Any such Second-party Opinion is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus.

A withdrawal of the Second-party Opinion may affect the value of such Green Bonds, Social Bonds or Sustainability Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green or social or sustainable assets. The withdrawal of any report, assessment, opinion or certification as described above, or any such Second-party Opinion attesting that the Issuer is not complying in whole or in part with any matters for which such Second-party Opinion is reporting, assessing, opining or certifying on, and/or any such Green Bonds, Social Bonds or Sustainability Bonds no longer being listed or admitted to trading on any stock exchange or securities market, as aforesaid, may have a material adverse effect on the value of Green Bonds, Social Bonds or Sustainability Bonds and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

In the event that any Green Bond, Social Bond or Sustainability Bond are listed or admitted to trading on any dedicated "green", "environmental", "social" or "sustainable" or other equivalently labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Arranger, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. Furthermore, the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another.

While it is the intention of the Issuers to apply an amount equivalent to the proceeds of Social Bonds, Green Bonds or Sustainability Bonds in, or substantially in, the manner described in the applicable Final Terms, there can be no assurance that the green, social or sustainable projects, as the case may be, will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly the proceeds of the relevant Green Bonds, Social Bonds or Sustainability Bonds will be totally or partially disbursed for such projects. Nor can there be any assurance that such green, social or sustainable projects will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer (including to comply with their reporting obligations or to obtain any assessment, opinion or certification, including the Second-party Opinion in relation to Green Bonds, Social Bonds or Sustainability Bonds) will not (i) give rise to any claim of a Noteholder against the Issuer; (ii) constitute an event of default under the relevant Notes; (iii) lead to an obligation of the Issuer to redeem such Notes or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Notes; (iv) affect the qualification of such Notes as Senior Notes, Non-Preferred Senior Notes, Subordinated Notes, Additional Tier 1 Notes or as eligible liabilities instruments (as applicable); or (v) prevent the applicability of the Bail-in Power. Neither the proceeds of any Green Bonds, Social Bonds or Sustainability Bonds nor any amount equal to such proceeds or asset financed with such proceeds will be segregated by the Issuer from its capital and other assets. For the avoidance of doubt, payments of principal and interest (as the case may be) on the relevant Green Bonds, Social Bonds or Sustainability Bonds shall not depend on the performance of the relevant project nor have any preferred or any other right against the green, social or sustainable assets towards which proceeds of the Notes are to be applied.

Any such event or failure to apply the proceeds of the issue of the Notes for any green, social or sustainable projects as aforesaid may have a material adverse effect on the value of the Notes and/or result in adverse consequences for, amongst others, investors with portfolio mandates to invest in securities to be used for a particular purpose.

In addition, Green Bonds, Social Bonds or Sustainability Bonds may also qualify as own funds or eligible liabilities. Among the risks applicable to the Issuer's Notes, the Issuer's Green Bonds, Social Bonds or Sustainability Bonds may be subject to mandatory write-down or conversion to equity in the event a resolution procedure is initiated in respect of the UniCredit Group (including the Issuer) and, with respect to Green Bonds, Social Bonds or Sustainability Bonds qualifying as Tier 2 Capital or Additional Tier 1 Capital, even before the commencement of any such procedure if certain conditions are met, in which cases the fact that such Notes are designated as Green Bonds, Social Bonds or Sustainability Bonds does not provide their

holders with any priority compared to other Notes, nor are the risks related to their level of subordination affected.

### 1.7 Risks relating to Renminbi Notes

*1.7.1* *The Renminbi is not completely freely convertible and there are significant restrictions on the remittance of the Renminbi into and outside the PRC which may affect the liquidity of the Notes*

The Renminbi is not completely freely convertible at present. The government of the PRC (the **PRC Government**) continues to regulate conversion between the Renminbi and foreign currencies.

Although since 1 October 2016, the Renminbi has been added to the Special Drawing Rights basket created by the IMF and policies for further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were issued, there is no assurance that the PRC Government will continue to liberalise the control over cross-border Renminbi remittances in the future, that any pilot schemes for Renminbi cross-border liberalisation will not be discontinued or that new PRC regulations, or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital accounts items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi (the **Renminbi Notes**).

*1.7.2* *There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the Issuer's ability to source Renminbi outside the PRC to service the Renminbi Notes*

As a result of the restrictions imposed by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent that the Issuer is required to source Renminbi in the offshore market to service the Renminbi Notes, there is no assurance that it will be able to source such Renminbi on satisfactory terms, if at all. If the Renminbi is not available in certain circumstances as described in the conditions applicable to Renminbi Notes, the Issuer can make payments under the Renminbi Notes in U.S. Dollars or such other currency as specified in the applicable final terms or pricing supplement of the Notes (as the case may be).

*1.7.3* *Investment in the Renminbi Notes is subject to exchange rate risks*

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to the Renminbi Notes in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments in U.S. dollar terms (or in terms of other applicable foreign currencies) may vary with the prevailing exchange rates in the market place. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of the investment in U.S. dollar or other applicable foreign currency terms will decline. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in Renminbi Notes.

In the event that access to Renminbi becomes restricted to the extent that, by reason of Inconvertibility, Non-transferability or Illiquidity (as defined in the Terms and Conditions of the Notes), the Issuer is unable, or it is impractical for it, to pay interest or principal in Renminbi, the Conditions of the Notes allow the Issuer to make payment in U.S. dollars or such other currency as specified in the applicable final terms or pricing supplement of the Notes (as the case may be) at the prevailing Spot Rate (as defined in the Conditions of the Notes) for the relevant Determination Date (as defined in the Conditions of the Notes), all as provided in more detail in the Conditions of the Notes. As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of a holder's investment in U.S. dollar or other foreign currency terms will decline.

*1.7.4 An investment in Renminbi Notes is subject to interest rate risk*

The PRC Government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions. The Renminbi Notes may carry a fixed interest rate. Consequently, the trading price of such Renminbi Notes will vary with fluctuations in interest rates. If a holder of Renminbi Notes tries to sell any Renminbi Notes before their maturity, they may receive an offer that is less than the amount invested.

*1.7.5 An investment in Renminbi Notes is subject to risk of change in the regulatory regime governing the issuance of Renminbi Notes*

Renminbi Notes issuance is subject to laws and regulations of the relevant RMB Settlement Centre(s) (as defined in the Terms and Conditions of the Notes). There can be no assurance that the PRC Government will continue to encourage issuance of RMB-denominated debt instruments outside of mainland China and any change in the Chinese government's policy or the regulatory regime governing the issuance of RMB-denominated debt instruments may adversely affect the Renminbi Notes.

*1.7.6 Payments in respect of the Renminbi Notes will only be made to investors in the manner specified in the terms and conditions of the relevant Notes*

Investors may be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in the RMB Settlement Centre(s). All Renminbi payments to investors in respect of the Notes will be made solely (i) for so long as the Notes are represented by Global Notes held with the common depositary or common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg or any alternative clearing system by transfer to a Renminbi bank account maintained in RMB Settlement Centre(s) in accordance with prevailing Euroclear and/or Clearstream, Luxembourg rules and procedures, or (ii) for so long as the Notes are in definitive form, by transfer to a Renminbi bank account maintained in the RMB Settlement Centre(s) in accordance with prevailing rules and regulations. Other than described in the Conditions of the Notes, the Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

*1.7.7 PRC Taxation*

Prospective purchasers or holders of the Notes are advised to consult their own tax advisers as to the overall PRC tax consequences of the purchase, ownership and disposal of Notes, including the effect of any state or local taxes, under the tax laws of the PRC.

**1.8 Risks related to the market generally**

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

*1.8.1 Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes*

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

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third

country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

*1.8.2* *An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes*

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid and may be sensitive to changes in financial markets. Therefore investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case should the Issuer be in financial distress, which may result in any sale of the Notes having to be at a substantial discount to their principal amount or for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

*1.8.3* *If an investor holds Notes which are not denominated in the investor's home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency-equivalent value of the principal payable on the Notes and (c) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

### *1.8.4 The value of Fixed Rate Notes may be adversely affected by movements in market interest rates*

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

# Important Information

**This document constitutes a base prospectus in respect of all Notes other than Exempt Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation (the Base Prospectus). When used in this Base Prospectus, Prospectus Regulation means Regulation (EU) 2017/1129, as amended, and UK Prospectus Regulation means Regulation (EU) 2017/1129, as amended, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA).**

**This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that those documents are incorporated and form part of this Base Prospectus.**

**Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the CSSF.**

**No representation, warranty or undertaking, express or implied, is made by any of the Dealers or any of their respective affiliates or the Trustee and no responsibility or liability is accepted by any of the Dealers or by any of their respective affiliates or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or of any other information provided by the Issuer in connection with the Programme. No Dealer or any of their respective affiliates or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.**

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

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

**No person is or has been authorised by the Issuer or the Trustee to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Dealers or the Trustee.**

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

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

**(a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or in any applicable supplement;**

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

**(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;**

**(d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and**

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

**Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the knowledge and expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the likelihood of cancellation of Interest Amounts or a Write Down in the case of the Additional Tier 1 Notes or the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.**

**The obligations of the Issuer under the Notes are not covered by deposit insurance schemes in the Republic of Italy. Furthermore, the Notes will not be guaranteed by the Republic of Italy under any legislation that is or will be passed to address liquidity issues in the credit markets, including government guarantees or similar measures. A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. For a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Exempt Notes, please see section headed "*Factors which are material for the purpose of assessing the market risks associated with notes issued under the Programme*" in the Risk Factors section.**

**None of the Dealers, the Issuer or the Trustee makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.**

**Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Notes.**

**Restrictions on marketing, sales and resales of Additional Tier 1 Notes to Retail Investors**

1. The Additional Tier 1 Notes discussed in this document are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Additional Tier 1 Notes. Potential investors in the Additional Tier 1 Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Additional Tier 1 Notes (or any beneficial interests therein).

2. a) In the United Kingdom (**UK**), the Financial Conduct Authority (**FCA**) Conduct of Business Sourcebook (**COBS**) requires, in summary, that the Securities should not be offered or sold to retail clients (as defined in COBS 3.4 and each a **retail client**) in the UK.

   b) Each Dealer is required to comply with COBS.

   c) By purchasing, or making or accepting an offer to purchase, any Additional Tier 1 Notes (or a beneficial interest in such Additional Tier 1 Notes) from the Issuer and/or the Dealers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Dealers that:

      i) it is not a retail client in the UK; and

      ii) it will not sell or offer the Additional Tier 1 Notes (or any beneficial interest therein) to retail clients in the UK or communicate (including the distribution of the Base Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Additional Tier 1 Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK.

   d) In selling or offering the Additional Tier 1 Notes or making or approving communications relating to the Additional Tier 1 Notes you may not rely on the limited exemptions set out in COBS.

3. The obligations in paragraph 2 above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the European Economic Area (**EEA**) or the UK) relating to the promotion, offering, distribution and/or sale of the Additional Tier 1 Notes (or any beneficial interests therein), whether or not specifically mentioned in the Base Prospectus, including (without limitation) any requirements under the Markets in Financial Instruments Directive 2014/65/EU (as amended) (**MiFID II**) or the UK FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Additional Tier 1 Notes (or any beneficial interests therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Additional Tier 1 Notes (or any beneficial interests therein) from the Issuer and/or the Dealers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client

**Guidance under the Hong Kong Monetary Authority (the HKMA) circular –** In October 2018, the HKMA issued a circular regarding enhanced investor protection measures on the sale and distribution of debt instruments with loss-absorption features and related products (the **HKMA Circular**)**.** Under the HKMA Circular, debt instruments with loss-absorption features, being subject to the risk of being written-down or converted to ordinary shares, and investment products that invest mainly in, or whose returns are closely linked to the performance of such instruments (together, **Loss-Absorption Products**), are to be targeted in Hong Kong at professional investors (as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and its subsidiary legislation, **Professional Investors**) only. All Additional Tier 1 Notes issued or to be issued under the Programme contain loss-absorption features and may be considered Loss-Absorption Products under the HKMA Circular. **Investors in Hong Kong should not purchase such Notes with loss-absorption features unless they are Professional Investors and understand the risks involved. Such Notes are generally not suitable for retail investors in Hong Kong in either the primary or the secondary markets.**

**Investors in Hong Kong should not purchase the Additional Tier 1 Notes in the primary or secondary markets unless they are professional investors (as defined in the SFO and its subsidiary legislation) only and understand the risks involved. The Additional Tier 1 Notes are generally not suitable for retail investors.**

**IMPORTANT – EEA RETAIL INVESTORS** – If the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specify that "Prohibition of Sales to EEA Retail Investors" is applicable, 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 MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined

in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129, as amended (the **Prospectus Regulation**). Consequently, no key information document required by 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.

**IMPORTANT – UK RETAIL INVESTORS** – If the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specify that "Prohibition of Sales to UK Retail Investors" is applicable, 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 United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565, as amended, as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation, as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended, as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**MIFID II product governance / target market** – The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a distributor) should take into consideration the 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 target market assessment) and determining appropriate distribution channels.

**UK MiFIR product governance / target market** – The Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) will include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

**Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the SFA)** – Unless otherwise stated in the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes), all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) 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).

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

## IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF SENIOR OR SUBORDINATED NOTES

**Restrictions on Non-exempt Offers of Notes in relevant Member States**

Certain Tranches of Senior or Subordinated Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Regulation to publish a prospectus. Any such offer is referred to as a **Non-exempt Offer**. This Base Prospectus has been prepared on a basis that permits Non-exempt Offers of Senior or Subordinated Notes in Luxembourg and in the following States where the Issuer has passported this Base Prospectus to: the Republic of Italy, the Federal Republic of Germany and Austria, as specified in the applicable Final Terms (each specified Member State a **Non-exempt Offer Jurisdiction** and together the **Non-exempt Offer Jurisdictions**). Any person making or intending to make a Non-exempt Offer of Senior or Subordinated Notes on the basis of this Base Prospectus must do so only with the Issuer's consent to the use of this Base Prospectus as provided under "*Consent given in accordance with Article 5(1) of the Prospectus Regulation (Retail Cascades)*" and provided that such person complies with the conditions specified in or attached to that consent.

Save as provided above, none of the Issuer and any Dealer have authorised, nor do they authorise, the making of any Non-exempt Offer of Senior or Subordinated Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The Non-Preferred Senior Notes and the Additional Tier 1 Notes shall not be offered in the context of a Non-exempt Offer.

## IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

**This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Dealer(s) and the Trustee do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer, the Dealer(s) or the Trustee (where relevant) which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, Japan, Hong Kong, the People's Republic of China, Australia, Taiwan, the EEA (including, for these purposes, the Republic of Italy, France, the Federal Republic of Germany and Austria) and the United Kingdom. See "*Subscription and Sale and Transfer and Selling Restrictions*".**

**See "*Form of the Notes*" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see "*Subscription and Sale and Transfer and Selling Restrictions*".**

**This Base Prospectus has not been submitted for clearance to the *Autorité des Marchés financiers* in France.**

## SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

I. has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

II. has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

III. has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

IV. understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and

V. is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

## CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Some statements in this Base Prospectus may be deemed to be forward looking statements. Forward looking statements include statements concerning the Issuer's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Base Prospectus, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward looking statements. These forward looking statements are contained in the section entitled "*Risk Factors*" and other sections of this Base Prospectus. The Issuer has based these forward looking statements on the current view of their management with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Base Prospectus, if one or more of the risks or uncertainties materialise, including those identified below or which the Issuer has otherwise identified in this Base Prospectus, or if any of the Issuer's underlying assumptions prove to be incomplete or inaccurate, the Issuer's actual results of operation may vary from those expected, estimated or predicted.

The risks and uncertainties referred to above include:

- the Issuer's ability to achieve and manage the growth of its business;
- the performance of the markets in the Issuer's jurisdiction and the wider region in which the Issuer operates;
- the Issuer's ability to realise the benefits it expects from existing and future projects and investments it is undertaking or plans to or may undertake;
- the Issuer's ability to obtain external financing or maintain sufficient capital to fund its existing and future investments and projects;

- changes in political, social, legal or economic conditions in the markets in which the Issuer and its customers operate; and

- actions taken by the Issuer's joint venture partners that may not be in accordance with its policies and objectives.

Any forward looking statements contained in this Base Prospectus speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward looking statements contained in it to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward looking statement is based.

## U.S. INFORMATION

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Base Prospectus or confirmed the accuracy or determined the adequacy of the information contained in this Base Prospectus. Any representation to the contrary is unlawful.

This Base Prospectus may be distributed on a confidential basis in the United States to a limited number of "qualified institutional buyers" (**QIBs**) within the meaning of Rule 144A under the Securities Act (**Rule 144A**) or Institutional Accredited Investors (each as defined under "*Form of the Notes*") for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

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

Registered Notes may be offered or sold within the United States only to QIBs or to Institutional Accredited Investors, in either case in transactions exempt from registration under the Securities Act in reliance on Rule 144A or any other applicable exemption. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Purchasers of Definitive IAI Registered Notes will be required to execute and deliver an IAI Investment Letter (as defined under *"Terms and Conditions for the English Law Notes"*). Each purchaser or holder of Definitive IAI Registered Notes, Notes represented by a Rule 144A Global Note or of any Notes issued in registered form in exchange or substitution therefor (together, the **Legended Notes**) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Notes*".

### Available Information

To permit compliance with Rule 144A in connection with any resales or other transfers of English Law Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer has undertaken in a deed poll dated 7 June 2021 (the **Deed Poll**) to furnish, upon the request of a holder of such Notes or of any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144A(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the **Exchange Act**), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

**Service of Process and Enforcement of Civil Liabilities**

The Issuer is a corporation organised under the laws of the Republic of Italy. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside the Republic of Italy upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside the Republic of Italy predicated upon civil liabilities of the Issuer or of such directors and officers under laws other than Italian law, including any judgment predicated upon United States federal securities laws.

**PRESENTATION OF FINANCIAL INFORMATION**

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been derived from the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2019 and 31 December 2018 respectively (together, the **Financial Statements**).

The Issuer's financial years end on 31 December, and references in this Base Prospectus to any specific year are either to the 12-month period ended on 31 December of such year or as of 31 December of such year, as applicable. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board.

Investors should consult the Issuer should they require a copy of the ISDA 2006 Definitions, the ISDA 2003 Credit Derivatives Definitions or the ISDA 2009 Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions published on 14 July 2009, as applicable.

**Certain Defined Terms and Conventions**

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in the Terms and Conditions or any other section of this Base Prospectus. In addition, the following terms as used in this Base Prospectus have the meanings defined below:

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

**In this Base Prospectus, all references to:**

- **U.S. dollars**, **U.S.$** and **$** refer to United States dollars;
- to **Sterling**, **GBP** and **£** refer to pounds sterling;
- **Canadian Dollars** and **C$** refer to the currency of Canada;
- **euro**, **Euro** and **€** refer to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended; and
- **Renminbi**, **RMB** and **CNY** refers to the currency of the People's Republic of China. All references to the **PRC** are to the People's Republic of China excluding the Hong Kong Special Administrative Region of the People's Republic of China (**Hong Kong**), the Macau Special Administrative Region of the People's Republic of China and Taiwan.
- References to a **billion** are to a thousand million.

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

# Responsibility Statement, Third Party Information and Experts' Reports

## 1. Persons responsible for the Base Prospectus

UniCredit S.p.A. as Issuer (the **Responsible Person**), having its registered, head office and principal centre of business, at Piazza Gae Aulenti, 3 Tower A, 20154 Milan, Italy, accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme.

## 2. Responsibility Declaration

To the best of the knowledge of the Responsible Person, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is in accordance with the facts and contains no omissions likely to affect its import.

## 3. Third party information

No third party information is included in this Base Prospectus, except for the rating information set out in the section headed "*Credit Ratings*" in the "*Description of UniCredit and the UniCredit Group*" of this Base Prospectus. The Issuer declares that such information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The sources of such information are the following rating agency: Fitch Ratings Ireland Limited – Sede Secondaria Italiana (**Fitch**), by Moody's Investors Service (**Moody's**) and by S&P Global Ratings (**S&P**).

## 4. Experts' reports

No statement or report attributed to a person as an expert is included in this Base Prospectus, except for the reports of the auditors of the Issuer who have audited the consolidated financial statements of the UniCredit Group and the financial statements of the Issuer for the financial year ended on 31 December 2020 and 31 December 2019 and who have carried out the limited review of the consolidated first half financial report of UniCredit ended on 30 June 2020.

For further information please see the section headed "*External Auditors*" in the "*General Information*" of this Base Prospectus.

# Consent given in accordance with Article 5(1) of the Prospectus Regulation (Retail Cascades)

In the context of a Non-exempt Offer of Senior or Subordinated Notes, the Issuer accepts responsibility in each of the Non-exempt Offer Jurisdictions for the content of this Base Prospectus under Article 6 of the Prospectus Regulation in relation to any person (an **Investor**) who acquires any Senior or Subordinated Notes in a Non-exempt Offer made by a Dealer or an Authorised Offeror (as defined below), where that offer is made during the Offer Period specified in the applicable Final Terms and provided that the conditions attached to the giving of consent for the use of this Base Prospectus are complied with. The consent and conditions attached to it are set out under "*Consent*" and "*Common Conditions to Consent*" below.

None of the Issuer or any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Non-exempt Offer and none of the Issuer or any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

Save as provided below, the Issuer has not authorised the making of any Non-exempt Offer by any offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any Non-exempt Offer of Senior or Subordinated Notes. Any Non-exempt Offer made without the consent of the Issuer is unauthorised and none of the Issuer and, for the avoidance of doubt, any Dealer accepts any responsibility or liability in relation to such offer for the actions of the persons making any such unauthorised offer.

If, in the context of a Non-exempt Offer, an Investor is offered Senior or Subordinated Notes by a person which is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Base Prospectus for the purposes of Article 6 of the Prospectus Regulation in the context of the relevant Non-exempt Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

The financial intermediaries referred to in paragraphs(a)(ii), (a)(iii) and (b) below are together the **Authorised Offerors** and each an **Authorised Offeror**.

***Consent***

In connection with each Tranche of Senior or Subordinated Notes and subject to the conditions set out below under "*Common Conditions to Consent*":

***(a) Specific Consent***: the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of such Senior or Subordinated Notes by:

(i) the relevant Dealer(s) or Manager(s) specified in the applicable Final Terms;

(ii) any financial intermediaries specified in the applicable Final Terms; and

(iii) any other financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the Issuer's website (*www.unicreditgroup.eu*) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer; and

***(b) General Consent***: if (and only if) Part B of the applicable Final Terms specifies "General Consent" as "Applicable", the Issuer hereby offers to grant its consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of Senior or Subordinated Notes by any financial intermediary which satisfies the following conditions:

(i) it is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2014/65/EU); and

(ii) it accepts such offer by publishing on its website the following statement (with the information in square brackets duly completed) (the **Acceptance Statement**):

"We, [*insert legal name of financial intermediary*], refer to the offer of [*insert title of relevant Senior or Subordinated Notes*] (the **Notes**) described in the Final Terms dated [*insert date*] (the **Final Terms**) published by UniCredit S.p.A. (the **Issuer**). In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [*specify relevant State(s)*] during the Offer Period and subject to the other conditions to such consent, each as specified in the Base Prospectus, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus), and confirm that we are using the Base Prospectus accordingly."

The consent referred to above relates to Non-exempt offers occurring within 12 months from the date of this Base Prospectus.

The **Authorised Offeror Terms** are that the relevant financial intermediary:

(A) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer and the relevant Dealer that it will, at all times in connection with the relevant Non-exempt Offer:

(I) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the **Rules**) from time to time including, without limitation, and in each case, Rules relating to both the appropriateness or suitability of any investment in the Senior or Subordinated Notes by any person and disclosure to any potential Investor;

(II) comply with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus which would apply if the relevant financial intermediary were a Dealer and consider the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID II product governance" legend set out in the applicable Final Terms;

(III) ensure that any fee (and any other commissions or benefits of any kind) or rebate received or paid by the relevant financial intermediary in relation to the offer or sale of the Senior or Subordinated Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;

(IV) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Senior or Subordinated Notes under the Rules;

(V) comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Senior or Subordinated Notes by the Investor), and will not permit any application for Senior or Subordinated Notes in circumstances where the financial intermediary has any suspicions as to the source of the application moneys;

(VI) retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the rules, make such records available to the relevant Dealer and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer in order to enable the Issuer and/or the relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to the Issuer and the relevant Dealer, as the case may be;

(VII) immediately inform the Issuer and the relevant Dealer if at any time it becomes aware, or suspects, that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;

(VIII) ensure that no holder of Senior or Subordinated Notes or potential Investor in Senior or Subordinated Notes shall become an indirect or direct client of the Issuer or the relevant Dealer for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;

(IX) co-operate with the Issuer and the relevant Dealer in providing relevant information (including, without limitation, documents and records maintained pursuant to paragraph (I) above) and such further assistance as is reasonably requested upon written request from the Issuer or the relevant Dealer in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process. For this purpose, relevant information is information that is available to or can be acquired by the relevant financial intermediary:

(i) in connection with any request or investigation by any regulator in relation to the Senior or Subordinated Notes, the Issuer or the relevant Dealer; and/or

(ii) in connection with any complaints received by the Issuer and/or the relevant Dealer relating to the Issuer and/or the relevant Dealer or another Authorised Offeror including, without limitation, complaints as defined in the Rules; and/or

(iii) which the Issuer or the relevant Dealer may reasonably require from time to time in relation to the Senior or Subordinated Notes and/or to allow the Issuer or the relevant Dealer fully to comply with its own legal, tax and regulatory requirements;

(X) during the primary distribution period of the Senior or Subordinated Notes: (i) only sell the Senior or Subordinated Notes at the Issue Price specified in the applicable Final Terms (unless otherwise agreed with the relevant Dealer); (ii) only sell the Senior or Subordinated Notes for settlement on the Issue Date specified in the applicable Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed with the relevant Dealer); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Senior or Subordinated Notes (unless otherwise agreed with the relevant Dealer); and (v) comply with such other rules of conduct as may be reasonably required and specified by the relevant Dealer;

(XI) either (i) obtain from each potential Investor an executed application for the Senior or Subordinated Notes, or (ii) keep a record of all requests the relevant financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Senior or Subordinated Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;

(XII) ensure that it does not, directly or indirectly, cause the Issuer or the relevant Dealer to breach any Rule or subject the Issuer or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;

(XIII) comply with the conditions to the consent referred to under "Common Conditions to Consent" below and any further requirements or other Authorised Offeror Terms relevant to the Non-exempt Offer as specified in the applicable Final Terms;

(XIV) make available to each potential Investor in the Senior or Subordinated Notes this Base Prospectus (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with this Base Prospectus; and

(XV) if it conveys or publishes any communication (other than this Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the Issuer for the purposes of the relevant Non-exempt Offer) in connection with the relevant Non-exempt Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the Issuer, that such financial intermediary is solely responsible for such communication and that none of the Issuer and the relevant Dealer accepts any responsibility for such communication and (C) does not, without the prior written consent of the Issuer or the relevant Dealer (as applicable), use the legal or publicity names of the Issuer or the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Issuer as issuer of the relevant Senior or Subordinated Notes on the basis set out in this Base Prospectus;

(B) agrees and undertakes to each of the Issuer and the relevant Dealer that if it or any of its respective directors, officers, employees, agents, affiliates and controlling persons (each a **Relevant Party**) incurs any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) (a **Loss**) arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by the relevant financial intermediary, including (without limitation) any unauthorised action by the relevant financial intermediary or failure by it to observe any of the above restrictions or requirements or the making by it of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer or the relevant Dealer, the relevant financial intermediary shall pay to the Issuer, or the relevant Dealer, as the case may be, an amount equal to the Loss. Neither the Issuer nor any Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this provision; and

(C) agrees and accepts that:

(I) the contract between the Issuer and the relevant financial intermediary formed upon acceptance by the relevant financial intermediary of the Issuer's offer to use the Base Prospectus with its consent in connection with the relevant Exempt Offer (the **Authorised Offeror Contract**), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law if the applicable Senior or Subordinated Notes are English Law Notes, or Italian law if the applicable Senior or Subordinated Notes are Italian Law Notes;

(II) subject to paragraph (IV) below, the English courts if the applicable Senior or Subordinated Notes are English Law Notes, or Italian courts if the applicable Senior or Subordinated Notes are Italian Law Notes, have exclusive jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a **Dispute**) and the Issuer and the relevant financial intermediary submit to the exclusive jurisdiction of the English courts or Italian courts, as appropriate;

(III) for the purposes of paragraphs (II) above and (IV) below, the Issuer and the relevant financial intermediary waive any objection to the English courts if the applicable Senior or Subordinated Notes are English Law Notes, or Italian courts if the applicable Senior or Subordinated Notes are Italian Law Notes, on the grounds that they are an inconvenient or inappropriate forum to settle any dispute; and

(IV) the Issuer and each relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

**Any Authorised Offeror falling within paragraph (b) above and who meets the other conditions stated in "*Common Conditions to Consent*" below and who wishes to use this Base Prospectus in connection with a Non-exempt Offer is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement.**

***Common Conditions to Consent***

The conditions to the Issuer's consent are (in addition to the conditions described in paragraph (a) above if Part B of the applicable Final Terms specifies "*General Consent*" as "*Applicable*") that such consent:

I. is only valid during the Offer Period specified in the applicable Final Terms; and

II. only extends to the use of this Base Prospectus to make Non-exempt Offers of the relevant Tranche of Senior or Subordinated Notes in the Republic of Italy, Luxembourg, the Federal Republic of Germany and Austria as specified in the applicable Final Terms.

The consent referred to above only relates to Offer Periods (if any) occurring within 12 months from the date of this Base Prospectus.

Each Tranche of Senior or Subordinated Notes may only be offered to Investors as part of a Non-exempt Offer in each Relevant Member State specified in the applicable Final Terms, or otherwise in circumstances in which no obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

***ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS***

**AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY SENIOR OR SUBORDINATED NOTES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH SENIOR OR SUBORDINATED NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE NON-EXEMPT OFFER OR SALE OF THE SENIOR OR SUBORDINATED NOTES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE AUTHORISED OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER. NONE OF THE ISSUER AND, FOR THE AVOIDANCE OF DOUBT, ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF THE INFORMATION DESCRIBED ABOVE.**

# Stabilisation

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms or Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, will be carried out in accordance with all applicable laws and regulations and may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

# Documents Incorporated by Reference

The following documents which have previously been published shall be incorporated in, and form part of, this Base Prospectus:

- the Terms and Conditions for the English Law Notes contained in the Base Prospectus dated 5 June 2020, pages 148 to 205 (inclusive), available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/funding-and-ratings/funding-programs/EMTN/2020/UniCredit_EMTN_2020_-_Base_Prospectus_pub.pdf, as subsequently supplemented by Appendix 3 of the Third Supplement dated 5 January 2021, pages 114 to 178 (inclusive), available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/funding-and-ratings/funding-programs/EMTN/2020/UC_Third_Supplement_20-21_pub.pdf, prepared by the Issuer in connection with the Programme;

- the Terms and Conditions for the Italian Law Notes contained in the Base Prospectus dated 5 June 2020, pages 206 to 267 (inclusive), available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/funding-and-ratings/funding-programs/EMTN/2020/UniCredit_EMTN_2020_-_Base_Prospectus_pub.pdf, as subsequently supplemented by Appendix 4 of the Third Supplement dated 5 January 2021, pages 179 to 250 (inclusive), available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/funding-and-ratings/funding-programs/EMTN/2020/UC_Third_Supplement_20-21_pub.pdf, prepared by the Issuer in connection with the Programme;

- the audited consolidated and non-consolidated annual financial statements as at and for the financial year ended 31 December 2020 of UniCredit (the **2020 UniCredit Annual Report and Accounts**) available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2020/4Q20/2020-Annual-Report-and-Accounts.pdf, including the information set out at the following pages in particular:

| **Information incorporated** | **Page numbers**[15] |
|---|---|
| **Consolidated Report and Accounts of UniCredit Group**: | |
| Consolidated Report on Operations | 45-87 |
| Consolidated Balance Sheet | 107 |
| Consolidated Income Statement | 108 |
| Consolidated Statement of Other Comprehensive Income | 109 |
| Statement of Changes in the Consolidated Shareholders' Equity | 110-111 |
| Consolidated Cash Flow Statement | 112-113 |
| Notes to the Consolidated Accounts | 115-421 |
| Certification | 423 |
| Report of External Auditors | 425-436 |
| Annexes | 439-501 |
| **Non-Consolidated Report and Accounts of UniCredit S.p.A.**: | |

[15]Please note that references to the page numbers are made with respect to the page numbers of the PDF document

| | |
|---|---|
| Report on operations | 511-533 |
| Balance Sheet | 537 |
| Income Statement | 538 |
| Statement of Comprehensive Income | 539 |
| Statement of Changes in the Shareholders' Equity | 540-541 |
| Cash Flow Statement | 542-543 |
| Notes to the Accounts | 545-703 |
| Certification | 705 |
| Report of External Auditors | 735-743 |
| Annexes | 747-755 |

- the audited consolidated and non-consolidated annual financial statements as at and for the financial year ended 31 December 2019 of UniCredit (the **2019 UniCredit Annual Report and Accounts**) available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2019/4Q19/2019-Annual-Report-and-Accounts.pdf, including the information set out at the following pages in particular:

| **Information incorporated** | **Page numbers**[16] |
|---|---|
| **Consolidated Report and Accounts of UniCredit Group**: | |
| Consolidated Report on Operations | 31-73 |
| Consolidated Balance Sheet | 93 |
| Consolidated Income Statement | 95 |
| Consolidated Statement of Other Comprehensive Income | 95 |
| Statement of Changes in the Consolidated Shareholders' Equity | 96-97 |
| Consolidated Cash Flow Statement | 98-99 |
| Notes to the Consolidated Accounts | 101-402 |
| Certification | 405 |
| Report of External Auditors | 407-417 |
| Annexes | 419-4775 |
| **Non-Consolidated Report and Accounts of UniCredit S.p.A.**: | |
| Report on operations | 487-509 |
| Balance Sheet | 513 |

[16] Please note that references to the page numbers are made with respect to the page numbers of the PDF document.

| | |
|---|---|
| Income Statement | 514 |
| Statement of Comprehensive Income | 515 |
| Statement of Changes in the Shareholders' Equity | 516-517 |
| Cash Flow Statement | 518-519 |
| Notes to the Accounts | 521-687 |
| Certification | 689 |
| Report of External Auditors | 717-727 |
| Annexes | 731-739 |

- the unaudited consolidated interim report as at and for the three months ended 31 March 2021 – Press Release dated 6 May 2021 of UniCredit (the **UniCredit Unaudited Consolidated Interim Report as at 31 March 2021 – Press Release**) available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/press-and-media/price-sensitive/2020/UniCredit_PR_1Q21_ENG.pdf including the information set out at the following pages in particular:

| **Information incorporated** | **Page numbers** |
|---|---|
| UniCredit Group: Reclassified Income Statement | 21 |
| UniCredit Group: Reclassified Balance Sheet | 22 |
| Other UniCredit Group Tables (Shareholders' Equity, Staff and Branches, Ratings, Sovereign Debt Securities – Breakdown by Country/Portfolio, Weighted Duration, Breakdown of Sovereign Debt Securities by Portfolio, Sovereign Loans – Breakdown by Country) | 23-27 |
| Basis for Preparation | 27-31 |
| Declaration by the manager charged with preparing the financial reports | 32 |

- the unaudited consolidated interim report as at and for the three months ended 31 March 2020 – Press Release dated 6 May 2020 of UniCredit (the **UniCredit Unaudited Consolidated Interim Report as at 31 March 2020 – Press Release**) available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/press-and-media/price-sensitive/2020/UniCredit_PR_1Q20_ENG.pdf, including the information set out at the following pages in particular:

| **Information incorporated** | **Page numbers** |
|---|---|
| UniCredit Group: Reclassified Income Statement | 17-18 |
| UniCredit Group: Reclassified Balance Sheet | 18 |
| Other UniCredit Group Tables (Shareholders' Equity, Staff and Branches, Ratings, Sovereign Debt Securities – Breakdown by Country/Portfolio, Weighted Duration, Breakdown of Sovereign Debt Securities by Portfolio, Sovereign Loans – Breakdown by Country) | 19-22 |
| Basis for Preparation | 23-24 |

| | |
|---|---|
| Declaration by the manager charged with preparing the financial reports | 25 |

Any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts not listed in the cross-reference lists above) are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

# Form of the Notes

Any reference in this section to "applicable Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" where relevant.

The Notes of each Series will either be in bearer form, with or without Coupons attached, or, in the case of English Law Notes, registered form, without Coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**) and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or another exemption under the Securities Act.

**BEARER NOTES**

Each Tranche of Bearer Notes will initially be issued in the form of a temporary global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent Global Note (a **Permanent Bearer Global Note** and, together with the Temporary Bearer Global Note, each a **Bearer Global Note**) which, in either case, will:

I. if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and

II. if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Bearer Global Note of the same Series or (b) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the

Permanent Bearer Global Note) if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange** Event means that (i) an Event of Default (as defined in Condition 11 (*Events of Default*) of the Terms and Conditions for the English Law Notes and Condition 13 (*Events of Default*) of the Terms and Conditions for the Italian Law Notes) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system, which is satisfactory to the Trustee in the case of English Law Notes, is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 16 (*Notices*) of the Terms and Conditions for the English Law Notes and with Condition 17 (*Notices*) of the Terms and Conditions for the Italian Law Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Notes (other than Temporary Global Notes), receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms or Pricing Supplement, as the case may be:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

**REGISTERED NOTES (APPLICABLE TO ENGLISH LAW NOTES ONLY)**

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a **Regulation S Global Note**). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 1 (Series Number) of the Terms and Conditions for the English Law Notes and may not be held otherwise than through Euroclear or Clearstream, Luxembourg, and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions (a) to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act (**QIBs**) or (b) to "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act), that are institutions (**Institutional Accredited Investors**) and who execute and deliver an IAI Investment Letter (as defined in the "*Terms and Conditions for the English Law Notes*") in which they agree to purchase the Notes for their own account and not with a view to the distribution thereof. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a **Rule 144A Global Note** and, together with a Regulation S Global Note, the **Registered Global Notes**). No sale of Legended Notes (as defined under "U.S. Information" above) in the United States to any one purchaser will be for less than U.S.$200,000 (or its foreign currency equivalent) principal amount.

Registered Global Notes will either (a) be deposited with a custodian for, and registered in the name of a nominee of, DTC or (b) be deposited with a common depositary for, and registered in the name of the nominee for the Common Depositary of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof (**Definitive IAI Registered Notes**). Unless otherwise set forth in the applicable Final Terms, Definitive IAI Registered Notes will be issued only in minimum denominations of U.S.$500,000 and integral multiples of U.S.$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency). Definitive IAI Registered Notes will be subject to the restrictions on transfer set forth therein and will bear the restrictive legend described under "*Subscription and Sale and Transfer and Selling Restrictions*". Institutional Accredited Investors that hold Definitive IAI Registered Notes may elect to hold such Notes through DTC, but transferees acquiring the Notes in transactions exempt from Securities Act registration pursuant to Regulation S or Rule 144 under the Securities Act (if available) may do so upon satisfaction of the requirements applicable to such transfer as described under "*Subscription and Sale and Transfer and Selling Restrictions*". The Rule 144A Global Note and the Definitive IAI Registered Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7.6 (*Payments in respect of Registered Notes*) of the Terms and Conditions for the English Law Notes) as the registered holder of the Registered Global Notes. None of the Issuer, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising, investigating, monitoring or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7.6 (*Payments in respect of Registered Notes*) of the Terms and Conditions for the English Law Notes) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that either (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act, or (iii) in the case of Notes registered in the name of a nominee for a Common Depositary for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iv) the Issuer will has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 16 (*Notices*) of the Terms and Conditions for the English Law Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

**TRANSFER OF INTERESTS**

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note or in the form of a Definitive IAI Registered Note and Definitive IAI Registered Notes may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such Notes in the form of an interest in a Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the

extent applicable. **Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Subscription and Sale and Transfer and Selling Restrictions*".**

**GENERAL**

Pursuant to the Agency Agreement for the English Law Notes (as defined under *"Terms and Conditions for the English Law Notes"*) and pursuant to the Agency Agreement for the Italian Law Notes (as defined under "*Terms and Conditions for the Italian Law Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error or as otherwise required by a court of competent jurisdiction or a public official authority) shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note, and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

So long as DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement for the English Law Notes and such Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, in the case of English Law Notes, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

# Applicable Final Terms for Notes with a Denomination of less than €100,000

**NOTES WITH A DENOMINATION OF LESS THAN €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY), OTHER THAN (1) NOTES TO BE ADMITTED TO TRADING ONLY ON A REGULATED MARKET, OR A SPECIFIC SEGMENT OF A REGULATED MARKET, TO WHICH ONLY QUALIFIED INVESTORS HAVE ACCESS, AND (2) EXEMPT NOTES**

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes which are not (1) Notes to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors (as defined in the Prospectus Regulation) have access and (2) Exempt Notes and which have a denomination of less than €100,000 (or its equivalent in any other currency) issued under the Programme.*

**[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 (EU) 2016/97, as amended (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). 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.][17]

**[PROHIBITION OF SALES TO UK 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 United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, as amended (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][18]

[[**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] 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 [Directive 2014/65/EU (as amended, **MiFID II**)][MiFID II]; and (ii) all channels for distribution of the [Notes] to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the [Notes] (a "distributor") should take into consideration the manufacturer['s/s'] 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

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17 Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

18 Legend to be included on the front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] 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 only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][19]

**OR**

[**MIFID II product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] 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, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)][MiFID II]; EITHER [and (ii) all channels for distribution of the [Notes] are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the [Notes] to retail clients are appropriate – investment advice[,/ and] portfolio management[,/ and][ non-advised sales ][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the [Notes] (a "distributor") should take into consideration the manufacturer['s/s'] 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].]]

[**UK MIFIR product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] 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 retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**); EITHER [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][ non-advised sales ][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable].]][20]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (**the **SFA)** - [*To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or 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)*]][21]

[19] Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

[20] Legend to be included on front of the Final Terms if following the ICMA 2 market approach.

[21] Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

[*The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore.*

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the **ITA**), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[*Date*]

**FINAL TERMS**
**UniCredit S.p.A.**
**[*Please include the place of incorporation, registered office, registration number and form of the Issuer*]**

**Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]**
**under the**
**€60,000,000,000 Euro Medium Term Note Programme**

## Part A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the [Terms and Conditions for the English Law Notes] [Terms and Conditions for the Italian Law Notes] set forth in the Base Prospectus dated 7 June 2021 [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus in order to obtain all the relevant information.

A summary of the individual issue is annexed to these Final Terms. The Base Prospectus is available for viewing during normal business hours at UniCredit S.p.A., Piazza Gae Aulenti, 3 Tower A 20154 Milan, Italy and has been published on the website of UniCredit *www.unicreditgroup.eu*, as well as on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. Copies may be obtained, free of charge, from the Issuer at the address above.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date*.]

Terms used herein shall be deemed to be defined as such for the purposes of the [Terms and Conditions for the English Law Notes] [Terms and Conditions for the Italian Law Notes] (the **Conditions**) set forth in the Base Prospectus dated 5 June 2020 which are incorporated by reference in the Base Prospectus dated 7 June 2021. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated [*current date*] [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all the relevant information. A summary of the individual issue is annexed to these Final Terms. The Base Prospectus is available for viewing during normal business hours at UniCredit S.p.A., Piazza Gae Aulenti, 3 Tower A 20154 Milan, Italy and has been published on the website of UniCredit *www.unicreditgroup.eu* as well as on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. Copies may be obtained, free of charge, from the Issuer at the address above.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.*]

[*When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation*.]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency*.]

| | | | |
|---|---|---|---|
| 1. | Series Number: | | [ ] |
| | (a) | Tranche Number: | [ ] |
| | [(b) | Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series with [*Provide issue amount/ISIN/maturity date/issue date of earlier Tranches*] on [the Issue Date/ the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 27 below, which is expected to occur on or about [*date*]][Not Applicable]]<br><br>(*delete this paragraph if Not Applicable*) |
| 2. | Specified Currency or Currencies: | | [ ] |
| 3. | Aggregate Nominal Amount: | | |
| | (a) | Series: | [ ] |
| | (b) | Tranche: | [ ] |
| 4. | Issue Price: | | [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)] |
| 5. | Specified Denominations: | | [ ]<br><br>*(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made. Note that only English Law Notes can be issued in registered form)* |
| | (a) | Calculation Amount: | [ ]<br><br>*(If only one Specified Denomination, insert the Specified Denomination*<br><br>*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations)* |
| 6. | Issue Date: | | [ ] |
| | (a) | Interest Commencement Date: | [*specify*/Issue Date/Not Applicable]<br><br>*(An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)* |

| | | |
|---|---|---|
| 7. | Maturity Date: | [*Specify date or for Floating rate notes - Interest Payment Date falling in or nearest to* [*specify month and year*][22]]<br><br>[*The Maturity Date may need to be not less than one year after the Issue Date*)] |
| 8. | Interest Basis: | [[ ] per cent. Fixed Rate]<br><br>[[ ] per cent. Fixed Rate from [ ] to [ ], then [ ] per cent. Fixed Rate from [ ] to [ ]]<br><br>[[ ] month [LIBOR/EURIBOR/CAD-BA-CDOR/CMS Reference Rate/SOFR] +/- [ ] per cent. Floating Rate]<br><br>[Floating Rate: CMS Rate Linked Interest]<br><br>[Inflation Linked Interest]<br><br>[Zero Coupon]<br><br>(further particulars specified below) |
| 9. | Redemption/Payment Basis: | 100 per cent. |
| 10. | Change of Interest Basis: | [Applicable]/[Not Applicable]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br><br>(*To be completed in addition to paragraphs 13 and 15 below (as appropriate) if any fixed to floating or fixed reset rate change occurs*) |
| | (i) Switch Option: | [Applicable – [*specify details of the change(s) in Interest Basis and the relevant Interest Periods to which the change(s) in Interest Basis applies*]/[Not Applicable]<br><br>(*The Issuer must give notice of the exercise of the Switch Option to Noteholders in accordance with Condition 16 (Notices) of the Terms and Conditions for the English Law Notes and with Condition 17 (Notices) of the Terms and Conditions for the Italian Law Notes on or prior to the relevant Switch Option Expiry Date*) |
| | (ii) Switch Option Expiry Date: | [ ] |
| | (iii) Switch Option Effective Date: | [ ] |
| 11. | Call Options: | [Not Applicable]<br><br>[Issuer Call] |

[22] Note that for Renminbi denominated Fixed Rate Notes, where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

| | | |
|---|---|---|
| | | [Regulatory Call]<br><br>[Issuer Call due to MREL or TLAC Disqualification Event]<br><br>[(see paragraph[s] [19][, 20] [and][21]below] |
| 12. | Status of the Notes: | [Senior/Subordinated] |
| | (a) [Date of [Board] approval for issuance of Notes: | [ ]]<br><br>*(Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)* |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | |
|---|---|---|
| 13. | Fixed Rate Note Provisions: | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining subparagraphs of this paragraph)* |
| | (a) Rate(s) of Interest: | [[ ] per cent. per annum payable in arrear on each Interest Payment Date] [*specify other in case of different Rates of Interest in respect of different Interest Periods*]. |
| | (b) Interest Payment Date(s): | [[ ] in each year up to and including the Maturity Date]<br><br>(*Amend appropriately in the case of irregular coupons*) |
| | (c) Business Day Convention: | [Modified Following Business Day Convention/Not Applicable]<br><br>(*For certain Renminbi denominated Fixed Rate Notes, the Interest Payment Dates are subject to modification, insert Modified Following Business Day Convention*) |
| | (d) Fixed Coupon Amount(s): | [[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)] [payable [[ ] in arrear] on [ ]/[each Interest Payment Date][, except for the amount of interest payable on the first Interest Payment Date falling on [ ]].] [[This]/[These] Fixed Coupon Amount[s] appl[ies]/[y] if the Notes are represented by a global Note or are in definitive form.]<br><br>*(Specify different Fixed Coupon Amounts if different Rates of Interest are specified as being applicable in respect of different Interest Periods)* |
| | (e) Broken Amount(s): | [[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)][, payable on the Interest Payment Date falling [in/on] [ ].][This Broken Amount applies if |

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| | | | the Notes are represented by a global Note or are in definitive form]/[Not Applicable] |
| | (f) | Day Count Fraction: | [30/360] [Actual/Actual (ICMA)] [Actual/365 (Fixed)][23][Actual/Actual Canadian Compound Method][624] |
| | (g) | Determination Date[s]: | [[ ] in each year][Not Applicable]<br><br>(*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*) |
| 14. | Reset Note Provisions: | | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining subparagraphs of this paragraph)* |
| | (a) | Initial Rate of Interest: | [●] per cent. per annum payable in arrear [on each Interest Payment Date] |
| | (b) | First Margin: | [+/-][●] per cent. per annum |
| | (c) | Subsequent Margin: | [[+/-][●] per cent. per annum] [Not Applicable] |
| | (d) | Interest Payment Date(s): | [●] [and [●]] in each *year* up to and including the Maturity Date [until and excluding [●]] |
| | (e) | Fixed Coupon Amount up to (but excluding) the First Reset Date: | [[●] per *Calculation* Amount][Not Applicable] |
| | (f) | Broken Amount(s): | [[●] per Calculation *Amount* payable on the Interest Payment Date falling [in/on] [●]][Not Applicable] |
| | (g) | First Reset Date: | [●] |
| | (h) | Second Reset Date: | [●]/[Not Applicable] |
| | (i) | Subsequent Reset Date(s): | [●] [and [●]] |
| | (j) | Mid-Swap Floating Leg Benchmark Rate: | [●] |
| | (k) | Relevant Screen Page: | [ISDAFIX1]/[ISDAFIX2]/[ISDAFIX3]/ [ISDAFIX4]/[ISDAFIX5]/[ISDAFIX6]/[●]/[Not Applicable] |
| | (l) | Mid-Swap Rate: | [Single Mid-Swap Rate/Mean Mid-Swap Rate] |
| | (m) | Mid-Swap Maturity: | [●] |
| | (n) | Reset Reference Rate Conversion: | [Applicable/Not Applicable] |

[23] Applicable for Fixed Rate Notes denominated in Renminbi.
[24] Applicable for Fixed Rate Notes denominated in Canadian Dollars.

| | | | |
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| | (o) | Original Reset Reference Rate Payment Basis: | [Annual/Semi-annual/Quarterly/Monthly/Not Applicable] |
| | (p) | Day Count Fraction: | [Actual/Actual / Actual/Actual (ISDA)]<br>[Actual/365 (Fixed)]<br>[Actual/365 (Sterling)]<br>[Actual/360]<br>[30/360/360/360/Bond Basis]<br>[30E/360/Eurobond Basis]<br>[30E/360 (ISDA)]<br>[Actual/Actual ICMA] |
| | (q) | Determination Dates: | [●] in each year |
| | (r) | Additional Business Centre(s): | [●] |
| | (s) | Calculation Agent: | [Principal Paying Agent] [●] |
| | (t) | Reset Reference Rate Replacement: | [Applicable][Not Applicable] |
| 15. | Floating Rate Note Provisions: | | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining subparagraphs of this paragraph)* |
| | (a) | Interest Period(s): | [●] [each consisting of [●] Interest Accrual Periods each of [●]][, subject to adjustment in accordance with the Business Day Convention] |
| | (b) | Interest Accrual Period: | [●] [*Define for Compounded SOFR only, otherwise delete*] |
| | (c) | Interest Accrual Period End Date(s): | [[●]/Not Applicable] |
| | (d) | Specified Period(s)/Specified Interest Payment Dates: | [ ][, subject to adjustment in accordance with the Business Day Convention set out in subparagraph (e) below/, not subject to any adjustment, as the Business Day Convention subparagraph in (e) below is specified to be Not Applicable] [ [ ] Business Days following each Interest Accrual Period End Date/As per Condition 6.3(b)(iii)(C)] |
| | (e) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable] |
| | (f) | Additional Business Centre(s): | [ ] |
| | (g) | Manner in which the Rate of Interest and Interest Amount are to be determined: | [Screen Rate Determination/ISDA Determination] |
| | (h) | Calculation Agent: | [Principal Paying Agent] / [●] |
| | (i) | Screen Rate Determination: | |

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| Reference Rate(s): | | [[ ] month [LIBOR/EURIBOR/CAD-BA-CDOR/CMS Reference Rate/SOFR]]/[CMS Rate]] |
| Relevant Financial Centre: | | [London/Brussels/*specify other Relevant Financial Centre*] (*only relevant for CMS Rate*)<br><br>*(If CMS Rate is not applicable, delete the remaining subparagraphs of this paragraph)* |
| Reference Currency: | | [ ] (*only relevant for CMS Rate*) |
| Designated Maturity: | | [ ] (*only relevant for CMS Rate*) |
| Specified Time: | | [ ] in the Relevant Financial Centre (*only relevant for CMS Rate*) |
| (i) | Interest Determination Date(s)/SOFR Interest Determination Date(s): | [ ]<br><br>*(Second London Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR or CAD-BA-CDOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR, euro LIBOR or CMS Rate where the reference currency is euro)*<br><br>(*In the case of a CMS Rate where the Reference Currency is euro*): [Second day on which the TARGET2 system is open prior to the start of each interest Period]<br><br>(*In the case of a CMS Rate where the Reference Currency is other than euro): [Second (specify type of day) prior to the start of each Interest Period*]<br><br>(*In the case of Compounded SOFR with Lookback, Compounded SOFR with Observation Period Shift and Compounded SOFR Index with Observation Period Shift, set out the number of U.S. Government Securities Business Days prior to Interest Payment Date(s) in respect of the relevant Interest Period(s)*) |
| (ii) | Relevant Screen Page: | **[**ISDAFIX2 or any successor screen page**] [***insert other screen page***]**<br><br>*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*<br><br>(*In the case of a CMS Linked Interest Note, specify relevant screen page and any applicable headings and captions*) |
| CMS Rate definitions: | | [Not Applicable][Cap means [ ] per cent. per annum] |

| | | |
|---|---|---|
| | | [Floor means [ ] per cent. per annum]<br><br>[Leverage means [ ] per cent.] |
| | Calculation Method: | [Compounded SOFR with Lookback/Compounded SOFR with Observation Period Shift/Compounded SOFR with Payment Delay/Compounded SOFR Index with Observation Period Shift] (*only relevant for SOFR*) |
| | Observation Period: | [[●]/Not Applicable] [As defined in Conditions] (*only relevant for SOFR*) |
| | SOFR $Index_{Start}$ and SOFR $Index_{End}$ Number of U.S. Government Securities Business Days: | [SOFR $Index_{Start}$: [2 U.S. Government Securities Business Days / [ ]] / Not Applicable] (*only relevant for SOFR*)<br><br>[SOFR $Index_{End}$: [2 U.S. Government Securities Business Days / [ ]] / Not Applicable] (*only relevant for SOFR*) |
| | Lookback Number of U.S. Government Securities Business Days: | [[●]/Not Applicable] (*only relevant for SOFR*)<br><br>(*Not less than Five U.S. Government Securities Business Days without consent of Calculation Agent*) |
| | D: | [365/360/[ ]] (*only relevant for SOFR*) |
| (j) | ISDA Determination: | |
| | (i) Floating Rate Option: | [ ] |
| | (ii) Designated Maturity: | [ ] |
| | (iii) Reset Date: | [ ]<br><br>(*In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period. In the case of a CMS Linked Interest Note, if based on euro then the first day of each Interest Period and if otherwise to be checked.*) |
| (k) | Linear Interpolation: | [Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)] |
| (l) | Difference in Rates: | [Applicable]/[Not Applicable] |
| | CMS Rate 1: | [ ] |
| | Manner in which CMS Rate 1 is to be determined: | [Reference Rate determined in accordance with Screen Rate Determination/ISDA Rate determined in accordance with ISDA Determination/ CMS Rate determined in accordance with ISDA Determination] |
| | CMS Rate 2: | [ ] |

| | | | |
|---|---|---|---|
| | | Manner in which CMS Rate 2 is to be determined: | [Reference Rate determined in accordance with Screen Rate Determination/ISDA Rate determined in accordance with ISDA Determination/ CMS Rate determined in accordance with ISDA Determination] |
| | (m) | Margin(s): | [Not Applicable]/[ [+/-] [ ] per cent. per annum |
| | (n) | Minimum Rate of Interest: | [ ] per cent. per annum |
| | (o) | Maximum Rate of Interest: | [ ] per cent. per annum |
| | (p) | Day Count Fraction: | [[Actual/Actual (ISDA)][Actual/Actual]<br>Actual/365 (Fixed)<br>Actual/365 (Sterling)<br>Actual/360<br>[30/360][360/360][Bond Basis]<br>[30E/360][Eurobond basis]<br>30E/360 (ISDA)][25] |
| | (q) | Reference Rate Replacement: | [Applicable][Not Applicable] |
| 16. | Inflation Linked Interest Note Provisions: | | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | (a) | Inflation Index: | [Inflation for Blue Collar Workers and Employees - Excluding Tobacco Consumer Price Index Unrevised (CPI)/ Eurozone Harmonised Index of Consumer Prices excluding Tobacco (HICP)]<br><br>(*Give or annex details of index/indices*)<br><br>[Amounts payable under the Notes will be calculated by reference to [CPI/HICP] which is provided by [●]. [As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**).] [As far as the Issuer is aware, [CPI/HICP] [does/do] not fall within the scope of the EU Benchmarks Regulation by virtue of Article 2 of that Regulation.]] |
| | (b) | Inflation Index Sponsor: | [ ] |
| | (c) | Index Factor: | [ ] [*Specify the relevant Index Factor*] [Not Applicable] |
| | (d) | Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (which shall not be the Principal Paying Agent): | [*name*] shall be the Calculation Agent |

[25] Actual/365(Fixed) is applicable to Renminbi and Canadian Dollars denominated Notes.

| | | |
|---|---|---|
| (e) | Determination Date(s): | [ ] |
| (f) | Interest or calculation period(s): | [ ] |
| (g) | Specified Period(s)/Specified Interest Payment Dates: | [ ] |
| (h) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]<br><br>(*Note that this item adjusts the end date of each Interest Period (and, consequently, also adjusts the length of the Interest Period and the amount of interest due). In relation to the actual date on which Noteholders are entitled to receive payment of interest, see also Condition 7.8 (Payment Day) of the Terms and Conditions for the English Law Notes and Condition 9.7 (Payment Day) of the Terms and Conditions for the Italian Law Notes.)* |
| (i) | Additional Business Centre(s): | [ ] |
| (j) | Minimum Rate of Interest: | [ ] per cent. per annum |
| (k) | Maximum Rate of Interest: | [ ] per cent. per annum |
| (l) | Margin: | [[*insert Margin*] per cent. per annum] [Not Applicable] |
| (m) | Day Count Fraction: | [ ] |
| (n) | Commencement Date of the Inflation Index: | [ ]*[Specify the relevant commencement month of the retail price index]* |
| (o) | Reference Month: | [ ] |
| (p) | Reference Bond: | [ ] |
| (q) | Related Bond: | [Applicable]/[Not Applicable]<br><br>The Related Bond is: [ ] [Fallback Bond]<br><br>The issuer of the Related Bond is: [ ] |
| (r) | Fallback Bond: | [Applicable]/[Not Applicable] |
| (s) | Cut-Off Date: | [As per Conditions]/[*specify other*] |
| (t) | End Date: | [ ]<br><br>(*This is necessary whenever Fallback Bond is applicable*) |

| | | | |
|---|---|---|---|
| | (u) | Additional Disruption Events: | [Change of Law]<br>[Increased Cost of Hedging]<br>[Hedging Disruption]<br>[None] |
| | (v) | Trade Date: | [ ] |
| 17. | Zero Coupon Note Provisions: | | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining subparagraphs of this paragraph)* |
| | (a) | Accrual Yield: | [ ] per cent. per annum |
| | (b) | Reference Price: | [ ] |
| | (c) | Day Count Fraction in relation to Early Redemption Amounts: | [30/360]<br><br>[Actual/360]<br><br>[Actual/365] |

**PROVISIONS RELATING TO REDEMPTION**

| | | | |
|---|---|---|---|
| 18. | Notice periods for Condition 8.2 of the Terms and Conditions for the English Law Notes and for Condition 10.3 of the Terms and Conditions for the Italian Law Notes and Condition 8.5 of the Terms and Conditions for the English Law Notes and Condition 10.6 of the Terms and Conditions for the Italian Law Notes: | | Minimum period: [ ] days<br><br>Maximum period: [ ] days |
| 19. | Issuer Call: | | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining subparagraphs of this paragraph)* |
| | (a) | Optional Redemption Date(s): | [ ] [each Business Day during the period from (and including) [*date*] to (but excluding) [*date*] [and each Interest Payment Date following [*date*]].] |
| | (b) | Optional Redemption Amount (in the case of Subordinated Notes only, subject to the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations): | [[ ] per Calculation Amount][[Make-whole Amount]] |
| | (c) | Reference Bond: | [Insert applicable Reference Bond/FA Selected Bond] |

| | | | |
|---|---|---|---|
| | (d) | Quotation Time: | [11.00 a.m. [London/*specify other*] time] |
| | (e) | Redemption Margin: | [[ ] per cent./Not Applicable] |
| | (f) | If redeemable in part: | |
| | | (i) Minimum Redemption Amount: | [ ] |
| | | (ii) Maximum Redemption Amount: | [ ] |
| | (g) | Notice period: | Minimum period: [ ] days<br><br>Maximum period: [ ] days<br><br>(*When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call*) *and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or, in the case of English Law Notes, the Trustee.*) |
| 20. | Regulatory Call: | | [Applicable/Not Applicable]<br><br>(*Only relevant in the case of Subordinated Notes*) |
| 21. | Issuer Call due to MREL or TLAC Disqualification Event: | | [Applicable]/[Not Applicable]<br><br>(*Please consider that not less than the minimum period nor more than maximum period (each as specified in paragraph 18 above) of notice has to be sent to the Principal Paying Agent and, in the case of English Law Notes, the Trustee and, in accordance with* Condition 16 (*Notices*) *of the Terms and Conditions for the English Law Notes and with Condition 17* (*Notices*) *of the Terms and Conditions for the Italian Law Notes, the Noteholders)*<br><br>(*Only relevant in the case of Senior Notes*) |
| 22. | Final Redemption Amount: | | [ ]/[[100 per cent.] per Calculation Amount] |
| 23. | Early Redemption Amount payable on redemption: | | [ ] [per Calculation Amount/As per Condition] [[8.6] (*Early Redemption Amounts*) of the Terms and Conditions for the English Law Notes/[10.7] (*Early Redemption Amounts*) of the Terms and Conditions for the Italian Law Notes] |
| | | (i) for taxation reasons (subject to [*insert in the case of Senior Notes*][Condition 8.15 of the Terms and Conditions for the English Law Notes and Condition 10.16 of the Terms and Conditions for the Italian Law Notes] in [*insert in the case of Subordinated Notes*][Condition 8.14 of the Terms and Conditions | [See also paragraph 20 above**)**] **(***Delete this cross-reference unless the Notes are Subordinated Notes and the Regulatory Call is applicable*)<br><br>[See also paragraph 21 (*Issuer Call due to MREL or TLAC Disqualification Event*) above] *(Delete this* |

for the English Law Notes and Condition 10.15 of the Terms and Conditions for the Italian Law Notes (including the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)]) as contemplated by Condition 8.2 of the Terms and Conditions for the English Law Notes and Condition 10.3 of the Terms and Conditions for the Italian Law Notes;

(ii) [*insert in case of Subordinated Notes*][for regulatory reasons (subject to Condition 8.14 of the Terms and Conditions for the English Law Notes and Condition 10.15 of the Terms and Conditions for the Italian Law Notes (including the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)) as contemplated by Condition 8.3 of the Terms and Conditions for the English Law Notes and Condition 10.4 of the Terms and Conditions for the Italian Law Notes;]

(iii) [*insert in case of Senior Notes*][for MREL or TLAC Disqualification Event (subject to Condition 8.15 of the Terms and Conditions for the English Law Notes and Condition 10.16 of the Terms and Conditions for the Italian Law Notes) as contemplated by Condition 8.5 of the Terms and Conditions for the English Law Notes and Condition 10.6 of the Terms and Conditions for the Italian Law Notes; or]

(iv) on event of default (subject to[*insert in the case of Senior Notes*][Condition 8.15 of the Terms and Conditions for the English Law Notes and Condition 10.16 of the Terms and Conditions for the Italian Law Notes] [*insert in the case of Subordinated Notes*][ Condition 8.14 of the Terms and Conditions for the English Law Notes and

*cross-reference unless the Notes are Senior Notes and the Issuer Call due to MREL or TLAC Disqualification Event is applicable)*

Condition 10.15 of the Terms and Conditions for the Italian Law Notes (including the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)]),

and/or the method of calculating the same (if required or if different from that set out in Condition 8.6 of the Terms and Conditions for the English Law Notes and Condition 10.7 of the Terms and Conditions for the Italian Law Notes (*Redemption and Purchase – Early Redemption Amounts*):

| | | | |
|---|---|---|---|
| 24. | Extendible Notes: | | [Applicable/Not Applicable] |
| | (a) | Initial Maturity Date: | [ ] |
| | (b) | Final Maturity Date: | [ ] |
| | (c) | Election Date(s): | [ ] |
| | (d) | Notice period: | Not less than [ ] nor more than [ ] days prior to the applicable Election Date][*] |
| 25. | RMB Currency Event: | | [Applicable] [Not Applicable]<br><br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | (a) | Spot Rate: | (i) Relevant Spot Rate Screen Page: [Reuters CNHFIX01]/[ ]/[Not Applicable]<br><br>(ii) Relevant Valuation Time: [ ]/[Not Applicable] |
| | (b) | Calculation Agent responsible for calculating the Spot Rate: | [●][Not Applicable] |
| 26. | Relevant Currency: | | [*specify*] [Not Applicable] |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

| | | | |
|---|---|---|---|
| 27. | Form of Notes | | |
| | (a) | Form of Notes: | [Bearer Notes:<br><br>[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Notes upon an Exchange Event] |

[*] For any maturity extension at the option of the holder a minimum of 10 business days notice is required.

| | | |
|---|---|---|
| | | [Permanent Bearer Global Note exchangeable for definitive Notes upon an Exchange Event]<br><br>[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]<br><br>[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.[26]]<br><br>[Registered Notes:<br><br>Regulation S Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]/Rule 144A Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]/Definitive IAI Registered Notes (*specify nominal amounts*)]<br><br>(*Note that only English Law Notes can be issued in registered form*) |
| | (b) New Global Note: | [Yes] [No] |
| 28. | Additional Financial Centre(s): | [Not Applicable/*give details*]<br><br>*(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which subparagraph 16(c) above relates)* |
| 29. | RMB Settlement Centre(s): | [Not Applicable/*give details*] |
| 30. | Talons for future Coupons to be attached to Definitive Notes: | [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No] |
| 31. | Governing law of the Conditions: | [English Law]/[Italian Law] |

[**THIRD PARTY INFORMATION**

[*Relevant third-party information,*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of UniCredit S.p.A.:

[26] Include for Notes that are to be offered in Belgium.

By:

*Duly authorised*

By:

*Duly authorised*

**Part B – OTHER INFORMATION**

| | | |
|---|---|---|
| **1.** | **LISTING AND ADMISSION TO TRADING:** | [Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market with effect from [ ].]<br><br>[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market with effect from [ ].] [Not Applicable.]<br><br>(*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading on the Luxembourg Stock Exchange's regulated market*) |
| **2.** | **RATINGS** | |
| | Ratings: | [The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:<br><br>[*insert details*]] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*].<br><br>[Each of [*defined terms*] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).]<br><br>[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*.]<br><br>*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating*.) |

**3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Dealers/Managers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Dealers/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 - *Amend as appropriate if there are other interests*]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]

**4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

| | | |
|---|---|---|
| (a) | Reasons for the offer: | [for its general corporate purposes, which include making a profit] / [●]<br><br>[Further details on Green Bonds, Social Bonds or Sustainability Bonds are included in the [UniCredit Sustainability Bond Framework], made available on the Issuer's website in the investor relations sections at [●]]<br><br>See "Use of Proceeds" wording in the Base Prospectus. *(If reasons for offer different from making profit or general corporate purposes (for example for a Green Bond, a Social Bond, or an issuance of a Sustainability Bond, will need to include those reasons here*)) |
| (b) | Estimated net proceeds: | [ ]<br><br>*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds are insufficient to fund all proposed uses, state amount and sources of other funding)* |
| (c) | Estimated total expenses: | [ ] |

**5. YIELD** (Fixed Rate Notes only)

Indication of yield: [ ] [Not Applicable]

**6. PERFORMANCE OF RATES** (Floating Rate Notes and Inflation Linked Notes Only)

[Details of performance of [LIBOR/EURIBOR/CAD-BA-CDOR/CMS Reference Rate/SOFR/CPI/HICP] rates can be obtained, [but not] free of charge, from [Reuters/Bloomberg/*give details of electronic means of obtaining the details of performance*].] [Not Applicable]

**7. OPERATIONAL INFORMATION**

| | | |
|---|---|---|
| (a) | ISIN: | [ ] |
| (b) | Common Code: | [ ] |
| (c) | CUSIP: | [ ] [Not Applicable] |
| (d) | CINS: | [ ] [Not Applicable] |
| (e) | CFI: | [[*include code*][27], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] |
| (f) | FISN: | [[*include code*][20], as updated, as set out on the website of the Association of National Numbering Agencies |

[27] The actual code should only be included where the Issuer is comfortable that it is correct.

| | | |
|---|---|---|
| | | (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] |
| (g) | [[*specify other codes*] | [ ]] |
| (h) | Any clearing system(s) other than Euroclear Bank and Clearstream Luxembourg and the relevant identification number(s): | [Not Applicable/give name(s), address(es) and number(s)] |
| (i) | Delivery: | Delivery [against/free of] payment |
| (j) | Names and addresses of additional Paying Agent(s) (if any): | [ ] |
| (k) | Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/<br><br>[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]] |

**8. DISTRIBUTION**

| | | |
|---|---|---|
| (i) | Method of distribution: | [Syndicated/Non-syndicated] |
| (ii) | If syndicated, names and addresses of Managers (specifying Lead Manager) and underwriting commitments: | [Not Applicable/*give names, addresses and underwriting commitments*]<br><br>*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)* |

| | | |
|---|---|---|
| (iii) | Date of [Subscription Agreement/ *other agreement*]: | [ ] [Not Applicable] |
| (iv) | Stabilisation Manager(s) (if any): | [Not Applicable/*give name*] |
| (v) | If non-syndicated, name and address of relevant Dealer: | [Not Applicable/*give name and address*] |
| (vi) | Total commission and concession: | [ ] per cent. of the Aggregate Nominal Amount |
| (vii) | U.S. Selling Restrictions: | [Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]] |
| (viii) | [Non-exempt Offer [where there is no exemption from the obligation under the Prospectus Regulation to publish a prospectus]: | [Applicable] [Not Applicable]<br><br>(*if not applicable, delete the remaining placeholders of this paragraph (viii) and also paragraph 9 below*) |
| | [Non-exempt Offer Jurisdictions: | [*Specify relevant Member State(s) where the issuer intends to make Non-exempt Offers (note that the Base Prospectus includes a list of States where the issuer has passported the Base Prospectus and any supplements and from which the relevant Non-exempt Offer Jurisdictions should be selected in addition to Luxembourg: the Republic of Italy, the Federal Republic of Germany and Austria)*] |
| | Offer Period: | From [*Specify the start date(s)*] until [*specify end-date(s)*] |
| | Financial intermediaries granted specific consent to use the Base Prospectus in accordance with the Conditions in it: | [*Insert names and addresses of financial intermediaries receiving consent (specific consent)*/Not Applicable] |
| | General Consent: | [Not Applicable][Applicable] |
| | Other Authorised Offeror Terms conditions to consent: | [Not Applicable][*Add here any other Authorised Offeror Terms*]<br><br>(*Authorised Offeror Terms should only be included here where General Consent is applicable*)<br><br>(*Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.*) |

| | | |
|---|---|---|
| (ix) | Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]<br><br>(*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.*) |
| (x) | Prohibition of Sales to UK Retail Investors: | [Applicable/Not Applicable]<br><br>(*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*) |
| (xi) | [EU Benchmark Regulation: | [Applicable: Amounts payable under the Notes are calculated by reference to [*insert name*[*s*] *of benchmark*(*s*)], which [is/are] provided by [*insert name*[*s*] *of the administrator*[*s*] *– if more than one specify in relation to each relevant benchmark*]. |
| | EU Benchmark Regulation: Article 29(2) statement on benchmarks: | [As at the date of these Final Terms, [*insert name*[*s*] *of the administrator*[*s*]] [is/are] [not] 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**)]. [As far as the Issuer is aware, [[*insert name of the benchmark*] does not fall within the scope of the BMR by virtue of Article 2 of the BMR.]/[the transitional provisions in Article 51 of the BMR apply, such that the administrator is not currently required to obtain authorisation/registration]]. (*repeat as necessary*)]]<br><br>(*if Not Applicable, delete this sub-paragraph*) |

## 9. TERMS AND CONDITIONS OF THE OFFER

(*Whole section not to be completed if subparagraph 8(viii) above is specified to be Not Applicable because there is no Non-exempt Offer*)

| | | |
|---|---|---|
| (a) | Offer Price: | [Issue Price/Not Applicable/*specify*] |
| (b) | Conditions to which the offer is subject: | [Not Applicable/*give details*] |
| (c) | Description of the application process: | [A prospective investor will subscribe for Notes in accordance with the arrangements agreed with the relevant authorized intermediary relating to the subscription of securities generally/*give details*/Not Applicable] |

| | | |
|---|---|---|
| (d) | Details of the minimum and/or maximum amount of the application: | [Not Applicable/*give details*] |
| (e) | Description of possibility to reduce subscriptions and manner for refunding amounts paid in excess by applicants: | [Not Applicable/*give details*] |
| (f) | Details of the method and time limits for paying up and delivering the Notes: | [Not Applicable/*give details*] |
| (g) | Manner in and date on which results of the offer are to be made public: | [Not Applicable/*give details*] |
| (h) | Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [Not Applicable/*give details*] |
| (i) | Whether tranche(s) have been reserved for certain countries: | [Not Applicable/*give details*] |
| (j) | Process for notifying applicants of the amount allotted and an indication whether dealing may begin before notification is made: | [Not Applicable/*give details*] |
| (k) | Amount of any expenses and taxes charged to the subscriber or purchaser: | [Not Applicable/*give details*]<br><br>*(If the Issuer is subject to MiFID II and/or PRIIPs such that it is required to disclose information relating to costs and charges, also include that information)* |
| (l) | Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: | [*insert name*] [*insert address*] [The Authorised Offerors identified in paragraph [8] above and identifiable from the Base Prospectus/None/*give details*] |

# Applicable Final Terms for Notes with a Denomination of at least €100,000

**NOTES WITH A DENOMINATION OF AT LEAST €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY), OTHER THAN EXEMPT NOTES, AND NOTES TO BE ADMITTED TO TRADING ONLY ON A REGULATED MARKET, OR A SPECIFIC SEGMENT OF A REGULATED MARKET, TO WHICH ONLY QUALIFIED INVESTORS HAVE ACCESS**

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme which are not Exempt Notes and which (1) have a denomination of at least €100,000 (or its equivalent in any other currency) and/or (2) are to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors (as defined in the Prospectus Regulation and UK Prospectus Regulation) have access.*

[**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 (EU) 2016/97, as amended (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). 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.][28]

**[PROHIBITION OF SALES TO UK 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 United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, as amended (the **Insurance Distribution Directive**) where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][29]

[[**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] 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 [Directive 2014/65/EU (as amended, **MiFID II**)][MiFID II]; and (ii) all channels for distribution of the [Notes] to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the [Notes] (a "distributor") should take into consideration the manufacturer['s/s'] 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[28] Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[29] Legend to be included on the front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] 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 only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][30]

**OR**

[**MIFID II product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] 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, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, "MiFID II")][MiFID II]; EITHER [and (ii) all channels for distribution of the [Notes] are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the [Notes] to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][ non-advised sales ][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the [Notes] (a "distributor") should take into consideration the manufacturer['s/s'] 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].]]

[**UK MIFIR product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] 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 retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (**UK MiFIR**); EITHER [and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][ non-advised sales ][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable].]][31]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time** (the **SFA**) - [*To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or 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)*]][32]

[30] Legend to be included on front of the Final Terms if following the ICMA 1 "all bonds to all professionals" target market approach.

[31] Legend to be included on front of the Final Terms if following the ICMA 2 market approach.

[32] Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

[*The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore.*

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the **ITA**), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[*Date*]

**FINAL TERMS**

**UniCredit S.p.A.**
**[*Please include the place of incorporation, registered office, registration number and form of the Issuer*]**

**Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]**
**under the**
**€60,000,000,000 Euro Medium Term Note Programme**

[The Notes will only be admitted to trading on [*insert name of relevant Q1 market/segment*], which is [an EEA regulated market/a specific segment of an EEA regulated market] (as defined in MiFID II), to which only qualified investors (as defined in the Prospectus Regulation) can have access and shall not be offered or sold to non-qualified investors.][33]

**Part A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the [Terms and Conditions for the English Law Notes] [Terms and Conditions for the Italian Law Notes] set forth in the Base Prospectus dated 7 June 2021 [and the supplement[s] to it dated [*date(s)*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus, in order to obtain all the relevant information. The Base Prospectus is available for viewing during normal business hours at UniCredit S.p.A., Piazza Gae Aulenti, 3 Tower A 20154 Milan, Italy and has been published on the website of UniCredit *www.unicreditgroup.eu*, as well as on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. Copies may be obtained, free of charge, from the Issuer at the address above.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date*.]

Terms used herein shall be deemed to be defined as such for the purposes of the [Terms and Conditions for the English Law Notes] [Terms and Conditions for the Italian Law Notes] (the **Conditions**) set forth in the Base Prospectus dated 5 June 2020 which are incorporated by reference in the Base Prospectus dated 7 June 2021. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated [*current date*] [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus, in order to obtain all the relevant information. The Base Prospectus is available for viewing during normal business hours at UniCredit S.p.A., Piazza Gae Aulenti, 3 Tower A 20154 Milan, Italy and has been published on the website of UniCredit *www.unicreditgroup.eu* as well as on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. Copies may be obtained, free of charge, from the Issuer at the address above.

[33] Legend to be included for Notes with a minimum denomination of less than €100,000 (or equivalent in another currency) which will only be admitted to trading on a regulated market or a specific segment of a regulated market to which only qualified investors can have access.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the subparagraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency*.]

| | | | |
|---|---|---|---|
| 1. | Series Number: | | [ ] |
| | (a) | Tranche Number: | [ ] |
| | (b) | [Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series with [*Provide issue amount/ISIN/maturity date/issue date of earlier Tranches*] on [the Issue Date/ the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [*date*]][Not Applicable]]<br><br>(*delete this paragraph if Not Applicable*) |
| 2. | Specified Currency or Currencies: | | [ ] |
| 3. | Aggregate Nominal Amount: | | |
| | (a) | Series: | [ ] |
| | (b) | Tranche: | [ ] |
| 4. | Issue Price: | | [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)] |
| 5. | Specified Denominations[34]: | | [ ]<br><br>*(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made. Note that only English Law Notes can be issued in registered form)*<br><br>*(Notes must have a minimum denomination of €100,000 (or equivalent) unless they are to be admitted to trading only on a regulated market, or a specific segment of a regulated market, to which only qualified investors have access. In the case of Non-Preferred Senior Notes, Notes must have a minimum denomination of €250,000 (or equivalent))*<br><br>*(Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:* |

[34] The minimum denomination of the Non-Preferred Senior Notes will be Euro 250,000 and the minimum denomination of each Additional Tier 1 Note will be Euro 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body).

| | | |
|---|---|---|
| | | *"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]."))* |
| | (a) Calculation Amount: | [ ]<br><br>*(If only one Specified Denomination, insert the Specified Denomination*<br><br>*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations)* |
| 6. | Issue Date: | [ ] |
| | (a) Interest Commencement Date: | [*specify*/Issue Date/Not Applicable]<br><br>*(An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)* |
| 7. | Maturity Date: | [*Specify date or for Floating rate - Interest Payment Date falling in or nearest to* [*specify month and year*][35]]<br><br>[(*The Maturity Date may need to be not less than one year after the Issue Date*)]<br><br>[The Notes are perpetual securities and have no fixed date for redemption. The Notes may only be redeemed in the circumstances described in Condition 10 of the Terms and Conditions for the Italian Law Notes.] *(N.B. only applicable to Additional Tier 1 Notes)* |
| 8. | Interest Basis: | [[ ] per cent. Fixed Rate]<br><br>[[ ] per cent. Fixed Rate from [ ] to [ ], then [ ] per cent. Fixed Rate from [ ] to [ ]]<br><br>[[ ] month [LIBOR/EURIBOR/CAD-BA-CDOR/CMS Reference Rate/SOFR] +/- [ ] per cent. Floating Rate]<br><br>[Floating Rate: CMS Rate Linked Interest]<br><br>[Inflation Linked Interest]<br><br>[Zero Coupon]<br><br>(further particulars specified below) |
| 9. | Redemption/Payment Basis: | 100 per cent. |
| 10. | Change of Interest Basis: | [Applicable]/[Not Applicable] |

[35] Note that for Renminbi denominated Fixed Rate Notes, where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

| | | | |
|---|---|---|---|
| | | | (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br><br>(*To be completed in addition to paragraphs 13 and 15 below (as appropriate) if any fixed to floating or fixed reset rate change occurs*) |
| | (i) | Switch Option: | [Applicable – [*specify details of the change(s) in Interest Basis and the relevant Interest Periods to which the change(s) in Interest Basis applies*]/[Not Applicable]<br><br>(*The Issuer must give notice of the exercise of the Switch Option to Noteholders in accordance with Condition 16 (Notices) of the Terms and Conditions for the English Law Notes and with Condition 17 (Notices) of the Terms and Conditions for the Italian Law Notes on or prior to the relevant Switch Option Expiry Date*) |
| | (ii) | Switch Option Expiry Date: | [ ] |
| | (iii) | Switch Option Effective Date: | [ ] |
| 11. | Call Options: | | [Not Applicable]<br><br>[Issuer Call]<br><br>[Regulatory Call]<br><br>[Issuer Call due to MREL or TLAC Disqualification Event]<br><br>[(see paragraph[s] [19]/[, 20][and][21 below] |
| 12. | Status of the Notes: | | [Senior / Non-Preferred Senior / Subordinated / Additional Tier 1] |
| | (a) | [Date of [Board] approval for issuance of Notes | [ ]]<br><br>*(Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)* |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | | |
|---|---|---|---|
| 13. | Fixed Rate Note Provisions: | | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining subparagraphs of this paragraph)* |
| | (a) | Rate(s) of Interest: | [[ ] per cent. per annum payable in arrear on each Interest Payment Date] [*specify other in case of different Rates of Interest in respect of different Interest Periods*] |
| | (b) | Interest Payment Date(s): | [[ ] in each year up to and including the Maturity Date<br><br>(*Amend appropriately in the case of irregular coupons*) |

| | | | |
|---|---|---|---|
| | (c) | Business Day Convention: | [Modified Following Business Day Convention/Not Applicable]<br><br>(*For certain Renminbi denominated Fixed Rate Notes, the Interest Payment Dates are subject to modification, insert Modified Following Business Day Convention*) |
| | (d) | Fixed Coupon Amount(s): | [[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)] [payable [[ ] in arrear] on [ ]/[each Interest Payment Date][, except for the amount of interest payable on the first Interest Payment Date falling on [ ]].] [[This]/[These] Fixed Coupon Amount[s] appl[ies]/[y] if the Notes are represented by a global Note or are in definitive form.]<br><br>*(Specify different Fixed Coupon Amounts if different Rates of Interest are specified as being applicable in respect of different Interest Periods)* |
| | (e) | Broken Amount(s): | [[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)][, payable on the Interest Payment Date falling [in/on] [ ].] [This Broken Amount applies if the Notes are represented by a global Note or are in definitive form]/[Not Applicable] |
| | (f) | Day Count Fraction: | [30/360] [Actual/Actual (ICMA)] [Actual/365 (Fixed)][36][Actual/Actual Canadian Compound Method][37] |
| | (g) | Determination Date[s]: | [[ ] in each year][Not Applicable]<br><br>(*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*) |
| 14. | Reset Note Provisions: | | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining subparagraphs of this paragraph)* |
| | (a) | Initial Rate of Interest: | [●] per cent. per annum payable in arrear [on each Interest Payment Date] |
| | (b) | First Margin: | [+/-][●] per cent. per annum |
| | (c) | Subsequent Margin: | [[+/-][●] per cent. per annum] [Not Applicable] |
| | (d) | Interest Payment Date(s): | [●] [and [●]] in each *year* up to and including the Maturity Date [until and excluding [●]] |

[36] Applicable for Fixed Rate Notes denominated in Renminbi.
[37] Applicable for Fixed Rate Notes denominated in Canadian Dollars.

| | | | |
|---|---|---|---|
| | (e) | Fixed Coupon Amount up to (but excluding) the First Reset Date: | [[●] per *Calculation* Amount][Not Applicable] |
| | (f) | Broken Amount(s): | [[●] per Calculation *Amount* payable on the Interest Payment Date falling [in/on] [●]][Not Applicable] |
| | (g) | First Reset Date: | [●] |
| | (h) | Second Reset Date: | [●]/[Not Applicable] |
| | (i) | Subsequent Reset Date(s): | [●] [and [●]] |
| | (j) | Mid-Swap Floating Leg Benchmark Rate: | [●] |
| | (k) | Relevant Screen Page: | [ISDAFIX1]/[ISDAFIX2]/[ISDAFIX3]/[ISDAFIX4]/ [ISDAFIX5]/[ISDAFIX6]/[●]/[Not Applicable] |
| | (l) | Mid-Swap Rate: | [Single Mid-Swap Rate/Mean Mid-Swap Rate] |
| | (m) | Mid-Swap Maturity: | [●] |
| | (n) | Reset Reference Rate Conversion: | [Applicable/Not Applicable] |
| | (o) | Original Reset Reference Rate Payment Basis: | [Annual/Semi-annual/Quarterly/Monthly/Not Applicable] |
| | (p) | Day Count Fraction: | [Actual/Actual / Actual/Actual (ISDA)]<br>[Actual/365 (Fixed)]<br>[Actual/365 (Sterling)]<br>[Actual/360]<br>[30/360/360/360/Bond Basis]<br>[30E/360/Eurobond Basis]<br>[30E/360 (ISDA)]<br>[Actual/Actual ICMA] |
| | (q) | Determination Dates: | [●] in each year |
| | (r) | Additional Business Centre(s): | [●] |
| | (s) | Calculation Agent: | [Principal Paying Agent] [●] |
| | (t) | Reset Reference Rate Replacement: | [Applicable][Not Applicable] |
| 15. | Floating Rate Note Provisions: | | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining subparagraphs of this paragraph)* |
| | (a) | Interest Period(s): | [●] [each consisting of [●] Interest Accrual Periods each of [●]][, subject to adjustment in accordance with the Business Day Convention] |
| | (b) | Interest Accrual Period: | [●] [*Define for Compounded SOFR only, otherwise delete*] |

| | | |
|---|---|---|
| (c) | Interest Accrual Period End Date(s): | [[●]/Not Applicable] |
| (d) | Specified Period(s)/Specified Interest Payment Dates: | [ ][, subject to adjustment in accordance with the Business Day Convention set out in subparagraph (e) below/, not subject to any adjustment, as the Business Day Convention in subparagraph (e) below is specified to be Not Applicable] [ [ ] Business Days following each Interest Accrual Period End Date/As per Condition 6.3(b)(iii)(C)] |
| (e) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable] |
| (f) | Additional Business Centre(s): | [ ] |
| (g) | Manner in which the Rate of Interest and Interest Amount are to be determined: | [Screen Rate Determination/ISDA Determination] |
| (h) | Calculation Agent: | [Principal Paying Agent] [●] |
| (i) | Screen Rate Determination: | |
| | Reference Rate(s): | [[ ] month [LIBOR/EURIBOR/CAD-BA-CDOR/CMS Reference Rate/SOFR]]/[CMS Rate]] |
| | Relevant Financial Centre: | [London/Brussels/*specify other Relevant Financial Centre*] (*only relevant for CMS Rate*)<br><br>(*If CMS Rate is not applicable, delete the remaining subparagraphs of this paragraph*) |
| | Reference Currency: | [ ] (*only relevant for CMS Rate*) |
| | Designated Maturity: | [ ] (*only relevant for CMS Rate*) |
| | Specified Time: | [ ] in the Relevant Financial Centre (*only relevant for CMS Rate*) |
| | (i) Interest Determination Date(s)/SOFR Interest Determination Date(s): | [ ]<br><br>*(Second London Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR or CAD-BA-CDOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR, euro LIBOR, or CMS Rate when the reference currency is euro)* |

| | |
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| | (*In the case of a CMS Rate where the Reference Currency is euro*): [Second day on which the TARGET2 system is open prior to the start of each interest Period] |
| | (*In the case of a CMS Rate where the Reference Currency is other than euro): [Second (specify type of day) prior to the start of each Interest Period*] |
| | (*In the case of Compounded SOFR with Lookback, Compounded SOFR with Observation Period Shift and Compounded SOFR Index with Observation Period Shift, set out the number of U.S. Government Securities Business Days prior to Interest Payment Date(s) in respect of the relevant Interest Period(s)*) |
| (ii) Relevant Screen Page: | **[**ISDAFIX2 or any successor screen page**] [***insert other screen page***]** |
| | *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)* |
| | (*In the case of a CMS Linked Interest Note, specify relevant screen page and any applicable headings and captions*) |
| CMS Rate definitions: | [Cap means [ ] per cent. per annum] |
| | [Floor means [ ] per cent. per annum] |
| | [Leverage means [ ] per cent.] |
| Calculation Method: | [Compounded SOFR with Lookback/Compounded SOFR with Observation Period Shift/Compounded SOFR with Payment Delay/Compounded SOFR Index with Observation Period Shift] (*only relevant for SOFR*) |
| Observation Period: | [[●]/Not Applicable] [As defined in Conditions] (*only relevant for SOFR*) |
| SOFR $Index_{Start}$ and SOFR $Index_{End}$ Number of U.S. Government Securities Business Days: | [SOFR $Index_{Start}$: [2 U.S. Government Securities Business Days / [ ]] / Not Applicable] (*only relevant for SOFR*) |
| | [SOFR $Index_{End}$: [2 U.S. Government Securities Business Days / [ ]] / Not Applicable] (*only relevant for SOFR*) |
| Lookback Number of U.S. Government Securities Business Days: | [[●]/Not Applicable] [[●]/Not Applicable] (*only relevant for SOFR*) |
| | (*Not less than Five U.S. Government Securities Business Days without consent of Calculation Agent*) |
| D: | [365/360/[ ]] (*only relevant for SOFR*) |

| | | | |
|---|---|---|---|
| (j) | ISDA Determination: | | |
| | (i) | Floating Rate Option: | [ ] |
| | (ii) | Designated Maturity: | [ ] |
| | (iii) | Reset Date: | [ ]<br><br>(*In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period. In the case of a CMS Linked Interest Note, if based on euro then the first day of each Interest Period and if otherwise to be checked.*) |
| (k) | Linear Interpolation: | | [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)] |
| (l) | Difference in Rates: | | [Applicable]/[Not Applicable] |
| | CMS Rate 1: | | [ ] |
| | Manner in which CMS Rate 1 is to be determined: | | [Reference Rate determined in accordance with Screen Rate Determination/ISDA Rate determined in accordance with ISDA Determination/ CMS Rate determined in accordance with ISDA Determination] |
| | CMS Rate 2: | | [ ] |
| | Manner in which Rate 2 is to be determined: | | [Reference Rate determined in accordance with Screen Rate Determination/ISDA Rate determined in accordance with ISDA Determination/ CMS Rate determined in accordance with ISDA Determination] |
| (m) | Margin(s): | | [Not Applicable] [[+/-] [ ] per cent. per annum] |
| (n) | Minimum Rate of Interest: | | [ ] per cent. per annum |
| (o) | Maximum Rate of Interest: | | [ ] per cent. per annum |
| (p) | Day Count Fraction: | | [[Actual/Actual (ISDA)][Actual/Actual]<br>Actual/365 (Fixed)<br>Actual/365 (Sterling)<br>Actual/360<br>[30/360][360/360][Bond Basis]<br>[30E/360][Eurobond basis]<br>30E/360 (ISDA)][38] |
| (q) | Reference Rate Replacement: | | [Applicable][Not Applicable] |
| 16. | Inflation Linked Interest Note Provisions: | | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |

[38] Actual 365 (Fixed) is applicable to Renminbi and Canadian Dollars denominated Notes.

| | | |
|---|---|---|
| (a) | Inflation Index: | [Inflation for Blue Collar Workers and Employees - Excluding Tobacco Consumer Price Index Unrevised (CPI)/ Eurozone Harmonised Index of Consumer Prices excluding Tobacco (HICP)]<br><br>(*Give or annex details of index/indices*)<br><br>[Amounts payable under the Notes will be calculated by reference to [CPI/HICP] which is provided by [●]. [As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**).] [As far as the Issuer is aware, [CPI/HICP] [does/do] not fall within the scope of the EU Benchmarks Regulation by virtue of Article 2 of that Regulation.]] |
| (b) | Inflation Index Sponsor: | [ ] |
| (c) | Index Factor: | [ ] [*Specify the relevant Index Factor*] [Not Applicable] |
| (d) | Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (which shall not be the Principal Paying Agent): | [*name*] shall be the Calculation Agent |
| (e) | Determination Date(s): | [ ] |
| (f) | Interest or calculation period(s): | [ ] |
| (g) | Specified Period(s)/Specified Interest Payment Dates: | [ ] |
| (h) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]<br><br>(*Note that this item adjusts the end date of each Interest Period (and, consequently, also adjusts the length of the Interest Period and the amount of interest due). In relation to the actual date on which Noteholders are entitled to receive payment of interest, see also Condition 7.8 (Payment Day) of the Terms and Conditions for the English Law Notes and Condition 9.7 (Payment Day) of the Terms and Conditions for the Italian Law Notes.*) |
| (i) | Additional Business Centre(s): | [ ] |
| (j) | Minimum Rate of Interest: | [ ] per cent. per annum |
| (k) | Maximum Rate of Interest: | [ ] per cent. per annum |

| | | | |
|---|---|---|---|
| | (l) | Margin: | [[*insert Margin*] per cent. per annum] [Not Applicable] |
| | (m) | Day Count Fraction: | [ ] |
| | (n) | Commencement Date of the Inflation Index: | [ ][*Specify the relevant commencement month of the retail price index*] |
| | (o) | Reference Month: | [ ] |
| | (p) | Reference Bond: | [ ] |
| | (q) | Related Bond: | [Applicable]/[Not Applicable]<br>The Related Bond is: [ ] [Fallback Bond]<br>The issuer of the Related Bond is: [ ] |
| | (r) | Fallback Bond: | [Applicable]/[Not Applicable] |
| | (s) | Cut-Off Date: | [As per Conditions]/[*specify other*] |
| | (t) | End Date: | [ ]<br>(*This is necessary whenever Fallback Bond is applicable*) |
| | (u) | Additional Disruption Events: | [Change of Law]<br>[Increased Cost of Hedging]<br>[Hedging Disruption]<br>[None] |
| | (v) | Trade Date: | [ ] |
| 17. | Zero Coupon Note Provisions: | | [Applicable/Not Applicable]<br>*(If not applicable, delete the remaining subparagraphs of this paragraph)* |
| | (a) | Accrual Yield: | [ ] per cent. per annum |
| | (b) | Reference Price: | [ ] |
| | (c) | Day Count Fraction in relation to Early Redemption Amounts: | [30/360]<br>[Actual/360]<br>[Actual/365] |

**PROVISIONS RELATING TO REDEMPTION**

| | | |
|---|---|---|
| 18. | Notice periods for Condition 8.2 of the Terms and Conditions for the English Law Notes and Condition 10.3 of the | Minimum period: [ ] days<br>Maximum period: [ ] days |

| | | | |
|---|---|---|---|
| | Terms and Conditions for the Italian Law Notes and Condition 8.5 of the Terms and Conditions for the English Law Notes and Condition 10.6 of the Terms and Conditions for the Italian Law Notes: | | |
| 19. | Issuer Call: | | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining subparagraphs of this paragraph)* |
| | (a) | Optional Redemption Date(s): | [ ] [each Business Day during the period from (and including) [*date*] to (but excluding) [*date*] [and each Interest Payment Date following [*date*]].] |
| | (b) | Optional Redemption Amount (in the case of Subordinated Notes or Additional Tier 1 Notes only, subject to the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations): | [[ ] per Calculation Amount][[Make-whole Amount]] |
| | (c) | Reference Bond: | [Insert applicable Reference Bond/FA Selected Bond] |
| | (d) | Quotation Time: | [11.00 a.m. [London/*specify other*] time] |
| | (e) | Redemption Margin: | [[ ] per cent./Not Applicable] |
| | (f) | If redeemable in part: | |
| | | (i) Minimum Redemption Amount: | [ ] |
| | | (ii) Maximum Redemption Amount: | [ ] |
| | (g) | Notice period: | Minimum period: [ ] days<br><br>Maximum period: [ ] days<br><br>(*When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or, in the case of English Law Notes, Trustee*) |

| | | |
|---|---|---|
| 20. | Regulatory Call: | [Applicable/Not Applicable]<br><br>(*Only relevant in the case of Subordinated Notes and Additional Tier 1 Notes*) |
| 21. | Issuer Call due to MREL or TLAC Disqualification Event: | [Applicable]/[Not Applicable]<br><br>(*Please consider that not less than the minimum period nor more than maximum period (each as specified in paragraph 18 above) of notice has to be sent to the Principal Paying Agent and, in the case of English Law Notes, the Trustee and, in accordance with Condition 16 (Notices) of the Terms and Conditions for the English Law Notes and with Condition 17 (Notices) of the Terms and Conditions for the Italian Law Notes, the Noteholders*)<br><br>(*Only relevant in the case of Senior Notes or Non-Preferred Senior Notes*) |
| 22. | Final Redemption Amount: | [ ]/[[100 per cent.] per Calculation Amount] |
| 23. | Early Redemption Amount payable on redemption: | [ ] [per Calculation Amount/As per Condition] [[8.6] (*Early Redemption Amounts*) of the Terms and Conditions for the English Law Notes/[10.7] (*Early Redemption Amounts*) of the Terms and Conditions for the Italian Law Notes] |
| | (i) for taxation reasons (subject to [*insert in the case of Senior Notes and Non-Preferred Senior Notes*] [Condition 8.15 of the Terms and Conditions for the English Law Notes and Condition 10.16 of the Terms and Conditions for the Italian Law Notes] [*insert in the case of Subordinated Notes*] [Condition 8.14 of the Terms and Conditions for the English Law Notes and Condition 10.15 of the Terms and Conditions for the Italian Law Notes] [*insert in the case of Additional Tier 1 Notes*] [Condition 10.15 of the Terms and Conditions for the Italian Law Notes (including the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)]) as contemplated by Condition 8.2 of the Terms and Conditions for the English Law Notes and Condition 10.3 of the Terms and Conditions for the Italian Law Notes; | [See also paragraph 20 above] (*Delete this cross-reference unless the Notes are Subordinated Notes or Additional Tier 1 Notes and the Regulatory Call is applicable*)<br><br>[See also paragraph 21 above] (*Delete this cross-reference unless the Notes are Senior Notes or Non-Preferred Senior Notes and the Issuer Call due to MREL or TLAC Disqualification Event is applicable*) |

(ii) [*insert in case of Subordinated Notes or Additional Tier 1 Notes*][for regulatory reasons ([*insert in the case of Subordinated Notes*] [subject to Condition 8.14 of the Terms and Conditions for the English Law Notes and Condition 10.15 of the Terms and Conditions for the Italian Law Notes] [*insert in case of Additional Tier 1 Notes*] [subject to Condition 10.15 of the Terms and Conditions for the Italian Law Notes (including the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)]) as contemplated by Condition 8.3 of the Terms and Conditions for the English Law Notes and Condition 10.4 of the Terms and Conditions for the Italian Law Notes;]

(iii) [*insert in case of Senior Notes or Non-Preferred Senior Notes* ][for MREL or TLAC Disqualification Event (subject to Condition 8.15 of the Terms and Conditions for the English Law Notes and Condition 10.16 of the Terms and Conditions for the Italian Law Notes) as contemplated by Condition 8.5 of the Terms and Conditions for the English Law Notes and Condition 10.6 of the Terms and Conditions for the Italian Law Notes; or]

(iv) on event of default (subject to[*insert in the case of Senior Notes or Non-Preferred Senior Notes*] [Condition 8.15 of the Terms and Conditions for the English Law Notes and Condition 10.16 of the Terms and Conditions for the Italian Law Notes] [*insert in the case of Subordinated Notes*] [Condition 8.14 of the Terms and Conditions for the English Law Notes and Condition 10.15 of the Terms and Conditions for the Italian

Law Notes] [*insert in the case of Additional Tier 1 Notes*] [Condition 10.15 of the Terms and Conditions for the Italian Law Notes (including the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)]),

and/or the method of calculating the same (if required or if different from that set out in Condition 8.6 of the Terms and Conditions for the English Law Notes and Condition 10.7 of the Terms and Conditions for the Italian Law Notes:

| | | | |
|---|---|---|---|
| 24. | Extendible Notes: | | [Applicable/Not Applicable] |
| | (a) | Initial Maturity Date: | [ ] |
| | (b) | Final Maturity Date: | [ ] |
| | (c) | Election Date(s): | [ ] |
| | (d) | Notice period: | Not less than [ ] nor more than [ ] days prior to the applicable Election Date* |
| 25. | RMB Currency Event: | | [Applicable] [Not Applicable]<br><br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | (a) | Spot Rate: | (i) Relevant Spot Rate Screen Page: [Reuters CNHFIX01]/[ ]/[Not Applicable]<br><br>(ii) Relevant Valuation Time: [ ]/[Not Applicable] |
| | (b) | Calculation Agent responsible for calculating the Spot Rate: | [●][Not Applicable] |
| 26. | Relevant Currency: | | [*specify*] [Not Applicable] |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

| | | | |
|---|---|---|---|
| 27. | Form of Notes | | |
| | (a) | Form of Notes: | [Bearer Notes:<br><br>[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Notes upon an Exchange Event] |

* For any maturity extension at the option of the holder a minimum of 10 business days notice is required.

[Permanent Bearer Global Note exchangeable for definitive Notes upon an Exchange Event]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.[39]]

(*Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 above includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]."*.)]

[Registered Notes:

Regulation S Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]/Rule 144A Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]/Definitive IAI Registered Notes (*specify nominal amounts*)]

(*Note that only English Law Notes can be issued in registered form*)

(b) New Global Note: [Yes] [No]

28. Additional Financial Centre(s): [Not Applicable/*give details*]
*(Note that this paragraph relates to the date of payment and not the end dates of Periods for the purpose of calculating the amount of interest, to which subparagraph 15(f) above relates)*

29. RMB Settlement Centre(s): [Not Applicable/*give details*]

30. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

31. Governing law of the Conditions [English Law]/ [Italian Law]

**[THIRD PARTY INFORMATION**

[39] Include for Notes that are to be offered in Belgium.

[*Relevant third-party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of UniCredit S.p.A.:

By:

*Duly authorised*

By:

*Duly authorised*

**Part B – OTHER INFORMATION**

| | | |
|---|---|---|
| **1.** | **LISTING AND ADMISSION TO TRADING** | [Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market with effect from [ ].]<br><br>[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market with effect from [ ].] [Not Applicable.]<br><br>(*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading on the Luxembourg Stock Exchange's regulated market*) |
| | (a) Estimate of total expenses related to admission to trading: | [ ] |
| **2.** | **RATINGS** | |
| | Ratings: | [The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:<br><br>[*insert details*]] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*].<br><br>[Each of [*defined terms*] is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).]<br><br>[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*]<br><br>*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*) |
| **3.** | **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE** | |

[Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Dealers/Managers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Dealers/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 – Amend as appropriate if there are other interests]

[(*When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*)]

**4. USE AND ESTIMATED NET AMOUNT OF THE PROCEEDS**

| | | |
|---|---|---|
| (a) | Use of the proceeds: | [for its general corporate purposes, which include making a profit] / [●]<br><br>[Further details on Green Bonds, Social Bonds or Sustainability Bonds are included in the [UniCredit Sustainability Bond Framework], made available on the Issuer's website in the investor relations sections at [●]]<br><br>See "Use of Proceeds" wording in the Base Prospectus. *(If reasons for offer different from making profit or general corporate purposes (for example for a Green Bond, a Social Bond, or an issuance of a Sustainability Bond, will need to include those reasons here))* |
| (b) | Estimated net amount of the proceeds: | [ ]<br><br>*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds are insufficient to fund all proposed uses, state amount and sources of other funding)* |

**5. YIELD** (Fixed Rate Notes only)

| | |
|---|---|
| Indication of yield: | [ ] [Not Applicable] |

**6. OPERATIONAL INFORMATION**

| | | |
|---|---|---|
| (a) | ISIN Code: | [ ] |
| (b) | Common Code: | [ ] |
| (c) | CUSIP: | [ ] [Not Applicable] |
| (d) | CINS: | [ ] [Not Applicable] |
| (e) | CFI: | [[*include code*][40], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] |
| (f) | FISN: | [[*include code*][34], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] |
| (g) | [[*specify other codes*] | [ ]] |
| (h) | Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s): | [Not Applicable/give name(s), address(es) and number(s)] |

[40] The actual code should only be included where the Issuer is comfortable that it is correct.

| | | |
|---|---|---|
| (i) | Delivery: | Delivery [against/free of] payment |
| (j) | Names and addresses of additional Paying Agent(s) (if any): | [ ] |
| (k) | Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /<br><br>[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]] |

**7. DISTRIBUTION**

| | | |
|---|---|---|
| (i) | Method of distribution: | [Syndicated/Non-syndicated] |
| (ii) | If syndicated, names and addresses of Managers (specifying Lead Manager) and underwriting commitments: | [Not Applicable/*give names*]<br><br>*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)* |
| (iii) | Stabilisation Manager(s) (if any): | [Not Applicable/*give name*] |
| (iv) | If non-syndicated, name and address of relevant Dealer: | [Not Applicable/*give name and address*] |
| (v) | U.S. Selling Restrictions: | [Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]] |
| (vi) | Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]<br><br>*(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key* |

| | | |
|---|---|---|
| | | *information document will be prepared, "Applicable" should be specified.)* |
| (vii) | Prohibition of Sales to UK Retail Investors: | [Applicable/Not Applicable]<br><br>(*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*) |
| (viii) | [EU Benchmark Regulation: | [Applicable: Amounts payable under the Notes are calculated by reference to [*insert name*[*s*] *of benchmark*(*s*)], which [is/are] provided by [*insert name*[*s*] *of the administrator*[*s*] – *if more than one specify in relation to each relevant benchmark*]. |
| | EU Benchmark Regulation: Article 29(2) statement on benchmarks: | [As at the date of these Final Terms, [*insert name*[*s*] *of the administrator*[*s*]] [is/are] [not] 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**)]. [As far as the Issuer is aware, [[*insert name of the benchmark*] does not fall within the scope of the BMR by virtue of Article 2 of the BMR.]/[the transitional provisions in Article 51 of the BMR apply, such that the administrator is not currently required to obtain authorisation/registration]]. (*repeat as necessary*)]]<br><br>(*if Not Applicable, delete this subparagraph*) |

# Applicable Pricing Supplement

**APPLICABLE PRICING SUPPLEMENT**

**EXEMPT NOTES OF ANY DENOMINATIONS**

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Notes, whatever the denomination of those Notes, issued under the Programme.

[**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 (EU) 2016/97, as amended (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). 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.][41]

**[PROHIBITION OF SALES TO UK 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 United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, as amended (the **Insurance Distribution Directive**) where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.][42]

[**MIFID II/UK MIFIR product governance / target market** - [*appropriate target market legend to be included*]]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the SFA)** - [*To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or 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*)]][43]

[*The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore.*

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through

[41] Legend to be included on front of the Pricing Supplement if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[42] Legend to be included on the front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[43] Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the **ITA**), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[*Date*]

**PRICING SUPPLEMENT**
**UniCredit S.p.A.**
**[*Please include the place of incorporation, registered office, registration number and form of the Issuer*]**
**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**
under the
€60,000,000,000 Euro Medium Term Note Programme

**Part A – CONTRACTUAL TERMS**

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to either of Article 3 of the Prospectus Regulation or section 85 of the FSMA or to supplement a prospectus pursuant to either of Article 23 of the Prospectus Regulation or Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.

This document constitutes the Pricing Supplement for the Notes described herein. This document must be read in conjunction with the Base Prospectus dated 7 June 2021 [as supplemented by the supplement[s] dated [*date*[s]]] (the Base Prospectus). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. Copies of the Base Prospectus may be obtained from [address]. Stamp duty is paid virtually, if due, to Auth. Agenzia delle Entrate, Ufficio di Roma 1, No. 143106/07 of 21 December 2007.

Terms used herein shall be deemed to be defined as such for the purposes of the [Terms and Conditions for the English Law Notes] [Terms and Conditions for the Italian Law Notes] (the Conditions) set forth in the Base Prospectus [dated [*original date*] [and the supplement dated [*date*]] which are incorporated by reference in the Base Prospectus].[44]

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.*]

[*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency.*]

| | | | |
|---|---|---|---|
| 1. | Issuer: | | UniCredit S.p.A. |
| 2. | Series Number: | | [ ] |
| | (a) | Tranche Number: | [ ] |
| | (b) | [Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series with [*Provide issue amount/ISIN/maturity date/issue date of earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent |

[44] Only include this language where it is a fungible issue and the original Tranche was issued under a Base Prospectus with a different date.

| | | |
|---|---|---|
| | | Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [*date*]][Not Applicable]] |
| 3. | Specified Currency or Currencies: | [ ] |
| 4. | Aggregate Nominal Amount: | |
| | (a) Series: | [ ] |
| | (b) Tranche: | [ ] |
| 5. | Issue Price: | [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (if applicable)] |
| 6. | Specified Denominations[45]: | [ ] |
| | (a) Calculation Amount: | [ ]<br><br>(If only one Specified Denomination, insert the Specified Denomination<br><br>If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations) |
| 7. | Issue Date: | [ ] |
| | (a) Interest Commencement Date: | [*specify*/Issue Date/Not Applicable]<br><br>(*An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes*.) |
| 8. | Maturity Date: | [ ]<br><br>[The Notes are perpetual securities and have no fixed date for redemption. The Issuer may only redeem the Notes at its discretion in the circumstances described in the Conditions.] *(N.B. only applicable to Additional Tier 1 Notes)* |
| 9. | Interest Basis: | [[ ] per cent. Fixed Rate]<br>[[specify Reference Rate] +/- [ ] per cent. Floating Rate]<br>[Zero Coupon]<br>[Index Linked Interest]<br>[Dual Currency Interest]<br>[Inflation Linked Interest]<br>[*specify other*]<br>(further particulars specified below) |
| 10. | Redemption/Payment Basis: | [Redemption at par]<br>[Index Linked Redemption]<br>[Dual Currency Redemption]<br>[Partly Paid] |

[45] The minimum denomination of the Non-Preferred Senior Notes will be Euro 250,000 and the minimum denomination of each Additional Tier 1 Note will be Euro 100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body).

| | | | |
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| | | | [Instalment]<br>[*specify other*] |
| 11. | Change of Interest Basis: | | [Applicable]/[Not Applicable]<br><br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)<br><br>(*To be completed in addition to paragraphs 14 and 16 below (as appropriate) if any fixed to floating or fixed reset rate change occurs*) |
| | (iv) | Switch Option: | [Applicable – [*specify details of the change(s) in Interest Basis and the relevant Interest Periods to which the change(s) in Interest Basis applies*]/[Not Applicable]<br><br>(*The Issuer must give notice of the exercise of the Switch Option to Noteholders in accordance with Condition 16 (Notices) of the Terms and Conditions for the English Law Notes and with Condition 17 (Notices) of the Terms and Conditions for the Italian Law Notes on or prior to the relevant Switch Option Expiry Date*) |
| | (v) | Switch Option Expiry Date: | [ ] |
| | (vi) | Switch Option Effective Date: | [ ] |
| 12. | Call Options: | | [Not Applicable]<br><br>[Issuer Call]<br><br>[Issuer Call due to MREL or TLAC Disqualification Event]<br><br>[(further particulars specified below)] |
| 13. | Status of the Notes: | | [Senior / Non-Preferred Senior / Subordinated / Additional Tier 1] |
| | (a) | [Date of [Board] approval for issuance of Notes: | [ ]]<br><br>(Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes) |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

| | | | |
|---|---|---|---|
| 14. | Fixed Rate Note Provisions: | | [Applicable/Not Applicable]<br><br>(If not applicable, delete the remaining subparagraphs of this paragraph) |
| | (a) | Rate(s) of Interest: | [ ] per cent. per annum payable in arrear on each Interest Payment Date |
| | (b) | Interest Payment Date(s): | [[ ] in each year up to and including the Maturity Date<br><br>(*Amend appropriately in the case of irregular coupons*) |

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| | (c) | Business Day Convention: | [Modified Following Business Day Convention/Not Applicable]<br><br>(*For certain Renminbi denominated Fixed Rate Notes, the Interest Payment Dates are subject to modification, insert Modified Following Business Day Convention*) |
| | (d) | Fixed Coupon Amount(s): | [[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)] [payable [[ ] in arrear] on [ ]/[each Interest Payment Date][, except for the amount of interest payable on the first Interest Payment Date falling on [ ]].] [[This]/[These] Fixed Coupon Amount[s] appl[ies]/[y] if the Notes are represented by a global Note or are in definitive form.]<br><br>*(Specify different Fixed Coupon Amounts if different Rates of Interest are specified as being applicable in respect of different Interest Periods)* |
| | (e) | Broken Amount(s): | [[ ] per Calculation Amount (*applicable to the Notes in definitive form*)][/][[ ] per Aggregate Nominal Amount of the Notes (*applicable to the Notes in global form*)][, payable on the Interest Payment Date falling [in/on] [ ].] [This Broken Amount applies if the Notes are represented by a global Note or are in definitive form]/[Not Applicable] |
| | (f) | Day Count Fraction: | [30/360/Actual/Actual (ICMA)/*specify other*][Actual 365 (Fixed)][46][Actual/Actual Canadian Compound Method][47] |
| | (g) | Determination Date[s]: | [[ ] in each year][Not Applicable]<br><br>(*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*] |
| 15. | Reset Note Provisions: | | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining subparagraphs of this paragraph)* |
| | (a) | Initial Rate of Interest: | [●] per cent. per annum payable in arrear [on each Interest Payment Date] |
| | (b) | First Margin: | [+/-][●] per cent. per annum |
| | (c) | Subsequent Margin: | [[+/-][●] per cent. per annum] [Not Applicable] |
| | (d) | Interest Payment Date(s): | [●] [and [●]] in each *year* up to and including the Maturity Date [until and excluding [●]] |

[46] Applicable for Fixed Rate Notes denominated in Renminbi.
[47] Applicable for Fixed Rate Notes denominated in Canadian Dollars.

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| (e) | Fixed Coupon Amount up to (but excluding) the First Reset Date: | [[●] per *Calculation* Amount][Not Applicable] |
| (f) | Broken Amount(s): | [[●] per Calculation *Amount* payable on the Interest Payment Date falling [in/on] [●]][Not Applicable] |
| (g) | First Reset Date: | [●] |
| (h) | Second Reset Date: | [●]/[Not Applicable] |
| (i) | Subsequent Reset Date(s): | [●] [and [●]] |
| (j) | Mid-Swap Floating Leg Benchmark Rate: | [●] |
| (k) | Relevant Screen Page: | [ISDAFIX1]/[ISDAFIX2]/[ISDAFIX3]/[ISDAFIX4]/ [ISDAFIX5]/[ISDAFIX6]/[●]/[Not Applicable] |
| (l) | Mid-Swap Rate: | [Single Mid-Swap Rate/Mean Mid-Swap Rate] |
| (m) | Mid-Swap Maturity: | [●] |
| (n) | Reset Reference Rate Conversion: | [Applicable/Not Applicable] |
| (o) | Original Reset Reference Rate Payment Basis: | [Annual/Semi-annual/Quarterly/Monthly/Not Applicable] |
| (p) | Day Count Fraction: | [Actual/Actual / Actual/Actual (ISDA)]<br>[Actual/365 (Fixed)]<br>[Actual/365 (Sterling)]<br>[Actual/360]<br>[30/360/360/360/Bond Basis]<br>[30E/360/Eurobond Basis]<br>[30E/360 (ISDA)]<br>[Actual/Actual ICMA] |
| (q) | Determination Dates: | [●] in each year |
| (r) | Additional Business Centre(s): | [●] |
| (s) | Calculation Agent: | [Principal Paying Agent] [●] |
| (t) | Reset Reference Rate Replacement: | [Applicable][Not Applicable] |
| 16. | Floating Rate Note Provisions: | [Applicable/Not Applicable]<br><br>(If not applicable, delete the remaining subparagraphs of this paragraph) |
| (a) | Interest Period(s): | [●] [each consisting of [●] Interest Accrual Periods each of [●]][, subject to adjustment in accordance with the Business Day Convention] |
| (b) | Interest Accrual Period: | [●] [*Define for Compounded SOFR only, otherwise delete*] |

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| (c) | Interest Accrual Period End Date(s): | [[●]/Not Applicable] |
| (d) | Specified Period(s)/Specified Interest Payment Dates: | [ ] [, subject to adjustment in accordance with the Business Day Convention set out in subparagraph (e) below/, not subject to any adjustment, as the Business Day Convention in subparagraph (e) below is specified to be Not Applicable] [ [ ] Business Days following each Interest Accrual Period End Date/As per Condition 6.3(b)(iii)(C)] |
| (e) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable] |
| (f) | Additional Business Centre(s): | [ ] |
| (g) | Manner in which the Rate of Interest and Interest Amount are to be determined: | [Screen Rate Determination/ISDA Determination/*specify other*] |
| (h) | Calculation Agent: | [Principal Paying Agent] / [●] |
| (i) | Screen Rate Determination: | |
| | (i) Reference Rate: | Reference Rate: [ ] month [LIBOR/EURIBOR/CAD-BA-CDOR/CMS Reference Rate/SOFR]. (*Either LIBOR, EURIBOR or other, although additional information is required if other, including fallback provisions in the Agency Agreement for the English Law Notes and in the Agency Agreement for the Italian Law Notes*) |
| | (ii) Interest Determination Date(s)/SOFR Interest Determination Date(s): | [ ]<br><br>(*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR or CAD-BA-CDOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*)<br><br>(*In the case of Compounded SOFR with Lookback, Compounded SOFR with Observation Period Shift and Compounded SOFR Index with Observation Period Shift, set out the number of U.S. Government Securities Business Days prior to Interest Payment Date(s) in respect of the relevant Interest Period(s)*) |
| | (iii) Relevant Screen Page: | **[**ISDAFIX2 or any successor screen page**] [***insert other screen page***]**<br><br>(*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*) |

| | | | |
|---|---|---|---|
| | (iv) | Calculation Method: | [Compounded SOFR with Lookback/Compounded SOFR with Observation Period Shift/Compounded SOFR with Payment Delay/Compounded SOFR Index with Observation Period Shift] (*only relevant for SOFR*) |
| | (v) | Observation Period: | [[●]/Not Applicable] [As defined in Conditions] (*only relevant for SOFR*) |
| | (vi) | SOFR $\text{Index}_{\text{Start}}$ and SOFR $\text{Index}_{\text{End}}$ Number of U.S. Government Securities Business Days: | [SOFR $\text{Index}_{\text{Start}}$: [2 U.S. Government Securities Business Days / [ ]] / Not Applicable] (*only relevant for SOFR*)<br><br>[SOFR $\text{Index}_{\text{End}}$: [2 U.S. Government Securities Business Days / [ ]] / Not Applicable] (*only relevant for SOFR*) |
| | (vii) | Lookback Number of U.S. Government Securities Business Days: | [[●]/Not Applicable] (*only relevant for SOFR*)<br><br>(*Not less than Five U.S. Government Securities Business Days without consent of Calculation Agent*) |
| | (viii) | D: | [365/360/[ ]] (*only relevant for SOFR*) |
| (j) | ISDA Determination: | | |
| | (i) | Floating Rate Option: | [ ] |
| | (ii) | Designated Maturity: | [ ] |
| | (iii) | Reset Date: | [ ]<br><br>(*In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period*) |
| (k) | Linear Interpolation: | | [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)] |
| (l) | Margin(s): | | [+/-] [ ] per cent. per annum |
| (m) | Minimum Rate of Interest: | | [ ] per cent. per annum |
| (n) | Maximum Rate of Interest: | | [ ] per cent. per annum |
| (o) | Day Count Fraction: | | [Actual/Actual (ISDA)][Actual/Actual]<br>Actual/365 (Fixed)<br>Actual/365 (Sterling)<br>Actual/360<br>[30/360][360/360][Bond Basis]<br>[30E/360][Eurobond Basis]<br>30E/360 (ISDA)<br>*Other*][48] |

[48] Actual 365 (Fixed) is applicable to Renminbi and Canadian Dollars denominated Notes.

| | | | |
|---|---|---|---|
| | (p) | Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions: | [ ] |
| | (q) | Reference Rate Replacement: | [Applicable][Not Applicable] |
| 17. | Zero Coupon Note Provisions: | | [Applicable/Not Applicable]<br><br>(If not applicable, delete the remaining subparagraphs of this paragraph) |
| | (a) | Accrual Yield: | [ ] per cent. per annum |
| | (b) | Reference Price: | [ ] |
| | (c) | Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes: | |
| | (d) | Day Count Fraction in relation to Early Redemption Amounts: | [30/360]<br>[Actual/360]<br>[Actual/365]<br>[*specify other codes*] |
| 18. | Index Linked Interest Note: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | (a) | Index/Formula: | [*give or annex details*]<br>[*If physical settlement of Index Linked Notes is contemplated, details to be set out in an annex*] |
| | (b) | Calculation Agent: | [Principal Paying Agent] / [●] |
| | (c) | Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: | [*need to include a description of market disruption or settlement disruption events and adjustment provisions*] |
| | (d) | Specified Period(s)/Specified Interest Payment Dates: | [ ] [, subject to adjustment in accordance with the Business Day Convention set out in [(b) below/, not subject to any adjustment, as the Business Day Convention in (f) below] is specified to be Not Applicable] |
| | (e) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day |

| | | | |
|---|---|---|---|
| | | | Convention/ Preceding Business Day Convention/*specify other*] [Not Applicable] |
| | (f) | Additional Business Centre(s): | [ ] |
| | (g) | Minimum Rate of Interest: | [ ] per cent. per annum |
| | (h) | Maximum Rate of Interest: | [ ] per cent. per annum |
| | (i) | Day Count Fraction: | [ ] |
| 19. | Dual Currency Interest Note Provisions: | | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | (a) | Rate of Exchange/method of [*give or annex details*] calculating Rate of Exchange: | [ ] |
| | (b) | Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent): | [ ] |
| | (c) | Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: | [*need to include a description of market disruption or settlement disruption events and adjustment provisions*] |
| | (d) | Person at whose option Specified Currency(ies) is/are payable: | [ ] |

**PROVISIONS RELATING TO REDEMPTION**

| | | | |
|---|---|---|---|
| 20. | Notice periods for Condition 8.2 of the Terms and Conditions for the English Law Notes and Condition 10.3 of the Terms and Conditions for the Italian Law Notes and Condition 8.5 of the Terms and Conditions for the English Law Notes and Condition 10.6 of the Terms and Conditions for the Italian Law Notes: | | Minimum period: [ ] days<br><br>Maximum period: [ ] days |
| 21. | Issuer Call: | | [Applicable/Not Applicable]<br><br>*(If not applicable, delete the remaining subparagraphs of this paragraph)* |
| | (a) | Optional Redemption Date(s): | [ ] [each Business Day during the period from (and including) [*date*] to (but excluding) [*date*] [and each Interest Payment Date following [*date*]].] |
| | (b) | Optional Redemption Amount (in the case of Subordinated | [ ] per Calculation Amount |

| | | | |
|---|---|---|---|
| | | Notes and Additional Tier 1 Notes only, subject to the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations): | |
| | (c) | Notice periods: | Minimum period: [ ] days<br><br>Maximum period: [ ] days<br><br>(*When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or, in the case of English Law Notes, the Trustee*). |
| 22. | Regulatory Call: | | [Applicable/Not Applicable]<br><br>(*Only relevant in the case of Subordinated Note and Additional Tier 1 Notes*) |
| 23. | Issuer Call due to MREL or TLAC Disqualification Event: | | [Applicable]/[Not Applicable]<br><br>(*Please consider that not less than the minimum period nor more than maximum period (each as specified in paragraph 19 above) of notice has to be sent to the Principal Paying Agent and, in the case of English Law Notes, the Trustee and, in accordance with Condition* 16 (*Notices*) *of the Terms and Conditions for the English Law Notes and with Condition 17* (*Notices*) *of the Terms and Conditions for the Italian Law Notes, the Noteholders)*<br><br>(*Only relevant in the case of Senior Notes or Non-Preferred Senior Notes*) |
| 24. | Final Redemption Amount: | | [ ]/[[100 per cent.] per Calculation Amount] |
| 25. | Early Redemption Amount payable on redemption: | | [ ] [per Calculation Amount/As per Condition] [[8.6] (*Early Redemption Amounts*) of the Terms and Conditions for the English Law Notes/[10.7] (*Early Redemption Amounts*) of the Terms and Conditions for the Italian Law Notes]<br><br>[See also paragraph 22 (*Regulatory Call*) above] (*Delete this cross-reference unless the Notes are Subordinated Notes or Additional Tier 1 Notes and the Regulatory Call is applicable*) |
| | (i) | for taxation reasons (subject to [*insert in the case of Senior Notes and Non-Preferred Senior Notes*] [Condition 8.15 of the Terms and Conditions for the English Law Notes and Condition 10.16 of the Terms | |

and Conditions for the Italian Law Notes] [*insert in the case of Subordinated Notes*] [Condition 8.14 of the Terms and Conditions for the English Law Notes and Condition 10.15 of the Terms and Conditions for the Italian Law Notes] [*insert in the case of Additional Tier 1 Notes*] [Condition 10.15 of the Terms and Conditions for the Italian Law Notes (including the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)]) as contemplated by Condition 8.2 of the Terms and Conditions for the English Law Notes and Condition 10.3 of the Terms and Conditions for the Italian Law Notes;

[See also paragraph 23 above] (*Delete this cross-reference unless the Notes are Senior Notes or Non-Preferred Senior Notes and the Issuer Call due to MREL or TLAC Disqualification Event is applicable*)

(ii) [*insert in case of Subordinated Notes or Additional Tier 1 Notes*] [for regulatory reasons ([*insert in the case of Subordinated Notes*] [subject to Condition 8.14 of the Terms and Conditions for the English Law Notes and Condition 10.15 of the Terms and Conditions for the Italian Law Notes] [*insert in case of Additional Tier 1 Notes*] [subject to Condition 10.15 of the Terms and Conditions for the Italian Law Notes (including the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)]) as contemplated by Condition 8.3 of the Terms and Conditions for the English Law Notes and Condition 10.4 of the Terms and Conditions for the Italian Law Notes;]

(iii) [*insert in case of Senior Notes or Non-Preferred Senior Notes*] [for MREL or TLAC Disqualification Event (subject

to Condition 8.15 of the Terms and Conditions for the English Law Notes and Condition 10.16 of the Terms and Conditions for the Italian Law Notes) as contemplated by Condition 8.5 of the Terms and Conditions for the English Law Notes and Condition 10.6 of the Terms and Conditions for the Italian Law Notes; or]

(iv) on event of default (subject to[*insert in the case of Senior Notes or Non-Preferred Senior Notes*] [Condition 8.15 of the Terms and Conditions for the English Law Notes and Condition 10.16 of the Terms and Conditions for the Italian Law Notes] [*insert in the case of Subordinated Notes*] [Condition 8.14 of the Terms and Conditions for the English Law Notes and Condition 10.15 of the Terms and Conditions for the Italian Law Notes] [*insert in the case of Additional Tier 1 Notes*] [Condition 10.15 of the Terms and Conditions for the Italian Law Notes (including the prior approval of the relevant Competent Authority, as applicable, and in accordance with applicable laws and regulations, including Articles 77(b) and 78 of the CRD IV Regulation or, if different, the then applicable Relevant Regulations)]),

and/or the method of calculating the same (if required or if different from that set out in Condition 8.6 of the Terms and Conditions for the English Law Notes and Condition 10.7 of the Terms and Conditions for the Italian Law Notes (*Redemption and Purchase – Early Redemption Amounts*):

| | | | |
|---|---|---|---|
| 26. | RMB Currency Event: | [Applicable] [Not Applicable]<br><br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) | |
| | (a) Spot Rate: | (i) | Relevant Spot Rate Screen Page: [Reuters CNHFIX01]/[ ]/[Not Applicable] |

| | | | |
|---|---|---|---|
| | | | (ii) Relevant Valuation Time: [ ]/[Not Applicable] |
| | (b) | Calculation Agent responsible for calculating the Spot Rate: | [●][Not Applicable] |
| 27. | Relevant Currency: | | [*specify*] [Not Applicable] |
| 28. | Extendible Notes: | | [Applicable/Not Applicable] |
| | (a) | Initial Maturity Date: | [ ] |
| | (b) | Final Maturity Date: | [ ] |
| | (c) | Election Date(s): | [ ] |
| | (d) | Notice period: | Not less than [ ] nor more than [ ] days prior to the applicable Election Date* |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

| | | | |
|---|---|---|---|
| 29. | Form of Notes: | | |
| | (a) | Form of Notes: | [Bearer Notes:<br><br>[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Notes upon an Exchange Event]<br><br>[Permanent Bearer Global Note exchangeable for definitive Notes upon an Exchange Event]<br><br>[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]<br><br>[Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.[49]]<br><br>(*Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. The option for an issue of Notes to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 above includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]."*.)]<br><br>[Registered Notes:<br><br>Regulation S Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a |

* For any maturity extension at the option of the holder a minimum of 10 business days' notice is required.

49 Include for Notes that are to be offered in Belgium.

| | | |
|---|---|---|
| | | common depositary for Euroclear and Clearstream, Luxembourg]/Rule 144A Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]/Definitive IAI Registered Notes (*specify nominal amounts*)]<br><br>(*Note that only English Law Notes can be issued in registered form*) |
| | (b) [New Global Note: | [Yes] [No]] |
| 30. | Additional Financial Centre(s): | [Not Applicable/*give details*]<br><br>*(Note that this paragraph relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which subparagraph 16(c) above) relates)* |
| 31. | RMB Settlement Centre | [Not Applicable/*give details*] |
| 32. | Talons for future Coupons to be attached to Definitive Notes: | [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No] |
| 33. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment. | [Not Applicable/*give details. A new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*] |
| 34. | Details relating to Instalment Notes: | [Applicable/Not Applicable]<br><br>(*If not applicable, delete the remaining subparagraphs of this paragraph*) |
| | (a) Instalment Amount(s): | [*give details*] |
| | (b) Instalment Date(s): | [*give details*] |
| 35. | Other terms or special conditions: | [Not Applicable/*give details*] |

**[THIRD PARTY INFORMATION**

[*Relevant third party information*] has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of UniCredit S.p.A.:

By:

Duly authorised

By:

Duly authorised

**Part B – OTHER INFORMATION**

| | | |
|---|---|---|
| **1.** | **LISTING** | [Application [has been made/is expected to be made] by the Issuer (or on its behalf) for the Notes to be listed on [*specify market - note this must not be an EEA regulated market or the London Stock Exchange's main market*] with effect from [ ].] [Not Applicable] |
| **2.** | **RATINGS** | |
| | Ratings: | [The Notes to be issued are not expected to be rated] [The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*] |
| **3.** | **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE** | |
| | [Save for the fees [of [*insert relevant fee disclosure*]] payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] 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 – Amend as appropriate if there are other interests] | |
| **4.** | **REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF THE PROCEEDS** | |
| | (a) Reasons for the offer: | [for its general corporate purposes, which include making a profit] / [●]<br><br>[Further details on Green Bonds, Social Bonds or Sustainability Bonds are included in the [UniCredit Sustainability Bond Framework] made available on the Issuer's website in the investor relations sections at [●]]<br><br>See "Use of Proceeds" wording in the Base Prospectus. *(If reasons for offer different from making profit or general corporate purposes (for example for a Green Bond, a Social Bond, or an issuance of a Sustainability Bond, will need to include those reasons here*)) |
| | (b) Estimated net amount of the proceeds: | [ ]<br><br>*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds are insufficient to fund all proposed uses, state amount and sources of other funding)* |
| **5.** | **OPERATIONAL INFORMATION** | |
| | (i) ISIN: | [ ] |
| | (ii) Common Code: | [ ] |
| | (iii) CUSIP: | [ ] [Not Applicable] |
| | (iv) CINS: | [ ] [Not Applicable] |

| | | |
|---|---|---|
| (v) | CFI: | [[*include code*][50], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] |
| (vi) | FISN: | [[*include code*][40], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available] |
| (vii) | [[*specify other codes*] | [ ]] |
| (viii) | Any clearing system(s) other than Euroclear. and Clearstream Luxembourg and the relevant identification number(s): | [Not Applicable/*give name(s), address(es) and number(s)*] |
| (ix) | Delivery: | Delivery [against/free of] payment |
| (x) | Names and addresses of additional Paying Agent(s) (if any): | [ ] |
| (xi) | Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/<br><br>[No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]] |

**6. DISTRIBUTION**

| | | |
|---|---|---|
| (i) | Method of distribution: | [Syndicated/Non-syndicated] |

[50] The actual code should only be included where the Issuer is comfortable that it is correct.

| | | |
|---|---|---|
| (ii) | If syndicated, names and addresses of Managers (specifying Lead Manager) and underwriting commitments: | [Not Applicable/*give names*]<br><br>(*Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers*.) |
| (iii) | Stabilisation Manager(s) (if any): | [Not Applicable/*give name*] |
| (iv) | If non-syndicated, name and address of relevant Dealer: | [Not Applicable/*give name and address*] |
| (v) | U.S. Selling Restrictions: | [Reg. S Compliance Category [1/2/3]; TEFRA D/TEFRA C/TEFRA not applicable]] |
| (vi) | Prohibition of Sales to EEA Retail Investors: | [Applicable/Not Applicable]<br><br>*(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.)* |
| (vii) | Prohibition of Sales to UK Retail Investors: | [Applicable/Not Applicable]<br><br>(*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified*.) |

# Terms and Conditions for the English Law Notes

*The following are the Terms and Conditions applicable to each Series of Notes to be governed under English Law (respectively, the **English Law Notes** or the **Notes** and the **Terms and Conditions for the English Law Notes** or the **Terms and Conditions**) which will be attached to each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange, the competent authority or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions for the English Law Notes, replace or modify the following Terms and Conditions for the English Law Notes for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

*Any reference in the Terms and Conditions to "applicable Final Terms" or "Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" or "Pricing Supplement" where relevant in the case of Exempt Notes.*

This Note is one of a Series (as defined below) of Notes constituted by a Sixteenth Amended and Restated Trust Deed (such Sixteenth Amended and Restated Trust Deed, as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 7 June 2021 and made between UniCredit S.p.A. (**UniCredit**) and Citicorp Trustee Company Limited as trustee for the time being for the Noteholders (the **Trustee**, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed), and issued by UniCredit (or any other company which has become an issuer under the Programme and the Trust Deed in accordance with Condition 17) as indicated in the applicable Final Terms (the **Issuer**, which expression shall include any company substituted in place of the Issuer in accordance with Condition 17). These terms and conditions (the **Conditions**) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Registered Notes, Coupons, Receipts and Talons referred to below. References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note;

(c) any definitive Notes in bearer form (**Definitive Bearer Notes**) issued in exchange for a Global Note in bearer form; and

(d) definitive Notes in registered form (**Definitive Registered Notes**) (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of a Nineteenth Amended and Restated Agency Agreement dated 7 June 2021 (such Nineteenth Amended and Restated Agency Agreement, as amended and/or supplemented and/or restated from time to time, the **Agency Agreement for the English Law Notes**, or the **Agency Agreement**) and made between UniCredit, the Trustee, Citibank, N.A., London Branch as issuing and principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), Citibank, N.A., London Branch as exchange agent (the **Exchange Agent** which expression shall include any successor exchange agent) and Citigroup Global Markets Europe AG as registrar (the **Registrar**, which expression shall include any successor registrar) and Citibank Europe plc and Citibank N.A., London Branch as transfer agents and the other transfer agents named therein (the **Transfer Agents**, which expression shall include any additional or successor transfer agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms (or Pricing Supplement, in the case of Exempt Notes) attached to or endorsed on this Note which complete these Terms and

Conditions (the **Conditions**) and, in the case of a Note which is neither admitted to trading (i) on a regulated market in the EEA or (ii) a UK regulated market as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, nor offered in (i) the EEA or (ii) the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000, as the case may be (an **Exempt Note**), may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to **the applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note or to the **applicable Pricing Supplement** (or the relevant provisions thereof) attached to or endorsed on this Note. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Exempt Notes in definitive form which are repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Trustee acts for the benefit of the Noteholders (which expression shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are 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.

Copies of the Trust Deed, the Agency Agreement and a deed poll dated 7 June 2021 (the **Deed Poll**) and executed by UniCredit (i) are available for inspection or collection by Noteholders upon reasonable request during normal business hours at the principal office for the time being of the Trustee being at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and at the specified office of each of the Principal Paying Agent, the Registrar and the other Paying Agents and Transfer Agents (such Agents and the Registrar being together referred to as the **Agents**) and Banque Internationale à Luxembourg S.A. (the **Luxembourg Listing Agent**), or (ii) may be provided by email to a Noteholder following their prior written request to the Trustee, the Agents or the Luxembourg Listing Agent and provision of proof of holding and identity (in a form satisfactory to the Trustee, the relevant Agent or the Luxembourg Listing Agent, as the case may be), as long as the Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Paying Agent as to its holding of such Notes and identity unless the regulations of the relevant stock exchange require otherwise. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms or applicable Pricing Supplement which are applicable to them.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

## 1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Final Terms 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 and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

Unless this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Reset Note, an Inflation Linked Interest Note, a Zero Coupon Note, a CMS Linked Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Reset Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note (each as hereinafter defined), or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note and a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

This Note may be an Extendible Note, depending on the Redemption/Payment Basis shown in the applicable Final Terms (or Pricing Supplement if applicable).

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

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Trust Deed and the Agency Agreement. The Issuer, the Paying Agents and the Trustee will (except as otherwise required by law or as otherwise required by a court of competent jurisdiction or a public official authority) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, S.A. (**Clearstream, Luxembourg**), and/or the Depositary Trust Company (**DTC**) or its nominee, each person (other than Euroclear or Clearstream, Luxembourg or DTC) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or of DTC as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or DTC as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error or proven error) shall be treated by the Issuer, the Paying Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, any Paying Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be.

References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B the

applicable Final Terms, provided that, in the case of the Notes issued in NGN form, such additional or alternative clearing system must also be authorised to hold such Notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations.

## 2. TRANSFERS OF REGISTERED NOTES

### 2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note of the same series only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

### 2.2 Transfers of Registered Notes in definitive form

Subject as provided in this Condition 2.2 and Conditions 2.3 and 2.6, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (b) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (with the prior written approval of the Trustee) (the initial such regulations being set out in Schedule 4 to the Agency Agreement). Subject as provided above, the Registrar will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver, or procure the delivery of, at its specified office or the specified office of a Transfer Agent to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form, duly authenticated by the Registrar, of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

### 2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 8, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

### 2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

**2.5 Transfers of interests in Regulation S Global Notes**

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

(a) upon receipt by the Registrar of a written certification substantially in the form set out in the Trust Deed, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made:

(i) to a person whom the transferor reasonably believes to be a QIB in a transaction meeting the requirements of Rule 144A; or

(ii) to a person who is an Institutional Accredited Investor, together with a duly executed investment letter from the relevant transferee substantially in the form set out in the Trust Deed (an **IAI Investment Letter**); or

(b) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States, and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of Condition 2.5(a)(i), such transferee may take delivery through a Legended Note in global or definitive form and, in the case of Condition 2.5(a)(ii), such transferee may take delivery only through a Legended Note in definitive form. After expiry of the applicable Distribution Compliance Period (A) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (B) such certification requirements will no longer apply to such transfers.

**2.6 Transfers of interests in Legended Notes**

Transfers of Legended Notes or beneficial interests therein may be made:

(a) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately through Euroclear and/or Clearstream, Luxembourg; or

(b) to a transferee who takes delivery of such interest through a Legended Note:

(i) where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification;

(ii) where the transferee is an Institutional Accredited Investor, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed IAI Investment Letter from the relevant transferee; or

(c) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC, Euroclear or Clearstream, Luxembourg, as appropriate, and the Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate Registered Global Note, where applicable.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the legend, the Registrar shall deliver only Legended Notes or refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

**2.7 Exchanges of Registered Notes generally**

Holders of Registered Notes in definitive form that were sold outside the United States in accordance with regulation S (**Regulation S Notes**) may exchange such Notes for Regulation S Global Notes at any time and holders of Rule 144A Notes in definitive form may exchange such Notes for interests in a Rule 144A Global Note of the same type at any time.

**2.8 Definitions**

In this Condition 2, the following expressions shall have the following meanings:

**Distribution Compliance Period** means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

**Institutional Accredited Investor** means accredited investors (as defined in Rule 501(a) (1), (2), (3) or (7) under the Securities Act) that are institutions;

**Legended Note** means Registered Notes in definitive form that are issued to Institutional Accredited Investors and Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a **Legend**);

**QIB** means a "qualified institutional buyer" within the meaning of Rule 144A as defined below;

**Regulation S** means Regulation S under the Securities Act;

**Regulation S Global Note** means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

**Rule 144A** means Rule 144A under the Securities Act;

**Rule 144A Global Note** means a Registered Global Note representing Notes sold in the United States or to QIBs; and

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

**3. STATUS OF THE SENIOR NOTES**

This Condition 3 applies only to Notes specified in the applicable Final Terms as Senior and being Senior Notes (and, for the avoidance of doubt, does not apply to Non-Preferred Senior Notes).

The Senior Notes and any relative Receipts and Coupons 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 the Senior Notes from time to time (including Non-Preferred Senior Notes and any further obligations permitted by

law to rank junior to the Senior Notes following the Issue Date), if any) of the Issuer, present and future and, in the case of the Senior Notes, *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 or otherwise in respect of such Senior Note.

For the avoidance of doubt, there is no negative pledge provision in these Conditions.

## 4. STATUS OF THE NON-PREFERRED SENIOR NOTES

This Condition 4 applies only to Notes specified in the applicable Final Terms as Non-Preferred Senior and intended to qualify as *strumenti di debito chirografario di secondo livello* of the Issuer, as defined under Article 12-*bis* of the Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Banking Act**).

Non-Preferred Senior Notes, any related Receipts and Coupons constitute direct, unconditional, unsubordinated, and 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 preferences 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 UniCredit, 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 or otherwise in respect of such Non-Preferred Senior Note.

For the avoidance of doubt, there is no negative pledge provision in these Conditions.

## 5. STATUS OF THE SUBORDINATED NOTES

This Condition 5 applies only to Notes specified in the applicable Final Terms as Subordinated and intended to qualify as Tier 2 Capital.

Subordinated Notes (notes intended to qualify as Tier 2 Capital for regulatory capital purposes, in accordance with Part II, Chapter 1 of the Bank of Italy's *Disposizioni di Vigilanza per le Banche*, as set out in Bank of Italy Circular No. 285 of 17 December 2013, as amended or supplemented from time to time (the **Bank of Italy Regulations**), including any successor regulations, and Article 63 of the Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms) and any relative Receipts and Coupons constitute direct, unconditional, unsecured and subordinated obligations of UniCredit and rank after unsubordinated unsecured creditors (including depositors and holders of Senior Notes and Non-Preferred Senior Notes) of UniCredit and after all creditors of UniCredit 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 UniCredit 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 UniCredit.

In relation to each Series of Subordinated Notes all Subordinated Notes of such Series will be treated equally and all amounts paid by UniCredit 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 or otherwise, in respect of such Subordinated Note.

In these Conditions:

**Competent Authority** means the Bank of Italy and/or, to the extent applicable in any relevant situation, the European Central Bank or any successor or replacement entity to either, or other authority having primary responsibility for the prudential oversight and supervision of UniCredit or the Group and/or, as the context may require, the "resolution authority" or the "competent authority" as defined under BRRD and/or SRM Regulation.

**Relevant Regulations** has the meaning attributed to that term in Condition 8.5.

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

For the avoidance of doubt, there is no negative pledge provision in these Conditions.

## 6. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Reset Notes, Floating Rate Notes, Inflation Linked Interest Notes or Zero Coupon Notes or, in the case of Exempt Notes, whether a different interest basis applies.

### 6.1 Interest on Fixed Rate Notes

This Condition 6.1 applies to Fixed Rate Notes. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 6.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, 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.

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. 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.

In respect of Notes which are denominated in Renminbi, if the Business Day Convention is specified as the Modified Following Business Day Convention in the applicable Final Terms or Pricing Supplement, as the case may be, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, 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.

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.

As used in the Conditions, **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.

Except in the case of (i) Notes in definitive form where an applicable Fixed Coupon Amount or 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:

i. 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, if they are Partly Paid Notes, the aggregate amount paid up); or

ii. 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.

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

(a) 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;

(b) 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;

(c) 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);

(d) 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

(e) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365.

In these Conditions:

**Business Day** means a day which is both:

(i) 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 any Additional Business Centre specified in the applicable Final Terms; and

(ii) 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 relevant RMB Settlement Centre(s).

**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);

**RMB Settlement Centre**, means the financial centre(s) specified as such in the applicable Final Terms or Pricing Supplement in accordance with applicable laws and regulations. If no RMB Settlement Centre is specified in the relevant Final Terms or Pricing Supplement, the RMB Settlement Centre shall be deemed to be Hong Kong; and

**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.

**6.2 Interest on Reset Notes**

(i) *Rate of Interest and Interest Payment Dates*

Each Reset Note bears interest:

(a) from (and including) the Interest Commencement Date until (but excluding) the First Reset Date at the Initial Rate of Interest;

(b) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and

(c) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on each Interest Payment Date and on the Maturity Date if that does not fall on an Interest Payment Date. The Rate of Interest and the Interest Amount payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, subject to Condition 6.3(j) (*Reference Rate Replacement*) and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 6.1. Unless otherwise stated in the applicable Final Terms the Rate of Interest (inclusive of the First or Subsequent Margin) shall not be deemed to be less than zero.

(ii) *Reset Reference Rate Conversion*

This Condition 6.2(ii) is only applicable if Reset Reference Rate Conversion is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable.

The First Reset Rate of Interest and, if applicable, each Subsequent Reset Rate of Interest will be converted from the Original Reset Reference Rate Payment Basis specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement to a basis which matches the frequency of Interest Payment Dates in respect of the relevant Notes.

For the purposes of the Conditions, with regard to the Reset Notes:

**First Margin** means the margin specified as such in the applicable Final Terms;

**First Reset Date** means the date specified in the applicable Final Terms;

**First Reset Period** means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date;

**First Reset Rate of Interest** means, in respect of the First Reset Period, the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the First Margin, subject to Condition 6.2(ii);

**Initial Rate of Interest** has the meaning specified in the applicable Final Terms;

**Mid-Market Swap Rate** means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Original Reset Reference Rate Payment Basis (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the applicable Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

**Mid-Market Swap Rate Quotation** means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

**Mid-Swap Floating Leg Benchmark Rate** means either (i) the Reference Rate specified in the applicable Final Terms or (ii) if no such Reference Rate is specified, EURIBOR if the Specified Currency is euro, SOFR if the Specified Currency is U.S. dollar or LIBOR for the Specified Currency if the Specified Currency is not euro or U.S. dollar;

**Mid-Swap Rate** means, in relation to a Reset Determination Date and subject to Condition 6.2(iii), either:

(a) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page; or

(b) if Mean Mid-Swap Rate is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent;

**Original Reset Reference Rate Payment Basis** has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. In the case of Notes other than Exempt Notes, the Original Reset Reference Rate Payment Basis shall be annual, semi-annual, quarterly or monthly;

**Rate of Interest** means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

**Reset Date** means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

**Reset Determination Date** means, in respect of the First Reset Period, the second Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period;

**Reset Period** means the First Reset Period or a Subsequent Reset Period, as the case may be;

**Second Reset Date** means the date specified in the applicable Final Terms;

**Subsequent Margin** means the margin specified as such in the applicable Final Terms;

**Subsequent Reset Date** means the date or dates specified in the applicable Final Terms;

**Subsequent Reset Period** means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date; and

**Subsequent Reset Rate of Interest** means, in respect of any Subsequent Reset Period and subject to Condition 6.2(iii), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Margin, subject to Condition 6.2(ii).

(iii) *Fallbacks*

If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Calculation Agent shall, subject as provided in Condition 6.3(j) (*Reference Rate Replacement*), request each of the Reference Banks (as defined below) to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the sum of (as applicable) the First Margin (in the case of the First Reset Rate of Interest) or the Subsequent Margin (in the case of the Subsequent Reset Rate of Interest) and the relevant Mid-Swap Rate as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

For the purposes of this Condition 6.2, **Reference Banks** means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer.

### 6.3 Interest on Floating Rate Notes and Inflation Linked Interest Notes

#### (a) Interest Payment Dates

This Condition 6.3 applies to Floating Rate Notes and Inflation Linked Interest Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and inflation linked rate interest and must be read in conjunction with this Condition 6.3 for full information on the manner in which interest is calculated on Floating Rate Notes, or, as appropriate, Inflation Linked Interest Notes. In particular, 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 Centres, 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 Principal Paying Agent or, as the case may be, the Calculation Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. 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 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.

Such interest will be payable in respect of each Interest Period. In these Conditions, **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).

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 6.3(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*: or

(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.

In these Conditions:

**Business Day** means a day which is both:

(i) 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 any Additional Business Centre specified in the applicable Final Terms; and

(ii) 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 centre of the country of the relevant Specified Currency (if other than any Additional Business Centre and which if the Specified Currency is Australian dollars, New Zealand dollars or Renminbi shall be Sydney, Auckland and the relevant RMB Settlement Centre(s), respectively) or (b) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

**RMB Settlement Centre(s)** means the financial centre(s) specified as such in the applicable Final Terms or Pricing Supplement in accordance with applicable laws and regulations. If no RMB Settlement Centre is specified in the relevant Final Terms or Pricing Supplement, the RMB Settlement Centre shall be deemed to be Hong Kong.

**(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 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 (as indicated in the applicable Final Terms) the Margin (if any), which can be positive or negative. For the purposes of this Condition 6.3(b)(i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate 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 of the first Tranche of the Notes (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 6.3(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 Floating Rate Notes which reference SOFR and 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 to Condition 6.3(j) (*Reference Rate Replacement*) 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 the London interbank offered rate (**LIBOR**) or the Euro-zone interbank offered rate (**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 (as indicated in the applicable Final Terms) the Margin (if any), which can be positive or negative, all as determined by the Calculation 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 Calculation 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 Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation 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 Calculation 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 (as appropriate) the Margin (if any), which can be positive or negative, all as determined by the Principal Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation 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 Calculation 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 Calculation 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 (as appropriate) the Margin (if any), which can be positive or negative, or, if fewer than two of the Reference Banks provide the Calculation 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 Principal 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 (as appropriate) the Margin (if any), which can be

positive or negative, provided that, 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.

(iii) *Screen Rate Determination for Floating Rate Notes which reference SOFR*

Where Screen Rate Determination is specified as being applicable in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is SOFR, the Rate of Interest for each Interest Period (or for each Interest Accrual Period, when Calculation Method is specified as Compounded SOFR with Payment Delay in the applicable Final Terms), subject as provided below and subject to Condition 6.3(j) (*Reference Rate Replacement*), will be the Compounded SOFR for such Interest Period (or Interest Accrual Period, as applicable) plus the Margin (if any, as indicated in the applicable Final Terms), which can be positive or negative, as determined by the Calculation Agent.

The Rate of Interest applicable for an Interest Period will be determined on the applicable SOFR Interest Determination Date, provided that, if the Calculation Method is specified as Compounded SOFR with Payment Delay in the applicable Final Terms, the Rate of Interest for an Interest Accrual Period will be determined on the applicable Interest Accrual Period End Date, provided further that, in such case the Rate of Interest for the final Interest Accrual Period shall be determined on the Rate Cut-off Date.

The Interest Amount for each Interest Period will be calculated by the Calculation Agent as set out in Condition 6.3(f) below provided that if the Calculation Method is specified as Compounded SOFR with Payment Delay in the applicable Final Terms, the relevant calculations shall be made in respect of each Interest Accrual Period, rather than each Interest Period.

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

For the purposes of this Condition:

**Compounded SOFR** means:

(A) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Compounded SOFR with Lookback", with respect to an Interest Period, subject as provided below, the rate of return of a daily compound interest investment computed in accordance with the following formula, with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards to .00001:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_{i\text{-}yUSBD}\times n_i}{360}\right)\text{-}1\right]\times\frac{360}{d}$$

where:

**d** means the number of calendar days in the relevant Interest Period;

**$d_0$**, for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period;

**i** means a series of whole numbers from one to $d_0$, each representing the relevant U.S. Government Securities Business Day in chronological order from, and

including, the first U.S. Government Securities Business Day in the relevant Interest Period;

**$SOFR_{i\text{-}yUSBD}$**, for any U.S. Government Securities Business Day "i" in the relevant Interest Period, is equal to SOFR in respect of the U.S. Government Securities Business Day that is "y" (the Lookback Number of U.S. Government Securities Business Days) U.S. Government Securities Business Days prior to that day "i"; and

**$n_i$**, for any U.S. Government Securities Business Day "i" in the relevant Interest Period, means the number of calendar days from and including such U.S. Government Securities Business Day "i" up to but excluding the following U.S. Government Securities Business Day ("i+1").

**Lookback Number of U.S. Government Securities Business Days** has the meaning specified in the applicable Final Terms and represented in the formula above as "y", and which shall not be less than five U.S. Government Securities Business Days without the prior consent of the Principal Paying Agent or the Calculation Agent.

(B) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Compounded SOFR with Observation Period Shift", with respect to an Interest Period, subject as provided below, the rate of return of a daily compound interest investment computed in accordance with the following formula, with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards to .00001:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

**d** means the number of calendar days in the relevant Observation Period.

**$d_0$**, for any Observation Period, means the number of U.S. Government Securities Business Days in the relevant Observation Period;

**i** means a series of whole numbers from one to $d_0$, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

**$SOFR_i$**, for any U.S. Government Securities Business Day "i" in the relevant Observation Period, is equal to SOFR (as defined below) in respect of that day "i"; and

**$n_i$**, for any U.S. Government Securities Business Day "i" in the relevant Observation Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1").

**Observation Period** means, in respect of each Interest Period, the period from, and including, the date that is the number of U.S. Government Securities Business Days specified in the applicable Final Terms preceding the first date in such Interest Period to, but excluding, the date that is the same number of U.S. Government Securities Business Days so specified and preceding the Interest Payment Date for such Interest Period.

(C) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Compounded SOFR with Payment

Delay", with respect to an Interest Accrual Period, subject as provided below, the rate of return of a daily compound interest investment computed in accordance with the following formula, with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards to .00001:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

**d** means the number of calendar days in the relevant Interest Accrual Period.

**$d_0$**, for any Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

**i** means a series of whole numbers from one to $d_0$, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Accrual Period;

**$SOFR_i$**, for any U.S. Government Securities Business Day "i" in the relevant Interest Accrual Period, is equal to SOFR (as defined below) in respect of that day "i"; and

**$n_i$**, for any U.S. Government Securities Business Day "i" in the relevant Interest Accrual Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1").

**Interest Accrual Period** means each quarterly period, or such other period as specified in the applicable Final Terms, from, and including, an Interest Accrual Period End Date (or, in the case of the first Interest Accrual Period, the Issue Date) to, but excluding, the next Interest Accrual Period End Date (or, in the case of the final Interest Accrual Period, the Maturity Date or, if the Issuer elects to redeem the Notes on any earlier redemption date, such redemption date).

**Interest Accrual Period End Dates** means the dates specified in the applicable Final Terms, ending on the Maturity Date or, if the Issuer elects to redeem the Notes on any earlier redemption date, such redemption date.

**Interest Payment Date** means the second Business Day, or such other Business Day as specified in the applicable Final Terms, following each Interest Accrual Period End Date; provided that the Interest Payment Date with respect to the final Interest Accrual Period will be the Maturity Date or, if the Issuer elects to redeem the Notes on any earlier redemption date, the redemption date.

**Rate Cut-Off Date** means the second U.S. Government Securities Business Day prior to the Maturity Date or redemption date, as applicable. For the purposes of calculating Compounded SOFR with respect to the final Interest Accrual Period, the level of SOFR for each U.S. Government Securities Business Day in the period from and including the Rate Cut-Off Date to but excluding the Maturity Date or any earlier redemption date, as applicable, shall be the level of SOFR in respect of such Rate Cut-Off Date.

(D) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Compounded SOFR Index with Observation Period Shift", with respect to an Interest Period, the rate computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point e.g., 9.876541 per cent. (or .09876541) being rounded down to 9.87654 per cent. (or .0987654) and

9.876545 per cent. (or .09876545) being rounded up to 9.87655 per cent. (or .0987655)):

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \frac{360}{d_c}$$

where:

**SOFR Index**, with respect to any U.S. Government Securities Business Day, means:

(1) the SOFR Index value as published by the SOFR Administrator as such index appears on the New York Fed's Website at 3:00 p.m. (New York time) on such U.S. Government Securities Business Day (the **SOFR Determination Time**); provided that:

(2) if a SOFR Index value does not so appear as specified in (1) above at the SOFR Determination Time, then:

(i) if a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined below) have not occurred with respect to SOFR, Compounded SOFR shall be the rate determined pursuant to the "SOFR Index Unavailable" provisions below; or

(ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, Compounded SOFR shall be the rate determined pursuant to Condition 6.3(j) (*Reference Rate Replacement*).

**SOFR Index$_{Start}$** is the SOFR Index value for the day which is two U.S. Government Securities Business Days, or such other number of U.S. Government Securities Business Days as specified in the applicable Final Terms, preceding the first date of the relevant Interest Period;

**SOFR Index$_{End}$** is the SOFR Index value for the day which is two, or such other number of U.S. Government Securities Business Days as specified in the applicable Final Terms, U.S. Government Securities Business Days preceding the Interest Payment Date relating to such Interest Period; and

**$d_c$** is the number of calendar days from (and including) SOFR Index$_{Start}$ to (but excluding) SOFR Index$_{End}$.

**SOFR Index Unavailable** means, if a SOFR Index$_{Start}$ or SOFR Index$_{End}$ is not published on the associated SOFR Interest Determination Date and a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined below) have not occurred with respect to SOFR, **Compounded SOFR** means, for the applicable Interest Period for which such index is not available, the rate of return on a daily compounded interest investment calculated in accordance with the formula for SOFR Averages, and definitions required for such formula, published on the New York Fed's Website at www.newyorkfed.org/markets/treasury-repo-reference-rates-information. For the purposes of this provision, references in the SOFR Averages compounding formula and related definitions to "calculation period" shall be replaced with "Observation Period" and the words "that is, 30-, 90-, or 180- calendar days" shall be removed. If the daily SOFR (**SOFR$_i$**) does not so appear for any day, **i** in the Observation Period, SOFR$_i$ for such day **i** shall be SOFR published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the New York Fed's Website.

As used in this Condition 6.3(b)(iii):

**U.S. Government Securities Business Day** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Each calculation of the Rate of Interest and Interest Amount by the Calculation Agent will (in absence of manifest error) be final and binding on the Noteholders and the Issuer.

The Issuer may appoint a different calculation agent from time to time without the consent of the Noteholders and without notifying the Noteholders. If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred under Condition 6.3(j) (*Reference Rate Replacement*), the Issuer shall then appoint a designee to act as calculation agent unless the Calculation Agent agrees to continue to act as Calculation Agent, and any determination, decision or election that may be made by the Issuer or its designee in connection with Compounded SOFR shall be subject to the provisions of Condition 6.3(j)(2).

If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Issuer will provide notice to the Noteholders in accordance with Condition 16 of any determination, decision or election made by the Issuer or its designee in connection with the Compounded SOFR, including any determination with respect to a tenor, rate or adjustment.

Subject to Condition 6.3(j)(2), in the case of Floating Rate Notes which reference SOFR, the Calculation Agent shall notify the Issuer of the Interest Amount due to be paid on each relevant Interest Payment Date and the Maturity Date, as applicable, no later than 11:00 a.m., New York City time, on the Business Day immediately following each relevant SOFR Interest Determination Date, Interest Accrual Period End Date or Rate Cut-Off Date, as applicable.

**Definitions**

**New York Fed's Website** means the website of the SOFR Administrator currently at http://www.newyorkfed.org, or any successor website of the SOFR Administrator.

**Relevant Governmental Body** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

**SOFR**, with respect to any U.S. Government Securities Business Day, means:

(1) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the New York Fed's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the **SOFR Determination Time**); or

(2) if the rate specified in (1) above does not so appear, unless both a Benchmark Transition Event and its related Benchmark Replacement Date (as each such term is defined below under Condition 6.3(j) (*Reference Rate Replacement*) have occurred, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the New York Fed's Website; or

(3) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Benchmark Replacement, subject to the provisions

described, and as defined, below under Condition 6.3(j) (*Reference Rate Replacement*) have occurred.

**SOFR Administrator** means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate); and

**SOFR Interest Determination Date** for Compounded SOFR with Lookback, Compounded SOFR with Observation Period Shift and Compounded SOFR Index with Observation Period Shift means the day that is the number of U.S. Government Securities Business Days prior to the Interest Payment Date in respect of the relevant Interest Period, as specified in the applicable Final Terms.

(iv) *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, subject to Condition 6.3(j) (*Reference Rate Replacement*) below, 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:

CMS Rate + 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:

Leverage x 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:

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

CMS Rate 1 – CMS Rate 2

or

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

Leverage x [(Min (CMS Rate 1; Cap – CMS Rate 2)] + 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:

Leverage x Min [Max (CMS Rate + Margin; Floor); Cap]

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

For the purposes of this Condition 6.3(b)(iii):

**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 Reuters Page ICESWAP2, Euribor basis, fixed at 11:00 AM CET or the Relevant Screen Page on the relevant Determination Date, all as determined by the Calculation Agent. If the Relevant Screen Page is not available, the Calculation Agent shall 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 CMS Rate shall be determined by the Calculation Agent as at the last preceding Interest Determination Date (though substituting, where a different specified Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the specified Margin relating to the relevant Interest Period in place of the specified Margin relating to that last preceding Interest Period);

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

**Cap** means a percentage per annum as specified in the relevant Final Terms;

**Floor** means a percentage per annum as specified in the relevant Final Terms;

**Leverage** means a percentage number as specified in the relevant Final Terms;

**Margin** means a percentage per annum as specified in the relevant 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 Calculation 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 semi-annual 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 Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms; and

**Representative Amount** means an amount that is representative for a single transaction in the relevant market at the relevant time.

**(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 Final Terms, on the relevant Determination Date in accordance with the following formula:

Rate of Interest = [[*Index Factor*]**YoY Inflation*] + *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 6.3(d) 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.

**Definitions**

For the purposes of the Conditions:

**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** means the relevant inflation index set out in Annex 1 to this Base Prospectus (CPI or HICP) specified 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:

$$\left[\frac{InflationIndex(t)}{InflationIndex(t-1)} - 1\right]$$

**(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 6.3(a) 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 6.3(b) 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 or this Condition 6.3, 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 16 (*Notices*) on or prior to the relevant Switch Option Expiry Date, 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 form (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 to the Issuer pursuant to this Condition 6.3 and in accordance with Condition 16 (*Notices*) prior to the relevant Switch Option Expiry Date.

**(f) Determination of Rate of Interest and calculation of Interest Amounts**

The Calculation Agent 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.

The Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Inflation 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, if they are Partly Paid Notes, the aggregate amount paid up); 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 a Inflation Linked Interest Notes, 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.

**Calculation Agent** means the entity designated for such purpose as is specified in the applicable Final Terms.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for any Interest Period:

(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:

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

where:

**$Y_1$** is the year, expressed as a number, in which the first day of the Interest Period falls;

**$Y_2$** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**$M_1$** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**$M_2$** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**$D_1$** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case $D_1$ will be 30; and

**$D_2$** 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 $D_1$ is greater than 29, in which case $D_2$ 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:

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

where:

**$Y_1$** is the year, expressed as a number, in which the first day of the Interest Period falls;

**$Y_2$** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**$M_1$** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**$M_2$** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**$D_1$** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case $D_1$ will be 30; and

**$D_2$** 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 $D_2$ 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:

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

where:

**$Y_1$** is the year, expressed as a number, in which the first day of the Interest Period falls;

**$Y_2$** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**$M_1$** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**$M_2$** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**$D_1$** 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 $D_1$ will be 30; and

**$D_2$** 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 $D_2$ 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 Calculation Agent 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 Pricing Supplement if applicable) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms or Pricing Supplement if applicable), 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 Rate of Interest for such Interest Period shall be calculated as if Linear Interpolation were not applicable.

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

**(h) Notification of Rate of Interest and Interest Amounts**

*This Condition 6.3(h) does not apply to Notes linked to SOFR.*

Subject to Condition 6.3(j) (*Reference Rate Replacement*), the Calculation 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 Luxembourg Stock Exchange at the latest on the first London Business Day of each Interest Period, the Issuer and any stock exchange (or listing agent as the case may be) on which the relevant Floating Rate Notes or Inflation Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 16 (*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 subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange (or listing agent as the case may be) on which the relevant Floating Rate Notes or Inflation Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 16 (*Notices*). For the purposes of this Condition 6.3(h), the expression **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.

**(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 6.3 by the Calculation Agent, shall (in the absence of manifest error) be binding on the Issuer, the Trustee, the Principal Paying Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Trustee, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or 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**

*This Condition 6.3(j) applies only to Floating Rate Notes and Reset Notes.*

(1) *Reset Notes and Screen Rate Determination (in the latter case for Notes not linked to SOFR)*

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 Reset Notes, Reset Reference Rate Replacement is specified in the relevant Final Terms as being applicable; and (ii) notwithstanding the other provisions of this Condition 6.3 with respect to Screen Rate Determination and the other provisions of Section 6.2(iii) for Reset Notes, the Issuer determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply to the relevant Series of Notes (other than to Notes linked to SOFR):

(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 or Reset Determination Date, as the case may be, relating to the next Interest Period or Reset Period, as applicable (the **IA Determination Cut-off Date**), for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Period or Reset Period, as applicable, and for all other future Interest Periods or Reset Periods (subject to the subsequent operation of this Condition 6.3(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 or Reset Determination Date, as the case may be, relating to the next Interest Period or Reset Period, as applicable (the **Issuer Determination Cut-off Date**), for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Period or Reset Period, as applicable, and for all other future Interest Periods or Reset Periods, as applicable (subject to the subsequent operation of this Condition 6.3(j) during any other future Interest Period(s) or Reset Period(s), as applicable). 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 6.3(j):

(A) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall replace the Original Reference Rate for all future Interest Periods or Reset Periods, as applicable (subject to the subsequent operation of, and adjustment as provided in, this Condition 6.3(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 or Reset Periods, as applicable (subject to the subsequent operation of, and adjustment as provided in, this Condition 6.3(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 or Reset Periods, as applicable (subject to the subsequent operation of, and adjustment as provided in, this Condition 6.3(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, the Trust Deed and/or the Agency Agreement 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 or Reset Determination Date as the case may be, 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 Original Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable), (each of the changes described above a **Benchmark Amendment** and, together, the **Benchmark Amendments**) which changes shall apply to the Notes for all future Interest Periods or Reset Periods, as applicable (subject to the subsequent operation of this Condition 6.3(j); and

the Issuer shall, subject to giving notice thereof in accordance with Condition 6.3(j)(iv) below, without any requirement for the consent or approval of the Noteholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

(iv) following the determination of (i) any Successor Reference Rate or Alternative Reference Rate (as applicable) and (ii) if applicable, any Adjustment Spread and any Benchmark Amendments determined under this Condition 6.3(j), the Issuer shall notify promptly (but in any event no later than the relevant Issuer Determination Cut-off Date) of the specific terms of any Benchmark Amendments pursuant to Condition 6.3(j) to the Trustee, the Calculation Agent, the Principal Paying Agent and the Noteholders in accordance with Condition 16 (*Notices*). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any, and will be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the Trustee and the Noteholders.

(v) no later than notifying the Trustee and the Agents of the same, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer:

(A) confirming (x) that a Benchmark Event has occurred; (y) the Successor Reference Rate or, as the case may be, the Alternative Reference Rate; and (z) the applicable Adjustment Spread (if any) and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 6.3(j); and

(B) certifying that the Benchmark Amendments are reasonably necessary to ensure the proper operation and the comparability to the Original Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable) and/or (in either case) Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Reference Rate or Alternative Reference Rate and (in either case) the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Reference Rate or Alternative Reference Rate and (in either case) the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Paying Agents, the Calculation Agent and the Noteholders.

(vi) at the request and expense of the Issuer, but subject to receipt by the Trustee of a certificate signed by two directors of the Issuer pursuant to Condition 6.3(j)(v) above, the Trustee shall, without any requirement for the consent or approval of the Noteholders, and the Agents shall concur with the Issuer in effecting any Benchmark Amendments required to give effect to this Condition 6.3(j) (regardless of whether or not the effecting of such Benchmark Amendments constitutes one or more provisos under Condition 17 (*Meetings of Noteholders, Modification, Waiver and Substitution*), and the Trustee and the Agents shall not be liable to any party for any consequences thereof. Notwithstanding the above, neither the Trustee nor the Agents shall be obliged so to concur if in the reasonable opinion of the Trustee or the Agents (as applicable), doing so would have the effect of imposing more onerous obligations upon it or exposing it to any additional duties, responsibilities or liabilities (in the case of the Trustee, liabilities against

which it has not been indemnified and/or secured and/or pre-funded to its satisfaction) or reducing or amending the rights and/or the protective provisions afforded to it in these Conditions, the Trust Deed, or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way. For the avoidance of doubt, none of the Trustee, the Paying Agents or the Calculation Agent will be responsible for determining whether or not a Benchmark Event has occurred.

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 6.3(j) prior to the relevant Issuer Determination Cut-off Date, then the Rate of Interest for the next Interest Period or Reset Period, as applicable, shall be determined by reference to the fallback provisions of Condition 6.2(iii) or Condition 6.3(b).

*(2) Screen Rate Determination for Notes linked to SOFR*

In the case of Notes linked to SOFR, 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; and (ii) notwithstanding the other provisions of this Condition 6.3 with respect to Screen Rate Determination, the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time.

If the Issuer exercises its right to make Benchmark Replacement Conforming Changes at any time, at the request and expense of the Issuer, but subject to receipt by the Trustee of a certificate signed by two directors of the Issuer pursuant to the below, the Trustee , without any requirement for the consent or approval of the Noteholders, and the Agents shall concur with the Issuer in effecting any Benchmark Replacement Conforming Changes required to these Conditions, the Trust Deed and/or the Agency Agreement (regardless of whether or not the effecting of such Benchmark Replacement Conforming Changes constitutes one or more provisos under Condition 17 (*Meetings of Noteholders, Modification, Waiver and Substitution*) and the Trustee and the Agents shall not be liable to any party for any consequences thereof. Notwithstanding the above, neither the Trustee nor the Agents shall be obliged so to concur if in the reasonable opinion of the Trustee or the Agents (as applicable) doing so would have the effect of imposing more onerous obligations upon it or exposing it to any additional duties, responsibilities or liabilities (in the case of the Trustee, liabilities against which it has not been indemnified and/or secured and/or prefunded to its satisfaction) or reducing or amending the rights and/or protective provisions afforded to it in these Conditions, the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way.

Any Benchmark Replacement and the specific terms of any Benchmark Replacement Conforming Changes determined under this Condition 6.3(j) will be notified promptly (but in any event no later than the relevant Issuer Determination Cut-off Date by the Issuer to the Trustee, the Calculation Agent or the Principal Paying Agent and the Noteholders in accordance with Condition 16 (*Notices*). Such notice shall be irrevocable and shall specify the effective date of the Benchmark Replacement Conforming Changes, if any, and will be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the Trustee and the Noteholders.

No later than notifying the Trustee and the Agents of the same, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer:

(a) confirming (i) that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, (ii) the relevant Benchmark Replacement and (iii) where applicable, the specific terms of any Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 6.3(j); and

(b) certifying that the Benchmark Replacement Conforming Changes (if applicable) are appropriate to reflect the adoption of the relevant Benchmark Replacement.

The Trustee shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Benchmark Replacement and the Benchmark Replacement Conforming Changes (if any) specified in such certificate will (in the absence of manifest error and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Paying Agents and the Noteholders.

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Conditions, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

(1) will be conclusive and binding absent manifest error on Noteholders and any other party;

(2) will be made in the Issuer's or its designee's sole discretion, as applicable; and

(3) notwithstanding anything to the contrary in these Conditions or the Trust Deed relating to the Notes, shall become effective without consent from the Noteholders or any other party.

For the purposes of this Condition 6.3(j)(2):

**Benchmark** means, initially, the Compounded SOFR, determined in accordance with the Calculation Method specified in the applicable Final Terms; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Rate of Interest (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

**Benchmark Replacement** means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date.

(1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (b) the Benchmark Replacement Adjustment;

(2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or

(3) the sum of: (a) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment.

**Benchmark Replacement Adjustment** means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time.

**Benchmark Replacement Conforming Changes** means, with respect to any replacement rate, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such replacement rate in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determine that no market practice for use of the replacement rate exists, in such other manner as the Issuer or its designee determines is reasonably necessary).

**Benchmark Replacement Date** means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**Benchmark Transition Event** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(2) public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

**ISDA Fallback Adjustment** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark.

**ISDA Definitions** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

**ISDA Fallback Rate** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**Reference Time** with respect to any determination of the Benchmark means (1) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (2) if the Benchmark is not Compounded SOFR, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

**Unadjusted Benchmark Replacement** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(3) *Disapplication of Reference Rate Replacement*

Notwithstanding any other provision of this Condition 6.3(j): (i) no Successor Reference Rate or Alternative Reference Rate (as applicable) or any other relevant rate substituting the Original Reference Rate will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 6.3(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/or (ii) in the case of Senior Notes and Non-Preferred Senior Notes only, no Successor Reference Rate or Alternative Reference Rate (as applicable) or any other relevant rate substituting the Original Reference Rate will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 6.3(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.

For the purposes of Condition 6.3(j)(1) and this Condition 6.3(j)(3):

**Adjustment Spread** means a spread (which may be positive or negative) or formula or methodology for calculating a spread, in each case 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 Original 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 Original 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 Original 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 Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Periods or Reset Periods, as applicable, 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 Original Reference Rate.

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

(a) the Original 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 Original Reference Rate that it will, by a specified date on or prior to the next Interest Determination Date or Reset Determination Date, as the case may be, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date on or prior to the next Interest Determination Date or Reset Determination Date, as the case may be, be permanently or indefinitely discontinued; or

(d) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative of its relevant underlying market; or

(e) a public statement by the supervisor of the administrator of the Original Reference Rate, an insolvency official with jurisdiction over the administrator of the Original Reference Rate, a resolution authority with jurisdiction over the administrator of the Original Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the Original Reference Rate, which states that the administrator of the Original Reference Rate has ceased or will, within a specified period of time, cease to provide the Original Reference Rate permanently or indefinitely, provided that, where applicable, such period of time has lapsed, and provided further that, at the time of cessation, there is no successor administrator that will continue to provide the Original Reference Rate; or

(f) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original 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 Reset Determination Date, as the case may be; or

(g) it has become unlawful (including, without limitation, under the EU Benchmark Regulation (Regulation (EU) 2016/1011), as amended from time to time, if applicable) for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

**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.

**Original Reference Rate** means:

(a) the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes; or

(b) any Successor Reference Rate or Alternative Reference Rate or other rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of Condition 6.3(j) (*Reference Rate Replacement*).

**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.

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

### 6.4 Inflation Linked Interest Note Provisions

Unless previously redeemed or purchased and cancelled in accordance with this Condition 6.4 or as specified in the applicable Final Terms and subject to this Condition 6.4, each Inflation Linked Interest Note will bear interest in the manner specified in the applicable Final Terms and the Conditions.

The following provisions apply to Inflation Linked Interest Notes:

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

**Change of Law** means that, on or after the Trade 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);

**Cut-Off Date** means, in respect of a Determination Date, five (5) Business Days prior to any due date for payment under the Notes for which valuation on the relevant Determination Date is relevant, 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;

**Determination Date** means each date specified as such in the applicable Final Terms;

**End Date** means each date specified as such in the applicable Final Terms;

**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) above 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);

**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 realise, 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;

**Increased Cost of Hedging** means that any Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade 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) realise, 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;

**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;

**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;

**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 "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; and

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

**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 relevant 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 relevant Final Terms, or (II) the Calculation Agent is not able to determine a Substitute Index Level under paragraph (i) above, the Calculation Agent shall determine the Substitute Index Level by reference to the following formula:

Substitute Index Level = Base Level x (Latest Level/Reference Level); or

(iii) otherwise in accordance with any formula specified in the relevant Final Terms,

in each case as of such Determination Date,

where:

**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.

**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.

**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.

The Issuer shall give notice to Noteholders, in accordance with Condition 16 (*Notices*) of any Substitute Index Level calculated pursuant to this Condition 6.4.

If the Relevant Level (as defined above) 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 6.4 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 6.4(b)(v)), 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 Condition 6.4(b)(ii), 6.4(b)(iii) or 6.4(b)(iv);

(ii) if a Successor Inflation Index has not been determined pursuant to Condition 6.4(b)(i), 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 Condition 6.4(b)(i) or 6.4(b)(ii), 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 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 the "Successor Inflation Index". If fewer than three responses are received or no Successor Inflation Index is determined pursuant to this Condition 6.4(b)(iii), the Calculation Agent will proceed to Condition 6.4(b)(iv);

(iv) if no replacement index or Successor Inflation Index has been determined under Condition 6.4(b)(i), 6.4(b)(ii) or 6.4(b)(iii) 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 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 16 (*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. Payments will be made in such manner as shall be notified to the Noteholders in accordance with Condition 16 (*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 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 16 (*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 terms of the 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 16 (*Notices*) by payment of the relevant Early Redemption Amount, as at the date of redemption or cancellation, as applicable, taking into account the relevant Additional Disruption Event.

**(g) Inflation Index Disclaimer**

(i) 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 not have 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 specified in the applicable Final Terms, 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.

**6.5 Exempt Notes**

In the case of Exempt Notes which are also Floating Rate Notes where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Exempt Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 6.3 shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Principal Paying Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

*Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

*Dual Currency Note*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

## 7. PAYMENTS

### 7.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee; and

(c) payments in Renminbi will be made by credit or transfer to an account denominated in Renminbi and maintained by the payee with a bank in the relevant RMB Settlement Centre(s) in accordance with applicable laws, rules and regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to settlement in Renminbi in the relevant RMB Settlement Centre(s).

### 7.2 Payments Subject to Fiscal and Other Laws

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

### 7.3 Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below) and save as provided in Condition 7.5) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become

void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

**7.4 Payments in respect of Bearer Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of the Principal Paying Agent. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Principal Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

**7.5 Specific provisions in relation to payments in respect of certain types of Exempt Notes**

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Upon the date on which any Dual Currency Note or Index Linked Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

**7.6 Payments in respect of Registered Notes**

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (a) where in global form, at the close of the business day (being for this purpose a day on which DTC or Euroclear and

Clearstream, Luxembourg, as applicable, are open for business) before the relevant due date and (b) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account and, in the case of a payment in Renminbi, means the Renminbi account maintained by or on behalf of the Noteholder with a bank in the relevant RMB Settlement Centre(s), details of which appear on the Register at the close of business on the fifth business day before the due date for payment) maintained by a holder with a Designated Bank and identified as such in the Register and Designated Bank means (in the case of payment in a Specified Currency other than euro and Renminbi) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro and (in the case of a payment in Renminbi) a bank in the relevant RMB Settlement Centre(s).

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (a) where in global form, at the close of the fifteenth business day (in the case of a Registered Global Note held by DTC or its nominee denominated in a Specified Currency other than U.S. dollars) and at the close of the business day (in all other cases) (being for this purpose a day on which DTC Euroclear and Clearstream, Luxembourg, as applicable, are open for business) before the relevant due date, and (b) where in definitive form, at the close of business on the fifth day (in the case of Renminbi) and at the close of the fifteenth business day (in the case of a currency other than Renminbi) (whether or not such fifth day or fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) (the **Record Date**). Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Principal Paying Agent to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars unless the participant in DTC with an interest in the Notes has elected to receive any part of such payment in that Specified Currency, in the manner specified in the Agency Agreement and in accordance with the rules and procedures for the time being of DTC.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

**7.7 General provisions applicable to payments**

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition 7.7, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or

interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

**7.8 Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 10) is:

(a) 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):

(i) in the case of Notes in definitive form only, in the relevant place of presentation; and

(ii) in any Additional Financial Centre specified in the applicable Final Terms; and

(b) either (i) 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 centre of the country of the relevant Specified Currency (if other than the place of presentation and any Additional Financial Centre and which, if the Specified Currency is Australian dollars New Zealand dollars or Renminbi, shall be Sydney, Auckland and the relevant RMB Settlement Centre(s), respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

**7.9 RMB Currency Event**

If "RMB Currency Event" is specified in the applicable Final Terms or Pricing Supplement, as the case may be, and if by reason of a RMB Currency Event, as determined by the Issuer acting in good faith and in a commercially reasonable manner, the Issuer is not able to pay any amount in respect of any Note, Receipt or Coupon, the Issuer's obligation to make a payment in RMB under the terms of the Notes shall be replaced by an obligation to pay such amount in the Relevant Currency converted using the Spot Rate for the relevant Determination Date.

The Issuer shall give not less than 10 nor more than 60 days' notice (prior to the date of payment) to the Noteholders in accordance with Condition 16 (*Notices*) stating the occurrence of the RMB Currency Event, giving details thereof.

For the purpose of this Condition 7.9 and unless stated otherwise in the applicable Final Terms or Pricing Supplement, as the case may be:

**Determination Business Day** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant RMB Settlement Centre(s), London and foreign exchange markets settle payments and the principal financial centre of the country of the Relevant Currency;

**Determination Date** means the day which is two Determination Business Days before the due date of the relevant payment under the Notes;

**Governmental Authority** means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the relevant RMB Settlement Centre(s);

**Mainland China** means the People's Republic of China (excluding Hong Kong, Macau and Taiwan);

**Relevant Currency** means U.S. dollars or such other currency as may be specified in the applicable Final Terms or Pricing Supplement, as the case may be;

**Relevant Currency Valuation Time** means the time specified as such in the applicable Final Terms or Pricing Supplement, as the case may be;

**RMB Currency Events** means any one of RMB Illiquidity, RMB Non-Transferability and RMB Inconvertibility;

**RMB Illiquidity** means the general Renminbi exchange market in the relevant RMB Settlement Centre(s) becomes illiquid and, as a result of which, the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay any amount in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the RMB exchange market in the relevant RMB Settlement Centre(s);

**RMB Inconvertibility** means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into RMB on any payment date at the general RMB exchange market in the relevant RMB Settlement Centre(s), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**RMB Non-Transferability** means the occurrence of any event that makes it impossible for the Issuer to deliver RMB, (A) between accounts inside the relevant RMB Settlement Centre(s), (B) from an account inside the relevant RMB Settlement Centre(s) to an account outside the relevant RMB Settlement Centre(s) and outside Mainland China (including where the RMB clearing and settlement system for participating banks in the relevant RMB Settlement Centre(s) is disrupted or suspended), (C) from an account outside the relevant RMB Settlement Centre(s) and outside Mainland China to an account inside the relevant RMB Settlement Centre(s), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation); and

**Spot Rate** means the spot CNY/Relevant Currency exchange rate for the purchase of the Relevant Currency with Renminbi in the over-the-counter Renminbi exchange market in the relevant RMB Settlement Centre(s) for settlement in two Determination Business Days, as determined by the Calculation Agent at or around the Relevant Valuation Time on the Determination Date by reference to the Relevant Spot Rate Screen Page. If such rate is not available, the Issuer shall determine the rate taking into consideration all available information which the Issuer deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in the relevant RMB Settlement Centre(s) or elsewhere and the CNY/Relevant Currency exchange rate in the PRC domestic foreign exchange market. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this by the Calculation Agent or the Issuer (as applicable), will (in the absence of manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents and all holders of the Notes.

### 7.10 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 9;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Exempt Notes redeemable in instalments, the Instalment Amounts;

(f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.6); and

(g) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9. Any reference in these Conditions to payment of any sums in respect of the Notes (including, in respect of Index Linked Notes and other structured Notes) shall be deemed to include, as applicable, delivery of any relevant Reference Asset (as defined in Condition 8.12) if so provided in the applicable Pricing Supplement and references to "paid" and "payable" shall be construed accordingly.

## 8. REDEMPTION AND PURCHASE

### 8.1 Redemption at maturity

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 or Pricing Supplement (i) at *par* in case of Fixed Rate Notes, Floating Rate Notes, Reset Notes, Zero Coupon Notes, Inflation Linked Interest Notes and CMS Linked Interest Notes as indicated in the applicable Final Terms in the relevant Specified Currency or (ii) at its Final Redemption Amount, in case of Exempt Notes, which is such amount as may be specified in the applicable Pricing Supplement in the relevant Specified Currency.

### 8.2 Redemption for tax reasons

Subject to Condition 8.6, the Notes may be redeemed at the option of the Issuer (but subject, in the case of Subordinated Notes, to the provisions of Condition 8.14 and, in the case of Senior Notes and Non-Preferred Senior Notes, to the provisions of Condition 8.15) in whole or in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate 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 Principal Paying Agent and the Trustee and, in accordance with Condition 16 (*Notices*), the Noteholders (which notice shall be irrevocable), 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 the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 8.2, the Issuer shall deliver or procure that there is delivered to the Trustee to make available at its specified office to the Noteholders a certificate signed by two authorised signatories of the Issuer stating that the said circumstances prevail and describe 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, the Receiptholders and the Couponholders.

Upon the expiry of any such notice as is referred to in this Condition 8.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 8.2. Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.6 together (if appropriate) with interest accrued to (but excluding) the date of redemption.

A **Tax Event** means:

(a) on the occasion of the next payment due under the Notes (in the case of Subordinated Notes, in respect of payments of interest only), the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9, in each case as a result of any change in, or amendment to, the laws or regulations of, or applicable in, a Tax Jurisdiction (as defined in Condition 9) or any political subdivision of, or any authority in, or of, a Tax Jurisdiction having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective after the date on which agreement is reached to issue the first Tranche of the Notes, provided that in the case of any redemption of Subordinated Notes proposed to be made prior to the fifth anniversary of the Issue Date, if and to the extent then required under the then applicable Relevant Regulations (as defined in Condition 8.5) any such change or amendment is, to the satisfaction of the relevant Competent Authority, material and was not reasonably foreseeable by the Issuer as at the date of the issue of the relevant Subordinated Notes; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

**8.3 Redemption for regulatory reasons (Regulatory Call)**

*This Condition 8.3 applies only to Notes specified in the applicable Final Terms as being Subordinated Notes.*

If Regulatory Call is specified in the applicable Final Terms, the Notes may be redeemed at the option of the Issuer (subject to the provisions of Condition 8.14), in whole, but not in part, at any time (if the Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if the Note is either 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 Principal Paying Agent and the Trustee and, in accordance with Condition 16 (*Notices*), the Noteholders (which notice shall be irrevocable), if a Regulatory Event has occurred in respect of the Subordinated Notes.

Prior to the publication of any notice of redemption pursuant to this Condition 8.3, 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 prevail and describe 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, the Receiptholders and the Couponholders.

Upon the expiry of any such notice as is referred to in this Condition 8.3, the Issuer shall be bound to redeem the Notes in accordance with this Condition 8.3. Notes redeemed pursuant to this Condition 8.3 will be redeemed at their Early Redemption Amount referred to in Condition 8.6 together (if appropriate) with interest accrued to (but excluding) the date of redemption.

As used in these Conditions:

A **Regulatory Event** is deemed to have occurred if there is a change in the regulatory classification of the Subordinated Notes under the Relevant Regulations that would be likely to result in their exclusion, in whole or, to the extent permitted by the Relevant Regulations, in part, from Tier 2 Capital of the UniCredit Group or the Issuer and, in the event of any redemption upon the occurrence of a Regulatory Event prior to the fifth anniversary of the 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 sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the change in the regulatory classification of the Subordinated Notes was not reasonably foreseeable by the Issuer as at the date of the issue of the relevant Subordinated Notes.

### 8.4 Redemption at the option of the Issuer (Issuer Call)

This Condition 8.4 applies to Notes which are subject to redemption prior to the Maturity Date 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 contain provisions applicable to any Issuer Call and must be read in conjunction with this Condition 8.4 for full information on any Issuer Call. In particular, 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 to, in the case of Subordinated Notes, the provisions of Condition 8.14 and, in the case of Senior Notes and Non-Preferred Senior Notes, Condition 8.15), 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 16 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), 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 interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal 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 nominal 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 per cent. of the nominal amount of the Notes to be redeemed; or

(b) the sum of the present values of the nominal amount of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to 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), plus the specified Redemption Margin,

plus in each case, for the avoidance of doubt, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

In the Conditions:

**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;

**Financial Adviser** means an independent and internationally recognised financial adviser selected by the Issuer;

**Redemption Margin** shall be as set out in the applicable Final Terms;

**Reference Bond** shall be as 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 Principal Paying Agent obtains 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 basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal 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 Principal Paying Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Principal Paying Agent by such Reference Government Bond Dealer; and

**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.

All notifications, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 8.4 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 Agents and all Noteholders and Couponholders.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will, subject to compliance with applicable law, be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 16 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8.4 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 16 (*Notices*) at least five days prior to the Selection Date.

### 8.5 Issuer Call Due to MREL or TLAC Disqualification Event

This Condition 8.5 applies only to Notes specified in the applicable Final Terms as being Senior Notes or Non-Preferred Senior Notes.

If Issuer Call due to MREL or TLAC Disqualification Event is specified as being applicable in the applicable Final Terms, then any Series of Senior Notes or of Non-Preferred Senior Notes may (subject to the provisions of Condition 8.15) on or after the date specified in a notice published on the Issuer's website be redeemed at the option of the Issuer in whole, but not in part, at any time (if the Note is neither a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note) or on any Interest Payment Date (if the Note is either 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 Principal Paying Agent and the Trustee and, in accordance with Condition 16 (*Notices*), the Noteholders (which notice shall be irrevocable), 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 8.5, the Issuer shall be bound to redeem the Notes in accordance with this Condition 8.5. Notes redeemed pursuant to this Condition 8.5 will be redeemed at their Early Redemption Amount referred to in Condition 8.6 together (if appropriate) with interest accrued to (but excluding) the date of redemption.

As used in these Conditions:

**Bail-in Power** means any statutory write-down, transfer 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;

**BRRD** means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time (including by the BRRD II);

**BRRD II** means Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC;

**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 (including by the CRD V Directive);

**CRD IV Regulation** means Regulation (EU) No. 2013/575 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 (including by the CRD V Regulation);

**CRD V Directive** means the Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, as amended or replaced from time to time;

**CRD V Regulation** means Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) 648/2012;

**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 solo or, if relevant, 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 consolidated basis) to the extent required by (i) the CRD IV Regulation or (ii) the CRD IV Directive;

**Group** and **UniCredit Group** means the UniCredit Banking Group, registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Italian Banking Act, under number 02008.1;

**Group Entity** means UniCredit or any legal person that is part of the UniCredit Group;

**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 a 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 a 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 any applicable transitional provisions), 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 relevant 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;

**Relevant Regulations** means any requirements contained in the regulations, rules, guidelines and policies of the Competent Authority or the Relevant Resolution 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 any applicable transitional provisions), 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 European Banking Authority;

**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 Bail-in Power from time to time;

**SRM Regulation** means Regulation (EU) No 806/2014 of the European Parliament and Council of 15 July 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 (including by the SRM II Regulation); and

**SRM II Regulation** means Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms.

### 8.6 Early Redemption Amounts

For the purpose of Condition 8.2, Condition 8.3, Condition 8.5 and Condition 11, the Early Redemption Amount shall be set:

(a) in the case of a 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 nominal amount; or

(c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

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

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).

### 8.7 Extendible Notes

Notes may be issued with an initial maturity date (the **Initial Maturity Date**) which may be extended from time to time upon the election of the Noteholders on specified dates (each, an **Election Date**) up to a final maturity date (the **Final Maturity Date**) as set forth in the applicable Final Terms (or Pricing Supplement if applicable) (**Extendible Notes**). To make an election effective on any Election Date, the Noteholder must deliver a notice of election in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, Registrar (a **Notice of Election**), during the Notice Period for that Election Date specified in the Final Terms (or Pricing Supplement if applicable) in accordance with Condition 16 (*Notices*). Any Notice of Election so given by a Noteholder pursuant to this Condition 8.7 will be irrevocable and binding upon that Noteholder. The Final Terms (or Pricing Supplement if applicable) relating to each issue of Extendible Notes will specify the Initial Maturity Date, the Final Maturity Date, the Election Date(s) and the applicable Notice Period.

### 8.8 Specific redemption provisions applicable to certain types of Exempt Notes

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 8.2, Index Linked Interest Notes and Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

*Instalments*

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

*Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 8 and the applicable Pricing Supplement.

**8.9 Purchases**

Subject to Condition 8.15 in respect of Senior Notes and Non-Preferred Senior Notes and Condition 8.14 in respect of Subordinated Notes, the Issuer or any subsidiary of the Issuer may purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith), including for market making purposes, at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the purchaser, surrendered to any Paying Agent for cancellation.

**8.10 Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased by the Issuer or any subsidiary of the Issuer and surrendered to any Paying Agent for cancellation pursuant to Condition 8.9 (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

**8.11 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 8.1, 8.2, 8.3, 8.4 or 8.5 or upon its becoming due and repayable as provided in Condition 11 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 8.6(b) as though the references therein to the date fixed for the redemption or 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 Principal Paying Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 16 (*Notices*).

**8.12 Index Linked Notes and other Structured Notes**

The Issuer may, as indicated in the applicable Pricing Supplement, be entitled to redeem Index Linked 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 (**Reference Asset**), by physical delivery of all or part of the Reference Asset or of some other asset or property (**Physically-Settled Notes**).

**8.13 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.

**8.14 Conditions to Early Redemption and Purchase of Subordinated Notes**

Any redemption or purchase of Subordinated Notes in accordance with Condition 8.2, 8.3, 8.4 or 8.9 or Condition 17 (including, for the avoidance of doubt, any modification or substitution in accordance with Condition 17) is subject to compliance with the then applicable Relevant Regulations, including, as relevant, for the avoidance of doubt:

(a) the Issuer giving notice to the Competent Authority and the Competent Authority granting prior permission to redeem or purchase the relevant Subordinated Notes (in each case to the extent, and in the manner, required by the then applicable Relevant Regulations, including Articles 77 and 78 of the CRD IV Regulation, as amended or replaced from time to time), where either:

(i) on or before such redemption or purchase (as applicable), the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

(ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that its Own Funds and eligible liabilities would, following such repayment or purchase, exceed the minimum requirements (including any capital buffer requirements) required under the Relevant Regulations by a margin that the Competent Authority considers necessary at such time; and

(b) in respect of a call, redemption repayment or repurchase prior to the fifth anniversary of the Issue Date of the relevant Subordinated Notes, if and to the extent required under Article 78(4) of the CRD IV Regulation or the Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014:

(i) in the case of redemption pursuant to Condition 8.2 (*Redemption for tax reasons*), the Issuer having demonstrated to the satisfaction of the Competent Authority that the change in the applicable tax treatment of the Subordinated Notes is material and was not reasonably foreseeable as at the Issue Date; or

(ii) in case of redemption pursuant to Condition 8.3 (*Redemption for regulatory reasons (Regulatory Call*)), a Regulatory Event having occurred in respect of Subordinated Notes; or

(iii) on or before such redemption or repurchase (as applicable), the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority having permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or

(iv) the Notes being repurchased for market making purposes,

subject in any event to any alternative or additional conditions or requirements as may be applicable from time to time under the Relevant Regulations for the time being.

The Competent Authority may grant a general prior permission, for a specified period which shall not exceed one year, to redeem or purchase (including for market making purposes) the Subordinated Notes, in the limit of a 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 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 Tier 2 instruments of the Issuer at the relevant time, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out at letters (i) or (ii) of sub-paragraph (a) of the preceding paragraph.

**8.15 Conditions to Redemption and Purchase of Senior Notes and Non-Preferred Senior Notes**

Any redemption or purchase in accordance with Condition 8.2, 8.4, 8.5 or 8.9 or Condition 17 (including, for the avoidance of doubt, any modification or substitution in accordance with Condition 17) of Senior Notes and Non-Preferred Senior Notes qualifying as eligible liabilities instruments according to 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, as relevant, the condition that the Issuer has obtained the prior permission of the Relevant Resolution Authority in accordance with Article 78a of the CRD IV Regulation, where one of the following conditions is met:

(a) on or before such call, redemption, repayment or repurchase (as applicable), the Issuer replaces the relevant Notes with Own Funds instruments or eligible liabilities instruments of equal or higher quality at terms that are sustainable for its income capacity; or

(b) the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that its Own Funds and eligible liabilities would, following such call, redemption, repayment or repurchase, exceed the requirements for Own Funds and eligible liabilities laid down in the Relevant Regulations by a margin that the Relevant Resolution Authority, in agreement with the Competent Authority, considers necessary; or

(c) the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that the partial or full replacement of the relevant Notes with Own Funds instruments is necessary to ensure compliance with the Own Funds requirements laid down in the Relevant Regulations for continuing authorisation,

subject in any event to any different conditions or requirements as may be applicable from time to time under the Relevant Regulations.

The Relevant Resolution Authority may grant a general prior permission, for a specified period which shall not exceed one year, to redeem or purchase (including for market making purposes) Senior Notes or Non-Preferred Senior Notes, in the limit of a predetermined amount, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out in sub-paragraphs (a) or (b) of the preceding paragraph.

## 9. TAXATION

All payments of interest (including any Arrear of Interest and Default Interest) in respect of the Notes, Receipts and Coupons 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 such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the amounts of interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction, except that:

(a) no such additional amounts shall be payable with respect to any Note, Receipt or Coupon for or on account of *imposta sostitutiva* (at the then applicable rate of tax) pursuant to Italian Legislative Decree No. 239 of 1 April 1996 or Italian Legislative Decree No. 461 of 21 November 1997 (as any of the same may be amended or supplemented) or any related implementing regulations; and

(b) no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(i) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Tax Jurisdiction other than the mere holding of such Note; or

(ii) presented for payment by, or on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of such Note, Receipt or Coupon by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption; or

(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 Day as defined in Condition 7.8); or

(iv) presented for payment in the Republic of Italy; or

(v) presented for payment (in respect of payments by the Issuer) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest is paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which

does not allow for a satisfactory exchange of information with the Italian authorities; or

(vi) presented for payment (in respect of payments by the Issuer) in all circumstances in which the procedures set forth in Legislative Decree No. 239 of 1 April 1996, as amended, have not been met or complied with, except where such requirements and procedures have not been met or complied with due to the actions or omissions of UniCredit or its agents; or

(vii) 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 30 September 1983, as amended, supplemented and/or re-enacted from time to time; or

(viii) where the holder 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; or

(ix) where such withholding or deduction is imposed on a payment pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder or any official interpretations thereof or any law implementing an intergovernmental approach thereto.

As used herein:

(A) **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 interest on the Notes, Receipts and Coupons; and

(B) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal 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 16 (*Notices*).

Any reference in these Conditions to interest shall be deemed to include any additional amounts in respect of interest which may be payable under this Condition 9 or under any obligation undertaken in addition thereto or in substitution therefor pursuant to the Trust Deed.

## 10. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons 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 (as defined in Condition 9) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 10 or Condition 7.3 or any Talon which would be void pursuant to Condition 7.3.

## 11. EVENTS OF DEFAULT

### 11.1 Events of Default relating to Senior Notes and Non-Preferred Senior Notes

*This Condition 11.1 applies only to Notes specified in the applicable Final Terms as 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 Trust Deed) 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 each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if the Issuer shall become 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) (the **Event of Default for the Senior Notes and Non-Preferred Senior Notes**). No Event of Default for the Senior Notes and Non-Preferred Senior Notes shall occur other than in the context of an insolvency proceeding in respect of the Issuer (and, for the avoidance of doubt, resolution proceeding(s) or moratoria imposed by a resolution authority in respect of the Issuer shall not constitute an Event of Default for the Senior Notes and Non-Preferred Senior Notes for any purpose).

**11.2 Events of Default relating to Subordinated Notes**

*This Condition 11.2 applies only to Notes specified in the applicable Final Terms as being Subordinated 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 shall accordingly forthwith become, immediately due and repayable at their Early Redemption Amount plus accrued interest as provided in the Trust Deed, in case of Subordinated Notes in the event that UniCredit shall become subject to *Liquidazione Coatta Amministrativa* as defined in Legislative Decree No. 385 of 1 September 1993 of the Republic of Italy (as amended from time to time) (the **Event of Default for the Subordinated Notes**). No Event of Default for the Subordinated Notes shall occur other than in the context of an insolvency proceeding in respect of the Issuer (and, for the avoidance of doubt, resolution proceeding(s) or moratoria imposed by a resolution authority in respect of the Issuer shall not constitute an Event of Default for the Subordinated Notes for any purpose).

**12. ENFORCEMENT**

12.1 Subject (in the case of Senior Notes, Non-Preferred Senior Notes and Subordinated Notes) to Condition 21.2, 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 Trust Deed 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, Receiptholder or Couponholder 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.

12.2 Proceedings for the winding-up or liquidation of UniCredit 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 Reorganisation).

In these Conditions, **Approved Reorganisation** means a solvent and voluntary reorganisation involving, alone or with others, UniCredit 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 UniCredit under, or in respect of, the Notes.

**13. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS**

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent or any Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) 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, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## 14. AGENTS

The initial Agents are set out above. If any additional Agents are appointed in connection with any Series, the names of such Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled (with the prior written approval of the Trustee) to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Paying Agent (which may be the Principal Paying Agent), having a specified office in a Member State of the European Union other than the jurisdiction in which the Issuer is incorporated, and a Registrar;

(b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange, the competent authority or other relevant authority; and

(c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.6. Except as provided in the Agency Agreement, any variation, termination, appointment or change shall only take effect after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Trustee and Noteholders in accordance with Condition 16 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified in the Agency Agreement and the Trust Deed, of the Trustee, and do not assume any obligation to, or relationship of agency or trust with, any Noteholder, Receiptholder or Couponholder. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

## 15. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10.

## 16. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published (if and for so long as the Bearer Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange) either on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a daily newspaper of general circulation in Luxembourg. It is expected that any such publication in a newspaper will be made in the *Luxemburger Wort* or the *Tageblatt*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any other stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading (in each case in respect only of any listing or admission to trading obtained pursuant to a request by or on behalf of the Issuer) including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required

newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first-class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and (if and for so long as the Registered Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange) if published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a daily newspaper of general circulation in Luxembourg. It is expected that any such publication in a newspaper will be made in the *Luxemburger Wort* or the *Tageblatt*. In addition, for so long as any Registered Notes are listed on any other stock exchange (where the Issuer has made application) and the rules of that exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for publication as provided above, the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes, and (if and for so long as the Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange) publication on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a daily newspaper of general circulation in Luxembourg. It is expected that any such publication in a newspaper will be made in the *Luxemburger Wort* or the *Tageblatt*. In addition, for so long as any Notes are listed on any other stock exchange (where the Issuer has made application) or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published as may be required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent or the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

## 17. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts, the Coupons, these Conditions or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any such adjourned meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

(a) any modification of the Notes, the Receipts, the Coupons, these Conditions or the Trust Deed or any waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default for the Senior Notes and Non-Preferred Senior Notes or any Event of Default for the Subordinated Notes, as applicable, or potential Event of Default for the Senior Notes and Non-Preferred Senior Notes or potential Event of Default for the Subordinated Notes, as applicable, shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do; or

(b) any modification of the Notes, the Receipts, the Coupons, these Conditions or the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

In addition, the Issuer may in accordance with Condition 6.3(j) vary or amend these Conditions, the Trust Deed and/or the Agency Agreement to give effect to certain amendments without the consent or approval of Noteholders, Receiptholders or Couponholders, as described in Condition 6.3(j) and the Trustee and the Agents shall concur with the Issuer in effecting any Benchmark Amendments and/or any Benchmark Replacement Conforming Changes (as applicable) subject to the terms thereof.

Any such modification, waiver, authorisation or determination shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall, unless the Trustee agrees otherwise, be notified to the Noteholders in accordance with Condition 16 (*Notices*) as soon as practicable thereafter.

Without prejudice to the aforementioned discretions, the Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to the substitution at any time or times of any successor company (as defined in the Trust Deed) of the Issuer or any subsidiary or holding company of the Issuer or any successor company to such successor company, as the principal debtor under the Trust Deed and the Notes. Such agreement shall be subject to the relevant provisions of the Trust Deed, including (except where a successor company of the Issuer is the new principal debtor) the irrevocable and unconditional guarantee of the Notes by the Issuer, provided that any such guarantee shall have the same ranking as the Notes (and in any case shall not rank Senior to the Notes) upon the effectiveness of any such substitution. The Trustee may also agree without the consent of the Noteholders, the Receiptholders or the Couponholders to the addition of another company as an issuer of Notes under the Programme and the Trust Deed. Any such addition shall be subject to the relevant provisions of the Trust Deed and to such amendment thereof and such other conditions as the Trustee may require. In the case of any proposed substitution or addition, the Trustee may agree, without the consent of the Noteholders, the Receiptholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons and/or the Trust Deed provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interest of the Noteholders.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, substitution or change of law as aforesaid), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders, whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders, (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof, and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer or the Trustee any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 9 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 9 pursuant to the Trust Deed.

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, (ii) in the case of Subordinated Notes, if at any time a Regulatory Event occurs or (iii) in the case of all Notes, in order to ensure the effectiveness and enforceability of

Condition 22, then the Issuer may, (without any requirement for the consent or approval of the holders of the relevant Notes of that Series) having given not less than 30 nor more than 60 days' notice to the Trustee and the holders of the Notes of that Series, at any time either substitute all (but not some only) of such Notes, or vary the terms of such Notes so that they remain or, as appropriate, become, Qualifying Senior Notes, 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.

In these Conditions:

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

(a) other than in respect of the effectiveness and enforceability of Condition 22, have terms not materially less favourable 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 UniCredit 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; (E) preserve any existing rights under the Notes to any accrued but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation or substitution; and (F) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Non-Preferred Senior Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 21; and

(b) are listed on a recognised 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) other than in respect of the effectiveness and enforceability of Condition 22, have terms not materially less favourable 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 UniCredit 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; (E) preserve any existing rights under the Notes to any accrued but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation or substitution; and (F) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Senior Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 21; and

(b) are listed on a recognised 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) other than in respect of the effectiveness and enforceability of Condition 22, 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 Senior 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; (E)

preserve any existing rights under the Notes to any accrued but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation or substitution; and (F) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Subordinated Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 21; and

(b) are listed on a recognised stock exchange if the Subordinated Notes were listed immediately prior to such variation or substitution.

For avoidance of doubt, any modification or substitution pursuant to this Condition 17 is subject to the provisions of Condition 8.14 (in respect of Subordinated Notes) and Condition 8.15 (in respect of Senior Notes and Non-Preferred Senior Notes).

## 18. INDEMNIFICATION OF THE TRUSTEE

The Trust Deed 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 Trust Deed 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 other subsidiaries and to act as trustee for the holders of any other securities issued by, or relating to, the Issuer and/or any of the Issuer's other 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, Receiptholders or Couponholders, 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.

## 19. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders 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 Trust Deed. The Trust Deed contains provisions for and governs the convening of a single meeting of the Noteholders and the holders of bearer or registered notes of other Series in certain circumstances where the Trustee so decides.

## 20. GOVERNING LAW AND SUBMISSION TO JURISDICTION

### 20.1 Governing law

The Trust Deed, the Agency Agreement, the Notes (except for Condition 4, Condition 5 and Condition 22), the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, English law. Each of Condition 4, Condition 5 and Condition 22 and any non-contractual obligations arising out of or in connection with each of them shall be governed by, and construed in accordance with, Italian law.

### 20.2 Submission to jurisdiction

The courts of England are to have exclusive jurisdiction to settle any dispute, claim, difference or controversy which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity or relating to any non-contractual obligations arising out of or in connection with them) (a **Dispute**) and each party submits to the exclusive jurisdiction of the English courts.

Each party hereby irrevocably waives any objection which it may have now or hereafter to the English courts on the grounds that they are an inconvenient or inappropriate forum.

**20.3 Waiver of trial by jury**

Without prejudice to Condition 20.2, each party waives any right it may have to a jury trial of any claim or cause of action in connection with the Trust Deed, the Notes, the Receipts and the Coupons. These Conditions may be filed as a written consent to a bench trial.

**20.4 Appointment of Process Agent**

The Issuer agrees that any documents required to be served on it in relation to any proceedings before the English courts in relation to any Dispute (including any documents which start any proceedings) may be served on it by being delivered to UniCredit S.p.A., London Branch at Moor House, 120 London Wall, London, EC2Y 5ET or, if different, its principal office for the time being in London. In the event of UniCredit S.p.A., London Branch ceasing to act or ceasing to be registered in England, the Issuer will appoint such other person as the Trustee may approve and as the Issuer may nominate in writing to the Trustee for the purpose of accepting service of process on its behalf in England in respect of any proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

**21. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

**22. 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.

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 Noteholders 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 Condition 22.

The exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Notes shall not constitute an Event of Default for the Senior Notes and Non-Preferred Senior Notes or an Event of Default for the Subordinated Notes, as applicable, 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.

# Terms and Conditions for the Italian Law Notes

*The following are the Terms and Conditions for the Notes governed by Italian law which will be attached to each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange, the competent authority or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Exempt Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

*Any reference in the Terms and Conditions to "applicable Final Terms" or "Final Terms" shall be deemed to include a reference to "applicable Pricing Supplement" or "Pricing Supplement" where relevant in the case of Exempt Notes.*

*For the avoidance of doubt, in these "Terms and Conditions", references to the "Notes" shall be to the Italian Law Notes (as defined below) and references to "Receipt" and "Talons" (both as defined below) shall be to the "Receipt" and "Talons" (both as defined below) connected to the Italian Law Notes (as defined below).*

This Note is one of a Series (as defined below) of Notes governed by Italian law (**Italian Law Notes**) and issued by UniCredit S.p.A. (**UniCredit** or the **Issuer**) pursuant to the Agency Agreement for the Italian Law Notes (as defined below).

These terms and conditions for the Italian Law Notes (the **Terms and Conditions for the Italian Law Notes** or the **Conditions**) include summaries of, and are subject to, the detailed provisions of the Agency Agreement for the Italian Law Notes (as defined below), which includes the form of the Bearer Notes, Coupons, Receipts and Talons referred to below. References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note; and

(c) any definitive Notes in bearer form (**Definitive Bearer Notes**) issued in exchange for a Global Note in bearer form.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of a Third Amended and Restated Agency Agreement dated 7 June 2021 (such Third Amended and Restated Agency Agreement, as amended and/or supplemented and/or restated from time to time, the **Agency Agreement for the Italian Law Notes**) and made between UniCredit and Citibank, N.A., London Branch as issuing and principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms (or Pricing Supplement, in the case of Exempt Notes) attached to or endorsed on this Note which complete these Terms and Conditions for the Italian Law Notes and, in the case of a Note which is neither admitted to trading (i) on a regulated market in the EEA or (ii) a UK regulated market as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, nor offered in (i) the EEA or (ii) the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000, as the case may be (an **Exempt Note**), may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to **the applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this

Note or to the **applicable Pricing Supplement** (or the relevant provisions thereof) attached to or endorsed on this Note. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Exempt Notes in definitive form which are repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes do not have Receipts, Coupons or Talons attached on issue.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are 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.

Copies of the Agency Agreement for the Italian Law Notes (i) are available for inspection or collection by Noteholders upon reasonable request during normal business hours at the principal office for the time being of the Principal Paying Agent being at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and the other Paying Agents (such Agents being together referred to as the **Agents**) and Banque Internationale à Luxembourg S.A. (the **Luxembourg Listing Agent**), or (ii) may be provided by email to a Noteholder following their prior written request to the Agents or the Luxembourg Listing Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Agent or the Luxembourg Listing Agent, as the case may be), as long as the Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). If this Note is an Exempt Note, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity unless the regulations of the relevant stock exchange require otherwise. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement for the Italian Law Notes and the applicable Final Terms or applicable Pricing Supplement which are applicable to them.

Words and expressions defined in the Agency Agreement for the Italian Law Notes or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that in the event of inconsistency between the Agency Agreement for the Italian Law Notes and the applicable Final Terms, the applicable Final Terms will prevail.

## 1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form as specified in the applicable Final Terms 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.

Unless this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Reset Note, an Inflation Linked Interest Note, a Zero Coupon Note, a CMS Linked Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may be a Fixed Rate Note, a Floating Rate Note, a Reset Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note (each as hereinafter defined), or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note and a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

This Note may be an Extendible Note, depending on the Redemption/Payment Basis shown in the applicable Final Terms (or Pricing Supplement if applicable).

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

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes, Receipts and Coupons will pass by delivery in accordance with the provisions of the Agency Agreement for the Italian Law Notes. The Issuer and the Paying Agents will (except as otherwise required by law or as otherwise required by a court of competent jurisdiction or a public official authority) deem and treat the bearer of any Bearer Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error or proven error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms, provided that, in the case of the Notes issued in NGN form, such additional or alternative clearing system must also be authorised to hold such Notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations.

## 2. STATUS OF THE SENIOR NOTES

This Condition 2 applies only to Notes specified in the applicable Final Terms as Senior and being Senior Notes (and, for the avoidance of doubt, does not apply to Non-Preferred Senior Notes).

The Senior Notes and any relative Receipts and Coupons 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 the Senior Notes from time to time (including Non-Preferred Senior Notes and any further obligations permitted by law to rank junior to the Senior Notes following the Issue Date), if any) of the Issuer present and future and, in the case of the Senior Notes, *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 or otherwise in respect of such Senior Note.

For the avoidance of doubt, there is no negative pledge provision in these Conditions.

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

This Condition 3 applies only to Notes specified in the applicable Final Terms as Non-Preferred Senior and intended to qualify as *strumenti di debito chirografario di secondo livello* of the Issuer, as defined under Article 12-*bis* of the Legislative Decree No. 385 of 1 September 1993 of the Republic of Italy, as amended (the **Italian Banking Act**).

Non-Preferred Senior Notes, any related Receipts and Coupons constitute direct, unconditional, unsubordinated, and 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 preferences 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 UniCredit, 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 or otherwise in respect of such Non-Preferred Senior Note.

For the avoidance of doubt, there is no negative pledge provision in these Conditions.

## 4. STATUS OF THE SUBORDINATED NOTES

This Condition 4 applies only to Notes specified in the applicable Final Terms as Subordinated and intended to qualify as Tier 2 Capital.

Subordinated Notes (notes intended to qualify as Tier 2 Capital for regulatory capital purposes, in accordance with Part II, Chapter 1 of the Bank of Italy's *Disposizioni di Vigilanza per le Banche*, as set out in Bank of Italy Circular No. 285 of 17 December 2013, as amended or supplemented from time to time (the **Bank of Italy Regulations**), including any successor regulations, and Article 63 of the Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms) and any relative Receipts and Coupons constitute direct, unconditional, unsecured and subordinated obligations of UniCredit and rank after unsubordinated unsecured creditors (including depositors and holders of Senior Notes and Non-Preferred Senior Notes) of UniCredit and after all creditors of UniCredit 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 UniCredit 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 UniCredit.

In relation to each Series of Subordinated Notes, all Subordinated Notes of such Series will be treated equally and all amounts paid by UniCredit 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 or otherwise, in respect of such Subordinated Note.

In these Conditions:

**Competent Authority** means the Bank of Italy and/or, to the extent applicable in any relevant situation, the European Central Bank or any successor or replacement entity to either, or other authority having primary responsibility for the prudential oversight and supervision of UniCredit or the Group and/or, as the context may require, the "resolution authority" or the "competent authority" as defined under BRRD and/or SRM Regulation.

**Relevant Regulations** has the meaning attributed to that term in Condition 10.6.

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

For the avoidance of doubt, there is no negative pledge provision in these Conditions.

## 5. STATUS OF ADDITIONAL TIER 1 NOTES

This Condition 5 applies only to Additional Tier 1 Notes specified in the applicable Final Terms as Additional Tier 1 and intended to qualify as Additional Tier 1 Capital.

The Additional Tier 1 Notes will constitute direct, unsecured and subordinated obligations of the Issuer ranking:

(i) subordinated and junior to all indebtedness of the Issuer, including unsubordinated indebtedness 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 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);

(ii) *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

(iii) senior to:

(A) the share capital of the Issuer, including, if any, its *azioni privilegiate*, ordinary shares and *azioni di risparmio*;

(B) (i) any securities of the Issuer (including *strumenti finanziari* issued under Article 2346 of the Italian Civil Code); and (ii) 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 (B)(i) above) or guarantee or similar instrument (in the case of (B)(ii) above) rank or are expressed to rank *pari passu* with the claims described under paragraphs (A) and (B) 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 or otherwise in respect of such Additional Tier 1 Note.

In these Conditions:

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

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

For the avoidance of doubt, there is no negative pledge provision in these Conditions.

## 6. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Reset Notes, Floating Rate Notes, Inflation Linked Interest Notes or Zero Coupon Notes or, in the case of Exempt Notes, whether a different interest basis applies.

### 6.1 Interest on Fixed Rate Notes

This Condition 6.1 applies to Fixed Rate Notes. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 6.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, 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.

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. 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.

In respect of Notes which are denominated in Renminbi, if the Business Day Convention is specified as the Modified Following Business Day Convention in the applicable Final Terms or Pricing Supplement, as the case may be, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, 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.

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.

As used in the Conditions, **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.

Except in the case of (i) Notes in definitive form where an applicable Fixed Coupon Amount or 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, if they are Partly Paid Notes, the aggregate amount paid up); 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.

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

(a) 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;

(b) 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;

(c) 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);

(d) 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

(e) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365.

In these Conditions:

**Business Day** means a day which is both:

(i) 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 any Additional Business Centre specified in the applicable Final Terms; and

(ii) 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 relevant RMB Settlement Centre(s).

**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);

**RMB Settlement Centre**, means the financial centre(s) specified as such in the applicable Final Terms or Pricing Supplement in accordance with applicable laws and regulations. If no RMB Settlement Centre is specified in the relevant Final Terms or Pricing Supplement, the RMB Settlement Centre shall be deemed to be Hong Kong; and

**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.

**6.2 Interest on Reset Notes**

(i) *Rate of Interest and Interest Payment Dates*

Each Reset Note bears interest:

(a) from (and including) the Interest Commencement Date until (but excluding) the First Reset Date at the Initial Rate of Interest;

(b) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and

(c) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on each Interest Payment Date and on the Maturity Date if that does not fall on an Interest Payment Date. The Rate of Interest and the Interest Amount payable shall be determined by the Calculation Agent, (A) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, subject to Condition 6.4 (*Reference Rate Replacement*) and (B) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 6.1. Unless otherwise stated in the applicable Final Terms the Rate of Interest (inclusive of the First or Subsequent Margin) shall not be deemed to be less than zero.

(ii) *Reset Reference Rate Conversion*

This Condition 6.2(ii) is only applicable if Reset Reference Rate Conversion is specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement as being applicable.

The First Reset Rate of Interest and, if applicable, each Subsequent Reset Rate of Interest will be converted from the Original Reset Reference Rate Payment Basis specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement to a basis which matches the frequency of Interest Payment Dates in respect of the relevant Notes.

For the purposes of the Conditions, with regard to the Reset Notes:

**First Margin** means the margin specified as such in the applicable Final Terms;

**First Reset Date** means the date specified in the applicable Final Terms;

**First Reset Period** means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the applicable Final Terms, the Maturity Date;

**First Reset Rate of Interest** means, in respect of the First Reset Period, the rate of interest determined

by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the First Margin, subject to Condition 6.2(ii);

**Initial Rate of Interest** has the meaning specified in the applicable Final Terms;

**Mid-Market Swap Rate** means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Original Reset Reference Rate Payment Basis (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the applicable Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent);

**Mid-Market Swap Rate Quotation** means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

**Mid-Swap Floating Leg Benchmark Rate** means either (i) the Reference Rate specified in the applicable Final Terms or (ii) if no such Reference Rate is specified, EURIBOR if the Specified Currency is euro, SOFR if the Specified Currency is U.S. dollar or LIBOR for the Specified Currency if the Specified Currency is not euro or U.S. dollar;

**Mid-Swap Rate** means, in relation to a Reset Determination Date and subject to Condition 6.2(iii), either:

(a) if Single Mid-Swap Rate is specified in the applicable Final Terms, the rate for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page; or

(b) if Mean Mid-Swap Rate is specified in the applicable Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

(A) with a term equal to the relevant Reset Period; and

(B) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent;

**Original Reset Reference Rate Payment Basis** has the meaning specified in the applicable Final Terms or, in the case of Exempt Notes, the applicable Pricing Supplement. In the case of Notes other than Exempt Notes, the Original Reset Reference Rate Payment Basis shall be annual, semi-annual, quarterly or monthly;

**Rate of Interest** means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

**Reset Date** means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as

applicable);

**Reset Determination Date** means, in respect of the First Reset Period, the second Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period;

**Reset Period** means the First Reset Period or a Subsequent Reset Period, as the case may be;

**Second Reset Date** means the date specified in the applicable Final Terms;

**Subsequent Margin** means the margin specified as such in the applicable Final Terms;

**Subsequent Reset Date** means the date or dates specified in the applicable Final Terms;

**Subsequent Reset Period** means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date; and

**Subsequent Reset Rate of Interest** means, in respect of any Subsequent Reset Period and subject to Condition 6.2(iii), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Margin, subject to Condition 6.2(ii).

(iii) *Fallbacks*

If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Calculation Agent shall, subject as provided in Condition 6.4 (*Reference Rate Replacement*), request each of the Reference Banks (as defined below) to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the sum of (as applicable) the First Margin (in the case of the First Reset Rate of Interest) or the Subsequent Margin (in the case of the Subsequent Reset Rate of Interest) and the relevant Mid-Swap Rate as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

For the purposes of this Condition 6.2, **Reference Banks** means the principal office in the principal financial centre of the Specified Currency of four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer.

### 6.3 Interest on Floating Rate Notes and Inflation Linked Interest Notes

#### (a) Interest Payment Dates

This Condition 6.3 applies to Floating Rate Notes and Inflation Linked Interest Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and inflation linked rate interest and must be read in conjunction with this Condition 6.3 for full information on the manner in which interest is calculated on Floating Rate Notes, or, as appropriate, Inflation Linked

Interest Notes. In particular, 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 Centres, 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 Principal Paying Agent or, as the case may be, the Calculation Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. 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 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.

Such interest will be payable in respect of each Interest Period. In these Conditions, **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).

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 6.3(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*: or

(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.

In these Conditions:

**Business Day** means a day which is both:

(i) 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 any Additional Business Centre specified in the applicable Final Terms; and

(ii) 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 centre of the country of the relevant Specified Currency (if other than any Additional Business Centre and which if the Specified Currency is Australian dollars, New Zealand dollars or Renminbi shall be Sydney, Auckland and the relevant RMB Settlement Centre(s), respectively) or (b) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

**RMB Settlement Centre(s)** means the financial centre(s) specified as such in the applicable Final Terms or Pricing Supplement in accordance with applicable laws and regulations. If no RMB Settlement Centre is specified in the relevant Final Terms or Pricing Supplement, the RMB Settlement Centre shall be deemed to be Hong Kong.

**(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 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 (as indicated in the applicable Final Terms) the Margin (if any), which can be positive or negative. For the purposes of this Condition 6.3(b)(i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate 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 of the first Tranche of the Notes (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 6.3(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 Floating Rate Notes which reference SOFR and 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 to Condition 6.4 (*Reference Rate Replacement*) 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 the London interbank offered rate (**LIBOR**) or the Euro-zone interbank offered rate (**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 (as indicated in the applicable Final Terms) the Margin (if any), which can be positive or negative, all as determined by the Calculation 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 Calculation 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 Calculation Agent shall request each of the Reference Banks (as defined below) to provide the Calculation 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 Calculation 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 (as appropriate) the Margin (if any), which can be positive or negative, all as determined by the Calculation Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Calculation 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 Calculation 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 Calculation 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 (as appropriate) the Margin (if any), which can be positive or negative or, if fewer than two of the Reference Banks provide the Calculation 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 Calculation 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 (as appropriate) the Margin (if any), which can be positive or negative, provided that, 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.

(iii) *Screen Rate Determination for Floating Rate Notes which reference SOFR*

Where Screen Rate Determination is specified as being applicable in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate specified in the applicable Final Terms is SOFR, the Rate of Interest for each Interest Period (or for each Interest Accrual Period, when Calculation Method is specified as Compounded SOFR with

Payment Delay in the applicable Final Terms), subject as provided below and subject to Condition 6.4 (*Reference Rate Replacement*), will be the Compounded SOFR for such Interest Period (or Interest Accrual Period, as applicable) plus the Margin (if any, as indicated in the applicable Final Terms), which can be positive or negative, as determined by the Calculation Agent.

The Rate of Interest applicable for an Interest Period will be determined on the applicable SOFR Interest Determination Date, provided that, if the Calculation Method is specified as Compounded SOFR with Payment Delay in the applicable Final Terms, the Rate of Interest for an Interest Accrual Period will be determined on the applicable Interest Accrual Period End Date, provided further that, in such case the Rate of Interest for the final Interest Accrual Period shall be determined on the Rate Cut-off Date.

The Interest Amount for each Interest Period will be calculated by the Calculation Agent as set out in Condition 6.3(f) above provided that if the Calculation Method is specified as Compounded SOFR with Payment Delay in the applicable Final Terms, the relevant calculations shall be made in respect of each Interest Accrual Period, rather than each Interest Period.

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

For the purposes of this Condition:

**Compounded SOFR** means:

(A) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Compounded SOFR with Lookback", with respect to an Interest Period, subject as provided below, the rate of return of a daily compound interest investment computed in accordance with the following formula, with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards to .00001:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_{i\text{-}yUSBD}\times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

**d** means the number of calendar days in the relevant Interest Period;

**$d_0$**, for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period;

**i** means a series of whole numbers from one to $d_0$, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period;

**$SOFR_{i\text{-}yUSBD}$**, for any U.S. Government Securities Business Day "i" in the relevant Interest Period, is equal to SOFR in respect of the U.S. Government Securities Business Day that is "y" (the Lookback Number of U.S. Government Securities Business Days) U.S. Government Securities Business Days prior to that day "i"; and

**$n_i$**, for any U.S. Government Securities Business Day "i" in the relevant Interest Period, means the number of calendar days from and including such U.S.

Government Securities Business Day "i" up to but excluding the following U.S. Government Securities Business Day ("i+1").

**Lookback Number of U.S. Government Securities Business Days** has the meaning specified in the applicable Final Terms and represented in the formula above as "y", and which shall not be less than five U.S. Government Securities Business Days without the prior consent of the Calculation Agent.

(B) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Compounded SOFR with Observation Period Shift", with respect to an Interest Period, subject as provided below, the rate of return of a daily compound interest investment computed in accordance with the following formula, with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards to .00001:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

**d** means the number of calendar days in the relevant Observation Period.

**$d_0$**, for any Observation Period, means the number of U.S. Government Securities Business Days in the relevant Observation Period;

**i** means a series of whole numbers from one to $d_0$, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

**$SOFR_i$**, for any U.S. Government Securities Business Day "i" in the relevant Observation Period, is equal to SOFR (as defined below) in respect of that day "i"; and

**$n_i$**, for any U.S. Government Securities Business Day "i" in the relevant Observation Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1").

**Observation Period** means, in respect of each Interest Period, the period from, and including, the date that is the number of U.S. Government Securities Business Days specified in the applicable Final Terms preceding the first date in such Interest Period to, but excluding, the date that is the same number of U.S. Government Securities Business Days so specified and preceding the Interest Payment Date for such Interest Period.

(C) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Compounded SOFR with Payment Delay", with respect to an Interest Accrual Period, subject as provided below, the rate of return of a daily compound interest investment computed in accordance with the following formula, with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 being rounded upwards to .00001:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

**d** means the number of calendar days in the relevant Interest Accrual Period.

**$d_0$**, for any Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

**i** means a series of whole numbers from one to $d_0$, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Interest Accrual Period;

**$SOFR_i$**, for any U.S. Government Securities Business Day "i" in the relevant Interest Accrual Period, is equal to SOFR (as defined below) in respect of that day "i"; and

**$n_i$**, for any U.S. Government Securities Business Day "i" in the relevant Interest Accrual Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("i+1").

**Interest Accrual Period** means each quarterly period, or such other period as specified in the applicable Final Terms, from, and including, an Interest Accrual Period End Date (or, in the case of the first Interest Accrual Period, the Issue Date) to, but excluding, the next Interest Accrual Period End Date (or, in the case of the final Interest Accrual Period, the Maturity Date or, if the Issuer elects to redeem the Notes on any earlier redemption date, such redemption date).

**Interest Accrual Period End Dates** means the dates specified in the applicable Final Terms, ending on the Maturity Date or, if the Issuer elects to redeem the Notes on any earlier redemption date, such redemption date.

**Interest Payment Date** means the second Business Day, or such other Business Day as specified in the applicable Final Terms, following each Interest Accrual Period End Date; provided that the Interest Payment Date with respect to the final Interest Accrual Period will be the Maturity Date or, if the Issuer elects to redeem Notes on any earlier redemption date, the redemption date.

**Rate Cut-Off Date** means the second U.S. Government Securities Business Day prior to the Maturity Date or redemption date, as applicable. For the purposes of calculating Compounded SOFR with respect to the final Interest Accrual Period, the level of SOFR for each U.S. Government Securities Business Day in the period from and including the Rate Cut-Off Date to but excluding the Maturity Date or any earlier redemption date, as applicable, shall be the level of SOFR in respect of such Rate Cut-Off Date.

(D) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the applicable Final Terms as being "Compounded SOFR Index with Observation Period Shift", with respect to an Interest Period the rate computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point e.g., 9.876541 per cent. (or .09876541) being rounded down to 9.87654 per cent. (or .0987654) and 9.876545 per cent. (or .09876545) being rounded up to 9.87655 per cent. (or .0987655)):

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \frac{360}{d_c}$$

where:

**SOFR Index**, with respect to any U.S. Government Securities Business Day, means:

(1) the SOFR Index value as published by the SOFR Administrator as such index appears on the New York Fed's Website at 3:00 p.m. (New York time) on such U.S. Government Securities Business Day (the **SOFR Determination Time**); provided that:

(2) if a SOFR Index value does not so appear as specified in (1) above at the SOFR Determination Time, then:

(i) if a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined below) have not occurred with respect to SOFR, Compounded SOFR shall be the rate determined pursuant to the "SOFR Index Unavailable" provisions below; or

(ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, Compounded SOFR shall be the rate determined pursuant to Condition 6.4 (*Reference Rate Replacement*).

**SOFR Index$_{Start}$** is the SOFR Index value for the day which is two U.S. Government Securities Business Days, or such other number of U.S. Government Securities Business Days as specified in the applicable Final Terms, preceding the first date of the relevant Interest Period;

**SOFR Index$_{End}$** is the SOFR Index value for the day which is two, or such other number of U.S. Government Securities Business Days as specified in the applicable Final Terms, U.S. Government Securities Business Days preceding the Interest Payment Date relating to such Interest Period; and

**$d_c$** is the number of calendar days from (and including) SOFR Index$_{Start}$ to (but excluding) SOFR Index$_{End}$.

**SOFR Index Unavailable** means, if a SOFR Index$_{Start}$ or SOFR Index$_{End}$ is not published on the associated SOFR Interest Determination Date and a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined below) have not occurred with respect to SOFR, **Compounded SOFR** means, for the applicable Interest Period for which such index is not available, the rate of return on a daily compounded interest investment calculated in accordance with the formula for SOFR Averages, and definitions required for such formula, published on the New York Fed's Website at www.newyorkfed.org/markets/treasury-repo-reference-rates-information. For the purposes of this provision, references in the SOFR Averages compounding formula and related definitions to "calculation period" shall be replaced with "Observation Period" and the words "that is, 30-, 90-, or 180- calendar days" shall be removed. If the daily SOFR (**SOFR$_i$**) does not so appear for any day, **i** in the Observation Period, SOFR$_i$ for such day **i** shall be SOFR published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the New York Fed's Website.

As used in this Condition 6.3(b)(iii):

**U.S. Government Securities Business Day** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Each calculation of the Rate of Interest and Interest Amount by the Calculation Agent will (in absence of manifest error) be final and binding on the Noteholders and the Issuer.

The Issuer may appoint a different calculation agent from time to time without the consent of the Noteholders and without notifying the Noteholders. If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred under Condition 6.4 (*Reference Rate Replacement*), the Issuer shall then appoint a designee to act as calculation agent unless the Calculation Agent agrees to continue to act as Calcultion Agent, and any determination, decision or election that may be made by the Issuer or its designee in connection with Compounded SOFR shall be subject to the provisions of Condition 6.4(2).

If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Issuer will provide notice to the Agents and Noteholders in accordance with Condition 16 of any determination, decision or election made by the Issuer or its designee in connection with the Compounded SOFR, including any determination with respect to a tenor, rate or adjustment.

Subject to Condition 6.4(2), in the case of Floating Rate Notes which reference SOFR, the Calculation Agent shall notify the Issuer of the Interest Amount due to be paid on each relevant Interest Payment Date and the Maturity Date, as applicable, no later than 11:00 a.m., New York City time, on the Business Day immediately following each relevant SOFR Interest Determination Date, Interest Accrual Period End Date or Rate Cut-Off Date, as applicable.

**Definitions**

**New York Fed's Website** means the website of the SOFR Administrator currently at http://www.newyorkfed.org, or any successor website of the SOFR Administrator.

**Relevant Governmental Body** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

**SOFR**, with respect to any U.S. Government Securities Business Day, means:

(1) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the New York Fed's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the **SOFR Determination Time**); or

(2) if the rate specified in (1) above does not so appear, unless both a Benchmark Transition Event and its related Benchmark Replacement Date (as each such term is defined below under Condition 6.4 (*Reference Rate Replacement*) have occurred, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the New York Fed's Website; or

(3) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Benchmark Replacement, subject to the provisions described, and as defined, below under Condition 6.4 (*Reference Rate Replacement*) have occurred.

**SOFR Administrator** means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate); and

**SOFR Interest Determination Date** for Compounded SOFR with Lookback, Compounded SOFR with Observation Period Shift and Compounded SOFR Index with Observation Period Shift means the day that is the number of U.S. Government Securities Business Days prior to the Interest Payment Date in respect of the relevant Interest Period, as specified in the applicable Final Terms.

(iv) *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, subject to Condition 6.4 (*Reference Rate Replacement*) below, 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:

CMS Rate + 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:

Leverage x 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:

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

CMS Rate 1 – CMS Rate 2

or

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

Leverage x [(Min (CMS Rate 1; Cap – CMS Rate 2)] + 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:

Leverage x Min [Max (CMS Rate + Margin; Floor); Cap]

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

For the purposes of this Condition 6.3(b)(iv):

**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 Reuters Page ICESWAP2, Euribor basis, fixed at 11:00 AM CET or the Relevant Screen Page on the relevant Determination Date, all as determined by the Calculation Agent. If the Relevant Screen Page is not

available, the Calculation Agent shall 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 CMS Rate shall be determined by the Calculation Agent as at the last preceding Interest Determination Date (though substituting, where a different specified Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the specified Margin relating to the relevant Interest Period in place of the specified Margin relating to that last preceding Interest Period);

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

**Cap** means a percentage per annum as specified in the relevant Final Terms;

**Floor** means a percentage per annum as specified in the relevant Final Terms;

**Leverage** means a percentage number as specified in the relevant Final Terms;

**Margin** means a percentage per annum as specified in the relevant 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 Calculation 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 semi-annual 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 Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms; and

**Representative Amount** means an amount that is representative for a single transaction in the relevant market at the relevant time.

**(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 Final Terms, on the relevant Determination Date in accordance with the following formula:

Rate of Interest = [[*Index Factor*]**YoY Inflation*] + *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 6.3(d) 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.

**Definitions**

For the purposes of the Conditions:

**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** means the relevant inflation index set out in Annex 1 to this Base Prospectus (CPI or HICP) specified 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:

$$\left[\frac{InflationIndex(t)}{InflationIndex(t-1)} - 1\right]$$

**(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 6.3(a) 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 6.3(b) 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 or this Condition 6.3, 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, 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 form (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 to the Issuer pursuant to this Condition 6.3 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 Calculation Agent 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.

The Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Inflation 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, if they are Partly Paid Notes, the aggregate amount paid up); 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 a Inflation Linked Interest Notes, 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.

**Calculation Agent** means the entity designated for such purpose as is specified in the applicable Final Terms.

**Day Count Fraction** means, in respect of the calculation of an amount of interest for any Interest Period:

(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:

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

where:

**$Y_1$** is the year, expressed as a number, in which the first day of the Interest Period falls;

**$Y_2$** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**$M_1$** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**$M_2$** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**$D_1$** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case $D_1$ will be 30; and

**$D_2$** 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 $D_1$ is greater than 29, in which case $D_2$ 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:

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

where:

**$Y_1$** is the year, expressed as a number, in which the first day of the Interest Period falls;

**$Y_2$** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**$M_1$** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**$M_2$** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**$D_1$** is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case $D_1$ will be 30; and

**$D_2$** 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 $D_2$ 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:

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

where:

**$Y_1$** is the year, expressed as a number, in which the first day of the Interest Period falls;

**$Y_2$** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**$M_1$** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

**$M_2$** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

**$D_1$** 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 $D_1$ will be 30; and

**$D_2$** 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 $D_2$ 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 CalculationAgent 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 Pricing Supplement if applicable) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms or Pricing Supplement if applicable), 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 Rate of Interest for such Interest Period shall be calculated as if Linear Interpolation were not applicable.

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

**(h) Notification of Rate of Interest and Interest Amounts**

*This Condition 6.3(h) does not apply to Notes linked to SOFR.*

Subject to Condition 6.4 (*Reference Rate Replacement*), the Calculation 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 Luxembourg Stock Exchange at the latest on the first London Business Day of each Interest Period, the Issuer and any stock exchange (or listing agent as the case may be) on which the relevant Floating Rate Notes or Inflation Linked Interest Notes are for the time being listed and notice thereof to 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 subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange (or listing agent as the case may be) on which the relevant Floating Rate Notes or Inflation Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 17 (*Notices*). For the purposes of this Condition 6.3(h), the expression **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.

**(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 6.3 by the Calculation Agent, shall (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**6.4 Reference Rate Replacement**

*This Condition 6.4 applies only to Floating Rate Notes and Reset Notes.*

(1) *Reset Notes and Screen Rate Determination (in the latter case for Notes not linked to SOFR)*

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 Reset Notes, Reset Reference Rate Replacement is specified in the relevant Final Terms as being applicable; and (ii) notwithstanding the other provisions of Condition 6.3 with respect to Screen Rate Determination and the other provisions of Section 6.2(iii) for Reset Notes, the Issuer determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply to the relevant Series of Notes (other than to Notes linked to SOFR):

(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 or Reset Determination Date, as the case may be, relating to the next Interest Period or Reset Period, as applicable (the **IA Determination Cut-off Date**), for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Period or Reset Period, as applicable, and for all other future Interest Periods or Reset Periods (subject to the subsequent operation of this Condition 6.4 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 or Reset Determination Date, as the case may be, relating to the next Interest Period or Reset Period, as applicable (the **Issuer Determination Cut-off Date**), for the purposes of determining the Rate of Interest applicable to the Notes for such next Interest Period or Reset Period, as applicable, and for all other future Interest Periods or Reset Periods, as applicable (subject to the subsequent operation of this Condition 6.4 during any other future Interest Period(s) or Reset Period(s), as applicable). 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 6.4:

(A) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall replace the Original Reference Rate for all future Interest Periods or Reset Periods, as applicable (subject to the subsequent operation of, and adjustment as provided in, this Condition 6.4);

(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 or Reset Periods, as applicable (subject to the subsequent operation of, and adjustment as provided in, this Condition 6.4); 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 or Reset Periods, as applicable (subject to the subsequent operation of, and adjustment as provided in, this Condition 6.4); 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 or Reset Determination Date as the case may be. 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 Original Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable) (each of the

changes described above a **Benchmark Amendment** and, together, the **Benchmark Amendments**),

which changes shall apply to the Notes for all future Interest Periods or Reset Periods, as applicable (subject to the subsequent operation of this Condition 6.4); and

(iv) 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 notify promptly (but in any event no later than the relevant Issuer Determination Cut-off Date) of any changes (and the effective date thereof) pursuant to Condition 6.4(iii)(C) the Calculation Agent, the Principal Paying Agent and the Noteholders in accordance with Condition 17 (*Notices*).

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 this Condition 6.4 or such other relevant changes pursuant to Condition 6.4(iii)(C), including for the execution of any documents or the taking of other steps by the Issuer.

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 6.4 prior to the relevant Issuer Determination Cut-off Date, then the Rate of Interest for the next Interest Period or Reset Period, as applicable, shall be determined by reference to the fallback provisions of Condition 6.2(iii) or Condition 6.3(b), as applicable.

(2) *Screen Rate Determination for Notes linked to SOFR*

In the case of Notes linked to SOFR, 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; and (ii) notwithstanding the other provisions of Condition 6.3 with respect to Screen Rate Determination, the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time.

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Conditions, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

(1) will be conclusive and binding absent manifest error on Noteholders and any other party;

(2) will be made in the Issuer's or its designee's sole discretion, as applicable; and

(3) notwithstanding anything to the contrary in these Conditions or the Agency Agreement for the Italian Law Notes relating to the Notes, shall become effective without consent from the Noteholders or any other party.

For the purposes of this Condition 6.4(2):

**Benchmark** means, initially, the Compounded SOFR, determined in accordance with the Calculation Method specified in the applicable Final Terms; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Rate of Interest (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

**Benchmark Replacement** means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date.

(1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (b) the Benchmark Replacement Adjustment;

(2) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or

(3) the sum of: (a) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment.

**Benchmark Replacement Adjustment** means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time.

**Benchmark Replacement Conforming Changes** means, with respect to any replacement rate, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such replacement rate in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determine that no market practice for use of the replacement rate exists, in such other manner as the Issuer or its designee determines is reasonably necessary).

**Benchmark Replacement Date** means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**Benchmark Transition Event** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(2) public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

**ISDA Fallback Adjustment** means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark.

**ISDA Definitions** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

**ISDA Fallback Rate** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

**Reference Time** with respect to any determination of the Benchmark means (1) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (2) if the Benchmark is not Compounded SOFR, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

**Unadjusted Benchmark Replacement** means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(3) *Disapplication of Reference Rate Replacement*

Notwithstanding any other provision of this Condition 6.4: (i) no Successor Reference Rate or Alternative Reference Rate (as applicable) or any other relevant rate substituting the Original Reference Rate will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 6.4, 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) or any other relevant rate substituting the Original Reference Rate will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 6.4, 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.

For the purposes of Condition 6.4(1) and this Condition 6.4(3):

**Adjustment Spread** means a spread (which may be positive or negative) or formula or methodology for calculating a spread, in each case 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 Original 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 Original 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 Original 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 Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Periods or Reset Periods, as applicable, 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 Original Reference Rate.

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

(a) the Original 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 Original Reference Rate that it will, by a specified date on or prior to the next Interest Determination Date or Reset Determination Date, as the case may be, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date on or prior to the next Interest Determination Date or Reset Determination Date, as the case may be, be permanently or indefinitely discontinued; or

(d) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative of its relevant underlying market; or

(e) a public statement by the supervisor of the administrator of the Original Reference Rate, an insolvency official with jurisdiction over the administrator of the Original Reference Rate, a resolution authority with jurisdiction over the administrator of the Original Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the Original Reference Rate, which states that the administrator of the Original Reference Rate has ceased or will, within a specified period of time, cease to provide the Original Reference Rate permanently or indefinitely, provided that, where applicable, such period of time has lapsed, and provided further that, at the time of cessation, there is no successor administrator that will continue to provide the Original Reference Rate; or

(f) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original 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 Reset Determination Date, as the case may be; or

(g) it has become unlawful (including, without limitation, under the EU Benchmark Regulation (Regulation (EU) 2016/1011), as amended from time to time, if applicable) for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

**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.

**Original Reference Rate** means:

(a) the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes; or

(b) any Successor Reference Rate or Alternative Reference Rate or other rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of Condition 6.4 (*Reference Rate Replacement*).

**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.

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

**6.5 Inflation Linked Interest Note Provisions**

Unless previously redeemed or purchased and cancelled in accordance with this Condition 6.5 or as specified in the applicable Final Terms and subject to this Condition 6.5, each Inflation Linked Interest Note will bear interest in the manner specified in the applicable Final Terms and the Conditions.

The following provisions apply to Inflation Linked Interest Notes:

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

**Change of Law** means that, on or after the Trade 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);

**Cut-Off Date** means, in respect of a Determination Date, five (5) Business Days prior to any due date for payment under the Notes for which valuation on the relevant Determination Date is relevant, 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;

**Determination Date** means each date specified as such in the applicable Final Terms;

**End Date** means each date specified as such in the applicable Final Terms;

**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) above 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);

**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 realise, 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;

**Increased Cost of Hedging** means that any Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade 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) realise, 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;

**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;

**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;

**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 "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; and

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

**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 relevant 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 relevant Final Terms, or (II) the Calculation Agent is not able to determine a Substitute Index Level under paragraph (i) above, the Calculation Agent shall determine the Substitute Index Level by reference to the following formula:

Substitute Index Level = Base Level x (Latest Level/Reference Level); or

(iii) otherwise in accordance with any formula specified in the relevant Final Terms,

in each case as of such Determination Date,

where:

**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.

**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.

**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.

The Issuer shall give notice to Noteholders, in accordance with Condition 17 (*Notices*) of any Substitute Index Level calculated pursuant to this Condition 6.5.

If the Relevant Level (as defined above) 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 6.5 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 6.5(b)(v)), 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 Condition 6.5(b)(ii), 6.5(b)(iii) or 6.5(b)(iv);

(ii) if a Successor Inflation Index has not been determined pursuant to Condition 6.5(b)(i), 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 Condition 6.5(b)(i) or 6.5(b)(ii), 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 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 the "Successor Inflation Index". If fewer than three responses are received or no Successor Inflation Index is determined pursuant to this Condition 6.5(b)(iii), the Calculation Agent will proceed to Condition 6.5(b)(iv);

(iv) if no replacement index or Successor Inflation Index has been determined under Condition 6.5(b)(i), 6.5(b)(ii) or 6.5(b)(iii) 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 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 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 terms of the 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**

(i) 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 not have 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 specified in the applicable Final Terms, 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.

**6.6 Exempt Notes**

In the case of Exempt Notes which are also Floating Rate Notes where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Exempt Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 6.3 shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes and to the Principal Paying Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

*Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

*Dual Currency Note*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

**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 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) the 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 then applicable 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 then applicable 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.

As set out in Condition 8.1, if a Contingency Event occurs, accrued and unpaid interest 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*)) and the Principal 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 shall not constitute a default for any purpose on the part of the Issuer and (ii) interest on the Additional Tier 1 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.

As used in these Conditions **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 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 European Union or 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, in each case with respect to the specific category of Own Funds Instruments to which applicable European Union or Italian law or the by-laws of the Issuer relates,

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

**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 instruments).

**7.3 Calculation of Interest Amount**

Subject to Condition 7.1 and Condition 9, the amount of interest payable in respect of an Additional Tier 1 Note for any period shall be calculated by the Principal 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 Additional Tier 1 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, in the event that a Write-Down occurs during an Interest Period, any accrued and unpaid interest shall be cancelled pursuant to Condition 8.1(c) and the Interest Amount payable on the Interest Payment Date immediately following such Interest Period shall be calculated in accordance with Condition 6.3(f), 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, 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).

As used in these Conditions:

**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)) if the Issuer and/or the UniCredit Group is failing to meet any applicable requirements or any buffers relating to such requirements (including, without limitation, the maximum distributable amount (MDA) required to be calculated in accordance with Article 141 of the CRD IV Directive, the maximum distributable amount related to the minimum requirement for own funds and eligible liabilities (M-MDA) required to be

calculated in accordance with Article 16a of the BRRD and the maximum distributable amount related to the leverage ratio (L-MDA) required to be calculated in accordance with Art. 141b of the CRD IV Directive), in each case if a corresponding payment restriction provision is applicable to the Issuer or the UniCredit Group (as the case may be) at that point in time;

**Maximum Write-Up Amount** has the meaning given to it in Condition 8.3;

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

**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;

**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;

**Write-Down** has the meaning given to such term in Condition 8.1;

**Write-Down Amount** has the meaning given to such term in Condition 8.1;

**Write-Down Effective Date** has the meaning given to such term in Condition 8.1;

**Write-Up** has the meaning given to such term in Conditions 8.3;

**Write-Up Notice** has the meaning given to such term in Conditions 8.3; and

**Written-Down Additional Tier 1 Instrument** means an instrument (other than the 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.

## 8. LOSS ABSORPTION AND REINSTATEMENT OF PRINCIPAL AMOUNT

*This Condition 8 applies only to Additional Tier 1 Notes. The application of Condition 6 to Additional Tier 1 Notes is subject to this Condition 8.*

### 8.1 Loss absorption

If, at any time, the Common Equity Tier 1 Capital Ratio of the Issuer falls below 5.125 per cent. (an **Issuer Contingency Event**) or the Common Equity Tier 1 Capital Ratio of the UniCredit Group falls below 5.125 per cent. (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 Principal Paying Agent and the Paying Agents (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 Additional Tier 1 Note by the Write-Down Amount (such reduction being referred to as a **Write-Down** and **Written Down** being construed accordingly).

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 an Additional Tier 1 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 Additional Tier 1 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 Additional Tier 1 Notes may be Written Down on more than one occasion.

**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 Additional Tier 1 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 Principal Paying Agent must be accompanied by a certificate signed by the Authorised Signatories stating that the Contingency Event has occurred and setting out the method of calculation of the relevant Write-Down Amount. The Principal Paying Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications required by this provision are provided, nor shall it be required to review, check or analyse any certifications produced nor shall it be responsible for the contents of any such certifications or incur any liability in the event the content of such certifications are inaccurate or incorrect.

**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:

(i) the amount that (together with (a) the concurrent Write-Down on a *pro rata* basis of the other Additional Tier 1 Notes and (b) the concurrent or substantially concurrent write-down (or write-

off) or conversion on a *pro rata* basis to the extent possible of any Loss Absorbing Instruments) would be sufficient to cure the Contingency Event; or

(ii) if that Write-Down (together with (a) the concurrent Write-Down on a *pro rata* basis of the other Additional Tier 1 Notes and (b) the concurrent or substantially concurrent write-down (or write-off) or conversion on a *pro rata* basis to the extent possible 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 the sub-unit of the Specified Currency.

In respect of any Write-Down, to the extent the write-down (or write-off) or 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 Additional Tier 1 Notes pursuant to this Condition 8.1; and (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 Additional Tier 1 Notes to be Written-Down in full (or in full save for the sub-unit 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 Additional Tier 1 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 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, 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:

(i) the aggregate amount of the relevant Write-Up on all the Additional Tier 1 Notes (aggregated with the aggregate amounts of any other Write-Ups out of the same Relevant Net Income);

(ii) 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,

(iii) 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

(iv) 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 1 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 Additional Tier 1 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 Additional Tier 1 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 Additional Tier 1 Notes pursuant to this Condition 8.3, it shall deliver a notice (a **Write-Up Notice**) specifying the amount of any Write-Up (as a percentage of the Initial Principal Amount of an Additional Tier 1 Note resulting in a *pro rata* increase in the Prevailing Principal Amount of each Additional Tier 1 Note) and the date on which such Write-Up shall take effect shall be given to Noteholders in accordance with Condition 17 (*Notices*) and to the Principal Paying Agent. Such Write-Up Notice shall be given at least ten Business Days prior to the date on which the relevant Write-Up becomes effective.

As used in these Conditions:

**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 taking into account any applicable transitional provisions under 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 taking into account any applicable transitional provisions under the Relevant Regulations;

**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;

**Equal Loss Absorbing Instrument** 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 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 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 per cent. 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, 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 Additional Tier 1 Notes) issued directly or indirectly by the Issuer or 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 per cent. 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;

**Group Contingency Event** has the meaning given to such term in Condition 8.1;

**Initial Principal Amount** means, in respect of an Additional Tier 1 Note, or as the case may be, a Written-Down Additional Tier 1 Instrument, the principal amount of such Additional Tier 1 Note or 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;

**Issuer Contingency Event** has the meaning given to such term in Condition 8.1;

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

**Loss Absorption Event Notice** has the meaning given to such term in Condition 8.1;

**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;

**Ordinary Shares** means the ordinary shares of the Issuer;

**Prior Loss Absorbing Instrument** 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 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 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 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 per cent. 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 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 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 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 per cent. 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 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 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 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, 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;

**Relevant Net Income** means the lowest of the Net Income and the Consolidated Net Income;

**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 taking into account any applicable transitional provisions under the Relevant Regulations.

## 9. PAYMENTS

### 9.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee; and

(c) payments in Renminbi will be made by credit or transfer to an account denominated in Renminbi and maintained by the payee with a bank in the relevant RMB Settlement Centre(s) in accordance with applicable laws, rules and regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to settlement in Renminbi in the relevant RMB Settlement Centre(s).

**9.2 Payments Subject to Fiscal and Other Laws**

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 11, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

**9.3 Presentation of definitive Bearer Notes, Receipts and Coupons**

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 9.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below) and save as provided in Condition 9.5) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 11 in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 12) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

**9.4 Payments in respect of Bearer Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of the Principal Paying Agent. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Principal Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

**9.5 Specific provisions in relation to payments in respect of certain types of Exempt Notes**

Payments of instalments of principal (if any) in respect of definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 9.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 9.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Note to which it appertains. Receipts presented without the definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Upon the date on which any Dual Currency Note or Index Linked Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

**9.6 General provisions applicable to payments**

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition 9.6, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

**9.7 Payment Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 12) is:

(a) 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):

(i) in the case of Notes in definitive form only, in the relevant place of presentation; and

(ii) in any Additional Financial Centre specified in the applicable Final Terms; and

(b) either (i) 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 centre of the country of the relevant Specified Currency (if other than the place of presentation and any Additional Financial Centre and which, if the Specified Currency is Australian dollars New Zealand dollars or Renminbi, shall be Sydney, Auckland and the relevant RMB Settlement Centre(s), respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

**9.8 RMB Currency Event**

If "RMB Currency Event" is specified in the applicable Final Terms or Pricing Supplement, as the case may be, and if by reason of a RMB Currency Event, as determined by the Issuer acting in good faith and in a commercially reasonable manner, the Issuer is not able to pay any amount in respect of any Note, Receipt or Coupon, the Issuer's obligation to make a payment in RMB under the terms of the Notes shall be replaced by an obligation to pay such amount in the Relevant Currency converted using the Spot Rate for the relevant Determination Date.

The Issuer shall give not less than 10 nor more than 60 days' notice (prior to the date of payment) to the Noteholders in accordance with Condition 17 (*Notices*) stating the occurrence of the RMB Currency Event, giving details thereof.

For the purpose of this Condition 9 and unless stated otherwise in the applicable Final Terms or Pricing Supplement, as the case may be:

**Determination Business Day** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant RMB Settlement Centre(s), London and foreign exchange markets settle payments and the principal financial centre of the country of the Relevant Currency;

**Determination Date** means the day which is two Determination Business Days before the due date of the relevant payment under the Notes;

**Governmental Authority** means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the relevant RMB Settlement Centre(s);

**Mainland China** means the People's Republic of China (excluding Hong Kong, Macau and Taiwan);

**Relevant Currency** means U.S. dollars or such other currency as may be specified in the applicable Final Terms or Pricing Supplement, as the case may be;

**Relevant Currency Valuation Time** means the time specified as such in the applicable Final Terms or Pricing Supplement, as the case may be;

**RMB Currency Events** means any one of RMB Illiquidity, RMB Non-Transferability and RMB Inconvertibility;

**RMB Illiquidity** means the general Renminbi exchange market in the relevant RMB Settlement Centre(s) becomes illiquid and, as a result of which, the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay any amount in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the RMB exchange market in the relevant RMB Settlement Centre(s);

**RMB Inconvertibility** means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into RMB on any payment date at the general RMB exchange market in the relevant RMB Settlement Centre(s), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

**RMB Non-Transferability** means the occurrence of any event that makes it impossible for the Issuer to deliver RMB, (A) between accounts inside the relevant RMB Settlement Centre(s), (B) from an account inside the relevant RMB Settlement Centre(s) to an account outside the relevant RMB Settlement Centre(s) and outside Mainland China (including where the RMB clearing and settlement system for participating banks in the relevant RMB Settlement Centre(s) is disrupted or suspended), (C) from an account outside the relevant RMB Settlement Centre(s) and outside Mainland China to an account inside the relevant RMB Settlement Centre(s), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation); and

**Spot Rate** means the spot CNY/Relevant Currency exchange rate for the purchase of the Relevant Currency with Renminbi in the over-the-counter Renminbi exchange market in the relevant RMB Settlement Centre(s) for settlement in two Determination Business Days, as determined by the Calculation Agent at or around the Relevant Valuation Time on the Determination Date by reference to the Relevant Spot Rate Screen Page. If such rate is not available, the Issuer shall determine the rate taking into consideration all available information which the Issuer deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in the relevant RMB Settlement Centre(s) or elsewhere and the CNY/Relevant Currency exchange rate in the PRC domestic foreign exchange market. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this by the Calculation Agent or the Issuer (as applicable), will (in the absence of manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents and all holders of the Notes.

### 9.9 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 11;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Exempt Notes redeemable in instalments, the Instalment Amounts;

(f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 10.7); and

(g) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 11. Any reference in these Conditions to payment of any sums in respect of the Notes (including, in respect of Index Linked Notes and other structured Notes) shall be deemed to include, as applicable, delivery of any relevant Reference Asset (as defined in Condition 10.13 if so provided in the applicable Pricing Supplement and references to "paid" and "payable" shall be construed accordingly.

## 10. REDEMPTION AND PURCHASE

### 10.1 Redemption at maturity

*This Condition 10.1 applies only to Notes specified in the applicable Final Terms as being 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 or Pricing Supplement (i) at *par* in case of Fixed Rate Notes, Floating Rate Notes, Reset Notes, Zero Coupon Notes, Inflation Linked Interest Notes and CMS Linked Interest Notes as indicated in the applicable Final Terms in the relevant Specified Currency or (ii) at its Final Redemption Amount, in case of Exempt Notes, which is such amount as may be specified in the applicable Pricing Supplement in the relevant Specified Currency.

### 10.2 No fixed redemption for the Additional Tier 1 Notes

*This Condition 10.2 applies only to Notes specified in the applicable Final Terms as being Additional Tier 1 Notes.*

The Additional Tier 1 Notes may not be redeemed otherwise than in accordance with this Condition 10.2.

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 (currently, 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) up to, but excluding the date fixed for redemption, and any additional amounts due pursuant to Condition 11.

### 10.3 Redemption for tax reasons

Subject to Condition 10.7, the Notes may be redeemed at the option of the Issuer (but subject, in the case of Subordinated Notes and Additional Tier 1 Notes, to the provisions of Condition 10.15 and, in the case of Senior Notes and Non-Preferred Senior Notes, to the provisions of Condition 10.16) in whole or in part (to the extent permitted by the then applicable Relevant Regulations), at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate 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 Principal Paying Agent and, in accordance with Condition 17 (*Notices*), the Noteholders (which notice shall be irrevocable), 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 the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 10.3, the Issuer shall deliver or procure that there is delivered to the Principal Paying Agent to make available at its specified office to the Noteholders a certificate signed by two authorised signatories of the Issuer stating that the said circumstances prevail and describe the facts leading thereto.

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 or, in the case of Additional Tier 1 Notes, at their Prevailing Principal Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

**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 the Tax Jurisdiction purposes is reduced, or 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, regulations or rulings of, or applicable in, a Tax Jurisdiction (as defined in Condition 11), 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 then applicable 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 Principal Paying Agent of a certificate signed by two Authorised Signatories of the Issuer stating that interest payable by the Issuer in respect of the Additional Tier 1 Notes is no longer, or will no longer be, deductible for income tax purposes of the Tax Jurisdiction 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 recognised standing to the effect that such circumstances prevail; and

(ii) which obligation cannot be avoided by the Issuer taking reasonable measures available to it;

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

The Principal Paying Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications required by this Condition 10.3 are provided, nor shall it be required to review, check or analyse any certifications produced nor shall it be responsible for the contents of any such certifications or incur any liability in the event the content of such certifications are inaccurate or incorrect.

**10.4 Redemption for regulatory reasons (Regulatory Call)**

*This Condition 10.4 applies only to Notes specified in the applicable Final Terms as being Subordinated Notes and Additional Tier 1 Notes.*

If Regulatory Call is specified in the applicable Final Terms, the Notes may be redeemed at the option of the Issuer (subject to the provisions of Condition 10.15), in whole, but not in part, at any time (if the Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if the Note is either 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 Principal Paying Agent and, in accordance with Condition 17 (*Notices*), the Noteholders (which notice shall be irrevocable), if (a) a Regulatory Event occurs in respect of the Subordinated Notes, or (b) a Capital Event occurs in respect of the 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 Principal Paying Agent a certificate signed by two authorised signatories of the Issuer stating that the said circumstances prevail and describe the facts leading thereto.

The Principal Paying Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications required by this Condition 10.4 are provided, nor shall it be required to review, check or analyse any certifications produced nor shall it be responsible for the contents of any such certifications or incur any liability in the event the content of such certifications are inaccurate or incorrect.

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, or in the case of the Additional Tier 1, at their Prevailing Principal Amount, together (if appropriate) with interest accrued to (but excluding) the date of redemption.

As used in these Conditions:

A **Capital Event** is deemed to have occurred if 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, to the extent permitted by the Relevant Regulations, 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 the event of any redemption upon the occurrence of a Capital Event prior to the fifth anniversary of the 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 sufficiently certain; and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the change in regulatory classification of the Additional Tier 1 Notes was not reasonably foreseeable as at the Issue Date of the relevant Additional Tier 1 Notes; and

A **Regulatory Event** is deemed to have occurred if there is a change in the regulatory classification of the Subordinated Notes under the Relevant Regulations that would be likely to result in their exclusion, in whole or, to the extent permitted by the Relevant Regulations, in part, from Tier 2 Capital of the UniCredit Group or the Issuer and, in the event of any redemption upon the occurrence of a Regulatory Event prior to the fifth anniversary of the 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 sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the change in the regulatory classification of the Subordinated Notes was not reasonably foreseeable by the Issuer as at the date of the issue of the relevant Subordinated Notes.

### 10.5 Redemption at the option of the Issuer (Issuer Call)

This Condition 10.5 applies to Notes which are subject to redemption prior to the Maturity Date 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 contain provisions applicable to any Issuer Call and must be read in conjunction with this Condition 10.5 for full information on any Issuer Call. In particular, 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 to, in the case of Subordinated Notes, the provisions of Condition 10.15 and, in the case of Senior Notes and Non-Preferred Senior Notes, Condition 10.16), 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 be irrevocable and shall specify the date fixed for redemption), 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 or, in the case of the Additional Tier 1, at their Prevailing Principal Amount, together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal 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 nominal 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 per cent. of the nominal amount of the Notes to be redeemed; or

(b) the sum of the present values of the nominal amount of the Notes to be redeemed and the Remaining Term Interest on such Notes (exclusive of interest accrued to 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), plus the specified Redemption Margin,

plus in each case, for the avoidance of doubt, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

In the Conditions:

**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;

**Financial Adviser** means an independent and internationally recognised financial adviser selected by the Issuer;

**Redemption Margin** shall be as set out in the applicable Final Terms;

**Reference Bond** shall be as 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 Principal Paying Agent obtains 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 basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal 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 Principal Paying Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Principal Paying Agent by such Reference Government Bond Dealer; and

**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.

All notifications, 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, Agents and all Noteholders and Couponholders.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will, subject to compliance with applicable law, be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 17 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 10.5 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 17 (*Notices*) at least five days prior to the Selection Date.

### 10.6 Issuer Call Due to MREL or TLAC Disqualification Event

This Condition 10.6 applies only to Notes specified in the applicable Final Terms as being Senior Notes or Non-Preferred Senior Notes.

If Issuer Call due to MREL or TLAC Disqualification Event is specified as being applicable in the applicable Final Terms, then any Series of Senior Notes or of Non-Preferred Senior Notes may (subject to the provisions of Condition 10.16) on or after the date specified in a notice published on the Issuer's website be redeemed at the option of the Issuer in whole, but not in part, at any time (if the Note is neither a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note) or on any Interest Payment Date (if the Note is either 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 Principal Paying Agent and, in accordance with Condition 17 (*Notices*), the Noteholders (which notice shall be irrevocable), 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 be bound to 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 together (if appropriate) with interest accrued to (but excluding) the date of redemption.

As used in these Conditions:

**Bail-in Power** means any statutory write-down, transfer 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;

**BRRD** means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time (including by the BRRD II);

**BRRD II** means Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC;

**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 (including by the CRD V Directive);

**CRD IV Regulation** means Regulation (EU) No. 2013/575 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 (including by the CRD V Regulation);

**CRD V Directive** means the Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, as amended or replaced from time to time;

**CRD V Regulation** means Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) 648/2012;

**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 solo or, if relevant, 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 consolidated basis) to the extent required by (i) the CRD IV Regulation or (ii) the CRD IV Directive;

**Group** and **UniCredit Group** means the UniCredit Banking Group, registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Italian Banking Act, under number 02008.1;

**Group Entity** means UniCredit or any legal person that is part of the UniCredit Group;

**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 a 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 a 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 any applicable transitional provisions), 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 relevant 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;

**Relevant Regulations** means any requirements contained in the regulations, rules, guidelines and policies of the Competent Authority or the Relevant Resolution 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 any applicable transitional provisions), 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 European Banking Authority;

**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 Bail-in Power from time to time;

**SRM Regulation** means Regulation (EU) No 806/2014 of the European Parliament and Council of 15 July 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 (including by the SRM II Regulation); and

**SRM II Regulation** means Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms.

### 10.7 Early Redemption Amounts

For the purpose of Condition 10.3, Condition 10.4, Condition 10.6 and Condition 13, the Early Redemption Amount shall be set:

(a) in the case of a 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 nominal amount; or

(c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

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

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 Extendible Notes

Notes may be issued with an initial maturity date (the **Initial Maturity Date**) which may be extended from time to time upon the election of the Noteholders on specified dates (each, an **Election Date**) up to a final maturity date (the **Final Maturity Date**) as set forth in the applicable Final Terms (or Pricing Supplement if applicable) (**Extendible Notes**). To make an election effective on any Election Date, the Noteholder must deliver a notice of election in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Notice of Election**), during the Notice Period for that Election Date specified in the Final Terms (or Pricing Supplement if applicable) in accordance with Condition 17 (*Notices*). Any Notice of Election so given by a Noteholder pursuant to this Condition 10.8 will be irrevocable and binding upon that Noteholder. The Final Terms (or Pricing Supplement if applicable) relating to each issue of Extendible Notes will specify the Initial Maturity Date, the Final Maturity Date, the Election Date(s) and the applicable Notice Period.

### 10.9 Specific redemption provisions applicable to certain types of Exempt Notes

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 10.2, Index Linked Interest Notes and Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

*Instalments*

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

*Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 10 and the applicable Pricing Supplement.

### 10.10 Purchases

Subject to Condition 10.16 in respect of Senior Notes and Non-Preferred Senior Notes and Condition 10.15 in respect of Subordinated Notes and Additional Tier 1 Notes, the Issuer or any subsidiary of the Issuer may purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith), including for market making purposes, at any price in the open market or otherwise. If purchases are made by tender, tenders must be

available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the purchaser, surrendered to any Paying Agent for cancellation.

**10.11 Cancellation**

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased by the Issuer or any subsidiary of the Issuer and surrendered to any Paying Agent for cancellation pursuant to Condition 10.10 (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

**10.12 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, 10.3, 10.4, 10.5 or 10.6 or upon its becoming due and repayable as provided in Condition 13 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) as though the references therein to the date fixed for the redemption or 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 Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 17 (*Notices*).

**10.13 Index Linked Notes and other Structured Notes**

The Issuer may, as indicated in the applicable Pricing Supplement, be entitled to redeem Index Linked 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 (**Reference Asset**), by physical delivery of all or part of the Reference Asset or of some other asset or property (**Physically-Settled Notes**).

**10.14 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.

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

Any redemption or purchase of Subordinated Notes or Additional Tier 1 Notes in accordance with Conditions 10.2, 10.3, 10.4, 10.5 or 10.10 or Condition 18 (including, for the avoidance of doubt, any modification or variation in accordance with Condition 18) is subject to compliance with the then applicable Relevant Regulations, including, as relevant, for the avoidance of doubt:

(a) the Issuer giving notice to the Competent Authority and the Competent 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 then Relevant Regulations, including Articles 77 and 78 of the CRD IV Regulation, as amended or replaced from time to time), where either:

(i) on or before such redemption or purchase (as applicable), the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or

(ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that its Own Funds and eligible liabilities would, following such repayment or purchase, exceed the minimum requirements (including any capital buffer requirements) required under the

Relevant Regulations by a margin that the Competent Authority considers necessary at such time; and

(b) in respect of a call, redemption repayment or repurchase prior to the fifth anniversary of the Issue Date of the relevant Subordinated Notes or Additional Tier 1 Notes, if and to the extent required under Article 78(4) of the CRD IV Regulation or the Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014:

(i) in the case of redemption pursuant to Condition 10.3 (*Redemption for tax reasons*), the Issuer having demonstrated to the satisfaction of the Competent Authority that the change in the applicable tax treatment of the Subordinated Notes or Additional Tier 1 Notes is material and was not reasonably foreseeable as at the Issue Date; or

(ii) in case of redemption pursuant to Condition 10.4 (*Redemption for regulatory reasons (Regulatory Call)*), a Regulatory Event having occurred in respect of Subordinated Notes or a Capital Event having occurred in respect of Additional Tier 1 Notes; or

(iii) on or before such redemption or repurchase (as applicable), the Issuer replacing the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer and the Competent Authority having permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or

(iv) the Notes being repurchased for market making purposes,

subject in any event to any alternative or additional conditions or requirements as may be applicable from time to time under the Relevant Regulations.

The Competent Authority may grant a general prior permission, for a specified period which shall not exceed one year, to redeem or purchase (including for market making purposes) the Subordinated Notes or Additional Tier 1 Notes, in the limit of a 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 Tier 2 instruments or the Additional Tier 1 instruments of the Issuer at the relevant time, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out at letters (i) or (ii) of subparagraph (a) of the preceding paragraph.

If the Issuer has elected to redeem any Additional Tier 1 Notes pursuant to Conditions 10.3, 10.4 or 10.5, and prior to the relevant redemption date a Contingency Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, the Prevailing Principal Amount of the Notes will not be due and payable and a Write-Down shall occur as described under Condition 8.

The Issuer shall not give a redemption notice pursuant to Conditions 10.3, 10.4 or 10.5 in the period following the giving of a Loss Absorption Event Notice and prior to the relevant Write Down Effective Date.

**10.16 Conditions to Redemption and Purchase of Senior Notes and Non-Preferred Senior Notes**

Any redemption or purchase in accordance with Condition 10.2, 10.5, 10.6 or 10.10 or Condition 18 (including, for the avoidance of doubt, any modification or variation in accordance with Condition 18) of Senior Notes and Non-Preferred Senior Notes qualifying as eligible liabilities instruments according to 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, as relevant, the condition that the Issuer has obtained the prior permission of the Relevant Resolution Authority in accordance with Article 78a of the CRD IV Regulation, where one of the following conditions is met:

(a) on or before such call, redemption, repayment or repurchase (as applicable), the Issuer replaces the relevant Notes with Own Funds instruments or eligible liabilities instruments of equal or higher quality at terms that are sustainable for its income capacity; or

(b) the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that its Own Funds and eligible liabilities would, following such call, redemption, repayment or repurchase, exceed the requirements for Own Funds and eligible liabilities laid down in the Relevant Regulations by a margin that the Relevant Resolution Authority, in agreement with the Competent Authority, considers necessary; or

(c) the Issuer has demonstrated to the satisfaction of the Relevant Resolution Authority that the partial or full replacement of the relevant Notes with Own Funds instruments is necessary to ensure compliance with the Own Funds requirements laid down in the Relevant Regulations for continuing authorisation,

subject in any event to any different conditions or requirements as may be applicable from time to time under the Relevant Regulations.

The Relevant Resolution Authority may grant a general prior permission, for a specified period which shall not exceed one year, to redeem or purchase (including for market making purposes) Senior Notes or Non-Preferred Senior Notes, in the limit of a predetermined amount, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out in sub-paragraphs (a) or (b) of the preceding paragraph.

## 11. TAXATION

All payments of interest (including any Arrear of Interest and Default Interest) in respect of the Notes, Receipts and Coupons 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 such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the amounts of interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction, except that:

(a) (in respect of payments by the Issuer) no such additional amounts shall be payable with respect to any Note, Receipt or Coupon for or on account of *imposta sostitutiva* (at the then applicable rate of tax) pursuant to Italian Legislative Decree No. 239 of 1 April 1996 or Italian Legislative Decree No. 461 of 21 November 1997 (as any of the same may be amended or supplemented) or any related implementing regulations; and

(b) no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(i) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Tax Jurisdiction other than the mere holding of such Note; or

(ii) presented for payment by, or on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of such Note, Receipt or Coupon by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non-residence or other similar claim for exemption; or

(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 Day as defined in Condition 9.7; or

(iv) presented for payment in the Republic of Italy; or

(v) presented for payment (in respect of payments by the Issuer) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest is paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities; or

(vi) presented for payment (in respect of payments by the Issuer) in all circumstances in which the procedures set forth in Legislative Decree No. 239 of 1 April 1996, as amended, have not been met or complied with, except where such requirements and procedures have not been met or complied with due to the actions or omissions of UniCredit or its agents; or

(vii) 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 30 September 1983, as amended, supplemented and/or re-enacted from time to time; or

(viii) where the holder 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; or

(ix) where such withholding or deduction is imposed on a payment pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder or any official interpretations thereof or any law implementing an intergovernmental approach thereto.

As used herein:

(A) **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 interest on the Notes, Receipts and Coupons; and

(B) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent, 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*).

Any reference in these Conditions to interest shall be deemed to include any additional amounts in respect of interest which may be payable under this Condition 11 or under any obligation undertaken in addition thereto or in substitution therefor pursuant to the Agency Agreement for the Italian Law Notes.

## 12. PRESCRIPTION

The Notes, Receipts and Coupons 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 (as defined in Condition 11) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 12 or Condition 9.3 or any Talon which would be void pursuant to Condition 9.3.

## 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 Notes specified in the applicable Final Terms as Senior Notes and Non-Preferred Senior Notes.*

With respect to any Senior Note or Non-Preferred Senior Notes, if the Issuer shall become 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 (the **Event of Default for the Senior Notes and Non-Preferred Senior Notes**), then any holder of a Senior Note or Non-Preferred Senior Notes may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Senior Notes or Non-Preferred Senior Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind. No Event of Default for the Senior Notes and Non-Preferred Senior Notes shall occur other than in the context of an insolvency proceeding in respect of the Issuer (and, for the avoidance of doubt, resolution proceeding(s) or moratoria imposed by a resolution authority in respect of the Issuer shall not constitute an Event of Default for the Senior Notes and Non-Preferred Senior Notes for any purpose).

### 13.2 Events of Default relating to Subordinated Notes and Additional Tier 1 Notes

*This Condition 13.2 applies only to Notes specified in the applicable Final Terms as being Subordinated Notes and Additional Tier 1 Notes.*

With respect to any Subordinated Note and Additional Tier 1 Note, if the Issuer shall become subject to *Liquidazione Coatta Amministrativa* as defined in Legislative Decree No. 385 of 1 September 1993 of the Republic of Italy, as amended from time to time (the **Event of Default for the Subordinated Notes and Additional Tier 1 Notes**), then any holder of a Subordinated Note or Additional Tier 1 Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Subordinated Notes or Additional Tier 1 Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable as its Early Redemption Amount or, in the case of Additional Tier 1 Notes, at their Prevailing Principal Amount, together with accrued interest (in the case of Additional Tier 1 Notes, to the extent that such interest is not cancelled in accordance with these Conditions) (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind. No Event of Default for the Subordinated Notes and Additional Tier 1 Notes shall occur other than in the context of an insolvency proceeding in respect of the Issuer (and, for the avoidance of doubt, resolution proceeding(s) or moratoria imposed by a resolution authority in respect of the Issuer shall not constitute an Event of Default for the Subordinated Notes and Additional Tier 1 Notes for any purpose).

## 14. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent or any Paying Agent 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, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## 15. AGENTS

The initial Agents are set out above. If any additional Agents are appointed in connection with any Series, the names of such Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Paying Agent (which may be the Principal Paying Agent), having a specified office in a Member State of the European Union other than the jurisdiction in which the Issuer is incorporated; and

(b) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange, the competent authority or other relevant authority.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 9.6. Except as provided in the Agency Agreement for the Italian Law Notes, any variation, termination, appointment or change shall only take effect after not less than 30 nor more than 45 days' prior notice thereof shall have been given to Noteholders in accordance with Condition 17 (*Notices*).

In acting under the Agency Agreement for the Italian Law Notes, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholder, Receiptholder or Couponholder. The Agency Agreement for the Italian Law Notes contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

## 16. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 12.

## 17. NOTICES

All notices regarding the Notes will be deemed to be validly given if published (if and for so long as the Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange) either on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a daily newspaper of general circulation in Luxembourg. It is expected that any such publication in a newspaper will be made in the *Luxemburger Wort* or the *Tageblatt*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any other stock exchange or other relevant authority on which the Issuer has made application for the Notes to be listed or admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for publication as provided above, the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes, and (if and for so long as the Notes are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange) publication on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a daily newspaper of general circulation in Luxembourg. It is expected that any such publication in a newspaper will be made in the *Luxemburger Wort* or the *Tageblatt*. In addition, for so long as any Notes are listed on any other stock exchange (where the Issuer has made application) or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published as may be required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a

Note to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## 18. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Agency Agreement for the Italian Law Notes contains provisions for convening meetings, including by way of conference call or by use of a videoconference platform, of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement for the Italian Law Notes. Such a meeting may be convened by the Issuer or Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts, the Coupons, these Conditions or the Agency Agreement for the Italian Law Notes (including (i) modifying the date of maturity of the Notes or any date for payment of interest thereon, (ii) reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes (in case of Additional Tier 1 Notes, except as provided by the Conditions), or (iii) altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The rights and powers of the Noteholders may only be exercised in accordance with the relevant provisions for meeting of Noteholders attached to the Agency Agreement for the Italian Law Notes (the **Provisions for Meeting of Noteholders**) which are deemed to form part of these Conditions. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, *inter alia*, the terms of the Provisions for Meeting of Noteholders.

The Principal Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

(a) any modification of the Notes, the Receipts, the Coupons, these Conditions or the Agency Agreement for the Italian Law Notes or any waiver or authorisation of any breach or proposed breach of any of the provisions of the Notes or the Agency Agreement for the Italian Law Notes, or determine, without any such consent as aforesaid, that any Event of Default for the Senior Notes and Non-Preferred Senior Notes or any Event of Default for the Subordinated Notes and Additional Tier 1 Notes, as applicable, or potential Event of Default for the Senior Notes and Non-Preferred Senior Notes or potential Event of Default for the Subordinated Notes and Additional Tier 1 Notes, as applicable, shall not be treated as such, where, in any such case, it is not, in the opinion of the Issuer, materially prejudicial to the interests of the Noteholders so to do; or

(b) any modification of the Notes, the Receipts, the Coupons, these Conditions or the Agency Agreement for the Italian Law Notes which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification, waiver, authorisation or determination shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.

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, (ii) in the case of Subordinated Notes, if at any time a Regulatory Event occurs, (iii) in the case of Additional Tier 1 Notes, if at any time a Capital Event occurs, or (iv) in the case of all Notes, in order to ensure the effectiveness and enforceability of Condition 21, then the Issuer may (without any requirement for the consent or approval of the holders of the relevant Notes of

that Series), and having given not less than 30 nor more than 60 days' notice to the Paying Agent and the holders of the Notes of that Series (which notice shall be irrevocable, except that, if a Contingency Event occurs in respect of the Additional Tier 1 Notes, the relevant notice shall be automatically rescinded and shall be of no force and effect and a Write-Down shall occur as described under Condition 8), at any time vary the terms of such Notes so that they remain or, as appropriate, become, Qualifying Senior Notes, Qualifying Non-Preferred Senior Notes, Qualifying Subordinated Notes or Qualifying Additional Tier 1 Notes, as applicable, provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

In these Conditions:

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

(a) other than in respect of the effectiveness and enforceability of Condition 21, have terms not materially less favourable 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 UniCredit 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; (E) preserve any existing rights under the Notes to any accrued but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation; and (F) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Non-Preferred Senior Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 21; and

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

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

(a) other than in respect of the effectiveness and enforceability of Condition 21, have terms not materially less favourable 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 UniCredit 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; (E) preserve any existing rights under the Notes to any accrued but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation; and (F) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Senior Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 21; and

(b) are listed on a recognised stock exchange if the Senior Notes were listed immediately prior to such variation.

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

(a) other than in respect of the effectiveness and enforceability of Condition 21, 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 Senior 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; (E)

preserve any existing rights under the Notes to any accrued but unpaid interest in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation; and (F) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Subordinated Notes immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 21; and

(b) are listed on a recognised stock exchange if the Subordinated Notes were listed immediately prior to such variation.

"**Qualifying Additional Tier 1 Notes**" means securities issued by the Issuer that:

(a) other than in respect of the effectiveness and enforceability of Condition 21, have terms not materially less favourable to a Holder of the Additional Tier 1 Notes (as reasonably determined by the Issuer) than the terms of the Additional Tier 1 Notes, and they shall also (A) contain terms such that they comply with the then-current minimum requirements under the Relevant Regulations for inclusion in the Tier 1 Capital of the Issuer and/or the UniCredit Group (as applicable); (B) provide for a ranking at least equal to that of the Notes; (C) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the Notes; (D) have the same redemption rights as the Notes; (E) preserve any existing rights under the Notes to any accrued but unpaid interest (which has not been cancelled) in respect of the period from (and including) the Interest Payment Date immediately preceding the date of variation (but subject always to the right or obligation of the Issuer subsequently to cancel any such accrued interest in accordance with the terms of the Notes); and (F) are assigned (or maintain) the same solicited credit ratings as were assigned to the Notes by credit agencies solicited by the Issuer immediately prior to such variation, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 21; and

(b) are listed on a recognised stock exchange if the Additional Tier 1 Notes were listed immediately prior to such variation.

For the avoidance of doubt, any variations of the Conditions and the Agency Agreement to give effect to the Benchmark Amendments or the Benchmark Replacement Conforming Changes in accordance with Condition 6.4 (*Reference Rate Replacement*) shall not require the consent or approval of Noteholders, Receiptholders or Couponholders.

For avoidance of doubt, any modification or variation pursuant to this Condition 18 is subject to the provisions of Condition 10.15 (in respect of Subordinated Notes and Additional Tier 1 Notes) and Condition 10.16 (in respect of Senior Notes and Non-Preferred Senior Notes).

## 19. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders 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.

## 20. GOVERNING LAW AND SUBMISSION TO JURISDICTION

### 20.1 Governing law

The Agency Agreement for the Italian Law Notes, the Terms and Conditions for the Italian Law Notes and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, Italian law.

### 20.2 Submission to jurisdiction

The Issuer agrees, for the benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of Milan are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual

obligations arising out of or in connection with them), and that accordingly any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with them) may be brought in such courts.

Each party hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum, and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the courts of Milan with regard to the Notes, the Receipts and the Coupons shall be conclusive and binding upon each party and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

**20.3 Waiver of trial by jury**

Without prejudice to Condition 20.2, each party waives any right it may have to a jury trial of any claim or cause of action in connection with the Agency Agreement for the Italian Law Notes, the Notes, the Receipts and the Coupons. These Conditions may be filed as a written consent to a bench trial.

**20.4 Non-exclusivity**

The submission to the jurisdiction of the courts of Milan shall not (and shall not be construed so as to) limit the right of any Noteholder, Receiptholder or Couponholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

## 21. 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 Additional Tier 1 Notes or the conversion of the Additional Tier 1 Notes into Ordinary Shares or other obligations in connection with the exercise of any Bail-in Power by the Competent 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 Noteholders 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 Condition 21.

The exercise of the Bail-in Power by the Relevant Resolution Authority with respect to the Notes shall not constitute an Event of Default for the Senior Notes and Non-Preferred Senior Notes or an Event of Default for the Subordinated Notes and Additional Tier 1 Notes, as applicable, 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.

# Use of Proceeds

The net proceeds from each issue of Notes will be applied by the Issuer, as indicated in the applicable Final Terms or in the applicable Pricing Supplement relating to the relevant Tranche of Notes, either:

a. for its general corporate purposes, which include making a profit; or

b. as otherwise indicated in the relevant Final Terms or in the applicable Pricing Supplement relating to the issuance, including to be applied towards Eligible Green Projects, Eligible Social Projects, Eligible Sustainability Projects or a re-financing of any combination of each of the Eligible Green Projects, Eligible Social Projects or Eligible Sustainability Projects (Sustainabiity Bonds).

In accordance with the ICMA Green Bond Principles, the ICMA Social Bond Principles and the ICMA Sustainability Bond Guidelines, only Notes financing or refinancing Eligible Green Projects, Eligible Social Projects or Eligible Sustainability Projects, as the case may be, and complying with the relevant eligibility criteria and any other criteria set out in the Issuer's Sustainability Bond Framework (as defined below) and which, prior to the relevant Issue Date, will be available in the investor relations section of the Issuer's website at *https://www.unicreditgroup.eu* (the **Issuer's Sustainability Bond Framework**) will be classified as Green Bonds, Social Bonds or, as the case may be, Sustainability Bonds.

For the purposes of this section:

**Eligible Green Projects** means projects identified as such in the Issuer's Sustainability Bond Framework.

**Eligible Social Projects** means projects identified as such in the Issuer's Sustainability Bond Framework.

**Eligible Sustainability Projects** means projects identified as such in the Issuer's Sustainability Bond Framework.

For the avoidance of doubt, the Issuer's Sustainability Bond Framework is not, nor shall be deemed to be, incorporated in and/or form part of this Prospectus.

# Description of UniCredit and the UniCredit Group

## 1. INFORMATION ABOUT THE ISSUER

### 1.1 History and development of the Issuer

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

Since its formation, the Group has grown in Italy and Eastern Europe through both organic growth and acquisitions, consolidating its role in relevant sectors outside Europe and strengthening its international network.

Such expansion has been characterised, in particular:

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

- by the business combination with Capitalia S.p.A. (**Capitalia**), the holding company of the Capitalia banking group (the **Capitalia Group**), realised through a merger by way of incorporation of Capitalia into UniCredit effective as of 1 October 2007.

In 2008 the squeeze outs[51] of the ordinary BA and HVB shares held by minority shareholders were completed.

Proceedings as to the adequacy of the squeeze-out price and in relation to the challenge to the relevant shareholders' resolutions promoted by certain BA and HVB shareholders are still pending. For more details please see section headed "*Legal and Arbitration Proceedings*" of this Base Prospectus.

UniCredit S.p.A. ordinary shares are listed on the Milan Stock Exchange, organised and managed by Borsa Italiana S.p.A., on the Frankfurt Stock Exchange, segment General Standard, and on the Warsaw Stock Exchange[52]. In this regard, it should be noted that, further to the disposal of the controlling equity interest

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

[52] Further to the disposal of the controlling equity interest in Bank Pekao in June 2017, according to the Polish Law and after discussions with the relevant Authorities, the UniCredit Shareholders' Meeting (held in Milan on 11 April 2019) authorized the Board of Directors to purchase and dispose of a maximum number of UniCredit ordinary shares to be carried out within 18 (eighteen) months from the

in Bank Pekao in 2017, UniCredit has initiated the procedure aimed at obtaining the delisting of the UniCredit shares from the trading on the Warsaw Stock Exchange (so called "delisting"). According to the local Law and after discussions with the relevant Authorities, the UniCredit Shareholders' Meeting held on 11 April 2019 authorized the Board of Directors to purchase and dispose of a maximum number of UniCredit ordinary shares to be carried out within 18 months from the date of the Shareholders' resolution. On 11 October 2020 such authorisation lapsed. UniCredit confirmed its intention to delist from the Warsaw Stock Exchange; timing of the procedure will be defined also based on the macro-economic and market conditions. A new authorisation to the Board of Directors to purchase and dispose of a maximum number of UniCredit ordinary shares, to be carried out within 18 months from the date of the Shareholders' resolution, has been resolved by the 15 April 2021 Shareholders' Meeting.

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**Recent Developments**

- On 11 May 2021, UniCredit announces, in execution of the authorisation granted by the Shareholders' Meeting of the Company held on 15 April 2021, that it has defined and approved the measures for the execution of the SBB programme for a maximum amount of Euro 178,688,534.90 and for a number of UniCredit ordinary shares not exceeding 30,000,000 (the **First Buy-Back Programme 2021**). As already disclosed to the market on 15 April 2021, the First Buy-Back Programme 2021 has been already authorised by the ECB on 12 April 2021.

  The First Buy-Back Programme 2021 is aimed at the FY20 ordinary shareholders remuneration, in accordance with the policy approved by the Board of Directors on 10 February 2021 and coherently with the ECB recommendation issued in December 2020 (the **ECB Recommendation**). In February 2021, the Board of Directors, applying the measures provided in the ECB Recommendation, resolved to allocate to shareholders' remuneration 15 per cent. of the consolidated net profits accumulated in FY19 and FY20, adjusted to include the prescriptions of the ECB Recommendation.

  In the context of this programme, the Issuer has started the buy-back activities which will be periodically disclosed to the public through specific press releases available on its website.

- On 12 May 2021, UniCredit has announced a new organisational structure and a new management team to drive the business effectively and deliver its new strategic plan during H2 2021. This new structure creates a simplified organisation that will enable greater accountability across all businesses and areas. It ensures UniCredit clients remain at the heart of everything that UniCredit does, further integrates technology and digitalisation as a key driver of our future success and provides clarity on key roles and responsibilities.

  In summary, UniCredit has announced that it:

  - creates a new Group Executive Committee (**GEC**) of fifteen people to replace the former Executive Management Committee of twenty-seven, increasing ownership and accountability;

  - removes a layer of management, minimising co-Heads of businesses and functions and creates a more cohesive partnership;

  - empowers country CEOs to better manage their geographies in delivering best practice and synergies across all business lines. Italy, Germany, Central Europe and Eastern Europe will now form the key geographic reporting lines for the Group;

  - positions Italy as a standalone geography, reflecting the critical importance of this country to our Group, honouring the roots, essence and spirit that underscore the origins of UniCredit;

  - puts in place a transversal matrix, positioning Corporate and Investment Banking across all geographies to offer our clients a seamless suite of products and services that serve different local demands;

date of the Shareholders' resolution in order to initiate the procedure aimed at obtaining the delisting of the UniCredit shares from the trading on the Warsaw Stock Exchange (so called "delisting").

- creates a new Digital division that will elevate technology, digitalisation and data to the new GEC, ensuring it will be embedded in every strategic deliverable underscoring the critical importance of this area to the future of the business;

- launches a widespread simplification exercise across the organisation, starting with UniCredit S.p.A., reducing existing committees from 44 to a maximum of 15-20;

- creates a new People & Culture division to expand the remit of the former Human Capital function, reflecting the importance of UniCredit people as carriers of UniCredit culture and ensuring that the Group can attract, hire and retain best-in-class talent for the long-term benefit of UniCredit and its clients;

- creates a CEO office to include Strategy & Optimisation, and the newly created function of Stakeholder Engagement. Both functions will be part of the GEC.

- On 14 May 2021, UniCredit has announced to have received from the Single Resolution Board and Bank of Italy the updated decision on MREL: this supersedes the previous one communicated in December 2019, which set the MREL equal to 10.67 per cent. of Total Liabilities and Own Funds (**TLOF**) and applicable from 30 June 2022.

  From 1 January 2022, UniCredit S.p.A. shall comply, on a consolidated basis, with an intermediate MREL equal to the maximum between 20.73 per cent. of RWA – plus the Combined Buffer Requirement (**CBR**) applicable at that point in time - and a 5.90 per cent. Of Leverage Ratio Exposures (**LRE**).

  From 1 January 2024, the consolidated MREL will become "fully loaded" and will be set equal to the maximum between 21.40 per cent. RWA – plus the applicable CBR – and 5.90 per cent. LRE.

  Starting from 1 January 2022, UniCredit S.p.A. will also have to comply with a subordinated MREL, i.e. to be met with subordinated instruments, equal to the maximum between 11.79 per cent. RWA – plus the applicable CBR – and 5.68 per cent. LRE. Both these amounts already take into account the "senior allowance", i.e. the possibility to meet part of the subordinated requirement with senior (non-subordinated) instruments.

  All these requirements shall be met with consolidated Own Funds plus Eligible Liabilities issued by UniCredit S.p.A. only.

*1.1.1. The legal and commercial name of the Issuer*

The legal and commercial name of the Issuer is "UniCredit, società per azioni", in short "UniCredit S.p.A.".

*1.1.2 The place of registration of the Issuer, its registration number and legal entity identifier ('LEI')*

UniCredit is registered with the Company Register of Milano Monza Brianza Lodi under registration number 00348170101. UniCredit is also registered with the National Register of Banks; it is the parent company of the UniCredit Group registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of the Legislative Decree No. 385 of 1 September 1993 as amended (the **Italian Banking Act**) under number 02008.1; and it is a member of the National Interbank Deposit Fund (*Fondo Interbancario di Tutela dei Depositi*) and of the National Compensation Fund (*Fondo Nazionale di Garanzia*).

The Legal Entity Identifier (LEI) is 549300TRUWO2CD2G5692.

*1.1.3 The date of incorporation and the length of life of the Issuer, except where the period is indefinite*

UniCredit is a joint stock company established in Genoa, Italy, by way of a private deed dated 28 April 1870 with a duration until 31 December 2100.

*1.1.4 The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer*

*UniCredit S.p.A. is a joint stock company established in Italy and operating under Italian law. The Registered and Head Offices of the Issuer are located in Milan, Piazza Gae Aulenti, 3 – Tower A. UniCredit's telephone number is +39 02 88 621, and UniCredit's website is www.unicreditgroup.eu. The information on the website of the Issuer does not form part of this Base Prospectus unless that information is incorporated by reference into this Base Prospectus.*

*UniCredit, in carrying out its banking activities, is subject to the supervisory power of the ECB and to the Italian and European legislation and regulation, as well as to the provisions on anti-money laundering, transparency and fairness in customer relations, usury, consumer protection, labour law, safety at the workplace and privacy laws.*

**BRRD and SRMR**

With regard to the regulatory framework applicable to the Issuer, it is noted the Bank Recovery and Resolution Directive 2014/59/EU of 15 May 2014, implemented in Italy with the Legislative Decree 180 and 181 of 16 November 2015 (**BRRD**).

The Issuer is also subject to the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 (Single Resolution Mechanism Regulation, **SRM Regulation** or **SRMR**) which sets out uniform rules and procedures for the resolution of credit institutions and certain investment firms under the Single Resolution Mechanism (**SRM**) and the Single Resolution Fund. The SRM and BRRD enable a range of resolution tools and powers to be used in relation to credit institutions and investment firms considered to be at risk of failing.

The BRRD contains four resolution tools and powers which may be used alone (except for the asset separation tool) or in combination with other resolution tools where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe and (c) a resolution action is in the public interest: (i) sale of business – which enables resolution authorities to direct the sale of the institution or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims (including Senior Notes, Senior Non-Preferred Notes, Subordinated Notes and Additional Tier 1 Notes) into shares or other instruments of ownership (i.e. other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing interests in shares or other instruments of ownership) (the general bail-in tool). Such shares or other instruments of ownership could also be subject to any future application of the BRRD.

In addition, the BRRD provides for a Member State as a last resort, after having assessed and applied the resolution tools (including the general bail-in tool) to the maximum extent practicable whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the burden sharing requirements of the EU state aid framework and the BRRD. As an exemption from these principles, the BRRD allows for three kinds of extraordinary public support to be provided to a solvent institution without triggering resolution: 1) a State guarantee to back liquidity facilities provided by central banks according to the central banks' conditions; 2) a State guarantee of newly issued liabilities; or 3) an injection of own funds in the form of precautionary recapitalisation. In the case of precautionary recapitalization EU state aid rules require that shareholders and junior bond holders (such as holders of the Subordinated Notes) contribute to the costs of restructuring.

Such instruments and powers, as noted above, include the possibility of applying the "bail-in", i.e. the power to reduce, with the possibility of cancellation, the nominal value of shares and the write-down of receivables due from the bank with their conversion into shares. The aim of the bail-in is to absorb losses and recapitalize the failing bank in order to ensure the continuity of its critical economic functions, protecting financial stability and minimizing losses to the taxpayer, while still ensuring that no creditor suffers greater losses than if the bank had been liquidated under normal insolvency proceedings.

In the context of the bail-in, losses may be transferred, following a priority order and net of the exclusions provided for by the regulations, to shareholders, holders of subordinated debt securities, holders of senior non preferred securities, holders of not subordinated and unsecured debt securities, other unsecured creditors and, finally, depositors for the portion exceeding the guaranteed portion, i.e. for the portion exceeding Euro 100,000.00 per depositor.

Furthermore, if the conditions are met, the Authorities may request the use of the Single Resolution Fund referred to in the SRMR, financed by contributions paid by banks.

In the framework of the SRMR and BRRD, as of January 2016, the centralized decision-making power for resolution is entrusted to the Single Resolution Board (**SRB**), whose powers are attributed to the latter. In addition, the SRB cooperates closely with the national resolution authorities of Member States that are parties to the Banking Union. The national resolution authorities of Member States are empowered to implement the resolution programmes adopted by the SRB. In such a context, it is worth to mention the process to review - just started by the European Commission – the Crisis Management and Deposit Insurance (**CMDI**) framework. Following this revision, new and different legal and regulatory requirements may apply to the Group, in particular the activity of the European legislator is aimed at amending the BRRD, the SRMR and the Deposit Guarantee Schemes Directive (**DGSD**).

The BRRD introduces requirements for banks to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities (the **Minimum Requirement for Own Funds and Eligible Liabilities**, or **MREL**). The Issuer has to meet MREL requirements currently received by the Single Resolution Committee and the Bank of Italy on a consolidated basis, which must be achieved by 1 January 2022 (as transitional requirement) and complied with at all times from that date, as well as the standard on total loss absorbing capacity (**TLAC**). Directive (EU) 2019/879 (**BRRD II**), amending the BRRD, introduces significant changes to the standards regarding the calibration of the MREL requirement for banks that are systematically relevant and redefines the scope of MREL itself in order to align the eligibility criteria with those set out in the CRR so as to converge this ratio with the TLAC. Regulation (EU) No. 2019/877 of the European Parliament and of the Council of 20 May 2019 (**SRM II Regulation**) amends the SRM Regulation as regards the loss-absorbing and recapitalization of credit institutions and investment firms.

**CRR and CRD**

The Issuer shall comply with the revised global regulatory standards (**Basel III**) on bank capital adequacy and liquidity. The Basel III framework has been implemented in the EU through new banking requirements: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the **CRD IV Directive**) and the Regulation 2013/575/EU (the CRR, together with the CRD IV Directive, the **CRD IV Package**) subsequently updated in the Regulation No. 876/2019 and Directive (EU) No. 2019/878 (the **Banking Reform Package** with CRR II and CRD V). According to Article 92 of the CRR, institutions shall at all times satisfy the following Own Funds requirements: (i) a CET1 Capital ratio of 4.5 per cent.; (ii) a Tier 1 Capital ratio of 6 per cent.; and (iii) a Total Capital ratio of 8 per cent. According to Articles from 129 to 134 of the CRD, these minimum ratios are complemented by the following capital buffers to be met with CET1 Capital: Capital conservation buffer, institution-specific countercyclical capital buffer, Capital buffers for globally systemically important institutions (**G-SIIs**) and Capital buffers for other systemically important institutions (**O-SIIs**), Systemic risk buffer.

In October 2013, the Council of the European Union adopted regulations establishing the single supervisory mechanism (the **Single Supervisory Mechanism** or **SSM**) for all banks in the Euro area, which have, beginning in November 2014, given the ECB, in conjunction with the national competent authorities of the eurozone States, direct supervisory responsibility over “significant banks” in the Banking Union as well as their subsidiaries in a participating non-euro area Member State. The ECB has fully assumed its new supervisory responsibilities of UniCredit and the UniCredit Group.

On 7 June 2019, the legal acts "Risk Reduction Measures Package" regarding the banking sector have been published on the EU Official Journal. Such measures include, together with the amendments to the BRRD and to SRMR, (i) the Regulation (EU) 2019/876 of the European Parliament and of the Council (**CRR II**) amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and (ii) the Directive (EU) 2019/878 of the European Parliament and of the Council (**CRD V**) amending the CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures. The revisions better align the current regulatory framework to international developments in order to promote consistency and comparability among jurisdictions.

Such measures entered into force on 27 June 2019, while a) the CRR II will be applicable from 28 June 2021, excluding some provisions with a different date of application (early or subsequent), b) the CRD V shall be implemented into national law by 28 December 2020, excluding some provisions which will be applicable subsequently. The BRRD II and the CRD V are subject to transposition in Italy by means of the European Delegation Law (Law No. 53/2021) of 22 April 2021.

Moreover, it is worth mentioning that the Basel Committee on Banking Supervision (BCBS) concluded the review process of the models (for credit risk, counterparty risk, operational risk and market risk) for the calculation of minimum capital requirements, including constraints on the use of internal models and introducing the so-called "output floor" (setting a minimum level of capital requirements calculated on the basis of internal models equal, when fully implemented, to 72.5 per cent. of those calculated on the basis of the standardised methods). The main purpose is to enhance consistency and comparability among banks. The new framework was finalised for market risk in 2016 and finally revised in January 2019. The new framework for credit risk and operational risk was completed in December 2017. Prior to becoming binding on the European banking system, the European Commission, which conducted a public consultation (closed on 5 January 2020), is assessing the potential impacts on the European economy.

In August, the Commission required the EBA to update its assessment in the light of COVID-19, which was published in December 2020. It is therefore expected that the future legislative proposal (CRR III), which should incorporate these new standards into EU legislation, will be published in the 3Q2021. Once agreed on the final text between the various stakeholders involved in the legislative process (European Commission, European Parliament and Council of the EU) and once implemented in the Union, these regulatory changes will impact the entire banking system and consequently could determine changes in the capital calculation and increase capital requirements. The analysis carried out by the European Banking Authority (EBA), published in December 2019 upon request of the European Commission, shows that the adoption of the new Basel III criteria would require banks to increase minimum capital requirements (MCR) by 23.6 per cent., resulting in a capital deficit of Euro 124 billion.

The above-mentioned updated analysis by EBA published in December 2020, show an increase of MCR of 18.5 per cent. and a capital deficit of over Euro 52 billion (the December 2019 outcome for a comparable sample would have been respectively 24.1 per cent. and Euro 109.5 billion).

**Regulatory and supervisory framework on non-performing exposures**

Among the measures adopted at European level in order to reduce non-performing exposures within adequate levels, worth mentioning are the followings:

Guidance to banks on non-performing loans published by ECB on 20 March 2017 and Addendum to the Guidance to banks on non-performing loans published by ECB on 15 March 2018: the NPL guidance contains recommendations and lays out the bank's approach, processes and objectives regarding the effective management of the exposures. The guidance addresses all non-performing exposures (NPEs), as well as foreclosed assets, and also touches on performing exposures with an elevated risk of turning non-performing, such as "watch-list" exposures and performing forborne exposures. According to the guidance, the banks need to establish a strategy to optimize their management of NPLs based on a self-assessment of the internal capabilities to effectively manage NPLs; the external conditions and operating environment; and the impaired portfolios specifications.

On 15 March 2018, the ECB published the Addendum to the Guidance on NPL which sets out supervisory expectations for the provisioning of exposures reclassified from performing to non-performing exposures (NPEs) after 1 April 2018 (the **ECB Addendum**). In addition, the ECB's supervisory expectations for individual banks for the provisioning of the stock of NPLs (before 31 March 2018), was set out in its 2018 supervisory review and evaluation process (SREP) letters and the ECB will discuss any divergences from these prudential provisioning expectations with institutions as part of future SREP exercises.

On 22 August 2019, the ECB has decided to revise its supervisory expectations for prudential provisioning of new non-performing exposures. The decision was made after taking into account the adoption of the new EU regulation of that Banking Reform Package which makes further changes to the Pillar I treatment for NPEs (in revisions to the Capital Requirements Regulation known as **CRR II**).

The initiatives that originate from the ECB are strictly supervisory (Pillar II) in nature. In contrast, the European Commission's requirement is legally binding (Pillar I). The above mentioned guidelines result in three "buckets" of NPEs based on the date of the exposure's origination and the date of NPE's classification:

- NPEs classified before 1 April 2018 (Pillar II - Stock): 2/7 years vintage buckets for unsecured/secured NPEs, subject to supervisory coverage recommendations and phase-in paths as communicated in SREP letters;
- NPEs originated before 26 April 2019 (Pillar II – ECB Flows): 3/7/9 years vintage buckets for unsecured/secured other than by immovable property/secured by immovable property, progressive path to 100 per cent.;
- NPEs originated on or after 26 April 2019 (Pillar I – CRR Flows): 3/7/9 years vintage buckets for unsecured/secured other than by immovable property/secured by immovable property, progressive path to 100 per cent..

Action plan to address the problem of non-performing loans in the European banking sector published by the European Council on 11 July 2017: the action plan outlines an approach based on a mix of four policy actions: the bank supervision; the reform of insolvency and debt recovery frameworks; the development of secondary markets for NPLs; promotion of the banking industry restructuring.

Guidelines on management of non-performing and forborne exposures published by EBA on 31 October 2018: the Guidelines aim to ensure that credit institutions have adequate tools and frameworks in place to manage effectively their NPEs and to substantially reduce the presence of NPEs on the balance sheet. Only for credit institutions with a gross NPL ratio above 5 per cent., EBA asked to introduce strategies, in order to achieve a reduction of NPEs, and governance and operational requirements to support them.

Guidelines on disclosure of non-performing and forborne exposures published by EBA on 17 December 2018: in force since 31 December 2019, the Guidelines set enhanced disclosure requirements and uniform disclosure formats applicable to credit institutions' public disclosure of information regarding non-performing exposures, forborne exposures and foreclosed assets.

Regulation (EU) 2019/630 amending CRR as regards minimum loss coverage for non-performing exposures: the Regulation establishes, in the context of Pillar I, the prudential treatment of the non-performing exposures where the exposure was originated prior to 26 April 2019, requiring a deduction from own funds where NPEs are not sufficiently covered by provisions or other adjustments. The Regulation purpose is to encourage a timely and proactive management of the NPEs. The prudential treatment is applicable to: (i) unsecured exposures from the third year after the classification as NPE, (ii) exposures secured by immovable collateral and residential loans guaranteed by an eligible protection provider as defined in CRR, from the ninth year after the classification as NPE; and (iii) secured exposures, from the seventh year after the classification as NPE. The Regulation outlines the convergence process to its full application to secured and unsecured exposures classified as NPEs for less than 3/7/9 years.

Proposal for a Directive on credit servicers, credit purchasers and the recovery of collateral (COM/2018/0135): the proposal is aimed to achieve (a) a better management of NPLs by increasing the efficiency of debt recovery procedures through the availability of a distinct common accelerated extrajudicial collateral enforcement procedure (AECE); (ii) the development of secondary markets for

NPLs in the EU's markets standardising the regulatory regime for credit servicers and credit purchasers. The first part of the proposal is expected to be finalized in 2Q2021, the AECE part is put on hold.

Opinion on the regulatory treatment of non-performing exposure securitisations published by EBA on 23 October 2019: the Opinion recommends to adapt the CRR and the Regulation (EU) 2017/2401 (Securitisation Regulation) to the particular characteristics of NPEs by removing certain constraints imposed by the regulatory framework on credit institutions using securitisation technology to dispose of NPE holdings. In preparing its proposal to the Commission, EBA outlines the fact that the securitisations can be used to enhance the overall market capacity to absorb NPEs at a faster pace and larger rate than otherwise possible through bilateral sales only, as a consequence of securitisations' structure in tranches of notes with various risk profiles and returns, which may attract a more diverse investor pool with a different Risk Appetite.

On 24 July 2020, as part of the Capital Markets Recovery Package, the European Commission presented amendments to review, inter alia, some regulatory constraints in order to facilitate the securitisation of non-performing loans (i.e. increasing the risk sensitivity for NPE securitisations by assigning different risk weights to senior tranche). After the approval by the European Parliament at the end of March, on 6 April 2021, Regulation (EU) 2021/557 which introduces amendments to the Securitisation Regulation and Regulation (EU) 2021/558 amending Regulation (EU) 2013/575 as regards adjustments to the securitisation framework to support the economic recovery in response to the COVID-19 crisis were published on the Official Gazette of the European Union. Both Regulations entered into force on 9 April 2021.

In addition, the European Commission published in December 2020 a new Action plan on tackling NPLs. More in detail, in order to prevent a renewed build-up of NPLs on banks' balance sheets, the Commission proposed a series of actions with four main goals: (i) further develop secondary markets for distressed assets (in particular call for finalization of the Directive on credit servicers, credit purchasers and the recovery of collateral; establishing a data hub at European level; reviewing EBA templates to be used during the disposal of NPLs); (ii) Reform the EU's corporate insolvency and debt recovery legislation; (iii) Support the establishment and cooperation of national asset management companies at EU level; (iv) Introduce precautionary public support measures, where needed, to ensure the continued funding of the real economy under the EU's Bank Recovery and Resolution Directive and State aid frameworks.

**Measures to counter the impact of COVID-19**

European and national authorities have undertaken several measures to support the banking and financial market to counter the economic effects of COVID-19.

On 10 March 2020, through an *addendum* to the 2019 credit agreement between ABI and the Business Associations, the possibility of requesting suspension or extension was extended to loans granted until 31 January 2020. The moratorium refers to loans to micro, small and medium-sized companies affected by the COVID-19 outbreak. The capital portion of loan repayment instalments may be requested to be suspended for up to one year, later extended until 30 June 2021. The suspension is applicable to medium/long-term loans (mortgages), including those concluded through the issue of agricultural loans, and to property or business assets leasing transactions. In the latter case, the suspension concerns the implicit capital instalments of the leasing. On 21 April 2020, through an agreement entered into with the consumer associations, the moratorium was extended to credit to households, including the suspension of the principal portion of mortgage-backed loans and unsecured loans repayable in instalments.

On 11 March 2020, ESMA, considering the spread of COVID-19 and its impact on the EU economy, issued four recommendations in the following areas: (1) business continuity planning, (2) market disclosure, (3) financial reporting and (4) fund management.

1. Business Continuity Planning: ESMA has recommended all financial market participants to be ready to apply their contingency plans to ensure operational continuity in line with regulatory obligations.

2. Market disclosure: issuers should disclose as soon as possible any relevant significant information concerning the impacts of COVID-19 on their fundamentals, prospects or financial situation in accordance with their transparency obligations under the Regulation (EU)

No. 596/2014 (MAR), as a disclosure obligation contained in Article 17, paragraph 1 of the MAR, pursuant to which issuers are required to disclose to the public without delay any inside information directly concerning them.

3. Financial reporting: ESMA has recommended issuers to provide transparency on the actual and potential impacts of COVID-19, to the extent possible based on both a qualitative and quantitative assessment on their business activities, financial situation and economic performance in their 2019 year-end financial report if these have not yet been finalised or otherwise in their interim financial reporting disclosures.

4. Fund Management: ESMA has encouraged fund managers to continue to apply the requirements on risk management and to react accordingly.

The ECB, at its monetary policy meeting held on 12 March 2020, decided to adopt a comprehensive set of monetary policy measures, consisting of three key elements: first, safeguarding liquidity conditions in the banking system through a series of favourably-priced longer-term refinancing operations (LTROs); second, protecting the continued flow of credit to the real economy through a fundamental recalibration of targeted longer-term refinancing operations (TLTROs); and, third, preventing tightening of financing conditions for the economy in a pro-cyclical way via an increase in the asset purchase programme (APP).

As regards TLTRO, the Governing Council decided to apply considerably more favourable terms during the period from June 2020 to June 2021 to all TLTRO III operations outstanding during that time. Throughout this period, the interest rate on these TLTRO III operations will be 25 basis points below the average rate applied in the Eurosystem' s main refinancing operations.

The Governing Council also decided to add a temporary envelope of additional net asset purchases of Euro 120 billion until the end of the year, ensuring a strong contribution from the private sector purchase programmes. On 18 March 2020, this was followed by the announcement of the Euro 750 billion Pandemic Emergency Purchase Program (PEPP), increased with a further Euro 600 billion on 4 June 2020.

Among the various measures adopted by the Italian government to address the epidemiological emergency due to the COVID-19 outbreak, on 17 March 2020 Law Decree No. 18 (**Cura Italia Decree**) has been adopted. The Cura Italia Decree has introduced special measures derogating from the ordinary proceeding of the Guarantee Fund for SMEs in order to simplify the requirements for access to the guarantee and strengthen the intervention of the Guarantee Fund for SMEs itself, as well as the possibility of transforming the DTA relating to losses that can be carried forward but not yet deducted and to the amount of the ACE notional return exceeding the total net income, to the extent of 20 per cent. of the impaired loans sold by 31 December 2020.

On 20 March 2020, the ECB announced additional measures (in addition to those already undertaken on 12 March 2020 on temporary capital and operational relief for banks) to ensure that its directly supervised banks can continue to fulfil their role to fund households and corporations amid the COVID-19 related economic shock to the global economy. In particular, the ECB recommends to:

- give banks further flexibility in prudential treatment of loans backed by public support measures;
- encourage banks to avoid excessive procyclical effects when applying the IFRS 9 international accounting standard;
- activate capital and operational relief measures announced on 12 March 2020.

On 25 March 2020, EBA published a statement to explain the functioning of the prudential framework in relation to the exposures in default, the identification of forborne exposures and impaired exposures in accordance with IFRS 9. In particular, EBA has clarified some additional aspects of the operation of the prudential framework concerning:

(i) the classification of exposures in default;

(ii) the identification of forborne exposures;

(iii) the accounting treatment of the aforesaid exposures.

Specifically, the Authority repeats the concept of flexibility in the application of the prudential framework, clarifying that an exposure should not be automatically reclassified as (i) exposure in default, (ii) forborne exposure, or (iii) impaired exposure under International Financial Reporting Standard - IFRS9, in case of adoption of credit tolerance measures (such as debt moratorium) by national governments.

On 25 March 2020, ESMA provided clarifications on the accounting implications of the economic support and relief measures adopted by EU Member States in response to COVID-19. In particular, the statement provides guidance to issuers and auditors on the application of IFRS 9 (Financial Instruments) with regard to the calculation of expected losses and related disclosure requirements. This concerns, in particular, the suspension (or deferral) of payments established for credit agreements (e.g. moratorium on debt) that impact the calculation of Expected Credit Loss (ECL) under the principles set forth in IFRS 9.

On 27 March 2020, the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision (GHOS), has deferred Basel III implementation to increase operational capacity of banks and supervisors to respond to the immediate financial stability priorities resulting from the impact of the COVID- 19 on the global banking system.

The measures endorsed by the GHOS comprise the following changes to the implementation timeline of the outstanding Basel III standards:

- the implementation date of the Basel III standards finalised in December 2017 has been deferred by one year to 1 January 2023. The accompanying transitional arrangements for the output floor has also been extended by one year to 1 January 2028.

- the implementation date of the revised market risk framework finalised in January 2019 has been deferred by one year to 1 January 2023.

- the implementation date of the revised Pillar 3 disclosure requirements finalised in December 2018 has been deferred by one year to 1 January 2023.

On 27 March 2020, the ECB published a recommendation addressed to significant banks to refrain from paying dividends and from share buy-backs aimed at remunerating shareholders for the duration of the economic shock related to COVID-19. This recommendation was extended to January 2021 on 27 July 2020.

On 15 December 2020, the ECB recommended that banks exercise extreme prudence on dividends and share buy-backs. To this end, the ECB asked all banks to consider not distributing any cash dividends or conducting share buy-backs, or to limit such distributions, until 30 September 2021. Given the persisting uncertainty over the economic impact of the COVID-19 pandemic, the ECB expects dividends and share buy-backs to remain below 15 per cent. of the cumulated profit for 2019-2020 and not higher than 20 basis points of the CET1 ratio. Banks that intend to pay dividends or buy back shares need to be profitable and have robust capital trajectories. They are expected to contact their Joint Supervisory Team to discuss whether the level of intended distribution is prudent. The recommendation is related to the current exceptional circumstances and will remain valid until the end of September 2021; at that time, in the absence of materially adverse developments, the ECB intends to repeal the recommendation and return to assessing banks' capital and distribution plans based on the outcome of the normal supervisory cycle.

On 2 April 2020, EBA issued Guidelines on the treatment of legislative and non-legislative moratoria applied before 30 June 2020: clarified which legislative and non-legislative payment moratoria could trigger forbearance classification; in particular, the guidelines supplemented the EBA Guidelines on the application of the definition of default as regards the treatment of distressed restructuring (they clarified that the payment moratoria, if based on the application of national laws, or on initiatives agreed at industry / private sector level, where widely applied by the relevant credit institutions, do not trigger forbearance classification and it is not necessary to verify the existence of the requirements for tracing

between the distressed restructuring). On 18 June 2020, EBA has extended the deadline for the application of its Guidelines on payment moratoria to 30 September 2020, after which they expired. Adjusted Guidelines have been reactivated in December 2020, though restricting the scope of application to a maximum of 9 months from the granting of the moratoriums, a limit which however does not apply to those agreed before 31 September 2020 which continue to benefit from the flexibility granted by the guidelines until their expiry, even if it exceeds 9 months.

On 29 January 2021, the EBA published the "Report on the implementation of selected COVID-19 policies", which contains a series of clarifications in the form of questions and answers (Q&A) on the interpretation of the EBA Guidelines, in particular with regard to the overall duration of the deferred payment to fall within the scope of the EBA Guidelines on moratoriums. However, the clarifications did not concern the hypothesis in which the moratorium pursuant to law, even if granted before 31 September, was extended for more than 9 months due to a subsequent law.

In continuity with the Cura Italia Decree, Law Decree No. 23 of 8 April 2020 (**Liquidity Decree**) was issued, a further measure deemed necessary to support Italian entrepreneurship. The Liquidity Decree, in addition to providing an additional guarantee managed by SACE Simest (SACE), a company of the Cassa Depositi e Prestiti group, aims to further strengthen the Guarantee Fund for SMEs by redrawing its rules for accessing, by including also companies with no more than 499 employees and professionals, as well as increasing the guarantee coverage percentages already provided by Article 49 of the Cura Italia Decree (provision that is repealed). In the wake of the latter provision, the Liquidity Decree makes further exceptions to the ordinary rules of the Guarantee Fund for SMEs, which will be applicable until 31 December 2020. The Government is going to extend such measures until 31 December 2021 (the prorogation will be provided by the Law Decree of the end of April 2021).

On 28 April 2020, the EU Commission published a proposal to amend the CRR Regulation ("quick fix") in order to reduce certain regulatory requirements and facilitate the provision of bank credit to households and enterprises across the EU with the aim of ensuring that banks can continue to lend money to support the economy and help mitigate the significant economic impact of COVID-19.

The measures, both temporary and exceptional, have been promoted to mitigate the immediate impact of COVID-19-related developments, and they imply:

- the reintroduction of prudential filters to manage the current situations of strong turbulence in the markets and to neutralize the effects of losses and gains on the value of debt securities held in the portfolio available for sale as if the securities were valued at cost instead of at fair value;

- a temporary approach to market risk in order to allow supervisors to implement appropriate measures to avoid automatic increases in the quantitative addendum (in particular over the period January 2020 and December 2021);

- more favourable treatment of government guarantees granted during the crisis, aligning the calendar provisioning applied to positions with government guarantees with the calendar provisioning applied to credits guaranteed by Export Credit Agencies;

- early application of certain measures provided for in CRR2: i) extension of the SME Supporting Factor; ii) introduction of the Infrastructure Supporting Factor; iii) improved weighting calibration for loans guaranteed by salary/pension share disposals; iv) improved prudential treatment of software;

- an adaptation of the timeline of the application of international accounting standards to banks' capital (IFRS9 phase-in arrangements);

- the postponement of the date of application of the additional reserve requirement for the leverage ratio of systemic banks (G-SIB buffer);

- a change in the way of excluding certain exposures from the calculation of the leverage ratio;

- the introduction of a transitional regime for EU Sovereign exposures in the currency of another EU Member State.

Following the positive vote of the plenary session of the European Parliament (19 June 2020), the "CRR Quick-Fix" has been published in the European Official Journal on 26 June and has entered into force the following day (27 June 2020).

On 19 May 2020, the Law Decree No. 34 of 19 May 2020 (the so-called "*Decreto Rilancio*") was published in the Official Journal, introducing urgent measures in the areas of healthcare, work and economic support, as well as social policies, related to the epidemiological emergency caused by COVID-19.

Such decree has been signed in the Law No. 77/2020. It introduced some provisions (valid until 31 December 2020) which are aimed at strengthening SME's capital, thus preventing their insolvency risk. Particular reference is made to two public tools: "Patrimonio PMI" fund, which is aimed at subscribing new bonds issued by SME corporates with Euro 10 million turnover, which have been impacted by COVID-19 a turnover reduction of 33 per cent. in April and May 2020 (two tax credits are granted to other investors <20 per cent. of the investment> in such corporates, and to the corporates above indicated which have suffered losses <50 per cent. of the losses which exceed the 10 per cent. of the Net worth, but in the limit of the 30 per cent. of the capital increase>); and the so called "Patrimonio rilancio" (Dedicated assets within CDP) which is aimed at subscribing new bonds (mainly convertible bonds) and shares in order to support real economy.

In August the Government approved the Law Decree "August" (Law Decree 14 August 2020, No. 104, converted into Law 13 October 2020, No. 126) containing several urgent measures in support of health, work and economy, linked to the COVID-19 emergency. The measures introduced by the Law regard the extension of the moratorium for SME until 31 January 2021 (formerly 30 September 2020) and, for tourist sector, until 31 March 2021. Such prorogation operate automatically, unless expressly waived by the beneficiary company. They also provide technical changes to the possibility (Article 55, Law Decree Cura Italia No. 18/2020) to convert the DTAs into tax credits (application to special regimes, such as consolidated and transparency). The decree above mentioned also widens the scope of the public guarantee, too, extending the FCG guarantee scope to companies which already got a prorogation of the guarantee due to temporary difficulties of the beneficiary and including financial intermediation and **holding financial assets activities in the 30k guaranteed loans. It also extends SACE guarantee scope also** to companies admitted to the arrangement procedure with business continuity (or certified plans and restructuring agreements) if their exposures are not classifiable as non performing exposures (at the date of submission of the application), they don't present amounts in arrears and the lender can reasonably assume the full repayment of the exposure at maturity.

In October and November 2020, the Council of Ministers approved the "Relieves" Law Decree (Law Decree 28 October 2020, No. 137) and the "Relieves 2" Law Decree (Law Decree 9 November 2020, No. 149) which provides further urgent measure regarding health protection, support to workers and production sectors, justice and safety linked to COVID-19 epidemic. Main measures introduced by the Law are a non refundable aid for enterprises whose sectors have been restricted and the prorogation of "rental" Tax credit to October-December period and extension to enterprises with turnover exceeding Euro 5 million and which have had a 50 per cent. reduction of turnover. In March 2021, the Council of Ministers approved the "Support" Law Decree (Law Decree 22 March 2021, No. 41) which provides further urgent measure regarding health protection, support to workers and production sectors linked to COVID-19 pandemic. Such decree introduces a new non refundable aid for enterprises and professionals which have had a 30 per cent. reduction of turnover.

Finally, among the measures adopted in response to the COVID-19 emergency, we recall the Capital Markets Recovery Package proposal (so-called "quick fix") published by the European Commission in July, which proposes targeted amendments to the MiFID, the Prospectus Regulation as well as the Securitization Regulation. The package aimed to provide European economies with some relief to face the crisis emerging from the COVID-19 pandemic.

As to MiFID2, the proposal includes targeted amendments on: i) investor protection, ii) commodity derivatives and iii) research regime for SMEs.

As to Prospectus Regulation, the amendments introduced in particular a new type of short-form prospectus to facilitate the raising of capital in public markets.

As to Securitization Regulation, in addition to a review of the regulatory constraints to the securitisation of NPEs, the amendments in particular also extends the preferential treatment to all synthetic on-balance sheet securitisation that fulfil the simple, standardised and transparent (STS) criteria in order to help banks free up capital and promote the financing of the real economy, in particular to SMEs.

Amendments to the Prospectus Regulations – approved by the European Parliament on 26 February – entered into force on 18 March 2021.

The MiFID amendments, voted on 26 February as well, as being part of a Directive, are to be transposed into national laws by 28 November 2021.

Finally, following the vote by the European Parliament at the end of March 2021, on 6 April 2021, Regulation (EU) 2021/557, which introduces amendments to the Securitisation Regulation, and Regulation (EU) 2021/558, amending Regulation (EU) 2013/575 as regards adjustments to the securitisation framework to support the economic recovery in response to the COVID-19 crisis, were published on the Official Gazette of the European Union. Both Regulations entered into force on 9 April 2021.

**GREEN FINANCE**

Finally, it is worth mentioning the developments in the Green Finance Regulation. The banking system needs to be able to collect high quality data on companies' sustainable activities and projects to contribute to the radical transformation towards climate neutrality and sustainability, which are the basis for green finance decision-making and necessary to ensure that the banks shall comply with the regulations on the disclosure of financial and non-financial information.

Moreover, in relation to the European Commission public consultation on Renewed Strategy on Sustainable Finance (mentioned below) and the potential early introduction in respect of the EBA working plan of a green supporting factor and a brown penalising factor which are, respectively, a discount and an add-on the weighting of capital risk for investments in “green” companies or in company which produce significant greenhouse gas emission, UniCredit (as EBF) asks that the introduction of such factors is preceded by in-depth researches which certify the actual lower / higher risk of these activities, the link between climatic and financial risks and the development of risk scenarios.

It is also requested that such researches shall be carried out over a period of 3-4 years, so that the negative effect of COVID-19 could be neutralized. The EBA Action plan on the implementation of the ESG risks in the prudential framework aims to amend the European legislation not before 2025. UniCredit considers that the process should not be accelerated.

In May 2018, the European Commission published a package of legislative measures in order to promote a sustainable finance in line with the objectives of its action plan of March 2018. In such context, the Commission has started preparatory works in order to amend MiFID II. In such regard, ESMA submitted technical advice on sustainable finance to the European Commission.

The Non-Financial Reporting Directive (Directive (EU) 2014/95 – **NFRD**), came into effect on 1 January 2017. It requires large corporates, banks, and insurance companies with more than 500 employees to publicly report on ESG matters including employment, board diversity, human rights, anti-corruption and bribery. On 20 February 2020, the European Commission launched a public consultation with a view to align the non-financial reporting requirements with the EU legislation in the area of ESG disclosure (e.g. Sustainable Finance Disclosure Regulation and the Taxonomy Regulation). On 21 April 2021, the Commission published a proposal for the review of the NFRD. The new Corporate Sustainability Reporting Directive proposes to extend the scope to listed companies (excluding listed micro-undertakings) and large companies; introduces the requirement to report according to common EU sustainability reporting standards envisaging specific standards for listed SMEs and a transition period of three years since the application of the Directive; requires mandatory assurance of the reported information that should be published as part of the company’s management report and in machine readable format.

On 9 December 2019, Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR - Sustainable Finance Disclosure Regulation) has been published, which lays down harmonised rules for financial market participants and financial advisers on transparency.

On 9 March 2020, the European Commission Technical Expert Group on Sustainable Finance (TEG) published its final report on the taxonomy, following the public consultation launched after the publication of the June 2019 report. The EU Taxonomy, which is part of the Action 1 of the Action Plan on financing sustainable growth published on 8 March 2018 by the Commission, aims to establish a unique classification system for the economic activities which can be classified as sustainable. The European Commission adopted the first Delegated Act on climate change mitigation and adaptation in April 2021. The Delegated Act will enter into application by 1 January 2022. For the other four environmental objectives – sustainable use and protection of water and marine resources, transition to circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems – the second set of technical screening criteria will be adopted later in 2021 and enter into force on 1 January 2023.

Together with EU Taxonomy final report, TEG has released a guide for how to use the EU's Green Bond Standard (EU GBS). The document incorporates several updates related to the political agreement on Taxonomy reached in December 2019 by the Commission, Council and European Parliament, and the Green Deal launched by the Commission. The EU GBS regulation is included in Commission's initiatives set out in Action 2 of the Action Plan, which envisages to create standards and labels for green financial products. In July 2021, the European Commission is expected to publish the legislative proposal for EU GBS.

On 12 March 2020, CONSOB has drawn attention to the current investor protection safeguards applicable to intermediaries that provide investment services, when they address clients with an offer characterized as sustainable.

On 8 April 2020, European Commission launched a public consultation to collect opinions in relation to the Commissions renewed strategy on sustainable finance, until now based on the Action Plan on financing sustainable growth published on 8 March 2018. The aim of the Commission is to reach a proposal for the implementation of a new strategy on sustainable finance in June 2021. Additionally, the Article 20 of the Taxonomy Regulation creates a "Platform on sustainable Finance", an advisory body composed of experts from the private and public sector that will provide advice to the European Commission on the technical screening criteria for the EU Taxonomy and will monitor and report on capital flows towards sustainable investments.

On 23 April 2020, the three European Supervisory Authorities (EBA, EIOPA and ESMA - ESAs) have published a Consultation Paper seeking input on proposed environmental, social and governance (ESG) disclosure standards set out under the SFDR, aiming to: (i) strengthen protection for end-investors; (ii) improve the disclosures to investors from a broad range of financial market participants and financial advisers; and (iii) improve the disclosures to investors regarding financial products.

The consultation document provided concrete proposals for the content, methodologies and presentation of sustainability disclosures regarding: i) principal adverse impact disclosure (negative, material or likely to be material effects on sustainability factors that are linked to investment decisions and advice performed by the legal entity), ii) pre-contractual product disclosures, iii) website product disclosures and iv) product periodic disclosures. The three ESAs published the final draft of the Implementation Technical Standards on February 2021 and the European Commission is expected to adopt them in 3 months. As the SFDR applies from 10 March 2021, the ESAs issued a joint declaration on 25 February 2021 offering guidance to financial market participants (e.g. banks, investing firms, insurance companies) for application of the draft ITS in the interim period until the formal adoption by the European Commission.

On 20 January 2021, the European Commission opened a targeted consultation on the establishment of a European single access point (**ESAP**) for financial and non-financial information publicly disclosed by companies. The establishment of ESAP is the first point of the new action plan on the Capital Markets Union 2020 aiming to create a register of ESG data at EU level to provide easily accessible, comparable and machine readable information through standardization of formats to remove the difficulties

encountered by the various stakeholders in accessing, comparing and using companies' financial and sustainability-related information.

On 21 April 2021, the European Commission published a package of measures on Sustainable Finance, which included proposals for inclusion of ESG into the existing MiFID 2 Regulation. The financial advisors are required to gather information about ESG preferences of clients and take them into consideration when providing advice or propose financial products. Additionally, the financial institutions are requested to integrate sustainability factors, risks and preferences into organizational and operational processes. The Delegated Acts needs to be approved by the European Parliament and Council (a scrutiny period of 3 months that can be extended by another 3 months) followed by the transposition in the legislation of each Member State.

**DIGITAL FINANCE**

On 24 September 2020, the European Commission published a Digital Finance Package with the main aim to support the EU digital transformation of finance in the coming years while regulating its risks. Four broad priorities will guide the EU's initiatives to promote digital transformation until 2024 with associated actions (legislative and non-legislative) that the Commission would like to put forward in the next four years.

Removing fragmentation in the Digital Single Market: In 2021, the Commission will propose to harmonise rules on customer onboarding and will build on the upcoming review of the e-IDAS (electronic IDentification Authentication and Signature) Regulation to implement an interoperable cross-border framework for digital identities.

Adapting the EU regulatory framework to facilitate digital innovation, the Commission proposed in September 2020 for the first time new legislation on crypto-assets, the so called "Markets in Crypto Assets" (MiCA) regulation to ensure clarity and legal certainty for issuers and providers of crypto assets that are not currently covered by current EU legislation. Safeguards include capital requirements. Issuers of significant crypto-assets (the so-called global "stablecoins") will be subject to stricter requirements (e.g. in terms of capital, investor rights and supervision). The Commission also proposed a pilot regime, which allows temporary derogations from existing rules, for market infrastructures that wish to try to trade and settle transactions in financial instruments in crypto-asset form. To facilitate digital innovation, the Commission also presented in April 2021 a proposal for regulatory framework on Artificial Intelligence (AI) aimed both at promoting its development but also at managing its potential risks.

Promoting data-driven innovation in finance: In coordination with the PSD2's review and building on initiatives in the data strategy (Data Governance, Data Act and the Digital Markets Act as well the Digital Services Act), the EC will present a legislative proposal for a broader open finance framework by mid-2024.

Addressing the challenges and risks associated with digital transformation, the Commission proposed a 'Digital Operational Resilience Act' (DORA) to prevent and mitigate cyber threats and enhance oversight of outsourced services. The proposed legislation will require all firms to ensure that they can withstand all types of ICT related disruptions and threats and also introduces an oversight framework for ICT providers, such as cloud computing service providers.

*1.1.5* *Details of any recent events particular to the Issuer and which are to a material extent relevant to an evaluation of the Issuer's solvency*

There are no recent events particular to the Issuer which are to a material extent relevant to an evaluation of the Issuer's solvency.

*1.1.6* *Credit ratings*

As at the date of this Base Prospectus, UniCredit has been rated as follow:

| Rating Agencies | Short Term Counterparty Credit Rating | Long Term Counterparty Credit Rating | Outlook | Last update |
|---|---|---|---|---|
| Fitch | F3(1) | BBB-(2) | stable(3) | 5 November 2020 |
| S&P | A-2(4) | BBB(5) | negative(6) | 29 October 2020 |
| Moody's | P-2(7) | Baa1(8) | stable(9) | 12 May 2021 |

*Fitch Ratings*

(1) 'F3': indicates a good capacity for timely payment of financial commitments. However, the margin of safety is not as great as in the case of the higher ratings. (**Source: Fitch**).

(2) 'BBB-': indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity (**Source: Fitch**).
**Note:** A "+" or "–" may be appended to a rating to denote relative status within a major rating category. Such suffixes are not added to the AAA rating category, to categories below CCC, or to Short-Term Credit Ratings other than F1 (**Source: Fitch**).

(3) Outlooks indicate the direction a rating is likely to move over a one- to two-year period. They reflect financial or other trends that have not yet reached or been sustained the level that would cause a rating action, but which may do so if such trends continue. A Positive Rating Outlook indicates an upward trend on the rating scale. Conversely, a Negative Rating Outlook signals a negative trend on the rating scale. Positive or Negative Rating Outlooks do not imply that a rating change is inevitable, and similarly, ratings with Stable Outlooks can be raised or lowered without a prior revision to the Outlook. Occasionally, where the fundamental trend has strong, conflicting elements of both positive and negative, the Rating Outlook may be described as "Evolving" (**Source: Fitch**).

*S&P*

(4) A-2: an obligor has satisfactory capacity to meet its financial commitments. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the highest rating category (**Source: S&P**).

(5) BBB: an obligor has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments (**Source: S&P**).
**Note:** ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories (**Source: S&P**).

(6) Outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action. Negative means that a rating may be lowered (**Source: S&P**).

*Moody's*

(7) P-2: issuers (or supporting institution) rated Prime-2 have a strong ability to repay short-term debt obligations (**Source: Moody's**).

(8) Baa: obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics (**Source: Moody's**).
**Note:** Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category (**Source: Moody's**).

(9) Outlook is an opinion regarding the likely rating direction over the medium term. A stable outlook indicates a low likelihood of a rating change over the medium term (**Source: Moody's**).

During the validity of this Base Prospectus, the updated Issuer's ratings information which could occur, will be available from time to time on the Issuer's website.

The rating agencies Fitch, S&P and Moody' are established in the European Economic Area, are registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended, and are included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk.

*1.1.7 Information on the material changes in the Issuer's borrowing and funding structure since the last financial year*

There are no material changes in the Issuer's borrowing and funding structure since the last financial year ended on 31 December 2020.

*1.1.8 Description of the expected financing of the Issuer's activities*

As at 31 December 2020, the loans to deposits ratio (LDR), a ratio between the customer loans and deposits, including the repo activity, is equal to 90.4 per cent. Such ratio improves compared to 31 December 2019, equal to 102.6 per cent, due to the slowdown of loans growth combined with the increase of deposits, also considering the current macroeconomic scenario.

However the Group's liquidity is always well above the minimum regulatory requirements – liquidity coverage ratio (LCR) and Net Stable Funding Ratio (NSFR) – as provided by EU 2013/575 Regulation and EU/36/2013 Directive.

As at 31 December 2020, the liquidity buffer is equal to Euro 167,475 million (Euro 139,389 million at 31 December 2019).

As at 31 December 2020, the TLTRO participations of the Group is equal to Euro 94.332 billion (compared to Euro 50.710 billion at the end of 2019).

## 2. BUSINESS OVERVIEW

### 2.1 Principal activities

*2.1.1. A description of the Issuer's principal activities, including the main categories of products sold and/or services performed, an indication of any significant new products or activities, and the principal markets in which the Issuer competes*

UniCredit is a simple pan-European commercial bank with a fully plugged in Corporate & Investment Bank, delivering a unique Western, Central and Eastern European network to its extensive client franchise.

UniCredit offers local and international expertise providing unparalleled access to market leading products and services in our core markets. UniCredit provides local and international expertise and, thanks to its European network, offers unique access to products and services in its main markets.

As at the date of this Base Prospectus, no significant new product or activity has been introduced.

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

**Commercial Banking Italy**

Commercial Banking Italy is composed by UniCredit S.p.A. commercial network limited to Core clients (excluding Corporate clients, supported by Corporate and Investment Banking Division and clients supported by Foreign Branches), Leasing (excluding Non-Core clients), Factoring and UniCredit S.p.A. structures included in local Corporate Centre that support the Italian business network.In relation to individual clients (Mass market, Affluent, Private and Wealth), Commercial Banking Italy' s goal is to offer a full range of products, services and consultancy to fulfill transactional, investments and credit needs, relying on branches and multichannel services provided thanks to new technologies.

The territorial organisation promotes a bank closer to customers and faster decision-making processes, while the belonging to UniCredit Group allows to support companies in developing an international attitude.

**Commercial Banking Germany**

Commercial Banking Germany provides all German customers (excluding Large Corporate and Multinational clients, supported by Corporate and Investment Banking Division) with a complete range of banking products and services. It is composed of:

- "Privatkundenbank" (Individual Clients segment) that serves retail and private banking customers with banking and insurance solutions across all areas of demand and all-round advisory services reflecting the individual and differentiated needs in terms of relationship model and product offering;
- "Unternehmerbank" (Corporate segment) that employs a different "Mittelstand" bank model to its competitors in that it serves both business and personal needs across the whole bandwidth of German enterprises and firms operating in Germany;
- Local Corporate Center.

Different service models are applied in line with the needs of its various customer groups: retail customers, private banking customers, small business and corporate customers, real estate customers and wealth management customers.

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

**Commercial Banking Austria**

Commercial Banking Austria provides its Austrian customers (excluding Large Corporate and Multinational clients, supported by Corporate and Investment Banking Division) with a complete range of banking products and services. It is composed of:

- "Privatkundenbank" (Private Customer Bank) that covers private individuals, ranging from mass-market to affluent customers, high net-worth individuals and business customers; it includes Schoellerbank, a well-established subsidiary servicing wealthy customers;
- "Unternehmenbank" (Corporate Customer Bank, excluding CIB clients) servicing the entire range of SMEs, medium-sized and large companies, which do not access capital markets (including real estate and public sector); it includes the product factory Leasing;
- Local Corporate Center.

A broad coverage of individual clients and companies is ensured through its nation-wide branch network. Commercial Banking Austria holds significant market shares and a strategic market position in retail banking, private banking and especially in business with local corporate customers and is one of the leading providers of banking services in Austria.

Commercial Banking Austria applies an integrated service model, allowing clients to decide when, where and how they contact UniCredit Bank Austria. This approach combines classic branches which are continuously modernised, new formats of advisory service centres and modern selfservice branches, internet solutions, mobile banking with innovative apps and contact to relationship managers via video-telephony.

**Corporate & Investment Banking (CIB)**

The CIB Division targets mainly Large Corporate and Multinational clients with highly sophisticated financial profile and needs for investment banking services, as well as institutional clients of UniCredit Group. CIB serves UniCredit Group's clients across 31 countries with a wide range of specialized products and services, combining geographical proximity with a high expertise in all segments in which it is active.

Moreover, CIB acts as products and solutions provider for the commercial network, provides structured financing, hedging and treasury solutions for corporate and investment products for private and retail, according to the "CIB fully plugged-in concept". In the light of a more integrated client offering, Joint Venture between Commercial Banking and CIB division have been set up in Italy and Germany, with the objective to increase cross selling of investment banking products (M&A, Capital Markets and derivatives) to commercial banking clients.

The organisational structure of CIB is based on a matrix that integrates market coverage (carried out through an extensive commercial network in Western Europe and an international network of branches and representative offices) and product offering (divided into three Product Lines that consolidate the breadth of the Group's CIB know-how).

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

The three following Product Lines supplement and add value to the activities of the commercial networks:

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

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

- **Global Transaction Banking (GTB)** - GTB is the centre for Cash Management, e-banking, Supply Chain Finance, Trade Finance products, Factoring and global securities services.

Moreover the controlled company UCI International Luxembourg operates in Global Family Office activities.

**Central and Eastern Europe (CEE)**

The Group, through the CEE business segment, offers a wide range of products and services to retail, corporate and institutional clients in 10 Central and Eastern Europe countries: Bosnia- Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Romania, Russia, Serbia, Slovakia and Slovenia. UniCredit Group is able to offer its retail customers in the CEE countries a broad portfolio of products and services similar to those offered to its Italian, German and Austrian customers.

With respect to corporate clients, UniCredit Group is constantly engaged in standardising the customer segments and range of products. The Group shares its business models on an international level in order to ensure access to its network in any country where the Group is present. This approach is vital due to

the variety of global products offered, particularly cash management and trade finance solutions to corporate customers operating in more than one CEE country.

**Group Corporate Centre**

The Group Corporate Centre's objective is to lead, control and support the management of the assets and related risks of the Group as a whole and of the single Group companies in their respective areas of competence. In this framework, an important objective is to optimize costs and internal processes guaranteeing operating excellence and supporting the sustainable growth of the Business Lines. In the Group Corporate Centre are included also the Group's Legal Entities that are going to be dismissed.

**Non Core**

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

Specifically, the non-core segment includes selected assets of Commercial Banking Italy (identified on a single deal/client basis) to be managed with a risk mitigation approach and some special vehicles for securitisation operations.

**2.2 The basis for any statements made by the Issuer regarding its competitive position.**

No precise data about Issuer's competitive position are included in this Base Prospectus.

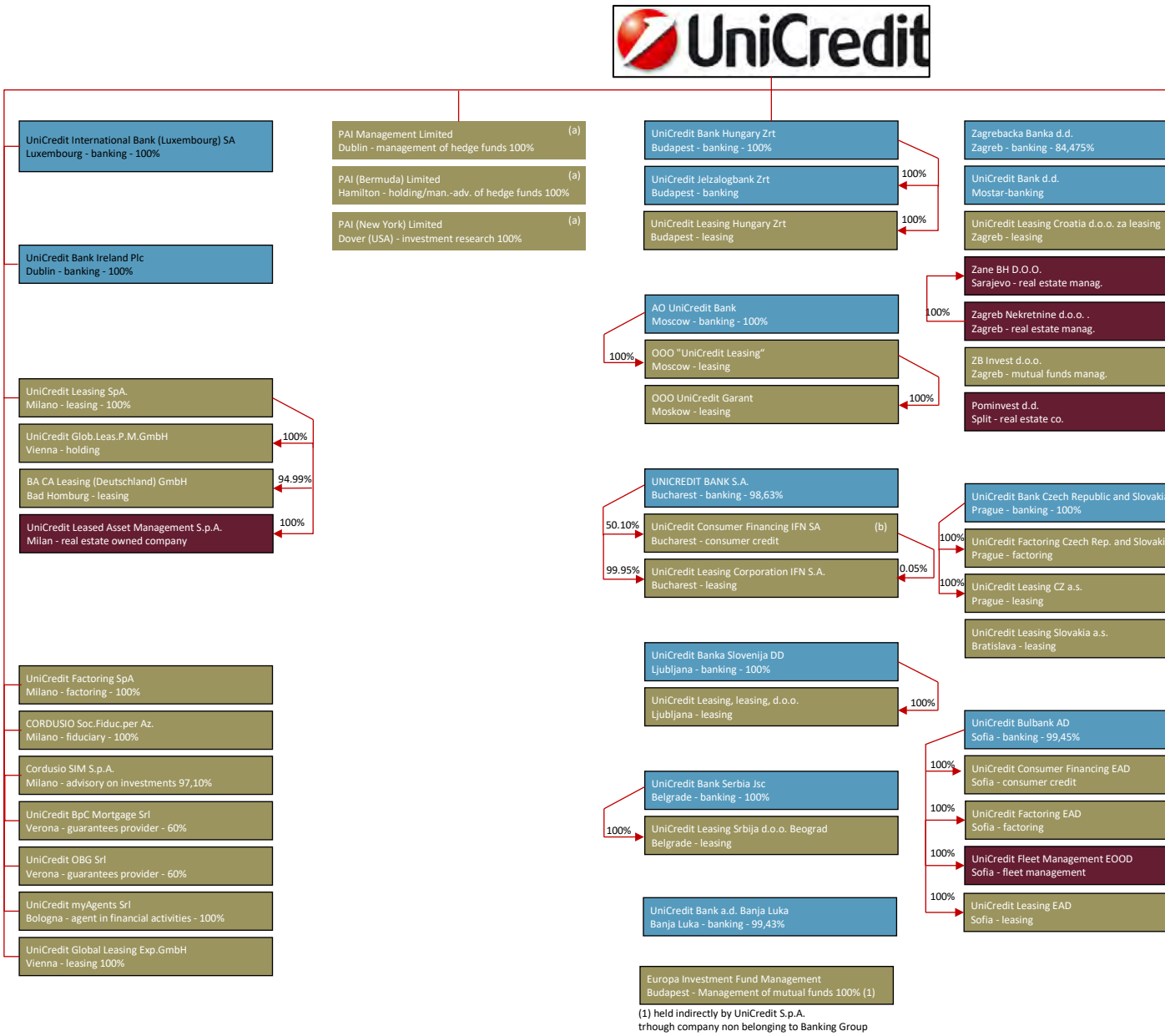
## 3. ORGANISATIONAL STRUCTURE

**3.1 Brief description of the group and the Issuer's position within the group.**

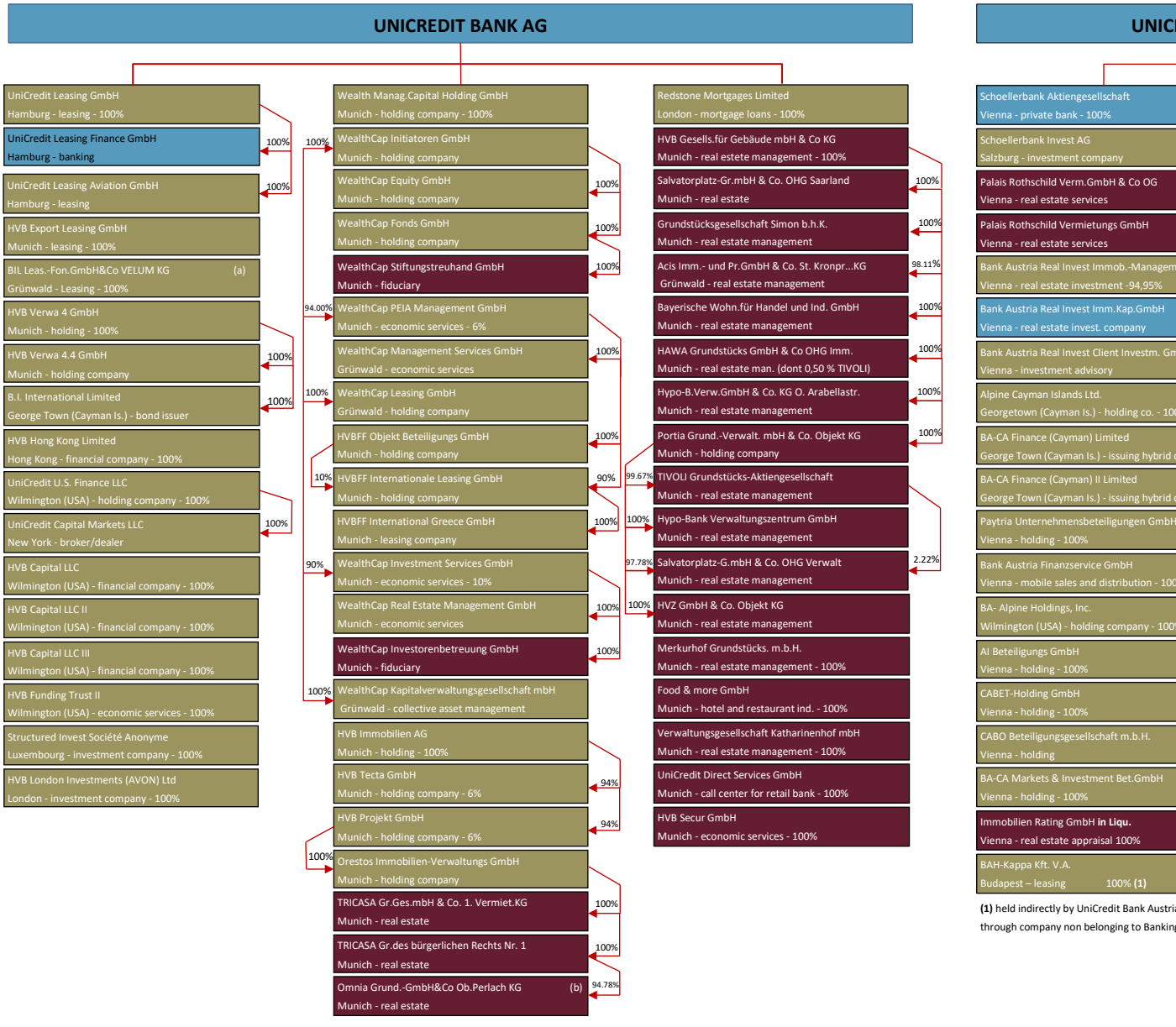
UniCredit is the parent company of the UniCredit Group and, in addition to banking activities, it carries out organic policy, governance and control functions vis à vis its subsidiary banking, financial and instrumental companies.

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

The following diagram illustrates the banking group companies as at 14 January 2021:




**(a)** not operative **(b)** 49,9% held by UniCredit SpA **(d)** Other companies belonging to UniCredit Group and third parties hold shares of the company
**(z)** Requested to Bank of Italy the inclusion in the Banking Group




**(a)** voting rights held by LICB AG (33,33%) and by BIL Leasing-Fonds Verwaltungs GmbH (33,33%) **(b)** 5,22% held by WealthCap Leasing GmbH **(c)** % considering shares held by other Companies controlled by BA
**(z)** Requested to Bank of Italy the inclusion in the Banking Group

### 3.2 Dependence upon other entities within the Group

As at the date of this Base Prospectus, UniCredit is not dependent upon other entities within the Group and no individual or entity controls UniCredit within the meaning provided for in Article 93 of Legislative Decree 58/1998, as amended (the **Financial Services Act**).

## 4. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

### 4.1 Names, business addresses and functions of the members of the Board of Directors and Board of Statutory Auditors and an indication of the principal activities performed by them outside of the Issuer where these are significant with respect to the Issuer

The board of directors (the **Board** or the **Board of Directors**) is elected by UniCredit's shareholders at a general meeting for a three financial year term, unless a shorter term is established upon their appointment, and Directors may be re-elected. Under UniCredit's Articles of Association, the Board is composed of between a minimum of 9 and a maximum of 24 members.

The Board of Directors currently in office was appointed by the UniCredit's Ordinary Shareholders' Meeting on 15 April 2021 for a term of three financial years and is composed of 13 members. The term in office of the current members of the Board will expire on the date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2023. The members of the Board of Directors have been appointed on the basis of a proportional representation mechanism ("voto di lista") and in compliance with the provisions on gender balance.

The following table sets forth the current members of UniCredit's Board of Directors as at the date of this Base Prospectus.

| Name | Position |
|---|---|
| Pietro Carlo Padoan[1-3] | Chairman |
| Lamberto Andreotti[1-2-3] | Deputy Vice Chairman |
| Andrea Orcel | Chief Executive Officer* |
| Vincenzo Cariello[1-2-3] | Director |
| Elena Carletti[1-2-3] | Director |
| Jayne-Anne Gadhia[1-2-3] | Director |
| Jeffrey Alan Hedberg[1-2-3] | Director |
| Beatriz Lara Bartolomé[1-2-3] | Director |
| Luca Molinari[1-2-3] | Director |
| Maria Pierdicchi[1-2-3] | Director |
| Francesca Tondi[1-2-3] | Director |
| Renate Wagner[1-2] | Director |
| Alexander Wolfgring[1-2-3] | Director |

Notes:

(1) Director that meets the independence requirements pursuant to Section 148 of the Financial Services Act.

(2) Director that meets the independence requirements pursuant to section 13 of the Treasury Decree No. 169 dated November 23, 2020.

(3) Director that meets the independence requirements pursuant to Section 2, recommendation 7, of the Italian Corporate Governance Code.

* Also elected General Manager by the Board of Directors on 15 April 2021.

The information on the Board of Directors and its update is available on the UniCredit website. The business address for each of the foregoing Directors is in Milan, 1-20154, Piazza Gae Aulenti 3, Tower A.

Other principal activities performed by the members of the Board which are significant with respect to UniCredit are listed below:

***Pietro Carlo Padoan***

- Member of the Board of the Institute of International Finance (IIF)
- Vice Chairman of IAI – Istituto Affari Internazionali
- Senior Fellow and member of the Scientific Council of SEP – School of European Political Economy, LUISS University
- Honorary Board Member of Scope Foundation

***Lamberto Andreotti***

- Member of the Board of Directors of Corteva Agriscience
- Senior Advisor of EW Healthcare
- Member of the Board of Directors of American Italian Cancer Foundation
- Member of the Board of Directors of Salzburg Festival Society

***Andrea Orcel***

- Non-executive Director of EIS

***Vincenzo Cariello***

- Founding and Name Partner Studio Legale Professor Cariello
- Member of the Board of Directors of A2A S.p.A.

***Elena Carletti***

- Full Professor of Finance, Bocconi University, Department of Finance
- Vice Chairperson of the European Finance Association (EFA)
- Research Professor, Bundesbank
- Scientific Director, European University Institute, Florence School of Banking and Finance (FBF)

- Member of the Advisory Scientific Committee, European Systemic Risk Board (ESRB) - European System of Financial Supervision
- Member of Expert Panel on banking supervision, European Parliament
- Member of the Scientific Committee "Paolo Baffi Lecture", Bank of Italy
- Member of the Scientific Committee, Bruegel

***Jayne-Anne Gadhia***

- Founder and Executive Chair of Snoop
- Chair of HMRC (Non-Commercial role)
- Non-Executive Chair (Advisory) of Goldacre
- Senior Independent Director /Chair of Audit Committee and Finance and Operations Committee (Non-Commercial role) of Tate Board of Trustees
- Member of Lloyds Culture Advisory Group
- Mayor of London - Member of Business Advisory Board
- Member of Financial Inclusion Policy Forum
- Member of Commission for Smart Government

***Jeffrey Alan Hedberg***

- CEO of Wind Tre S.p.A.
- Vice Chairman of ASSTEL
- Advisory Board Member - SDA Bocconi

***Beatriz Lara Bartolomé***

- Sole Administrator of AHAOW
- Innovation & Digital Transformation Board PROSEGUR
- Seed Investor & Strategic Advisor ZELEROS Hyperloop
- Financial Investor & Senior Advisor OPINNO
- Mentor at Startup Lab, International MBA, IE Business School

***Luca Molinari***

- Head of Financial Services at Mubadala Investment Company
- Non-Executive Director at Sanad Group

***Maria Pierdicchi***

- Non-Executive Board Member and Chair of Human Resources Committee of Gruppo Autogrill

- Chairwoman and Board Member of NED COMMUNITY
- Board Member of PBI S.p.A.

***Francesca Tondi***

- Member of the Advisory Board of Angel Academe
- Member of the Board of Directors of Angel Academe Nominee
- Member of the Selection Committee, Mentor of Fintech Circle
- Member of "Women supporting Women" of "Princess Trust" Foundation

***Renate Wagner***

- Member of the Board of Management Allianz SE
- Member of the Board of Management Allianz Deutschland AG

***Alexander Wolfgring***

- Member of the Board of Directors (Executive Director) of Privatstiftung zur Verwaltung von Anteilsrechten
- Member of the Board of Directors of AVZ GmbH
- Chairman of the Supervisory Board, Österreichisches Verkehrsbüro AG
- Chairman of the Supervisory Board, Verkehrsbüro Touristik GmbH
- Member of the Board of Directors of AVB Holding GmbH
- Member of the Board of Directors of API Besitz, GmbH
- Member of the Board of Directors of Mischek Privatstiftung

**Board of Statutory Auditors**

Pursuant to the provisions of the UniCredit Articles of Association, the Board of Statutory Auditors (the **Board of Statutory Auditors**) consists of five permanent statutory auditors, including a Chairman, and four stand-in statutory auditors.

The Board of Statutory Auditors currently in office was appointed by the UniCredit Ordinary Shareholders' Meeting on 11 April 2019 for a term of three financial years and its members may be re-elected.

The term in office of the current members of the Board of Statutory Auditors will expire on the date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2021.

The members of the Board of Statutory Auditors have been appointed on the basis of a proportional representation mechanism ("voto di lista") and in compliance with the provisions on gender balance.

The following table sets out the current members of UniCredit Board of Statutory Auditors as at the date of this Base Prospectus:

| Name | Position |
|---|---|
| Marco Rigotti | Chairman |
| Angelo Rocco Bonissoni | Statutory Auditor |
| Benedetta Navarra | Statutory Auditor |
| Guido Paolucci | Statutory Auditor |
| Antonella Bientinesi | Statutory Auditor |

The information on the Board of Statutory Auditors and its update is available on the UniCredit website.

All of the members of the Board of Statutory Auditors in office are enrolled with the Register of Chartered Accounting Auditors of the Italian Ministry of Economy and Finance. The business address for each of the members of the Board of Statutory Auditors is in Milan, 1-20154, Piazza Gae Aulenti 3, Tower A.

Other principal activities performed by the Statutory Auditors of UniCredit which are significant for UniCredit are listed below:

**Marco Rigotti**

- Chairman of the Board of Directors of Alisarda S.p.A

**Angelo Rocco Bonissoni**

- Attorney of Nuova CPS Servizi S.r.l.
- Statutory Auditor of Telecom Italia S.p.A.
- Statutory Auditor of Atlantia S.p.A.

**Benedetta Navarra**

- Member of the Supervisory Board and of the Audit Committee of UniCredit Bank Czech Republic and Slovakia, a.s.
- Member of Audit Committee of UniCredit BulBank A.D.
- Member of the Board of Directors of A.S. Roma S.p.A.
- Chairman of the Supervisory Body pursuant to Legislative Decree 231/2001 of Equitalia Giustizia S.p.A.
- Statutory Auditor of Italo S.p.A.
- Chairman of the Board of Statutory Auditors of Guala Closures S.p.A.
- Chairman of the Board of Statutory Auditors of Isola dei Tesori S.r.l.
- Chairman of the Board of Statutory Auditors of D.M.O. Pet Care S.r.l.
- Member of the Supervisory Body pursuant to Legislative Decree 231/2001 of Confcommercio imprese per l'Italia Provincia di Roma Capitale
- Member of the Supervisory Body pursuant to Legislative Decree 231/2001 of Promo.Ter Roma

**Guido Paolucci**

- Chairman of the Board of Statutory Auditors of Ecofuel S.p.A.
- Chairman of the Board of Statutory Auditors of Raffineria di Gela S.p.A.
- Chairman of the Board of Statutory Auditors of Telecom Italia San Marino S.p.A.
- Chairman of the Board of Statutory Auditors of Telefonia Mobile Sammarinese S.p.A.
- Statutory Auditor of Nuova Compagnia di Partecipazioni S.p.A.
- Statutory Auditor of Consorzio CONOU
- Statutory Auditor of Società Gemelli Molise S.p.A.
- Statutory Auditor of Società HYLE Capital Partners SGR S.p.A.
- Chairman of the Board of Statutory Auditors of Fondazione "Casa Sollievo della Sofferenza"

**Antonella Bientinesi**

- Chairman of the Board of Statutory Auditors of Cerved Group S.p.A.
- Chairman of the Board of Statutory Auditors of Anas S.p.A.
- Statutory Auditor of ACER SEDE S.p.A.
- Statutory Auditor of Enel Energia S.p.A.
- Statutory Auditor of Enel Green Power Solar Metehara S.p.A.
- Statutory Auditor of Enel Green Power Solar Ngonye S.p.A.
- Statutory Auditor of Fondo Ambiente Italiano – FAI

## 4.2 Conflicts of Interest

As at the date of this Base Prospectus, and to the best of UniCredit's knowledge, with regard to the members of the UniCredit Board of Directors and Board of Statutory Auditors there are no conflicts of interest between any duties to the Issuer, arising from the office or position held within UniCredit, and their private interests and/or other duties, except for those that may concern operations put before the relevant bodies of UniCredit, in accordance with the applicable procedures and in strict compliance with existing laws and regulations. Members of the UniCredit Board of Directors and Board of Statutory Auditors must indeed comply with the following provisions aimed at regulating instances where there exists a specific interest concerning the implementation of an operation:

- Article 53, paragraph 4, of the Italian Banking Act, without prejudice to the obligations envisaged by paragraph 1 of Article 2391 of the Italian Civil Code, hereinafter quoted, sets forth the duty to abstain from voting for the Directors having a conflicting interest, on their own behalf or on behalf of a third party;
- Article 136 of the Italian Banking Act, which requires a special authorisation procedure (a unanimous decision by the supervisory body with the exclusion of the concerned officers' vote and the favourable vote of all members of the controlling body) should a bank enter into obligations of any kind or enter, directly or indirectly, into purchase or sale agreements with its corporate officers;

- Article 2391 of the Italian Civil Code, which obliges directors to notify fellow directors and the Board of Statutory Auditors of any interest, on their own behalf or on behalf of a third party, that they may have, in a specific company transaction, with the concerned member of the Board of Directors having to abstain from carrying out the transaction if he/she is also the CEO; and

- Article 2391-bis of the Italian Civil Code, CONSOB Regulation No. 17221 dated 12 March 2010 (and subsequent updates), concerning transactions with related parties and the relevant Communication No. 10078683 dated 24 September 2010, as well as the provisions issued by the Bank of Italy concerning risk activities and conflicts of interest of banks and banking groups with associated persons (Supervisory Regulations for the banks issued by the Bank of Italy).

In accordance with the said latest provisions, UniCredit has adopted specific policies and procedures in order to ensure, between the others, the transparency and the material and procedural correctness of the transactions with related parties or with associated persons, directly or through controlled companies.

For information on related-party transactions, please see Part H of the Notes to the consolidated financial statements of UniCredit as at 31 December 2020, incorporated by reference herein.

Notwithstanding the obligations of Article 2391 of the Italian Civil Code, UniCredit and its corporate bodies have adopted measures and procedures to ensure compliance with the provisions relating to transactions with its corporate officers, as well as transactions with related parties and associated persons.

## 5. MAJOR SHAREHOLDERS

### 5.1 Information related to the shareholder structured of the Issuer

No individual or entity controls UniCredit within the meaning provided for in Article 93 of the Financial Services Act.

As at 26 April 2021, according to available information, the main shareholders holding, directly or indirectly, a relevant participation in UniCredit were:

| **Major Shareholders** | **Ordinary Shares** | **per cent. owned[(1)]** |
|---|---|---|
| BlackRock Group | 114,907,383 | 5.122[(2)] |
| Capital Research and Management Company | 112,363,870 | 5.008[(3)] |
| - of which on behalf of EuroPacific Growth Fund | 78,373,584 | 3.493 |
| Allianz SE Group | 69,623,563 | 3.103 |
| Norges Bank | 67,366,057 | 3.003 |

(1) figures updated based on the last communication received on 26 April 2021 according to current legislation

(2) non-discretional asset management

(3) discretional asset management

On 14 April 2021, the temporary rules on enhanced transparency for changes in major holdings and statements about investment objectives ended. As such, as of that date, the ordinary rules come back into force, as per Article 120, paragraph 2, of the Consolidated Law on Finance (TUF). So, it is necessary to notify the investee company and CONSOB when the stake held exceeds 3 per cent. of the capital granting voting rights in a listed company.

The table does not include any other shareholders who have exceeded the relevant threshold, but have not yet notified this or are not required to notify it under current laws.

The updated information concerning the major shareholders will be available from time to time on the Issuer's website, without prejudice to the obligations arising from Article 23 of the Prospectus Regulation in relation to the drafting of a supplement.

**5.2 A description of any arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer**

As at the date of this Base Prospectus, as far as the Issuer is aware, there are no arrangements the operation of which, at a subsequent date, could result in a change in control of the Issuer.

## 6. LEGAL AND ARBITRATION PROCEEDINGS

### 6.1 Legal and arbitration proceedings

The risks connected with pending legal proceedings have been duly examined by the Parent Company and each of the involved Subsidiaries (the **Companies**). Assuming the possibility of outlays in reference of some of the aforementioned proceedings, whether carrying out the related estimates for potential disbursement is feasible, as at 31 December 2020, the Companies decided to set aside appropriate provisions for risks and charges for Euro 655.9 million, of which Euro 370.7 million for the Parent Company UniCredit S.p.A.
As at 31 December 2020, the Companies were named as defendants in about 37,900 legal proceedings, of which approximately 9,200 involving the Parent Company UniCredit S.p.A. (excluding labor law cases, tax cases and credit recovery actions in which counterclaims were asserted or objections raised with regard to the credit claims of Group Companies). As at 31 December 2020, the total amount of claimed damages relating to the relevant judicial proceedings (excluding labor law cases, tax cases and debt collection proceedings) is equal to Euro 10 billion, of which approximately Euro 6.6 billion for the proceedings involving the Parent Company UniCredit S.p.A.

In a greater detail, it mainly deals with:

**Madoff**

The parent company UniCredit S.p.A. and several of its direct and indirect subsidiaries (the **Companies**) have been sued in the wake of a Ponzi scheme perpetrated by Bernard L. Madoff through his company Bernard L. Madoff Investments Securities LLC (**BLMIS**), which was exposed in December 2008. The Companies were principally connected with Madoff as investment manager and/or investment adviser for the Primeo Fund Ltd (now in liquidation) and other non-US funds of funds that had invested in other non-US funds with accounts at BLMIS.

Specifically, the Companies (together with a variety of other entities) were named as defendants in a variety of proceedings (both in the US and in non-US jurisdictions), for a total damage compensation claims of over $ 6 billion (to be later determined over the course of the proceedings). At present, most of the claims brought before US Courts and referring to the Companies have been rejected without any possibility of appeal or dismissal. However, the bankruptcy administrator of BLMIS (the "SIPA Trustee") responsible for the Madoff's company liquidation continues to pursue claims related to transfers of money made by BLMIS pre-bankruptcy to an affiliated company, BA Worldwide Fund Management Ltd (**BAWFM**), and other similarly situated parties. The potential claim for damages against BAWFM is non-material and, therefore, there are no specific risk profiles for the Companies. In addition, certain current or formerly affiliated persons named as defendants in a proceeding in the United States may seek indemnification from the Companies and its affiliated entities.

As at 31 December 2020, there were several pending civil proceedings against UniCredit Bank Austria AG (**UCB Austria**) for the total claimed damages amount of Euro 5.15 million. While a large majority of the judgments have been favourable to UCB Austria, the impact of the remaining cases cannot be predicted with certainty, as the related future rulings may be adverse to UCB Austria. UCB Austria has made adequate provisions related to the Madoff's matter.

Furthermore, UCB Austria had been named as a defendant in criminal proceedings in Austria concerning the Madoff case, on allegations that it breached provisions of the Austrian Investment Fund Act as prospectus controller of the Primeo fund while other allegations relate to the level of fees and

embezzlement. In November 2019, the criminal investigation against UCB Austria and all individual defendants was closed by the public prosecutor. Private parties appealed and a decision is awaited.

**Proceedings arising out of the purchase of UniCredit Bank AG (UCB AG) by the parent company UniCredit S.p.A. and the related Group reorganisation**

**Squeeze-out of UCB AG minority shareholders (Appraisal Proceeding)**

In 2008, approximately 300 former minority shareholders of UCB AG filed a request before the District Court of Munich to have a review of the price paid to them by the parent company UniCredit S.p.A., equal to Euro 38.26 per share, in the context of the squeeze out of minority shareholders (Appraisal Proceeding). The dispute mainly concerns the valuation of UCB AG, which is the basis for the calculation of the price to be paid to the former minority shareholders. At present the proceeding is pending in the first instance.

**Squeeze-out of UCB Austria's minority shareholders (Appraisal Proceeding)**

In 2008, approximately 70 former minority shareholders of UCB Austria commenced proceedings before the Commercial Court of Vienna claiming that the squeeze-out price paid to them, equal to Euro 129.4 per share, was inadequate, and asking the court to review the adequacy of the amount paid (Appraisal Proceeding). At present the proceeding is pending in the first instance.

**Financial sanctions matters**

Following the settlement in April 2019 with the U.S. and New York Authorities, the parent company UniCredit S.p.A., UCB AG and UCB Austria have implemented additional requirements and controls, about which the banks make periodic reports to the authorities.

**Euro-denominated bonds issued by EU countries**

On 31 January 2019, the parent company UniCredit S.p.A. and UCB AG received a Statement of Objections from the European Commission referring to the investigation by the European Commission of a suspected violation of antitrust rules in relation to European government bonds. The subject matter of the investigation extended to certain periods from 2007 to 2011, and included activities by UCB AG between September and November 2011. The European Commission concluded its investigation by issuance of its decision on 20 May 2021. The decision provides for the imposition of a fine of Euro 69.4 million on the parent company UniCredit S.p.A and UCB AG; the amount of the fine is broadly in line with the provision previously recognized, thus – accordingly – it will not cause any material impact on the second quarter 2021 Group's accounts.

The parent company UniCredit S.p.A. and UCB AG maintain that the findings do not demonstrate any wrongdoing on the part of the Group. They strongly object to the allegations made in the decision and to the imposition of the fine and will challenge the decision by filing an appeal in front of the General Court of the European Union.

On 11 June 2019, UCB AG and UniCredit Capital Markets LLC were named, among other financial institutions, as defendants in a putative class action already pending in the United States District Court for the Southern District of New York. The third amended class action complaint, filed on 3 December 2019, alleges a conspiracy among dealers of Euro-denominated bonds issued by European central banks to fix and manipulate the prices of those bonds, among other things by widening the bid-ask spreads they quoted to customers. The putative class consists of those who purchased or sold Euro-denominated bonds issued by European central banks in the US between 2007 and 2012. On 23 July 2020, the court granted motions to dismiss the third amended complaint by certain defendants, including UCB AG and UniCredit Capital Markets LLC, without prejudice. Plaintiffs filed their fourth amended class action complaint on 9 February 2021, repleading their claim against UCB AG and UniCredit Capital Markets LLC and other financial institutions. Like earlier pleadings, the fourth amended class action complaint does not include a quantification of damages claimed. Exchange of correspondence concerning motions to dismiss the fourth amended complaint is commenced in April 2021.

**Proceedings related to claims for Witholding Tax Credits**

On 31 July 2014, the Supervisory Board of UCB AG concluded its internal investigation into the so-called "cum-ex" transactions (the short selling of equities around dividend dates and claims for withholding tax credits on German share dividends) at UCB AG. The findings of the Supervisory Board's investigation indicated that the bank sustained losses due to certain past acts/omissions of individuals.

The Supervisory Board has brought proceedings for compensation against three individual former members of the management board, not seeing reasons to take any action against the current members. In line with the suggestion of the Regional Court of Munich I, the conflicting parties settled the dispute out of court.

In addition, criminal investigations have been conducted against current or former employees of UCB AG by the Prosecutors in Frankfurt am Main, Cologne and Munich with the aim of verifying alleged tax evasion offences on their part. UCB AG cooperated, and continues to cooperate, with the aforesaid Prosecutors who investigated offences that include alleged tax evasion in connection with cum-ex transactions both for UCB AG's own book as well as for a former customer of UCB AG. Proceedings in Cologne against UCB AG and its former employees were closed in November 2015 with, inter alia, the payment of a fine of Euro 9.8 million by UCB AG. The investigations by the Frankfurt am Main Prosecutor against UCB AG under section 30 of the Administrative Offences Act (the Ordnungswidrigkeitengesetz) were closed in February 2016 with the payment of a fine of Euro 5 million. The investigation by the Munich Prosecutor against UCB AG was closed in April 2017 with legally binding effect following the payment of a forfeiture of Euro 5 million.

In December 2018, in connection with an ongoing investigation against other financial institutions and former bank employees, UCB AG was informed by the Cologne prosecutor of the initiation of an investigation in connection with an administrative offence regarding "cum-ex" transactions involving Exchange Traded Funds ("ETF"). In April 2019, these investigations were extended to so called Ex/Ex-transactions, in which an involvement of the bank in the sourcing of cum/ex transactions of other market participants on the ex-day is suspected. The facts are being examined internally. UCB AG is cooperating with the Authorities.

The Munich tax authorities are currently performing a regular field audit of UCB AG for the years 2013 to 2016, which includes, among other things, a review of other transactions in equities around the dividend record date. During these years, UCB AG performed, among other things, securities-lending transactions with different domestic counterparties which include, but are not limited to, different types of security transactions around the dividend date. It remains to be clarified whether, and under what circumstances, tax credits can be obtained or taxes refunded with regard to different types of transactions carried out close to the dividend record dates, and what the further consequences for the bank will be in the event of different tax treatment. It cannot be ruled out that UCB AG might be exposed to tax-claims in this respect by relevant tax-offices or third party claims under civil law. UCB AG is in constant communication with relevant regulatory authorities and the competent tax authorities regarding these matters. UCB AG has made provisions.

**Proceedings relating to certain forms of banking transactions**

The UniCredit Group is named as a defendant in several proceedings in matters connected to its operations with clients, which are not specific to the UniCredit Group, rather affect the financial sector in general.

In this regard, as at 31 December 2020, (i) proceedings against the parent company UniCredit S.p.A. pertaining to compound interest, typical of the Italian market, had a total claimed amount of Euro 1.1 million, mediations included; (ii) proceedings pertaining to derivative products, mainly affecting the Italian market (for which the claimed amount against the parent company UniCredit S.p.A. was Euro 744 million, mediations included) and the German market (for which the claimed amount against UCB AG was Euro 27 million); and (iii) proceedings relating to foreign currency loans, mainly affecting the CEE countries (for which the claimed amount was around Euro 151 million).

The proceedings pertaining to compound interest mainly involve damages requests from clients arising from the alleged unlawfulness of the calculation methods of the amount of interest payable in connection with certain banking contracts. At present, the parent company UniCredit S.p.A. has made provisions that it deems appropriate for the risks associated with these claims.

With regard to the litigation connected to derivative products, several financial institutions, including UniCredit Group companies, entered into a number of derivative contracts, both with institutional and non-institutional investors. In Germany and in Italy there are a number of pending proceedings against certain Group companies that relate to derivative contracts concluded by both institutional and non-institutional investors. The filing of such litigations affects the financial sector generally and is not specific to the parent company UniCredit S.p.A. and its Group companies. At present, the parent company UniCredit S.p.A. and the involved Group companies have made provisions deemed appropriate based on the best estimate of the impact which might derive from such proceedings.

With respect to proceedings relating to foreign currency (**FX**) loans, in the last decade, a significant number of customers in the Central and Eastern Europe area took out these types of loans and mortgages denominated in a foreign currency. In a number of instances customers, or consumer associations acting on their behalf, have sought to renegotiate the terms of such FX loans and mortgages, including having the loan principal and associated interest payments redenominated in the local currency at the time that the loan was taken out, and floating rates retrospectively changed to fixed rates. In addition, in a number of countries legislation that impacts FX loans was proposed or implemented. These developments resulted in litigation against subsidiaries of the parent company UniCredit S.p.A. in a number of CEE countries including Croatia, Slovenia and Serbia.

In 2015, the Republic of Croatia enacted amendments to the Consumer Lending Act and Credit Institutions Act mandating the conversion with retroactive effect of Swiss franc (CHF)-linked loans into Euro-linked (the "Conversion Amendments").

In September 2016, UCB Austria and Zagrebačka Banka (**Zaba**) initiated a claim against the Republic of Croatia under the Agreement between the Government of the Republic of Austria and the Government of the Republic of Croatia for the promotion and protection of investments in order to recover the losses suffered as a result of the Conversion Amendments. In the interim, Zaba complied with the provisions of the new law and adjusted accordingly all the respective contracts where the customers requested so. Following a hearing, the arbitral tribunal ruled on part of the Respondent's jurisdictional objections. The arbitral proceedings remain pending.

In 2019, the Supreme Court of the Republic of Croatia ruled that the CHF currency clause contained in certain loan and mortgage documentation was invalid. Accordingly, in the course of 2019, court decisions, recent court practice related to FX matters along with the expiration of the statute of limitation for filing individual lawsuits in respect of the invalidity of the interest rate clause, led to a significant increase in the number of new lawsuits against Zaba. In March 2020, the Supreme Court ruled that agreements entered into following the Conversion Amendments whereby customers converted their CHF mortgages and/or loans into Euro are valid and accordingly no additional payments are due. In October 2020 the Supreme Court, as well as one additional lower court, approached the European Court of Justice with a request for preliminary ruling asking for an interpretation on the applicability of the Directive on unfair terms in consumer contracts and consequently whether a consumer who converted its loan in accordance with the terms of the of the Conversion Amendments is entitled to additional payments. The matter of the validity of the FX clauses contained in mortgages and loan documentation is still pending before the Constitutional Court of the Republic of Croatia. Provisions have been booked which are deemed appropriate.

**VIP 4 Medienfonds**

Various investors in Film & Entertainment VIP Medienfonds 4 GmbH & Co. KG to whom UCB AG issued loans to finance their participation, brought legal proceedings against UCB AG. In the context of the conclusion of the loan agreements, the plaintiffs claim that the Bank provided inadequate disclosure about the fund structure and the related tax consequences. A settlement was reached with the vast majority of the plaintiffs. An outstanding final decision with respect to the question of UCB AG's liability for the prospectus in the proceeding pursuant to the Capital Markets Test Case Act (Kapitalanleger-Musterverfahrensgesetz) which is pending at Munich Higher Regional Court, will affect only a few pending cases.

**Vanderbilt related litigations**

**Claims brought or threatened by or on behalf of the State of New Mexico or any of its agencies or funds**

Vanderbilt Financial LLC (**VCA**) related litigations, where Pioneer Investment Management USA Inc., Pioneer Global Asset Management S.p.A. (**PGAM**), at the time controlled by UniCredit S.p.A. and incorporated by the latter in 2017, and the parent company UniCredit S.p.A. (the **Defendants**) were named as additional defendants by virtue of their corporate affiliation with VCA, including in legal proceedings brought by a former employee of the State of New Mexico (the **Public Authority**), who claimed to act as representative of the Public Authority for the losses suffered by the State of New Mexico during the 2006-08 market downturn on investments managed by VCA (mainly CDOs). The total amount of losses claimed in those proceedings is approximately $ 365 million. In 2012, the Defendants reached a settlement agreement for an amount of $ 24.25 million and the settlement amount was deposited into escrow at the beginning of 2013. The settlement is contingent on the Court's approval, but that process was temporarily delayed pending the determination by the New Mexico Supreme Court of a legal matter in a separate lawsuit brought against a different set of defendants in other proceedings. The New Mexico Supreme Court issued its ruling on the awaited legal matter in June 2015 and in December 2015 the Defendants and the State of New Mexico renewed their request for Court approval of the settlement. The Court held a hearing in April 2016 and in June 2017 approved the settlement and directed that the claims against VCA and the Defendants be dismissed. A judgment to that effect was entered in September 2017 and a motion by the former State employee seeking to set aside that judgment was denied by the Court in October 2017. Appeals from the judgment and the subsequent order were taken in October and November 2017 and in June 2020, the New Mexico Court of Appeals affirmed that judgment. A motion for rehearing was subsequently denied. In October 2020, the New Mexico Supreme Court declined to hear a further appeal, but the former State employee subsequently petitioned for rehearing, and that motion remains pending. The settlement cannot be effectuated while the appeal remains pending. If the judgment continues to be upheld on appeal, the escrowed amount will be paid over to the State of New Mexico and the Defendants, including UniCredit S.p.A., will all be released from all the claims that were or could have been brought by or on behalf of the State or any of its agencies or funds.

**Alpine Holding GmbH**

Legal proceedings against UCB Austria arose from bondholders' claims commenced in June/July 2013. The claims stemmed from the insolvency of Alpine Holding GmbH, as UCB Austria acted as joint lead manager, together with another bank, for the undertaking of Alpine Holding GmbH bond issues in 2010 and 2011. Bondholders' claims are mainly referred to prospectus liability of the joint lead manager, whereas a minority of the cases is based on misselling due to allegedly unlawful investment advice. The damage claims amount to Euro 20.26 million. These proceedings are mainly pending in the first instance and may be adverse to UCB Austria.
Most recently, the expert appointed by the Court in the majority of the civil proceedings has issued a report largely in favour of UCB Austria and the other issuing banks. Investors have a different reading of the report and have requested that the expert answers supplementary questions, as did the issuing banks. The processing of the supplementary questions is still pending. Therefore, the final outcome of the expert report cannot be assessed as of yet.
In addition to the ongoing proceedings against UCB Austria stemming from the Alpine insolvency, additional Alpine-related actions have been threatened and may be filed in the future. The pending or future actions may have negative consequences for UCB Austria. Despite the favourable expert opinion mentioned above, at the moment it is impossible to estimate reliably the timing and results of the various actions, nor determine the level of liability, if any.

**Valauret S.A.**

Civil claim filed in 2004 by Valauret S.A. and Hughes de Lasteyrie du Saillant for losses resulting from the drop in the share price, between 2002 and 2003, including allegations on alleged fraudulent actions by members of the company's Board of Directors and others. UCB Austria (as successor to Creditanstalt) was joined as the fourteenth defendant in 2007 based on the fact that it was banker to one of the defendants. The total claimed amount is equal to Euro 129.86 million (plus costs Euro 4.39 million). Furthermore, in 2006, before the action was extended to UCB Austria, the civil proceedings were suspended following the opening of criminal proceedings by the French State that are underway. In December 2008, the civil proceedings were also suspended against UCB Austria. Nevertheless, the

proceedings are still pending and may be adverse to UCB Austria, although the alleged claims are considered unfounded.

**Divania S.r.l.**

In 2007, Divania S.r.l. (now in bankruptcy) (**Divania**) filed a lawsuit in the Court of Bari against UniCredit Banca d'Impresa S.p.A. (then UniCredit Corporate Banking S.p.A. and now UniCredit S.p.A.) alleging violations of law relating, *inter alia*, to financial products in relation to certain rate and currency derivative transactions entered into between January 2000 and May 2005 first by Credito Italiano S.p.A. and subsequently by UniCredit Banca d'Impresa S.p.A. (now UniCredit S.p.A.), demanding damages in the amount of Euro 276.6 million, legal fees and interest. Divania also seeks the nullification of a 2005 settlement reached by the parties in which Divania had agreed to waive any claims in respect of the transactions. In 2017, the Court of Bari ordered the parent company UniCredit S.p.A. to pay approximately Euro 7.6 million plus interests and part of the expenses in favour of Divania's bankruptcy trustee and found that it did not have jurisdiction to rule on certain of Divania's claims. The parent company UniCredit S.p.A. appealed.

Divania filed two additional lawsuits before the Court of Bari: (i) one for Euro 68.9 million in 2009 (subsequently increased to Euro 80.5 million), essentially mirroring the claims brought in its lawsuit filed in 2007; and (ii) a second one for Euro 1.6 million in 2006. With respect to the first lawsuit, in May 2016, the Court of Bari ordered the parent company UniCredit S.p.A. to pay approximately Euro 12.6 million plus costs. The parent company UniCredit S.p.A. appealed. With respect to the second lawsuit, in 2015, the Court of Bari rejected Divania's original claim and the judgment has res judicata effect.

**I Viaggi del Ventaglio Group (IVV)**

In 2011, IVV DE MEXICO S.A., TONLE S.A. and the bankruptcy trustee of IVV INTERNATIONAL S.A. filed a lawsuit against the parent company UniCredit S.p.A. in the Court of Milan demanding approximately Euro 68 million in damages. In 2014, the bankruptcy trustees of IVV Holding S.r.l. and IVV S.p.A. filed two additional lawsuits against the parent company UniCredit S.p.A. in the Court of Milan demanding Euro 48 million and Euro 170 million, respectively, in damages. In October 2019, the bankruptcy trustee of I Viaggi del Ventaglio Resorts Ventaglio Real Estate S.r.l. filed an additional lawsuit in the Court of Milan against the parent company UniCredit S.p.A. demanding a total of Euro 12.8 million in damages.

The four lawsuits pertain to allegedly unlawful conduct with regard to certain loans and certain derivative transactions. At present, (i) the parent company UniCredit S.p.A. won the first case both in the first-instance and on appeal; the plaintiffs may further appeal to the Supreme Court; (ii) the Bankruptcy Trustee and the parent company UniCredit S.p.A. reached a settlement agreement approved by the Court for the second case; (iii) the third case is pending in the first-instance and in July 2020 the bankruptcy trustee and the parent company UniCredit S.p.A. reached a settlement agreement by which the bankruptcy trustee will waive its claims against the Bank; the case will continue between the parent company UniCredit S.p.A., on one side, and the former statutory auditors and guarantors of the plaintiff, on the other, in light of the contribution claims raised by the latter against UniCredit S.p.A. in the context of the same proceedings; and (iv) in the fourth case the Court is to rule on the evidentiary requests submitted by the parties.

**Lawsuit brought by "Paolo Bolici"**

In May 2014, the company wholly owned by Paolo Bolici sued the parent company UniCredit S.p.A. in the Court of Rome asking for the return of approximately Euro 12 million for compound interest (including alleged usury component) and Euro 400 million for damages. The company then went bankrupt. The parent company UniCredit S.p.A. won the case in the first instance and the appeal is pending.
On 31 July 2020, Mr. Bolici's business partner sued the parent company UniCredit S.p.A., seeking damages based on analogous facts to those alleged in the 2014 proceedings.

**Mazza**

In 2005, the parent company UniCredit S.p.A. filed a criminal complaint against a Notary, Mr. Mazza, representatives of certain companies and disloyal employees of the parent company UniCredit S.p.A. in relation to unlawful lending transactions in favour of certain clients for approximately Euro 84 million. The criminal court of first instance acquitted the defendants. This decision was reversed by the Court of Appeal of Rome, which found all the defendants guilty.

Following the acquittal in the first-instance criminal proceedings, Mr. Mazza and other persons involved in the criminal proceedings filed two lawsuits for compensation claims against the parent company UniCredit S.p.A.: (i) the first (commenced by Mr. Mazza with a claimed amount of approximately Euro 15 million) has been ruled in favour of UniCredit and the plaintiffs have appealed; (ii) in the second (commenced by Como S.r.l. and Mr. Colella with a claimed amount of approximately Euro 379 million) case the Court of Rome ruled in favour of the parent company UniCredit S.p.A. and the plaintiffs may appeal. In the view of the parent company UniCredit S.p.A., these lawsuits currently appear to be unfounded, in particular in light of the criminal judgment by the Court of Appeal of Rome and the civil judgment by the Court of Rome.

**So.De.Co. - Nuova Compagnia di Partecipazioni S.p.A.**

As part of a restructuring, in 2014, Ludoil Energy S.r.l. (**Ludoil**) acquired the "oil" business from Nuova Compagnia di Partecipazione S.p.A. (**NCP**). In March 2016, So.DeCo., a wholly owned subsidiary of Ludoil, filed a lawsuit in the Court of Rome against its former directors, NCP, the parent company UniCredit S.p.A. (in its capacity as holding company of NCP) and the external auditors (PricewaterhouseCoopers S.p.A. and Deloitte & Touche S.p.A.) claiming damages of approximately Euro 94 million for allegedly failing to provision properly for supposed environmental risks and thereby causing the inflation of the sale price paid by Ludoil. In November 2019, the Court rejected So.De.Co.'s claims in their entirety and ordered it to pay costs in favour of the defendants. So.De.Co. appealed the judgment and reduced its claim to approximately Euro 17 million. In November 2017, So.De.Co. filed a separate lawsuit against NCP and its former directors. The case is ongoing. In February 2019, NCP commenced an arbitral proceeding against Ludoil (So.De.Co.'s sole shareholder). The proceedings are ongoing.

**Criminal proceedings**

Certain entities within UniCredit Group and certain of its representatives (including those no longer in office), are involved in various criminal proceedings and/or, as far as the parent company UniCredit S.p.A. is aware, are under investigation by the competent authorities with regard to various cases linked to banking transactions, including, specifically, in Italy, the offence pursuant to Article 644 (usury) of the Italian Criminal Code.

At present, these criminal proceedings have had no significant negative impact on the operating results and capital and financial position of the parent company UniCredit S.p.A. and/or the Group, however there is a risk that, if the parent company UniCredit S.p.A. and/or other UniCredit Group entities or their representatives (including those no longer in office) were to be convicted, these events could have an impact on the reputation of the parent company UniCredit S.p.A. and/or the UniCredit Group.

In relation to the criminal proceedings relating to the diamond offer, see the following paragraph "Diamond offer".

**Labour-related Litigation**

The Companies are involved in employment law disputes and, as the date of this Base Prospectus, there are pending disputes brought against it. In general, provisions have been made, judged by the Parent Company and, time to time, by all the interested Subsidiaries as adequate in order to cover any potential and connected disbursement. On this matter we report lawsuits brought against UniCredit S.p.A. by members of the former Cassa di Risparmio di Roma Fund aimed to reconstitute the patrimony of the fund, ascertain and quantify social security individual position of each member. Claims' value is about Euro 384 million. The litigations are now pending before the Supreme Court after two degrees decisions favorable to the Bank. No provision has been made as these claims are considered groundless.

**Diamond offer**

Over the years, within the diversification of investments to which the available assets are addressed and also considering in this context those investments with the characteristics of the so-called "safe haven" with a long-term horizon, several UniCredit S.p.A.'s customers have historically invested in diamonds through a specialised intermediary company, with which the Bank has stipulated, since 1998, a collaboration agreement as "Introducer", in order to regulate the "reporting" methods of the offer of diamonds by the same company to UniCredit customers.

Since the end of 2016, the liquidity available on the market to meet the requests of customers who intended to divest their diamond assets has contracted to a certain extent until it became nil, with the suspension of the service by the brokerage company.

In 2017, UniCredit started a "customer care" initiative which envisaged the availability of the Bank to intervene for the acknowledgement towards the customer of the original cost incurred for the purchase of precious items and the consequent withdrawal of the stones, upon certain conditions.

The initiative has been adopted assessing the absence of responsibility for its role as "Introducer"; nevertheless, the AGCM ascertained UniCredit's responsibility for unfair commercial practice (confirmed in appeal by the Administrative Regional Court in the second half of 2018), imposing, in 2017, a fine of Euro 4 million paid in the same year. Following the appeal filed by UniCredit against such ruling, the Administrative Tribunal in second instance reduced the fine imposed on UniCredit to Euro 2.8 million.

On 8 March 2018, a specific communication was issued from the Bank of Italy concerning the "Related activities exercisable by banks", in which large attention was given to the reporting at the bank branches of operations, purchase and sale of diamonds by specialised third-party companies.

As at 31 December 2020, UniCredit:

- received reimbursement requests for a total amount of about Euro 404 million (cost originally incurred by the Clients) from No. 11,975 customers; according to a preliminary analysis, such requests fulfill the requirements envisaged by the "customer care" initiative; the finalisation of the reimbursement requests is currently carried out, aimed at assessing their effective compliance with the "customer care" initiative, and then proceed with the settlement where conditions recur;

- with reference to the scope outlined in the previous point (Euro 404 million), reimbursed No. 8,031 customers for about Euro 302 million (equivalent value of original purchases), equal to about 75 per cent. of the reimbursement requests said above.

In order to cope with the probable risks of loss related to the repurchases of diamonds, a dedicated Risk and Charges Fund was set up; its quantification was also based on the outcome of an independent study (commissioned to a primary third company) aiming at evaluating the diamonds' value.

Finally, the gems purchased are recognised for about Euro 73 million in item "130. Other assets" of the balance sheet. This value is consistent with the main parameters of the reference market, and also reflects the likely effects associated with the liquidity crisis in the sector, heavily affected by the COVID-19 outbreak which characterised the economic scenario in 2020.

On 19 February 2019, the judge in charge of the preliminary investigation at the Court of Milan issued an interim seizure directed to UniCredit and other financial institutions aimed at: (i) direct confiscation of the amount of Euro 33 million against UniCredit for the offence of aggravated fraud and (ii) indirect as well as direct confiscation of the amount of Euro 72 thousand for the offence of self-laundering against UniCredit. From the seizure order it emerges that investigations for the administrative offence under Article 25-octies of Legislative Decree No. 231/2001 are pending against UniCredit for the crime of self-laundering.

On 2 October 2019, the Bank and certain individuals received the notice of conclusion of the investigations pursuant to Article 415-bis of the Italian Code of criminal procedure. The notice confirmed the involvement of certain current and former employees for the offence of aggravated fraud and self-laundering. With regard to the latter, self-laundering serves as a predicate crime for the administrative liability of the Bank under Legislative Decree No. 231/2001. In September 2020, a new

notice pursuant to Article 415-bis of the Italian Code of Criminal Procedure was served on certain individuals already involved in the proceedings. The allegations against the UniCredit individuals only pertain to the offence of fraud. Such new allegations do not modify the overall investigative framework as per the notice served in the autumn of 2019. Following the notification of the notices pursuant to Article 415-bis, if the Public Prosecutor determines to request the indictment for all or part of the subjects involved, the preliminary hearing phase will take place.

*Proceeedings related to Tax matters*

**Pending cases arising during the period**

UniCredit filed a claim, in September 2020, against a partial denial of an IRES tax refund for the years 2007, 2008 and 2009 following a partial refund in July 2020. The amount of the litigation is Euro 1,9 million, equal to the amount of the credit registered in the accounting books of the bank. The claim aims at receiving the repayment of a share of principal and higher interests accrued on the principal already paid as well as on the share of principal still to be paid.

**Updates on pending disputes and tax audits**

With reference to pending disputes and tax audits, the following information is reported:

- At the end of the proceedings amounting to Euro 0.5 million pending before the Supreme Court relating to a tax assessment for IRPEG and ILOR 1987 referred to former Carimonte Banca S.p.A., the Court issued a judgment in July 2020 partially in favour of the bank (it upheld the claim concerning the calculation of the percentage of deductibility of passive interests and other costs and charges for ILOR purposes) and referred the parties to the second degree Tax Court. The bank, following an in-depth assessment of the outcome of the referred proceedings, decided not to file a claim before the second degree Tax Court.

- As to a set of proceedings relating to denial of refund of IRAP 2001 credits and IRPEG 2000 and 2001 credits, for a total amount of Euro 9.3 million, the Tax Agency filed different claims before the Supreme Court against the judgements issued in favour of the bank by the second degree Tax Court and it also filed appeals for the revision of said judgements. The proceedings are actually pending before both the Supreme Court and the second-degree Tax Court.

- UniCredit, following a tax audit carried out on the "Fondo Pensione C.C.R.V.E.", was served with notices imposing penalties for VAT purposes against former UniCredit Real Estate S.C.p.a., for alleged violation of invoicing rules in relation to rental fees paid to Fondo Pensione C.C.R.V.E. for the years 2007 – 2012. As to the fiscal years 2007 – 2011, the proceedings are pending before the Supreme Court (Euro 0.5 million). As concerns the year 2012 (Euro 0.1 million), UniCredit, in November 2020, filed an appeal before the second-degree Tax Court against the decision of the first-degree Tax Court and the proceeding is pending.

- In the context of a set of litigations in charge to UniCredit S.p.A., following the sale back, in June 2020, of tax credits previously assigned to Banca Farmafactoring. S.p.A., with specific reference to a litigation concerning the implied decision of denial ("*silenzio rifiuto*") of a tax refund request for IRPEG 1997 submitted by former Banca di Roma S.p.A., equal to Euro 43.5 million, UniCredit, in September 2020, filed an appeal against the decision of the first-degree Tax Court. For the other litigations relating to the same matter, UniCredit will become a party in the proceedings and will request the exclusion of Banca FarmaFactoring from said proceedings according to Article 111, Italian Code of Civil Procedure.

- The Supreme Court issued a decision in September 2020 regarding a notice of assessment referred to former UniCredit Banca S.p.A. and concerning VAT 2004 for a claimed amount of Euro 2,27 million. The decision is partially in favour of the Tax Agency and the Supreme Court referred the parties to the second-degree Tax Court to rule also on legal expenses. The claims

raised by the Tax Agency are related to the costs paid by some legal entities of the Group for company meetings abroad. The bank will file a claim before the second-degree Tax Court.

- With reference to the settlement of tax litigations, the following information is reported:
  - as to the settlement of tax litigations according to Law Decree No. 119/2018 with the payment of Euro 2,1 million, that was mentioned in the financial statements of 2019, all settlements were finalized as no formal denial has been notified by the Tax Agency, according to Article 6 of Law Decree No. 119/2018; moreover, the proceedings were suspended up to 31 December 2020;
  - the litigation relating to a request of payment served to UniCredit S.p.A. in its quality of incorporating entity of UniCredit Bank Austria A.G. Italian branch, by which it was claimed failure to pay withholding taxes for an amount of Euro 1,5 million, was settled out of Court following the total cancellation of the request by the Tax Agency;
  - in March 2020, UniCredit Bank A.G. Milan branch was served with a request of documents on transfer pricing issues for the fiscal years 2015, 2016 and 2017; the claim was settled by means of the so-called "*accertamento con adesione*" administrative procedure with the payment of Euro 0.8 million.

- As to the notices of assessment relating to VAT for the fiscal years 2013 e 2014 referred to UniCredit Bank A.G. Italian branch, total amount Euro 27,31 million, in October 2020, the Tax Agency cancelled the requests for the entire amount for both the fiscal years.
- The Italian Tax Police ("*Guardia di Finanza*") carried out on UniCredit Leasing S.p.A. a tax audit for the fiscal years 2014 – 2017: for the year 2014 the company was served with a notice of assessment and Euro 0.22 million were paid; for the year 2015 the Tax Policy issued a tax audit report, no claims were raised and the bank notified its comments ("*osservazioni*"). The audit aimed at assessing compliance with tax obligations relating to VAT with specific reference to leasing contracts concerning ships sailing on high seas and used for trade purposes for the years 2014 – 2017. As concerns the fiscal years 2016 and 2017, the tax audit is ongoing.

For more information, reference is made to the information that has been disclosed in the Consolidated Financial Statements as at 31 December 2020.

As at 31 December 2019, the provisions for tax risks referred to tax litigation, tax audit and tax credits amounted to Euro 177.9 million, of which Euro 6.5 million for legal expenses. As at 31 December 2020, the provisions for the above-mentioned tax risks amount to Euro 180.76 million, of which Euro 6.37 million for legal expenses.

*Proceedings connected with Supervisory Authority Measures*

The UniCredit Group is subject to complex regulation and supervision by, *inter alia*, the Bank of Italy, CONSOB, the EBA, the ECB within the European System of Central Banks (ESCB), as well as other supervisory authorities. In this context, the UniCredit Group is subject to normal supervision by the competent authorities. Some supervisory actions have resulted in investigations and charges of alleged irregularities that are in progress as at the date of this Base Prospectus. The Group has acted to prove the regularity of its operations and does not believe that these proceedings could have relevant effects on the financial situation or profitability of the Issuer and/or the UniCredit Group.

In this regard, it should be noted that, on 5 February 2020, the Italian Personal Data Protection Authority notified UniCredit of the start of sanctioning proceedings regarding a violation of customers' personal data following a Cyber-attack (data breach) occurred in October 2018, communicated through its Group website on 22 October 2018. As required by the "Italian personal data protection Code" (Article 166, c. 6 of Legislative Decree 196/03) the Bank has presented its statement of defence on the matter and explained its argument during the hearing with the Authority in September 2020. It is currently not possible to define the timeline and outcome of the proceedings.

## 7. ADDITIONAL INFORMATION

### 7.1 Share capital

As at the date of this Base Prospectus, UniCredit's share capital, fully subscribed and paid up, amounted to Euro 21,133,469,082.48, comprising 2,243,550,408 ordinary shares without nominal value.

### 7.2 Memorandum and Articles of Association

The Issuer was established in Genoa, Italy by way of a private deed dated 28 April 1870.

The Issuer is registered with the Company Register of Milano-Monza-Brianza-Lodi under registration number, fiscal code and VAT number no. 00348170101.

The current Articles of Association was registered with the Company Register of Milano-Monza-Brianza-Lodi on 30 March 2021.

Pursuant to Clause 4 of the Articles of Association, the purpose of the Issuer is to engage in deposit-taking and lending in its various forms, in Italy and abroad, operating wherever in accordance with prevailing norms and practice. It may execute, while complying with prevailing legal requirements, all permitted transactions and services of a banking and financial nature. In order to achieve its corporate purpose as efficiently as possible, the Issuer may engage in any activity that is instrumental or in any case related to the above. The Issuer, in compliance with current legal provisions, may issue bonds and acquire shareholdings in Italy and abroad.

## 8. MATERIAL CONTRACTS

8.1 Except for the ordinary course of business, UniCredit has not entered into any material contract which could result in any group member being under an obligation or an entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the securities being issued.

# Book Entry Clearance Systems

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the **Clearing Systems**) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, the Trustee (in the case of English Law Notes), the Agents nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee (in the case of English Law Notes), the Agents nor any other party to the Agency Agreement for the English Law Notes and to the Agency Agreement for the Italian Law Notes will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records or payments relating to such beneficial ownership interests. Information in this section has been derived from the Clearing Systems.

**BOOK-ENTRY SYSTEMS**

**DTC**

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, a member of the Federal Reserve System and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds and provides asset servicing for securities that its participants (**Direct Participants**) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerised book-entry changes between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of the Depositary Trust & Clearing Corporation (**DTCC**). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**) and, together with Direct Participants, **Participants**). More information about DTC can be found at www.dtcc.com and www.dtc.org but such information is not incorporated by reference in and does not form part of this Base Prospectus. DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Direct or Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at *www.dtcc.com* (For the avoidance of doubt the content of the website *www.dtcc.com* does not form part of this Base Prospectus).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the **DTC Rules**), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system (**DTC Notes**) as described below and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the United States Securities and Exchange Commission. Direct and Indirect Participants with which beneficial owners of DTC Notes (**Owners**) have accounts with respect to the DTC Notes are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants can receive payments and transfer their interest with respect to the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note (**Beneficial Owner**) is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by

entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other nominee as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping an account of their holdings of DTC Notes on behalf of their customers.

Delivery of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes of a Series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC will mail an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Direct or Indirect Participant and not of DTC or its nominee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

A Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Notes to the relevant agent's DTC account.

DTC may discontinue providing its services as depositary with respect to the DTC Notes at any time by giving reasonable notice to the Issuer or the relevant agent. Under such circumstances, in the event that a successor depositary is not obtained, DTC Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depositary). In that event, DTC Note certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take

actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below. The Issuer does not accept any responsibility or liability for any such payments to be made by DTC or by Direct or Indirect Participants.

**Euroclear and Clearstream, Luxembourg**

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

**BOOK-ENTRY OWNERSHIP OF AND PAYMENTS IN RESPECT OF DTC NOTES**

The Issuer will apply to DTC in order to have each Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of DTC Participants. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be held through Direct Participants or Indirect Participants of DTC, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made by the Issuer to the Exchange Agent on behalf of DTC's nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Notes in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit the accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

**TRANSFERS OF NOTES REPRESENTED BY REGISTERED GLOBAL NOTES**

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form (see "*Form of the Notes*"). Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a

Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participants or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant Clearing System in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (**Custodian**) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC Participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a delivery free of payment basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Trustee, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their Direct or Indirect Participants or accountholders of their obligations under the rules and procedures governing their operations, nor will the Issuer, the Trustee, the Agents or any Dealer have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

# Taxation

*The statements herein regarding taxation are based on the laws in force as at the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis.*

*The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.*

***The tax legislation of the Noteholder's Member State and of the Issuer's country of incorporation may have an impact on the income received from the Notes.***

*Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.*

**TAXATION IN THE REPUBLIC OF ITALY**

***Tax treatment of the Notes***

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree 239**) provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), issued, *inter alia*, by Italian banks.

The tax regime set forth by Decree 239 also applies to interest, premium and other income from regulatory capital financial instruments complying with EU and Italian regulatory principles, issued by, *inter alia*, Italian banks, other than shares and assimilated instruments, as set out by Article 2, paragraph 22, of Law Decree No. 138 of 13 August 2011, as converted with amendments by Law No. 148 of 14 September 2011 and as further amended and clarified by Law No. 147 of 27 December 2013, and by Article 9 of Law Decree No. 34 of 30 April 2019, converted into Law No. 58 of 28 June 2019.

***Italian resident Noteholders***

Where an Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected; (b) a non-commercial partnership (with the exception of general partnership, limited partnership and similar entities); (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation (unless the Noteholders has opted for the application of the *risparmio gestito* regime – see "*Capital gains tax*" below), interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a substitute tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent. In the event that the Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity to which the Notes are connected or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on interest, premium and other income relating to the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to the regional tax on productive activities (**IRAP**)).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 (**Decree 351**), and Article 9, par. 1, Legislative Decree No. 44 of 4 March 2014, payments of interest, premiums or other proceeds in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998 (the **Financial Services Act**) or pursuant to Article 14-bis of Law No. 86 of 25 January 1994, and Italian real estate investment companies with fixed capital (the **Real Estate SICAFs** and, together with the Italian resident real estate investment funds, the **Real Estate Funds**) are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of the Real Estate Fund, but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent.; subject to certain conditions, depending on the status of the investor and percentage of participation, income of the Real Estate Fund is subject to taxation in the hands of the unitholder or shareholder regardless of distribution.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF (an investment company with fixed capital other than a Real Estate SICAF) or a SICAV (an investment company with variable capital) established in Italy and either (i) the fund, the SICAF or the SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the **Fund**), and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on such Notes will not be subject to *imposta sostitutiva* nor to any other income tax in the hands of the Fund, but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent. (the **Collective Investment Fund Withholding Tax**).

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period to be subject to a 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, Italian investment companies (*società di intermediazione mobiliare*) (**SIM**s), fiduciary companies, Italian asset management companies (*società di gestione del risparmio*) (**SGR**s), stockbrokers and other entities identified by a decree of the Ministry of Finance (each an **Intermediary**).

An Intermediary (a) must (i) be resident in Italy or (ii) be a permanent establishment in Italy of a non-Italian resident financial intermediary or (iii) an entity or company not resident in Italy, acting through a system of centralised administration of notes and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree 239; and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

***Non-Italian resident Noteholders***

Where the Noteholder is a non-Italian resident without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy as listed in Ministerial Decree of 4 September 1996, as amended by Ministerial Decree of 23 March 2017 and possibly further amended according to Article 11(4)(c) of Decree 239 (as amended by Legislative Decree No.147 of 14 September 2015) (the **White List**); or (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) an institutional investor which is established in a country included in the White List, even if it does not possess the status of taxpayer therein.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. (or at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy.
In order to ensure gross payment, non-Italian resident Noteholders must be the beneficial owners of the payments of interest, premium or other income and (a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance and (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

Failure of a non-Italian resident holder of the Notes to comply in due time with the procedures set forth in Decree 239 and in the relevant implementing rules will result in the application of *imposta sostitutiva* on interests payments to such non resident holder of the Notes.

Non-Italian resident holders of the Notes who are subject to *imposta sostitutiva* may, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of tax residence of the relevant holder of the Notes, provided all conditions for its application are met.

***Atypical securities***

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 26 per cent. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value with or without the payment of periodic interest, and do not give any right to directly or indirectly participate in the management of the issuer or to the business in connection to which the securities were issued, nor to control the same.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the withholding tax on interest, premium and other income relating to the Notes not falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), if such Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Where the Noteholder is (a) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected; (b) an Italian company or a similar Italian commercial entity; (c) a permanent establishment in Italy of a foreign entity; (d) an Italian commercial partnership; or (e) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases, including when the Noteholder is a non-Italian resident, the withholding tax is a final withholding tax. For non-Italian resident Noteholders, the withholding tax rate may be reduced by any applicable tax treaty.

***Capital gains tax***

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an (i) an individual holding the Notes not in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent. Noteholders may set off losses with gains.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

In respect of the application of *imposta sostitutiva*, taxpayers may choose one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Noteholders under (i) to (iii) above, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the investor in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. The relevant Noteholder must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. As an alternative to the tax declaration regime, Italian resident Noteholders under (i) to (iii) above may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the "*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (including permanent establishments in Italy of foreign intermediaries) and (b) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Any capital gains realised by Italian resident Noteholders under (i) to (iii) above who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a substitute tax at a rate of 26 per cent., to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in the annual tax return. Any capital gains realised by a Noteholder who is a Real Estate Fund will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the Real Estate Fund, but subsequent distributions made in favour of unitholders or shareholders will be subject, in certain circumstances, to a withholding tax of 26 per cent.; subject to certain conditions, depending on the status of the investor and percentage of participation, income of the Real Estate Fund is subject to taxation in the hands of the unitholder or the shareholder regardless of distribution.

Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders of shareholders may be subject to the Collective Investment Fund Withholding Tax.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law.

Capital gains realised by non-Italian resident Noteholders, not having a permanent establishment in Italy to which the Notes are connected, from the sale or redemption of Notes traded on regulated markets are neither subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets may in certain circumstances be taxable in Italy if the Notes are held in Italy. However, a non-Italian resident beneficial owner of the capital gains relating to the Notes without a permanent establishment in Italy to which the Notes are effectively connected is not subject to the *imposta sostitutiva* on capital gains realised upon sale or redemption of the Notes, provided that the effective beneficiary: (a) is resident in a country which allows for a satisfactory exchange of information with Italy, as listed in the White List; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is established in a country included in the White List even if it does not possess the status of taxpayer therein. In such cases, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the *risparmio gestito* regime or are subject to the so-called *risparmio amministrato* regime according to Article 6 of Italian Legislative Decree No. 461 of 21 November 1997, may be required to produce in due time to the Italian authorised financial intermediary an appropriate self-declaration stating that they meet the subjective requirements indicated above. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes.

**Inheritance and gift taxes**

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, notes or other securities) as a result of death or donation are taxed as follows:

(i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;

(ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and

(iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in paragraphs (i), (ii) and (iii) on the value exceeding, for each beneficiary, €1,500,000. Under certain conditions the *mortis causa* transfer of financial instruments included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable as set forth by Italian law are exempt from inheritance taxes.

***Transfer tax***

Following the repeal of the Italian transfer tax, contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of €200.00; (ii) private deeds are subject to registration tax only in the case of voluntary registration, explicit reference (*enunciazione*) or case of use (*caso d'uso*).

***Stamp duty***

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (**Decree 201**), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Notes deposited in Italy. The stamp duty applies at a rate of 0.20 per cent.; and cannot exceed €14,000 for taxpayers other than individuals; this stamp duty is determined on the basis of the market value or, if no market value figure is available, the nominal value or redemption amount or in the case the nominal or redemption values cannot be determined, on the purchase value of the Notes held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

***Wealth Tax on securities deposited abroad***

Pursuant to Article 19(18) and Article 18-bis of Decree 201, Italian resident individuals, Italian non-commercial private or public institutions or Italian non-commercial partnerships, holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent (**IVAFE**). For taxpayers other than individuals, IVAFE cannot exceed Euro 14,000 per year.

**THIS TAX IS CALCULATED ON THE MARKET VALUE OF THE NOTES AT THE END OF THE RELEVANT YEAR OR, IF NO MARKET VALUE FIGURE IS AVAILABLE, THE NOMINAL VALUE OR THE REDEMPTION VALUE OR IN THE CASE THE NOMINAL OR REDEMPTION VALUES CANNOT BE DETERMINED, ON THE PURCHASE VALUE OF SUCH FINANCIAL ASSETS HELD OUTSIDE THE ITALIAN TERRITORY. TAXPAYERS ARE ENTITLED TO AN ITALIAN TAX CREDIT EQUIVALENT TO THE AMOUNT OF WEALTH TAXES PAID IN THE STATE WHERE THE FINANCIAL ASSETS ARE HELD (UP TO AN AMOUNT EQUAL TO THE ITALIAN WEALTH TAX DUE).**

**TAXATION IN LUXEMBOURG**

*The following information is of a general nature and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.*

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

**Withholding Tax**

**(a) Non-resident holders of Notes**

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

**(b) Resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the **Relibi Law**), as amended, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding

tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law would be subject to a withholding tax of 20 per cent.

**Automatic Exchange of Information**

The Issuer may be required to report certain information about its holders of Notes and, as the case may be, about individuals controlling holders of Notes that are entities, on an automatic and annual basis to the Luxembourg direct tax administration (*Administration des contributions directes*) in accordance with, and subject to, the Luxembourg law of 24 July 2015 concerning FATCA, and/or the Luxembourg law of 18 December 2015 implementing Council Directive 2014/107/EU and the standard for automatic exchange of financial account information in tax matters developed by the OECD with the G20 countries (commonly referred to as the "Common Reporting Standard"), each as amended from time to time (each an **AEOI Law** and collectively the **AEOI Laws**). Such information, which may include personal data (including, without limitation, the name, address, country(ies) of tax residence, date and place of birth and tax identification number(s) of any reportable individual) and certain financial data about the relevant Notes (including, without limitation, their balance or value and gross payments made thereunder), will be transferred by the Luxembourg direct tax administration to the competent authorities of the relevant foreign jurisdictions in accordance with, and subject to, the relevant Luxembourg legislation and international agreements.

Investors should consult their professional tax advisers.

**TAXATION IN THE FEDERAL REPUBLIC OF GERMANY**

*The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This overview is based on the tax laws of Germany currently in force and as applied on the date of this Base Prospectus, which are subject to change, possibly with retroactive or retrospective effect.*

*As each Series or Tranche of Notes may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Notes as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment. Tax consequences that may arise if an investor combines certain series of Notes so that he or she derives a certain return are not discussed herein.*

*The law as currently in effect provides for a reduced tax rate for certain investment income. There is an on-going discussion in Germany whether the reduced tax rate should be increased or abolished altogether so that investment income would be taxed at regular rates. It is still unclear, whether, how and when the current discussion may result in any legislative changes.*

*Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of Notes, including the effect of any state, local or church taxes, under the tax laws of Germany and any country in which they are resident or whose tax laws apply to them for other reasons.*

**German Tax Residents**

This section "*German Tax Residents*" refers to persons who are tax residents of Germany (i.e. persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

*Withholding tax on on-going payments and capital gains*

On-going payments received by a non-business Noteholder will be subject to German withholding tax if the Notes are kept or administered in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a **Disbursing Agent**, *auszahlende Stelle*). The tax rate is 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon, the total withholding being 26.375 per cent.). For individual Noteholders who are subject to church tax an electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the

Noteholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the Noteholder will be assessed to church tax.

The same treatment applies to capital gains (i.e. the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal, redemption, repayment or assignment and the cost of acquisition) derived by a non-business Noteholder provided the Notes have been kept or administered in a custodial account with the same Disbursing Agent since the time of their acquisition. If similar Notes kept or administered in the same custodial account were acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purposes of determining the capital gains. Where Notes are acquired and/or sold or redeemed in a currency other than Euro, the sales/redemption price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively with the result that any currency gains or losses are part of the capital gains. If the principal debtor of the Notes is substituted, this substitution might, for German tax purposes, be treated as an exchange of the Notes for new notes issued by the new principal debtor. Such a substitution could result in the recognition of a taxable gain or loss for the respective investors. If Coupons or interest claims are disposed of separately (i.e. without the Notes), the proceeds from the disposal are subject to withholding tax. The same applies to proceeds from the payment of Coupons or interest claims if the Notes have been disposed of separately.

To the extent the Notes have not been kept or administered in a custodial account with the same Disbursing Agent since the time of their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375 per cent. (including solidarity surcharge, plus church tax, if applicable) on 30 per cent. of the disposal proceeds (plus interest accrued on the Notes (**Accrued Interest**, *Stückzinsen*), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution from another Member State of the European Union or the European Economic Area or from certain other countries (e.g. Switzerland or Andorra).

Pursuant to administrative guidance losses incurred by a Noteholder from bad debt (*Forderungsausfall*) or a waiver of a receivable (*Forderungsverzicht*) are generally not tax-deductible. Despite conflicting case law of the Federal Tax Court (*Bundesfinanzhof*) in this regard and deviating provisions for the tax levied by assessment (see below) the Disbursing Agent has to follow the view of the tax authorities expressed in the administrative guidance when computing the tax to be withheld. It is not yet clear if and to what extent the tax authorities will reflect the recent developments in their interpretation of the law. The same rules should apply if the Notes expire worthless. In computing any German tax to be withheld, the Disbursing Agent generally deducts from the basis of the withholding tax negative investment income realised by a non-business Noteholder via the Disbursing Agent (e.g. losses from the sale of other securities with the exception of shares) subject to certain requirements. The Disbursing Agent also deducts Accrued Interest on the Notes or other securities paid separately upon the acquisition of the respective security by a non-business Noteholder via the Disbursing Agent. In addition, subject to certain requirements and restrictions the Disbursing Agent credits foreign withholding taxes levied on investment income in a given year regarding securities held by a non-business Noteholder in the custodial account with the Disbursing Agent.

Non-business Noteholders are entitled to an annual allowance (*Sparer-Pauschbetrag*) of €801 (€1,602 for couples and partners filing jointly) for all investment income received in a given year. Upon the non-business Noteholder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the Noteholder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporation while on-going payments, such as interest payments, are subject to withholding tax (irrespective of any deductions of foreign tax and capital losses incurred). The same may apply where the Notes form part of a trade or business, subject to further requirements being met.

*Taxation of current income and capital gains*

The personal income tax liability of a non-business Noteholder deriving income from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in the case of Notes kept in custody abroad, or if no Disbursing Agent is involved in the payment process, the non-business Noteholder must report his or her income and capital gains derived from the Notes on his or her tax

return and then will also be taxed at a rate of 25 per cent. (plus solidarity surcharge and church tax thereon, where applicable). If the withholding tax on a disposal, redemption, repayment or assignment has been calculated from 30 per cent. of the disposal proceeds (rather than from the actual gain), a non-business Noteholder may and in case the actual gain is higher than 30 per cent. of the disposal proceeds must also apply for an assessment on the basis of his or her actual acquisition costs. Further, a non-business Noteholder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemized basis is not permitted.

Losses incurred with respect to the Notes can, in certain cases subject to certain limitations, only be off-set against investment income of the non-business Noteholder realised in the same or the following years. Losses from capital claims of private investors may be offset against income derived from capital investments up to an amount of EUR 20,000.00 p.a. Losses exceeding that threshold can be carried forward.

Where Notes form part of a trade or business the withholding tax, if any, will not settle the personal or corporate income tax liability. Where Notes form part of a trade or business, interest (accrued) must be taken into account as income. Where Notes qualify as Zero Coupon Notes and form part of a trade or business, each year the part of the difference between the issue or purchase price and the redemption amount attributable to such year must be taken into account. The respective Noteholder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the Noteholder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the Noteholder.

Where Notes form part of a German trade or business the current income and gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax. Where according to an applicable accounting standard Notes include an embedded derivative the Noteholder may have to account for a receivable and a derivative. The deduction of losses from derivatives may be ring-fenced as discussed below.

**Non-German Tax Residents**

Interest and capital gains are not subject to German taxation, unless (a) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Noteholder or (b) the income otherwise constitutes German-source income. In cases (a) and (b) a tax regime similar to that explained above in the subsection "*German Tax Residents*" applies.

Non residents of Germany are, in general, exempt from German withholding tax on interest and capital gains. However, where the income is subject to German taxation as set forth in the preceding paragraph and the Notes are kept or administered in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Notes are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposal, assignment or redemption of a Note or a Coupon are paid by a Disbursing Agent to a non-resident upon delivery of the Note or the Coupon, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

**Solidarity surcharge**

Please note that according to a bill enacted in December 2019, the solidarity surcharge is partially abolished as of the assessment period 2021 for certain individuals. The solidarity surcharge continues to apply to investment income and, thus, on withholding taxes levied. In case the individual income tax burden for a non-business Noteholder tax resident in Germany is lower than 25 per cent. such Noteholder can apply for his/her investment income being assessed at his/her individual tariff-based income tax rate in which case solidarity surcharge would be refunded (see above).

**Inheritance and Gift Tax**

No inheritance or gift taxes with respect to any Notes will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

**Other Taxes**

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax (*Vermögensteuer)* is not levied in Germany.]

**TAXATION IN AUSTRIA**

*This section on taxation contains a brief overview of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the Notes in Austria. This overview does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal or tax advice. This overview is based on the currently applicable tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential investors in the Notes consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the Notes. Tax risks resulting from the Notes (in particular from a potential qualification as a foreign investment fund within the meaning of sec. 188 of the Austrian Investment Funds Act 2011 (*Investmentfondsgesetz 2011*) or as equity for tax purposes instead of debt) shall in any case be borne by the investor. For the purposes of the following it is assumed that the Notes are legally and factually offered to an indefinite number of persons in the sense of sec. 27a(2)(2) of the Austrian Income Tax Act (Einkommensteuergesetz).*

**General remarks**

Individuals having a domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*), both as defined in sec. 26 of the Austrian Federal Fiscal Procedures Act (*Bundesabgabenordnung*), in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*), both as defined in sec. 27 of the Austrian Federal Fiscal Procedures Act, in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations having neither their place of management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

**Income taxation**

Austrian statutory law does not contain specific provisions on the qualification of Additional Tier 1 instruments for Austrian (corporate) income tax purposes. However, pursuant to § 8(3)(1) item 2 of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*), which is typically applied for purposes of qualifying hybrid instruments either as equity or as debt for Austrian (corporate) income tax purposes, jouissance rights and other financial instruments (*Genussrechte und sonstige Finanzierungsinstrumente*) granting a right to participate in both the current profits and the liquidation profits of the issuer are to be qualified as equity instruments. In contrast thereto, jouissance rights and other financial instruments granting a right to participate either in the current profits or in the liquidation profits of the issuer or in neither of the two categories are to be qualified as debt instruments. In addition, reference has to be made to jurisprudence of the Austrian Supreme Administrative Court (*Verwaltungsgerichthof*). Pursuant thereto, in order that hybrid instruments, such as jouissance rights, qualify as equity, it is indispensable that they grant a right to participate in both the current profits and the liquidation profits of an issuer; in addition, typical equity-like criteria have to outweigh typical debt-like criteria from a quantitative and qualitative perspective, thereby taking into account the instrument's term, the profit dependency of distributions, the participation in the issuer's substance/liquidation gain, the granting of securities, a potential subordination and the lack of typical shareholder control and voting rights. The Austrian Ministry of Finance

(*Bundesministerium für Finanzen*) states the following in the Austrian Corporate Income Tax Guidelines (*Körperschaftsteuerrichtlinien*): Instruments qualify as equity-type jouissance rights and other financial instruments in the meaning of § 8(3)(1) item 2 of the Austrian Corporate Income Tax Act if they grant a right to participate in the current profits and the liquidation profits of a corporation. Both prerequisites mentioned in the statute must be fulfilled. In case no participation in the current profits, in the liquidation profits, or in both types of profits exists, an instrument qualifies as a debt-type jouissance right (*i.e.*, as debt); consequently, payments under such an instrument are tax deductible. Jouissance rights and other financial instruments fulfilling the prerequisites of § 8(3)(1) item 2 of the Austrian Corporate Income Tax Act are to be qualified as equity for income tax purposes; all kinds of distributions under such instruments qualify as tax-neutral use of income. Additional Tier 1 instruments and Tier 2 instruments in the meaning of arts. 51 and 62 CRR are qualified as equity or debt for tax purposes in line with the criteria outlined in § 8(3)(1) item 2 of the Austrian Corporate Income Tax Act; usually such instruments will qualify as debt for tax purposes. For purposes of the following, the Issuer assumes that the Notes qualify as debt for Austrian (corporate) income tax purposes. In case of a qualification of the Notes as equity, the tax consequences would substantially differ from those described below.

Pursuant to sec. 27(1) of the Austrian Income Tax Act, the term investment income (*Einkünfte aus Kapitalvermögen*) comprises:

(a) income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest; the tax basis is the amount of the earnings received (sec. 27a(3)(1) of the Austrian Income Tax Act);

(b) income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the alienation, redemption and other realisation of assets that lead to income from the letting of capital (including zero coupon bonds); the tax basis amounts to the sales proceeds or the redemption amount minus the acquisition costs, in each case including accrued interest (sec. 27a(3)(2)(a) of the Austrian Income Tax Act); and

(c) income from derivatives (*Einkünfte aus Derivaten*) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates (the mere exercise of an option does not trigger tax liability); e.g., in the case of index certificates, the tax basis amounts to the sales proceeds or the redemption amount minus the acquisition costs (sec. 27a(3)(3)(c) of the Austrian Income Tax Act).

Also the withdrawal of the Notes from a securities account (*Depotentnahme*) and circumstances leading to a restriction of Austria's taxation right regarding the Notes *vis-à-vis* other countries, *e.g.* a relocation from Austria (*Wegzug*), are in general deemed to constitute a sale (*cf.* sec. 27(6)(1) and (2) of the Austrian Income Tax Act). The tax basis amounts to the fair market value minus the acquisition costs (sec. 27a(3)(2)(b) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding the Notes as non-business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. Investment income from the Notes with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*), is subject to withholding tax (*Kapitalertragsteuer*) at a flat rate of 27.5 per cent.; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act). Investment income from the Notes without an Austrian nexus must be included in the investor's income tax return and is subject to income tax at the flat rate of 27.5 per cent. In both cases upon application the option exists to tax all income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). The acquisition costs must not include ancillary acquisition costs (*Anschaffungsnebenkosten*; sec. 27a(4)(2) of the Austrian Income Tax Act). Expenses such as bank charges and custody fees must not be deducted (sec. 20(2) of the Austrian Income Tax Act); this also applies if the option to regular taxation is exercised. Sec. 27(8) of the Austrian Income Tax Act, *inter alia*, provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives may be neither offset against interest from bank accounts and other non-securitized claims *vis-à-vis* credit institutions (except for cash settlements and lending fees) nor against income from private foundations, foreign private law foundations and other comparable legal estates (*Privatstiftungen, ausländische Stiftungen oder sonstige Vermögensmassen, die mit*

*einer Privatstiftung vergleichbar sind*); income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act may not be offset against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already offset against positive investment income may not be offset against other types of income. The Austrian custodian agent has to effect the offsetting of losses by taking into account all of a taxpayer's securities accounts with the custodian agent, in line with sec. 93(6) of the Austrian Income Tax Act, and to issue a written confirmation to the taxpayer to this effect.

Individuals subject to unlimited income tax liability in Austria holding the Notes as business assets are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. Investment income from the Notes with an Austrian nexus is subject to withholding tax at a flat rate of 27.5 per cent. While withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives must be included in the investor's income tax return (nevertheless income tax at the flat rate of 27.5 per cent.). Investment income from the Notes without an Austrian nexus must always be included in the investor's income tax return and is subject to income tax at the flat rate of 27.5 per cent. In both cases upon application the option exists to tax all income subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). The flat tax rate does not apply to income from realised increases in value and income from derivatives if realizing these types of income constitutes a key area of the respective investor's business activity (sec. 27a(6) of the Austrian Income Tax Act). Expenses such as bank charges and custody fees must not be deducted (sec. 20(2) of the Austrian Income Tax Act); this also applies if the option to regular taxation is exercised. Pursuant to sec. 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the alienation, redemption and other realisation of financial assets and derivatives in the sense of sec. 27(3) and (4) of the Austrian Income Tax Act, which are subject to income tax at the flat rate of 27.5 per cent., are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets within the same business unit (*Wirtschaftsgüter desselben Betriebes*); only 55 per cent. of the remaining negative difference may be offset against other types of income.

Pursuant to sec. 7(2) of the Austrian Corporate Income Tax Act, corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on income in the sense of sec. 27(1) of the Austrian Income Tax Act from the Notes at a rate of 25 per cent. Income in the sense of sec. 27(1) of the Austrian Income Tax Act from the Notes with an Austrian nexus is generally subject to withholding tax at a flat rate of 27.5 per cent. However, pursuant to sec. 93(1a) of the Austrian Income Tax Act, the withholding agent may apply a 25 per cent. rate if the debtor of the withholding tax is a corporation. Such withholding tax can be credited against the corporate income tax liability. Under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act withholding tax is not levied in the first place. Losses from the alienation of the Notes can be offset against other income.

Pursuant to sec. 13(3)(1) in connection with sec. 22(2) of the Austrian Corporate Income Tax Act, private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act and holding the Notes as non-business assets are subject to interim taxation at a rate of 25 per cent. on interest income, income from realised increases in value and income from derivatives (*inter alia*, if the latter are in the form of securities). Pursuant to the Austrian tax authorities' view, the acquisition costs must not include ancillary acquisition costs. Expenses such as bank charges and custody fees must not be deducted (sec. 12(2) of the Austrian Corporate Income Tax Act). Interim tax is generally not triggered insofar as distributions subject to withholding tax are made to beneficiaries in the same tax period. Investment income from the Notes with an Austrian nexus is in general subject to withholding tax at a flat rate of 27.5 per cent. However, pursuant to sec. 93(1a) of the Austrian Income Tax Act, the withholding agent may apply a 25 per cent. rate if the debtor of the withholding tax is a corporation. Such withholding tax can be credited against the tax triggered. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act withholding tax is not levied.

Individuals and corporations subject to limited (corporate) income tax liability in Austria are taxable on income from the Notes if they have a permanent establishment (*Betriebsstätte*) in Austria and the Notes are attributable to such permanent establishment (*cf.* sec. 98(1)(3) of the Austrian Income Tax Act, sec. 21(1)(1) of the Austrian Corporate Income Tax Act). In addition, individuals subject to limited income tax liability in Austria are also taxable on interest in the sense of sec. 27(2)(2) of the Austrian Income Tax Act and

accrued interest (including from zero coupon bonds) in the sense of sec. 27(6)(5) of the Austrian Income Tax Act from the Notes if the (accrued) interest has an Austrian nexus and if withholding tax is levied on such (accrued) interest. This does not apply to an individual being resident in a state with which automatic exchange of information exists, if the individual provides a certificate of residence to the withholding agent. Interest with an Austrian nexus is interest the debtor of which has its place of management and/or its legal seat in Austria or is an Austrian branch of a non-Austrian credit institution; accrued interest with an Austrian nexus is accrued interest from securities issued by an Austrian issuer (sec. 98(1)(5)(b) of the Austrian Income Tax Act). The Issuer understands that no taxation applies in the case at hand.

Pursuant to sec. 188 of the Austrian Investment Funds Act 2011, the term "foreign investment fund" comprises (i) undertakings for collective investment in transferable securities the member state of origin of which is not Austria; (ii) alternative investment funds pursuant to the Austrian Act on Alternative Investment Fund Managers (*Alternative Investmentfonds Manager-Gesetz*) the state of origin of which is not Austria; and (iii) secondarily, undertakings subject to a foreign jurisdiction, irrespective of the legal form they are organized in, the assets of which are invested according to the principle of risk-spreading on the basis either of a statute, of the undertaking's articles or of customary exercise, if one of the following conditions is fulfilled: (a) the undertaking is factually, directly or indirectly, not subject to a corporate income tax in its state of residence that is comparable to Austrian corporate income tax; (b) the profits of the undertaking are in its state of residence subject to corporate income tax that is comparable to Austrian corporate income tax, at a rate of less than 15 per cent.; or (c) the undertaking is subject to a comprehensive personal or material tax exemption in its state of residence. Certain collective investment vehicles investing in real estate are exempted. In case of a qualification as a foreign investment fund, the tax consequences would substantially differ from those described above: A special type of transparency principle would be applied, pursuant to which generally both distributed income as well as deemed income would be subject to Austrian (corporate) income tax.

**Inheritance and gift taxation**

Austria does not levy inheritance or gift tax.

Certain gratuitous transfers of assets to private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation transfer tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Transfer Tax Act (*Stiftungseingangssteuergesetz*) if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat and/or their place of management in Austria. Certain exemptions apply in cases of transfers *mortis causa* of financial assets within the meaning of sec. 27(3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income from such financial assets is subject to income tax at a flat rate pursuant to sec. 27a(1) of the Austrian Income Tax Act. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate generally is 2.5 per cent., with higher rates applying in special cases.

In addition, there is a special notification obligation for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles if the donor and/or the donee have a domicile, their habitual abode, their legal seat and/or their place of management in Austria. Not all gifts are covered by the notification obligation: In case of gifts to certain related parties, a threshold of EUR 50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Transfer Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may trigger fines of up to 10 per cent. of the fair market value of the assets transferred.

Further, gratuitous transfers of the Notes may trigger income tax at the level of the transferor pursuant to sec. 27(6)(1) and (2) of the Austrian Income Tax Act (see above).

**Stamp duty**

The assignment of receivables and other rights (and, under certain circumstances, the transfer of a contractual position) triggers Austrian stamp duty (*Rechtsgeschäftsgebühr*) pursuant to the Austrian Stamp Duty Act (*Gebührengesetz*) if (i) a written deed (*Urkunde*) pursuant to sec. 15 of the Austrian Stamp Duty Act is set up and

(ii) an Austrian nexus in the sense of sec. 16 of the Austrian Stamp Duty Act exists. Such stamp duty generally amounts to 0.8 per cent. of the consideration.

**THE EUROPEAN PROPOSED FINANCIAL TRANSACTIONS TAX (FTT)**

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**) as well as Estonia. However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

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

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Therefore, it is currently uncertain whether and when the proposed FTT will be enacted by the participating EU Member States and when it will take effect with regard to dealings in the Notes.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

**FOREIGN ACCOUNT TAX COMPLIANCE ACT**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as **FATCA**, a "foreign financial institution" may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Italy) have entered into, or have agreed in substance to, intergovernmental agreements wth the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdiction. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are published generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional notes (as described under Condition 19 (*Further Issues*) of the Terms and Conditions for the English Law Notes and of the Terms and Conditions for the Italian Law Notes) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

**TAXATION IN SINGAPORE**

*The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Inland Revenue Authority of Singapore (the **IRAS**) and*

*the Monetary Authority of Singapore (MAS) in force as at the date of this Base Prospectus and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and no assurance can be given that the relevant tax authorities or the courts will agree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Base Prospectus are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes (particularly structured Notes) and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant financial sector incentive(s)) may be subject to special rules or tax rates. The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. The statements also do not consider any specific facts or circumstance that may apply to any particular purchaser. Noteholders and prospective Noteholders are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Notes, including the effect of any foreign, state or local tax laws to which they are subject.*

It is emphasised that neither the Issuer nor any Dealer nor any other persons involved in the Programme accept responsibility for any tax effects or liabilities resulting from the subscription for, or purchase, holding or disposal of the Notes.

The descriptions below are not intended to apply to any Notes issued by, or issued for the purposes of funding, the Singapore Branch of the Issuer.

**Interest and Other Payments**

If more than half of any tranche of Notes issued under the Programme on or after the date of this Base Prospectus and on or before 31 December 2023 are distributed by financial sector incentive (bond market) companies or financial sector incentive (capital market) companies or financial sector incentive (standard tier) companies for the purposes of the Income Tax Act, Chapter 134 of Singapore (**ITA**), that tranche of Notes (**Relevant Notes**) would be "qualifying debt securities" for the purposes of the ITA and, subject to certain conditions having been fulfilled (including the furnishing of a return on debt securitiesto the MAS in respect of the Relevant Notes within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, **Specified Income**) from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent (except for holders of the relevant financial sector incentive(s) who may be taxed at different rates).

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Relevant Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the ITA shall not apply if such person acquires such Relevant Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

However, notwithstanding the foregoing:

(a) if during the primary launch of any Relevant Notes, the Relevant Notes are issued to fewer than 4-four persons and 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as "qualifying debt securities"; and

(b) even though Relevant Notes are "qualifying debt securities", if, at any time during the tenure of such Relevant Notes, 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded,

directly or indirectly, by related parties of the Issuer, Specified Income from such Relevant Notes derived by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the concessionary rate of tax of 10 per cent. as described above.

The terms "break cost", "prepayment fee" and "redemption premium" are defined in the ITA as follows:

**break cost** means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

**prepayment fee** means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

**redemption premium** means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore taxation section have the same meaning as defined in the ITA.

The term related party, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

**Capital Gains**

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or are required to apply adopting Singapore Financial Reporting Standard 39 (**FRS 39**), Financial Reporting Standard 109 - Financial Instruments (**FRS 109**) or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) (**SFRS(I) 9**) (as the case may be) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see "*Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes*"below.

**Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes**

Subject to certain “opt-out” provisions, Section 34A of the ITA requires taxpayers who adopt or are required to adopt FRS 39 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 39, subject to certain exceptions provided in that section. The IRAS has also issued an e-Tax guide entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement” to provide guidance on the Singapore income tax treatment of financial instruments.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who adopt or who are required to adopt FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions provided in that section. The IRAS has also issued an e-Tax guideentitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments (Second Edition)”.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 tax regime, FRS 109 tax regime or the SFRS(I) 9 tax regime should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

**Estate Duty**

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

**HONG KONG TAXATION**

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretations thereof in effect as at the date of this Base Prospectus, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective holders of Notes who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction are advised to consult their own professional advisers.

*Withholding tax*

No withholding tax in Hong Kong is payable on payments of principal or interest with respect to the Notes or in respect of any capital gains arising from the sale of the Notes.

*Profits tax*

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) (the **Inland Revenue Ordinance**) as it is currently applied by the Inland Revenue Department, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(a) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(b) interest on the Notes is derived from Hong Kong and is received by or accrues to a company carrying on a trade, profession or business in Hong Kong; or

(c) interest on the Notes is derived from Hong Kong and is received by or accrues to a person (other than a company, such as a partnership) carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of the Notes will be subject to profits tax.

Sums derived from the sale, disposal or redemption of Bearer Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a corporation, from the carrying on of a trade, profession or business in Hong Kong and the sum has a Hong Kong source. Sums received by or accrued to a corporation (other than a financial institution) by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (as defined in section 16(3) of the Inland Revenue Ordinance) from the sale, disposal or redemption of Bearer Notes will be subject to profits tax. Similarly, such sums in respect of Registered Notes received by or accrued to either the aforementioned financial institution, person and/or corporation will be subject to Hong Kong profits tax if such sums have a Hong Kong source. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

*Stamp duty*

Stamp duty may be payable on the issue of Bearer Notes if they are issued in Hong Kong. Stamp duty will not be payable on the issue of Bearer Notes provided either:

(i) such Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117 of the Laws of Hong Kong)).

If stamp duty is payable it is payable by the Issuer on issue of Bearer Notes at a rate of 3 per cent. of the market value of the Notes at the time of issue.

No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfers of Registered Notes provided either:

(i) the Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) the Registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117 of the Laws of Hong Kong)).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK$5.00 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

*Estate duty*

No Hong Kong estate duty is payable in respect of the Notes.

# Subscription and Sale and Transfer and Selling Restrictions

"The Issuer has represented, warranted and undertaken and each Dealer appointed under the Programme will be required to warrant and undertake that it will comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefor."

The Dealers have, in the Nineteenth Amended and Restated Programme Agreement dated 7 June 2021 (such programme agreement as amended and/or supplemented and/or restated from time to time, the **Programme Agreement**), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions for the English Law Notes"* and "*Terms and Conditions for the Italian Law Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

**TRANSFER RESTRICTIONS**

English Law Notes may be issued in registered form (the **Registered Notes**).

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or *vice versa*, will have been deemed to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(a) that either: (i) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (ii) it is an Institutional Accredited Investor that has delivered an IAI Investment Letter or (iii) it is outside the United States and is not a U.S. person;

(b) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(c) that, unless it holds an interest in a Regulation S Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is two years after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only: (i) to the Issuer or any affiliate thereof; inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A; outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act; pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available); or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;

(d) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (c) above, if then applicable;

(e) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, that Notes offered to Institutional Accredited Investors will be in the form of Definitive IAI Registered Notes and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(f) that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT (1) IT IS A "**QUALIFIED INSTITUTIONAL BUYER**" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS OR (2) IT IS AN INSTITUTIONAL "**ACCREDITED INVESTOR**" (AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT) (AN "**INSTITUTIONAL ACCREDITED INVESTOR**"); (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A FOR RESALES OF THE SECURITY.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

(g) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (a) (i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED

OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART."; and

(h) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Institutional Accredited Investors who purchase Registered Notes in definitive form offered and sold in the United States in reliance upon the exemption from registration provided by Regulation D of the Securities Act are required to execute and deliver to the Registrar an IAI Investment Letter. Upon execution and delivery of an IAI Investment Letter by an Institutional Accredited Investor, Notes will be issued in definitive registered form, see "*Form of the Notes*".

The IAI Investment Letter will state, among other things, the following:

(i) that the Institutional Accredited Investor has received a copy of the Base Prospectus and such other information as it deems necessary in order to make its investment decision;

(ii) that the Institutional Accredited Investor understands that any subsequent transfer of the Notes is subject to certain restrictions and conditions set forth in the Base Prospectus and the Notes (including those set out above) and that it agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes except in compliance with, such restrictions and conditions and the Securities Act;

(iii) that, in the normal course of its business, the Institutional Accredited Investor invests in or purchases securities similar to the Notes;

(iv) that the Institutional Accredited Investor is an "institutional accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Notes, and it and any accounts for which it is acting are each able to bear the economic risk of its or any such accounts' investment for an indefinite period of time;

(v) that the Institutional Accredited Investor is acquiring the Notes purchased by it for its own account or for one or more accounts (each of which is an Institutional Accredited Investor) as to each of which it exercises sole investment discretion and not with a view to any distribution of the Notes, subject, nevertheless, to the understanding that the disposition of its property shall at all times be and remain within its control; and

(vi) that, in the event that the Institutional Accredited Investor purchases Notes, it will acquire Notes having a minimum purchase price of at least U.S.$500,000 (or the approximate equivalent in another Specified Currency).

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.$100,000 (or its foreign currency equivalent) principal amount or, in the case of sales to Institutional Accredited Investors, U.S.$500,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.$100,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors, U.S.$500,000 (or its foreign currency equivalent) principal amount of Registered Notes.

## SELLING RESTRICTIONS

### United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the same meaning given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms (or Pricing Supplement, in the case of Exempt Notes) will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S (**Regulation S Notes**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.$100,000 (or the approximate equivalent thereof in any other currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of Sections 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

Each issuance of Exempt Notes which are also Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

### Prohibition of Sales to EEA Retail Investors

Unless the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the applicable Final Terms (or applicable Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

(ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**); and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Notes) in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) if the applicable Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a **Non-exempt Offer**) following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression an **offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

**Prohibition of Sales to UK Retail Investors**

Unless the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes

which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as amended, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable Final Terms in respect of any Notes (or applicable Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

- the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

***Other regulatory restrictions***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not apply to the Issuer if it was not an authorised person; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

**Republic of Italy**

Unless specified in the relevant Final Terms that a Non-exempt Offer may be made in Italy, the offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa (**CONSOB**) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017, as amended (the **Prospectus Regulation**) and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and/or Italian CONSOB regulations; or

(b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under paragraphs (a) or (b) above must:

(i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time), Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Banking Act**), and any other applicable laws and regulations; and

(ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

*Investors should also note that, in connection with the subsequent distribution of the Notes (with a minimum denomination lower than €100,000 or its equivalent in another currency) in the Republic of Italy, in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under paragraph (a) or (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Prospectus Regulation and the applicable Italian laws and regulation. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the Notes for any damages suffered by investors.*

**France**

Each of the Dealers and the Issuer has represented and agreed that it undertakes to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Notes and the distribution in France of the Base Prospectus or any other offering material relating to the Notes.

**Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and accordingly each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or

to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

**The Federal Republic of Germany**

The Notes may only be offered or sold in the Federal Republic of Germany in compliance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and any other laws applicable in the Federal Republic of Germany governing the issue, sale, offering and distribution of the Notes.

**Austria**

In addition to the restrictions described in the sections *"Prohibition of Sales to EEA Retail Investors"* and *"Prohibition of Sales to UK Retail Investors*" above, the Notes may be offered for the first time in Austria only once a notification to the issue calendar (*Emissionkalender*) of the Austrian Control Bank (*Oesterreichische Kontrollbank Aktiengesellschaft*), all as prescribed by the Austrian Capital Market Act 2019 (*Kapitalmarktgesetz 2019*), as amended, has been filed as soon as possible prior to the commencement of the relevant offer of the Notes.

**Singapore**

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

I. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

II. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

I. to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

II. where no consideration is or will be given for the transfer;

III. where the transfer is by operation of law;

IV. as specified in Section 276(7) of the SFA; or

V. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Certain Restrictions applicable to Notes issued in Singapore dollars:

Notes issued in Singapore dollars by a person carrying on a deposit-taking business with a maturity period of less than 12 months and a denomination of less than S$200,000 would be treated as deposits for the purposes of the Banking Act, Chapter 19 of Singapore (the **Singapore Banking Act**), unless the Notes are issued to certain persons, including either:

(a) an individual whose total net assets exceeds S$2 million (or equivalent in foreign currency) at the time of subscription, whose financial assets (net of any related liabilities) exceeds S$1 million (or equivalent in foreign currency) at the time of subscription, or whose income in the 12 months preceding the time of subscription exceeds S$300,000 (or equivalent in foreign currency); or

(b) a company whose net assets (as determined by the last audited-balance sheet of the company) exceeds S$10m (or equivalent in foreign currency) at the time of subscription.

In addition, even where Notes issued in Singapore dollars with a denomination of less than S$200,000 are not treated as deposits for the purposes of the Singapore Banking Act, certain additional information is required to be furnished by an issuer which is carrying on a deposit-taking business. In such case, please refer to the relevant Final Terms for such further information.

**Hong Kong**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that: (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) other than (a) to "**professional investors**" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **CWUMPO**) or which do not constitute an offer to the public within the meaning of CWUMPO; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" as defined in the SFO and any rules made under the SFO.

**People's Republic of China**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, by it or any of its affiliates in the People's Republic of China (**PRC**) (for such purposes, not including the Hong Kong and Macau Special Administrative Regions of the PRC and Taiwan) or to residents of the PRC as part of the initial distribution of the Notes, except as permitted by applicable laws and regulations and approved by the competent authorities of the PRC.

**Australia**

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (Corporations Act)) in relation to the Programme or any Notes has been or will be lodged with the Australian Securities and Investments Commission (**ASIC**). Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it:

(i) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and

(ii) has not distributed or published, and will not distribute or publish, any prospectus, advertisement or other offering material relating to the Notes in Australia,

unless,

(1) the aggregate consideration payable by each offeree or invitee is at least AUD 500,000 (or its equivalent in other currencies, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act,

(2) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act,

(3) such action complies with all applicable laws, regulations and directives, and

(4) such action does not require any document to be lodged with ASIC.

**Taiwan**

The Notes issued under the Programme have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan pursuant to relevant securities laws and regulations. Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes issued under the Programme may not be and will not be offered or sold in Taiwan through a public offering or in circumstance which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires the registration, filing with or approval of the Financial Supervisory Commission of Taiwan. Each Dealer has also acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that no person or entity in Taiwan has been authorised or will be authorised to offer or sell the Notes issued under the Programme in Taiwan.

**General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Trustee (in the case of English Law Notes) nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee (in the case of English Law Notes) and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

# General Information

## AUTHORISATION

The establishment of the Programme has been duly authorised by the resolutions of the Board of Directors of UniCredit dated 2 May 2000. The update of the Programme was duly authorised by the resolutions of the Board of Directors of UniCredit dated 13 January 2021.

## APPROVAL, LISTING AND ADMISSION TO TRADING

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended.

However, Notes may be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

## SELLING CONCESSION OR OTHER CONCESSIONS

A selling concession or other concession may be charged as set out in the Final Terms.

## DOCUMENTS AVAILABLE

For so long as the Notes issued under the Programme will be listed in Luxembourg, copies of the following documents will, when published, be available, in electronic format on the website of the Issuer www.unicreditgroup.eu:

(a) the Memorandum and Articles of Association (with an English translation where applicable) of the Issuer;

(b) the audited consolidated financial statements of the UniCredit Group and the audited financial statements of UniCredit S.p.A. as at and for the financial year ended 31 December 2020 (with an English translation thereof) (the **2020 UniCredit Annual Report and Accounts**);

(c) the audited consolidated financial statements of the UniCredit Group and the audited financial statements of UniCredit S.p.A. as at and for the financial year ended 31 December 2019 (with an English translation thereof);

(d) the unaudited consolidated interim financial information of UniCredit as at and for the three months ended 31 March 2021 (the **UniCredit Unaudited Consolidated Interim Report as at 31 March 2021 – Press Release**) (with an English translation thereof);

(e) the unaudited consolidated interim financial information of UniCredit as at and for the three months ended 31 March 2020 (the **UniCredit Unaudited Consolidated Interim Report as at 31 March 2019 – Press Release**) (with an English translation thereof);

(f) the latest unaudited consolidated interim accounts of UniCredit (with an English translation thereof).

(g) the Sustainability Bond Framework of the Issuer, together with any opinion on each such framework issued by a second party consultant as well as any public reporting by or on behalf of the Issuer in respect of the application of the proceeds of any issue of Green Bonds, Social Bonds and Sustainability Bonds, from time to time published by the Issuer, will be available in the investor relations section on the website of the Issuer at *https://www.unicreditgroup.eu*. For the avoidance of doubt, neither the Issuer's Sustainability Bond Framework nor any second party opinion or public reporting are incorporated in and/or form part of this Prospectus.

UniCredit currently prepares audited consolidated and non-consolidated financial statements on an annual basis and unaudited consolidated financial statements on a quarterly and semi-annual basis.

(h) a copy of this Base Prospectus;

(i) any future prospectuses, information memoranda, supplements and Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

In addition, copies of this Base Prospectus, each Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website (*www.bourse.lu*).

The information on the abovementioned websites does not form part of this Base Prospectus unless information contained therein is expressly incorporated by reference into this Base Prospectus.

## CLEARING SYSTEMS

The Notes in bearer form have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and common code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, NY 10041, USA.

## CONDITIONS FOR DETERMINING PRICE

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

## YIELD

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

## SIGNIFICANT OR MATERIAL ADVERSE CHANGE

*Material adverse change in the prospects of the Issuer and significant change in the financial performance of the Group*

The current market environment is still characterized by uncertainties due to the COVID-19 crisis, with potential effects also on the financial markets, the impact of which on the profitability of the Issuer, in particular in terms of operating income and cost of risk, cannot yet be finally assessed as at the date of this Base Prospectus. Except for the possible impact of the COVID-19 crisis indicated above, there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements as at 31 December 2020.

There has been no significant change in the financial performance of the Group since 31 March 2021 to the date of this Base Prospectus.

*Significant change in the Issuer's financial position*

The current market environment is still characterized by uncertainties due to the COVID-19 crisis, with potential effects also on the financial markets, the impact of which on the profitability of the Group, in particular in terms of operating income and cost of risk, cannot yet be finally assessed as at the date of this Base Prospectus. Except for the possible impact of the COVID-19 crisis indicated above, there has been no significant change in the financial position of the Group which has occurred since 31 March 2021**.**

**TREND INFORMATION**

*Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year*

The current market environment is still characterized by uncertainties due to the COVID-19 crisis, with potential effects also on the financial markets, whose impact on Group's profitability, in particular in terms of operating income and cost of risk, and on the macro scenario and the sector underlying the Strategic Plan 2020-2023, cannot yet be finally assessed as at the date of this Base Prospectus. Except what aforementioned, the Issuer is not aware about any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year. It should be noted that the review of the Strategic Plan initiated following the arrival of the new CEO and the new Board of Directors is expected to be concluded in the second half of 2021.

**PROFIT FORECASTS OR ESTIMATES**

This Base Prospectus does not include any profit forecasts or estimates.

**LITIGATION**

Except as disclosed in this Base Prospectus from page 328 to page 337 (*Legal and arbitration proceedings* and *Proceedings connected with Supervisory Authority Measures*), in the 2020 UniCredit Annual Report and Accounts from page 385 to page 392, neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which, according to the information available at present, may have or have had in such period a significant effect on the financial position or profitability of the Issuer or the Group.

**EXTERNAL AUDITORS**

UniCredit's annual financial statements must be audited by external auditors appointed by its shareholders, under reasoned proposal by UniCredit's Board of Statutory Auditors. The shareholders' resolution and the Board of Statutory Auditors' reasoned proposal are communicated to CONSOB. The external auditors examine UniCredit's annual financial statements and issue an opinion regarding whether its annual financial statements comply with the IAS/IFRS issued by the International Accounting Standards Board as endorsed by the European Union governing their preparation; which is to say whether they are clearly stated and give a true and fair view of the financial position and results of the Group. Their opinion is made available to UniCredit's shareholders prior to the annual general shareholders' meeting. Since 2007, following a modification of the Financial Services Act, listed companies may not appoint the same auditors for more than nine years.

At the ordinary and extraordinary shareholders' meeting of UniCredit held on 11 May 2012, Deloitte & Touche S.p.A. (**Deloitte**) has been appointed to act as UniCredit's external auditor for the 2013-2021 nine-year period, pursuant to Article 13, paragraph 1, of Legislative Decree no. 39/2010 and to CONSOB Communication 97001574 dated 20 February 1997.

Deloitte is a company incorporated under the laws of Italy, enrolled with the Companies' Register of Milan under number 03049560166 and registered with the Register of Statutory Auditors (*Registro dei Revisori Legali*) maintained by Minister of Economy and Finance effective from 7 June 2004 with registration number no: 132587, having its registered office at via Tortona 25, 20144 Milan, Italy.

Deloitte has audited and issued unqualified audit opinions – incorporated by reference in this Base Prospectus – on the consolidated financial statements of the UniCredit Group and on the financial statements of the Issuer for the year ended 31 December 2020 and 31 December 2019.

Except for the financial information contained in the consolidated financial statements of the UniCredit Group and in the financial statements of the Issuer for the year ended on 31 December 2020 and 31 December 2019 and in the interim consolidated financial statements ended on 30 June 2020, no other financial information has been verified by the auditors.

The reports of the auditors of the Issuer are included or incorporated in the form and context in which they are included or incorporated, with the consent of the auditors who have authorised the contents of that part of this Base Prospectus.

No auditors have resigned, have been removed or have not been re-appointed during the financial statements 2019 and 2020.

Furthermore, it should be noted that, with regard to the expiration of the external auditors' engagement described above, at the shareholders' meeting of UniCredit held on 9 April 2020, KPMG S.p.A., with registered office at Via Vittor Pisani 25, Milan, registered with the Register of Statutory Auditors *(Registro dei Revisori Legali)* with registration number no: 00709600159, has been appointed to act as UniCredit's external auditors for the 2022-2030 nine-year period.

**DEALERS' INTERESTS**

Certain of the Dealers and their affiliates may have engaged, and/or may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business and may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer’s affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. UniCredit Bank AG, the Arranger and Dealer, is part of the UniCredit Group. The relevant Final Terms will specify any other interests of natural and legal persons involved in each issue or offer of Notes under the Programme.

# Annex 1 - Further Information Related to Index Linked Notes and Inflation Linked Interest Notes

**FURTHER INFORMATION RELATED TO INDEX LINKED NOTES AND INFLATION LINKED INTEREST NOTES**

The Issuer can issue Notes which are linked to an index (the **Index Linked Notes**) pursuant to the Programme, where the underlying index is either (i) the Italy CPI (the **Italy CPI Linked Notes**), or (ii) the HICP or the Non revised index of Consumer Prices excluding tobacco, measuring the rate of inflation in the European Monetary Union excluding tobacco published by Eurostat (HICP) (the **HICP Linked Notes**). The following information provides a clear and comprehensive explanation to prospective investors about how the value of Index Linked Notes is affected by the value of the underlying index.

**Italy CPI** or **ITL – Inflation for Blue Collar Workers and Employees - Excluding Tobacco Consumer Price Index Unrevised** means, subject to the Terms and Conditions, the "*Indice dei prezzi al consumo per famiglie di operai e impiegati (FOI), senza tabacchi*" as calculated on a monthly basis by the ISTAT - *Istituto Nazionale di Statistica* (the Italian National Institute of Statistics) (the **ISTAT**) which appears on Bloomberg Page ITCPI (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying the level of such index), provided that for the purposes of the calculation of the Rate of Interest and the Final Redemption Amount, the first publication or announcement of a level of the Index (excluding estimates) by the ISTAT for a given month shall be final and conclusive and later revisions of the level for such month will not be used in any calculations.

Measuring inflation consists of monthly compilation of price changes of a pre-determined group of goods and services (known as **basket**). In Italy, the Consumer price index for blue- and white-collar worker households (FOI), generally used for monetary revaluations, is calculated by the ISTAT.
For the Italy CPI, in 2015, the calculation of price change concerns a basket of 1,441 items (from pasta to passenger air transport, from bread to personal computers, or from petrol to coffee at a bar, etc.) representing the universe of products purchased by households.

These products go to make up the so-called basket, which is divided into 12 expenditure divisions, each with its own weight: Food and non-alcoholic beverages; Alcoholic beverages, tobacco; Clothing and footwear; Housing, water, electricity, gas and other fuels; Furnishings, household equipment and routine household maintenance; Health; Transport; Communication; Recreation and culture; Education; Restaurants and hotels; Miscellaneous goods and services. Within each division, each type of goods or services contributes to the compilation of the index with a weight equal to its importance on the total household consumption expenditure. For example, bread weighs 1.0 per cent. in the basket while pasta weighs only 0.5 per cent., hotel room weighs 2.1 per cent. and holiday farms 0.1 per cent.

The products in the basket and the weight attributed to them are defined according to household consumption expenditure, in order to represent the structure of population's consumption. Each year a sample is specified, made up of the products whose price dynamic is representative of that of a wider range: for example, to calculate the variation in prices of the "Small electrical appliances" consumption segment, we follow the prices of plugs, electric batteries, energy saving light bulbs and adapter plugs. The identification of major household expenditure aggregates and the estimation of their weights are carried out using as main source National Accounts data on household final consumptions. These major expenditure aggregates, up to the selection of single products and the estimation of their weights, are detailed using several sources available both inside (Household Budget Survey which involves approximately 28,000 Italian households every year; Foreign Trade, Industrial Production and Tourism Flow Surveys) and outside ISTAT (figures from ACNielsen, SIAE, etc.) in order to ensure an accurate coverage.

The basket is updated each year to represent the actual household purchasing behaviour and to take into account any changes in this behaviour and in the range of products offered on the market. Each year either the goods and services in the basket or their weights are updated. For example, some new items in the 2015 basket reflect the change in household consumption behaviour (such as gluten-free biscuit and gluten-free pasta, non-alcoholic beer, car sharing and bike sharing, beverages dispensed by automatic vending machine, ginseng coffee at the café and fiscal counsel for dwelling taxes computation). Other updating of the basket can be done in order to improve the

coverage of some household expenditure aggregates (such as the addition of pizza - bakery product, bed, hire of wheelchair for disabled people and spare parts for shavers).

***Reference base year for Italy CPI***

The FOI indices are expressed with 2015=100 as a reference base year.

More information on Italy CPI, including past and current levels, can be found at: http://www.istat.it.

**HICP** means the EUROSTAT Eurozone HICP (excluding Tobacco) Unrevised Series NSA Index which mirrors the weighted average of the harmonized indices of consumer prices in the Euro-Zone, excluding tobacco (non-revised series) published by the Index Sponsor on Bloomberg under "CPTFEMU". The first publication or announcement of a level of the HICP for the relevant period or time of valuation of the HICP shall be final and conclusive and later revisions to the level for the relevant period or time of valuation will not be used in any calculations. The composition and calculation of the HICP by the Index Sponsor might change to reflect the addition of any new Member States of the European Union to the Euro-Zone without any effect to the references to the HICP in these Terms and Conditions. More detailed information on the HICP (including the historical Index values) are available on the following website: http://epp.eurostat.ec.europa.eu and on Bloomberg page: CPTFEMU Index <GO>.Eurostat Eurozone Harmonised Indices of Consumer Prices excluding Tobacco Unrevised Series Non Seasonal Adjusted

The Eurozone Harmonised Index of Consumer Prices excluding Tobacco (HICP), as calculated and published by EUROSTAT and the national statistical institutes in accordance with harmonised statistical methods (the **HICP**) is an economic indicator constructed to measure the changes over time in the prices of consumer goods and services acquired by households in the Eurozone. Following the Maastricht Treaty, the HICPs have been used as convergence criteria and the main measure for monitoring price stability by the ECB in the Euro area, as well as for use on international comparison.

HICP is the aggregate of the Member States' individual harmonised index of consumer prices excluding tobacco (**Individual HICP**). Each country first publishes its Individual HICP in conjunction with its consumer price index. Thereafter, Eurostat aggregates the Individual HICPs and publishes an HICP for the Eurozone, as well as a breakdown by item and by country. In any specific year, each country's weight in the HICP for the Eurozone equals the share that such country's final household consumption constitutes within that of the Eurozone as a whole for the year that is prior to that specified year. These weights are re-estimated every year in the January publication of the HICP.

HICP is said to be harmonised because the methodology and nomenclatures for the index of prices are the same for all of the countries in the Eurozone and the European Union. This makes it possible to compare inflation among different Member States of the European Union. Emphasis is placed on the quality and comparability of the various countries' indices.

HICP is calculated as an annual chain-index, which makes it possible to change the weights every year. This also makes it possible to integrate new entrants, as in the case of Greece in January 2001. If a new entrant is integrated in a specific year, it is included in the Eurozone HICP starting from January of that year. The new Member State's weight is included in the annual revaluation of the HICP.

HICP is published every month on Eurostat's internet site, according to a pre-determined official timetable. Publication generally occurs around the 14th – 16th day of the following month. If a revision is made, it is published with the HICP of the following month.

***Base Year Change***

In Europe, the national statistics institutes change the base year of their price indices every 5 to 10 years. This procedure is necessary to ensure that the index follows changes in the consumption pattern through a new consumer spending nomenclature. The resetting of the base generally accompanies changes in the definition of household consumption that occur when the national accounting system is modified. Since 2006, the index reference period has been set to 2005 = 100. In order to obtain a common price reference period, too, the weights for each year are "price updated" to December of the previous year. Starting with the release of January 2016 data on 25 February 2016, the reference year of the Harmonised Index of Consumer Prices (HICP) series has changed to 2015=100.

More information on the HICP, including past and current levels, can be found at: *http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/introduction.*

***HICP Linked Notes***

A HICP Linked Note is a type of Note where the interest payable and the nominal amount of the Note are both adjusted in line with the HICP. This means that both the interest amounts paid periodically and the principal required to be paid on redemption of the HICP Linked Note are adjusted to take account of changes in the HICP since the specified reference date for calculating the HICP (i.e. the index fixing date, as described below).

To calculate the HICP adjustment, two HICP 'fixing' figures are required – one that relates to the start of the Note's life (the **Base HICP**) and one that relates to the relevant payment date. The real rate of interest offered on HICP Linked Notes (i.e. the rate before taking inflation into account) is fixed when the HICP Linked Notes are issued.

***Interest on HICP Linked Notes***

The interest amount due on each interest payment date of a HICP Linked Note will be adjusted to take into account the change in inflation between the Base HICP figure and the HICP figure relating to the relevant interest payment date, and is calculated using the following simple formula:

Specified Denomination x Real Rate of Interest x Day Count Fraction x (HICP relating to the relevant interest payment date/ Base HICP)

***Redemption of HICP Linked Notes***

Assuming that the Issuer is able to pay its debts in full and the HICP Linked Notes are not otherwise redeemed or purchased and cancelled in accordance with the Conditions, HICP Linked Notes will be repaid on their maturity date at their nominal amount, plus/less an additional amount reflecting any increase/decrease in the HICP between the Base HICP figure and the HICP figure relevant to the payment date. The redemption amount is calculated at a specified time prior to the maturity date, unless a maximum or minimum redemption amount is otherwise specified. Where the HICP figure relevant to the payment date is lower than the Base HICP, investors will receive less than the nominal amount of the HICP Linked Notes on the maturity date if no minimum redemption amount is specified, or if the minimum redemption amount is specified at an amount lower than the nominal amount.

The redemption amount due will be calculated as follows, unless a maximum or minimum redemption amount is specified:

Nominal Amount x [HICP figure relating to the maturity date / Base HICP]

**THE ISSUER**

**UniCredit S.p.A.**
Piazza Gae Aulenti, 3 Tower A
20154 Milan
Italy

**THE TRUSTEE FOR THE HOLDERS OF THE ENGLISH LAW NOTES**

**Citicorp Trustee Company Limited**
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

**PRINCIPAL PAYING AGENT, EXCHANGE AGENT AND TRANSFER AGENT**

**Citibank, N.A., London Branch**
Citigroup Centre
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