

TERMS AND CONDITIONS OF THE SECURITIES

Cash Collect Autocallable Certificates on Intesa Sanpaolo S.p.A., Enel S.p.A.

WKN/ISIN: HC3BRS/DE000HC3BRS6

PART A - GENERAL CONDITIONS OF THE SECURITIES

(the "General Conditions")

§ 1

Form, Book Entry, Clearing System

- (1) *Form:* This tranche (the "**Tranche**") of securities (the "**Securities**") of UniCredit Bank AG (the "**Issuer**") will be issued as certificates in dematerialized registered form pursuant to these Terms and Conditions with a Nominal Amount in the Specified Currency.
- (2) *Book Entry:* The Securities are registered in the books of the Clearing System, in accordance with the Legislative Decree no. 58 of 24 February 1998, as amended (Testo Unico della Finanza, "**Consolidated Law on Financial Intermediation**") and with the rules governing central depositories, settlement services, guarantee systems and related management companies, issued by the Bank of Italy and by the Italian securities regulator 'Commissione Nazionale per le Società e la Borsa' (CONSOB) on 22 February 2008, as amended. No physical document of title will be issued to represent the Securities, without prejudice to the right of the Security Holder to obtain the issuance of the certification as per Sections 83-quinquies and 83-novies, paragraph 1, lett. b) of the Consolidated Law on Financial Intermediation. The transfer of the Securities operates by way of registration on the relevant accounts opened with the Clearing System by any intermediary adhering, directly or indirectly, to the Clearing System ("**Account Holders**"). As a consequence, the respective Security Holder who from time to time is the owner of the account held with an Account Holder will be considered as the legitimate owner of the Securities and will be authorised to exercise all rights related to them, in accordance with the Terms and Conditions of the Securities and applicable provisions of law.

§ 2

Principal Paying Agent, Paying Agent, Calculation Agent

- (1) *Paying Agents:* The "**Principal Paying Agent**" is UniCredit Bank AG, Arabellastraße 12, 81925 Munich, Germany. The Issuer may appoint additional paying agents (the "**Paying Agents**") and revoke such appointment. The appointment and revocation shall be published pursuant to § 6 of the General Conditions.
- (2) *Calculation Agent:* The "**Calculation Agent**" is UniCredit Bank AG, Arabellastraße 12, 81925 Munich.
- (3) *Transfer of functions:* Should any event occur which results in the Principal Paying Agent or Calculation Agent being unable to continue in its function as Principal Paying Agent or Calculation Agent, the Issuer is obliged to appoint another bank of international standing as Principal Paying Agent or another person or institution with the relevant expertise as Calculation Agent. Any such transfer of the functions of the Principal Paying Agent or Calculation Agent shall be notified by the Issuer without undue delay pursuant to § 6 of the General Conditions.
- (4) *Agents of the Issuer:* In connection with the Securities, the Principal Paying Agent, the Paying Agents and the Calculation Agent act solely on behalf of the Issuer and do not assume any

obligations towards or relationship of mandate or trust for or with any of the Security Holders. For the avoidance of doubt, Section 1395 of the Italian Civil Code (Codice Civile, "CC") shall not apply in respect of any acts of the Principal Paying Agent.

§ 3

Taxes

No gross up: Payments in respect of the Securities shall only be made after deduction and withholding of current or future taxes, to the extent that such deduction or withholding is required by law. In this regard the term "**Taxes**" includes taxes, levies or governmental charges, regardless of their nature, which are imposed, levied or collected under any applicable system of law or in any country which claims fiscal jurisdiction by or for the account of any political subdivision thereof or government agency therein authorised to levy Taxes, including a withholding tax pursuant to Section 871(m) of the United States Internal Revenue Code of 1986 ("**871(m) Withholding Tax**").

The Issuer shall in any case be entitled to take into consideration the 871(m) Withholding Tax by applying the maximum tax rate as a flat rate (plus value added tax, if applicable). In no case the Issuer is obliged to compensate with respect to any Taxes deducted or withheld.

The Issuer shall report on the deducted and withheld Taxes to the competent government agencies, except, these obligations are imposed upon any other person involved, subject to the legal and contractual requirements of the respective applicable tax rules.

§ 4

Status

The obligations under the Securities constitute direct, unconditional and unsecured obligations of the Issuer and rank, unless provided otherwise by law, at least *pari passu* with all other unsecured and unsubordinated present and future obligations of the Issuer that have the higher rank in insolvency proceedings of the Issuer as determined by § 46 f subsection (5) of the German Banking Act (so called Senior Preferred Securities).

§ 5

Substitution of the Issuer

- (1) The Issuer may without the consent of the Security Holders, if no payment of principal or interest on any of the Securities is in default, at any time substitute the Issuer for any Affiliate of the Issuer as principal debtor in respect of all obligations of the Issuer under the Securities (the "**New Issuer**"), provided that
 - (a) the New Issuer assumes all obligations of the Issuer in respect of the Securities,
 - (b) the Issuer and the New Issuer have obtained all authorizations and have satisfied all other conditions as necessary to ensure that the Securities are legal, valid and enforceable obligations of the New Issuer;
 - (c) the Issuer and the New Issuer may transfer to the Principal Paying Agent in the currency required hereunder and without being obligated to deduct or withhold taxes or other duties of whatever nature levied by the country, in which the New Issuer or the Issuer has its domicile or tax residence, all amounts required for the fulfilment of the payment obligations arising under the Securities,

- (d) the New Issuer has agreed to indemnify and hold harmless each Security Holder against any tax, duty or other governmental charge imposed on such Security Holder in respect of such substitution and
- (e) the Issuer irrevocably and unconditionally guarantees proper payment of the amounts due under these Terms and Conditions.

For purposes of this § 5 (1) "**Affiliate**" means an affiliated company (*verbundenes Unternehmen*) within the meaning of Section 15 of the German Stock Corporation Act (*Aktiengesetz*).

- (2) *Notice*: Any such substitution shall be notified in accordance with § 6 of the General Conditions.
- (3) *References*: In the event of any such substitution, any reference in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the New Issuer. Furthermore, any reference to the country, in which the Issuer is domiciled or resident for taxation purposes shall from then on be deemed to refer to the country of domicile or residence for taxation purposes of the New Issuer.

§ 6

Notices

- (1) To the extent these Terms and Conditions provide for a notice pursuant to this § 6, these will be published on the Website for Notices (or another website communicated by the Issuer with at least six weeks advance notice in accordance with these provisions) and become effective vis-à-vis the Security Holders through such publication unless the notice provides for a later effective date or such later effective date is otherwise required under applicable law. If and to the extent that binding provisions of effective law or stock exchange provisions provide for other forms of publication, such publications must be made in addition and as provided for.

Other publications with regard to the Securities are published on the Website of the Issuer (or any successor website, which is notified by the Issuer in accordance with the above paragraph).

- (2) In addition, the Issuer may deliver all notices concerning the Securities to the Clearing System for communication by the Clearing System to the Security Holders. Any such notice shall be deemed to have been given to the Security Holders on the seventh day after the day on which the said notice was given to the Clearing System.

Any notice published on the Website for Notices which has become effective shall prevail the notice via the Clearing System.

§ 7

Issuance of additional Securities, Repurchase

- (1) *Issuance of additional Securities*: The Issuer reserves the right from time to time without the consent of the Security Holders to issue additional Securities with identical terms and conditions (except for the issue date and the issue price), so that the same shall be consolidated and form a single series (the "**Series**") with this Tranche. The term "Securities" shall, in the event of such increase, also comprise all additionally issued Securities.
- (2) *Repurchase*: The Issuer shall be entitled at any time to purchase Securities in the market or otherwise and at any price. Securities repurchased by the Issuer may, at the Issuer's discretion, be held, resold or forwarded to the Principal Paying Agent for cancellation.

§ 8

(intentionally omitted)

§ 9

Partial Invalidity, Corrections

- (1) *Invalidity:* Should any provision of these Terms and Conditions be or become invalid or unenforceable in whole or in part, the remaining provisions are not affected thereby. Any gap arising as a result of invalidity or unenforceability of these Terms and Conditions is to be filled with a provision that corresponds to the meaning and intent of these Terms and Conditions and is in the interest of the parties.
- (2) *Typing and calculation errors, inaccuracies and inconsistencies:* The Issuer may amend these Terms and Conditions without having to obtain the prior consent of the Security Holders, provided that such amendments (i) do not prejudice the rights or interests of the Security Holders and (ii) are aimed at correcting a manifest or obvious error, or at removing inaccuracies or inconsistencies from the text. Any notices to the Security Holders relating to the amendments referred to in the previous sentence shall be made in accordance with Section 6 of these Terms and Conditions.

§ 10

Applicable Law, Choice of Forum

- (1) *Applicable law:* The Securities, as to form and content, and all rights and obligations thereunder shall be governed by the laws of the Republic of Italy.
- (2) *Choice of Forum:* To the extent permitted by law, all disputes arising from or in connection with the matters governed by these Terms and Conditions shall be brought before the Tribunal of Milan, Italy.

Part B - Product and Underlying Data

PART B – PRODUCT AND UNDERLYING DATA

(the "Product and Underlying Data")

§ 1

Product Data

First Trade Date: 19/01/2023

Issue Date: 06/02/2023

N: 2

Nominal Amount: EUR 1,000.00

Specified Currency: Euro ("EUR")

Website for Notices: www.investimenti.unicredit.it and www.borsaitaliana.it

Website of the Issuer: www.investimenti.unicredit.it

Table 1.1

ISIN	WKN	Reuters	Series Number	Tranche Number	Issue Volume of Series in units	Issue Volume of Tranche in units
DE000HC3BRS6	HC3BRS	DEHC3BRS=HVBG	PI037477	1	20,000	20,000

Table 1.2

Barrier Level	Strike	Maximum Amount
55%	100%	EUR 1,000

Table 1.3

i	Basket Component _i	Reference Price _i	K _i (initial)
1	Intesa Sanpaolo S.p.A.	Prezzo di Riferimento	EUR 2.2855
2	Enel S.p.A.	Prezzo di Riferimento	EUR 5.496

Table 1.4

Final Observation Date	Barrier Observation Date	Final Payment Date	Expiry Date (<i>Data di Scadenza</i>)
30/01/2026	30/01/2026	06/02/2026	06/02/2026

Table 1.5

m	Observation Date (m)	Record Date (m)	Additional Conditional Amount (m)	Additional Conditional Amount Payment Level (m)	Additional Conditional Amount Payment Date (m)
1	30/08/2023	05/09/2023	EUR 7.30	55%	06/09/2023
2	29/09/2023	05/10/2023	EUR 14.60	55%	06/10/2023
3	30/10/2023	03/11/2023	EUR 21.90	55%	06/11/2023
4	29/11/2023	05/12/2023	EUR 29.20	55%	06/12/2023
5	02/01/2024	08/01/2024	EUR 36.50	55%	09/01/2024
6	30/01/2024	05/02/2024	EUR 43.80	55%	06/02/2024
7	28/02/2024	05/03/2024	EUR 51.10	55%	06/03/2024
8	02/04/2024	08/04/2024	EUR 58.40	55%	09/04/2024
9	29/04/2024	06/05/2024	EUR 65.70	55%	07/05/2024
10	30/05/2024	05/06/2024	EUR 73.00	55%	06/06/2024
11	01/07/2024	07/05/2024	EUR 80.30	55%	08/07/2024
12	30/07/2024	05/08/2024	EUR 87.60	55%	06/08/2024
13	30/08/2024	05/09/2024	EUR 94.90	55%	06/09/2024
14	30/09/2024	04/10/2024	EUR 102.20	55%	07/10/2024
15	30/10/2024	05/11/2024	EUR 109.50	55%	06/11/2024
16	29/11/2024	05/12/2024	EUR 116.80	55%	06/12/2024
17	30/12/2024	06/01/2025	EUR 124.10	55%	07/01/2025
18	30/01/2025	05/02/2025	EUR 131.40	55%	06/02/2025
19	27/02/2025	05/03/2025	EUR 138.70	55%	06/03/2025

20	31/03/2025	04/04/2025	EUR 146.00	55%	07/04/2025
21	29/04/2025	06/05/2025	EUR 153.30	55%	07/05/2025
22	30/05/2025	05/06/2025	EUR 160.60	55%	06/06/2025
23	30/06/2025	04/07/2025	EUR 167.90	55%	07/07/2025
24	30/07/2025	05/08/2025	EUR 175.20	55%	06/08/2025
25	01/09/2025	05/09/2025	EUR 182.50	55%	08/09/2025
26	29/09/2025	03/10/2025	EUR 189.80	55%	06/10/2025
27	30/10/2025	05/11/2025	EUR 197.10	55%	06/11/2025
28	01/12/2025	05/12/2025	EUR 204.40	55%	08/12/2025
29	30/12/2025	06/01/2026	EUR 211.70	55%	07/01/2026
30	30/01/2026	05/02/2026	EUR 219.00	55%	06/02/2026

Table 1.6.

k	Observation Date (k)	Early Redemption Amount (k)	Early Redemption Level_i (k)	Early Payment Date (k)
1	31/07/2023	100%	EUR 1,000	07/08/2023
2	30/08/2023	100%	EUR 1,000	06/09/2023
3	29/09/2023	100%	EUR 1,000	06/10/2023
4	30/10/2023	100%	EUR 1,000	06/11/2023
5	29/11/2023	100%	EUR 1,000	06/12/2023
6	02/01/2024	100%	EUR 1,000	09/01/2024
7	30/01/2024	95%	EUR 1,000	06/02/2024

8	28/02/2024	95%	EUR 1,000	06/03/2024
9	02/04/2024	95%	EUR 1,000	09/04/2024
10	29/04/2024	95%	EUR 1,000	07/05/2024
11	30/05/2024	95%	EUR 1,000	06/06/2024
12	01/07/2024	95%	EUR 1,000	08/07/2024
13	30/07/2024	90%	EUR 1,000	06/08/2024
14	30/08/2024	90%	EUR 1,000	06/09/2024
15	30/09/2024	90%	EUR 1,000	07/10/2024
16	30/10/2024	90%	EUR 1,000	06/11/2024
17	29/11/2024	90%	EUR 1,000	06/12/2024
18	30/12/2024	90%	EUR 1,000	07/01/2025
19	30/01/2025	85%	EUR 1,000	06/02/2025
20	27/02/2025	85%	EUR 1,000	06/03/2025
21	31/03/2025	85%	EUR 1,000	07/04/2025
22	29/04/2025	85%	EUR 1,000	07/05/2025
23	30/05/2025	85%	EUR 1,000	06/06/2025
24	30/06/2025	85%	EUR 1,000	07/07/2025
25	30/07/2025	80%	EUR 1,000	06/08/2025
26	01/09/2025	80%	EUR 1,000	08/09/2025
27	29/09/2025	80%	EUR 1,000	06/10/2025
28	30/10/2025	80%	EUR 1,000	06/11/2025
29	01/12/2025	80%	EUR 1,000	08/12/2025
30	30/12/2025	80%	EUR 1,000	07/01/2026

Table 1.7

l	Additional Unconditional Amount (l)	Record Date (l)	Additional Unconditional Amount Payment Date (l)
1	EUR 7.30	03/03/2023	06/03/2023
2	EUR 7.30	05/04/2023	06/04/2023
3	EUR 7.30	08/05/2023	09/05/2023
4	EUR 7.30	05/06/2023	06/06/2023
5	EUR 7.30	05/07/2023	06/07/2023
6	EUR 7.30	04/08/2023	07/08/2023

Underlying Data

Table 2.1

Basket Component _i	Currency of the Basket Component _i	ISIN _i	Reuters _i	Bloomberg _i	Relevant Exchange _i	Website _i
Intesa Sanpaolo S.p.A.	EUR	IT0000072618	ISP.MI	ISP IM Equity	Borsa Italiana	www.intesasanpaolo.com
Enel S.p.A.	EUR	IT0003128367	ENEI.MI	ENEL IM Equity	Borsa Italiana	www.enel.it

For further information about the past and future performance of the Basket Components and their volatility, please refer to the Website as specified in the table.

Part C - Special Conditions of the Securities

PART C – SPECIAL CONDITIONS OF THE SECURITIES

(the "Special Conditions")

§ 1

Definitions

"**Additional Conditional Amount (m)**" means the respective Additional Conditional Amount (m) as specified in § 1 of the Product and Underlying Data.

"**Additional Unconditional Amount (l)**" means the Additional Unconditional Amount (l) as specified in § 1 of the Product and Underlying Data.

"**Additional Conditional Amount Payment Date (m)**" means the Additional Conditional Amount Payment Date (m) as specified in § 1 of the Product and Underlying Data.

"**Additional Unconditional Amount Payment Date (l)**" means the Additional Unconditional Amount Payment Date (l) as specified in § 1 of the Product and Underlying Data.

"**Additional Conditional Amount Payment Event**" means that the Worst Performance (m) is equal to or greater than the Additional Conditional Amount Payment Level (m) on the respective Observation Date (m).

"**Additional Conditional Amount Payment Level (m)**" means the respective Additional Conditional Amount Payment Level (m) as specified in § 1 of the Product and Underlying Data.

"**Adjustment Event**" means each of the following events:

- (a) each measure taken by the company that has issued the respective Basket Component; or by a third party, which would – due to a change in the legal and financial position, in particular a change in the company's fixed assets and capital, affect the respective Basket Component; not only immaterially (in particular capital increase against cash contribution, issuance of securities with options or conversion rights into shares, capital increase with company funds, distribution of special dividends, share splits, merger, liquidation, nationalisation); whether this is the case shall be determined by the Calculation Agent acting in accordance with relevant market practice and in good faith;
- (b) the Determining Futures Exchange; adjusts the there traded Underlying Linked Derivatives;
- (c) any event which is economically equivalent to one of the above-mentioned events with regard to its consequences on the respective Basket Component; whether this is the case shall be determined by the Calculation Agent acting in accordance with relevant market practice and in good faith.

"**Banking Day**" means each day (other than a Saturday or Sunday) on which the Clearing System and the Trans-European Automated Real-time Gross settlement Express Transfer-System (TARGET2) (the "**TARGET2**") are open for business.

"**Barrier Event**" means that the Worst Performance (b) on the respective Barrier Observation Date is less than the Barrier Level.

"**Barrier Level**" means the Barrier Level as specified in § 1 of the Product and Underlying Data.

"**Basket Component**;" means the respective share as specified in § 1 of the Product and Underlying Data.

"**Calculation Agent**" means the Calculation Agent as specified in § 2 (2) of the General Conditions.

"**Calculation Date**" means each day on which the Reference Price; is published by the respective Relevant Exchange.

"**Call Event**" means Share Call Event.

"**Change in Law**" means that due to

- (a) the coming into effect of changes in laws or regulations (including but not limited to tax laws or capital market provisions) or

(b) a change in relevant case law or administrative practice (including the administrative practice of the tax or financial supervisory authorities),

if such changes become effective on or after the First Trade Date, the holding, acquisition or sale of the respective Basket Component_i or assets that are needed in order to hedge price risks or other risks with respect to its obligations under the Securities is or becomes wholly or partially illegal for the Issuer.

The Issuer determines acting in accordance with relevant market practice and in good faith whether this is the case.

"Clearance System" means the principal domestic clearance system customarily used for settling trades with respect to the respective Basket Component_i; as determined by the Calculation Agent acting in accordance with relevant market practice and in good faith.

"Clearance System Business Day" means, with respect to the Clearance System, any day (other than a Saturday or Sunday) on which the Clearance System is open for the acceptance and execution of settlement instructions.

"Clearing System" means Monte Titoli S.p.A., with offices in Piazza degli Affari no. 6, Milan, Italy ("**Monte Titoli**").

"Currency of the Basket Component_i" means the Currency of the Basket Component_i; as specified in § 2 of the Product and Underlying Data.

"Determining Futures Exchange_i" means the options and/or futures exchange, on which respective derivatives of the respective Basket Component_i (the "**Underlying Linked Derivatives**") are mostly liquidly traded, such options and/or futures exchange shall be determined by the Calculation Agent acting in accordance with relevant market practice and in good faith.

In the case of a material change in the market conditions at the Determining Futures Exchange_i, such as a final discontinuation of derivatives' quotation linked to the respective Basket Component_i at the Determining Futures Exchange_i, or a considerably restricted number or liquidity, it shall be substituted as the Determining Futures Exchange_i by another options and/or futures exchange that offers satisfactorily liquid trading in the Underlying Linked Derivatives (the "**Substitute Futures Exchange**"); such options and/or futures exchange shall be determined by the Calculation Agent acting in accordance with relevant market practice and in good faith. In the event of such substitution, any reference to the Determining Futures Exchange_i in these Terms and Conditions shall from then on be deemed to refer to the Substitute Futures Exchange.

"Early Payment Date (k)" means the "Early Payment Date (k)" as specified in § 1 of the Product and Underlying Data.

"Early Redemption Amount (k)" means the "Early Redemption Amount (k)" as calculated or specified by the Calculation Agent pursuant to § 4 (2) of the Special Conditions.

"Early Redemption Event" means that each Performance of the Basket Component_i (k) is equal to or greater than the respective Early Redemption Level_i (k).

"Early Redemption Level_i (k)" means the Early Redemption Level_i (k) as specified in § 1 of the Product and Underlying Data.

"Expiry Date (Data di Scadenza)" means the Expiry Date as specified in § 1 of the Product and Underlying Data.

"Final Payment Date" means the Final Payment Date, as specified in § 1 of the Product and Underlying Data.

"First Trade Date" means the First Trade Date as specified in § 1 of the Product and Underlying Data.

"Issue Date" means the Issue Date as specified in § 1 of the Product and Underlying Data.

"Issuing Agent" means the Issuing Agent as specified in § 1 of the Product and Underlying Data.

"K_i (initial)" means K_i (initial) as specified in § 1 of the Product and Underlying Data.

"K_i (b)" means the Reference Price_i on the respective Barrier Observation Date.

"K_i (k)" means the Reference Price_i on the respective Observation Date (k).

"K_i (m)" means the Reference Price_i on the respective Observation Date (m).

"K_i (final)" means the Reference Price_i on the Final Observation Date.

"Market Disruption Event" means each of the following events:

- (a) the failure of the respective Relevant Exchange; to open for trading during its regular trading sessions;
- (b) the suspension or restriction of trading in the respective Basket Component; on the respective Relevant Exchange;
- (c) in general the suspension or restriction of trading in an Underlying Linked Derivative of the respective Basket Component; on the respective Determining Futures Exchange;

to the extent that such Market Disruption Event occurs in the last hour prior to the normal calculation of the Reference Price of the respective Basket Component; which is relevant for the Securities or continues at the point of time of the normal calculation and is material; whether this is the case shall be determined by the Calculation Agent acting in accordance with relevant market practice and in good faith. Any restriction of the trading hours or the number of days on which trading takes place on the respective Relevant Exchange; or, as the case may be, the respective Determining Futures Exchange; shall not constitute a Market Disruption Event provided that the restriction occurs due to a previously announced change in the rules of the respective Relevant Exchange; or, as the case may be, the respective Determining Futures Exchange.

"Maximum Amount" means the Maximum Amount as specified in § 1 of the Product and Underlying Data.

"N" means the number of Basket Components as specified in § 1 of the Product and Underlying Data.

"Nominal Amount" means the Nominal Amount as specified in § 1 of the Product and Underlying Data.

"Observation Date" means each of the following Observation Dates:

"Barrier Observation Date" means each of the Barrier Observation Dates as specified in § 1 of the Product and Underlying Data. If a Barrier Observation Date is not a Calculation Date for one or more Basket Components, the immediately following day, which is a Calculation Date shall be the respective Barrier Observation Date for all Basket Components.

"Final Observation Date" means the Final Observation Date as specified in § 1 of the Product and Underlying Data. If the Final Observation Date is not a Calculation Date for one or more Basket Components, the immediately following day, which is a Calculation Date shall be the Final Observation Date for all Basket Components. The Final Payment Date shall be postponed accordingly. Interest shall not be payable due to such postponement.

"Observation Date (k)" means the Observation Date (k) as specified in § 1 of the Product and Underlying Data. If the Observation Date (k) is not a Calculation Date for one or more Basket Components, the immediately following day, which is a Calculation Date shall be the respective Observation Date (k) for all Basket Components. The respective Early Payment Date (k) shall be postponed accordingly. Interest shall not be payable due to such postponement.

"Observation Date (m)" means the Observation Date (m) as specified in § 1 of the Product and Underlying Data. If the Observation Date (m) is not a Calculation Date for one or more Basket Components, the immediately following day, which is a Calculation Date shall be the respective Observation Date (m) for all Basket Components. The respective Additional Conditional Amount Payment Date (m) shall be postponed accordingly. Interest shall not be payable due to such postponement.

"Performance of the Basket Component; (b)" means the Performance of the Basket Component; on the respective Barrier Observation Date according to the following formula:

$$K_i (b) / K_i (initial)$$

"Performance of the Basket Component; (k)" means the Performance of the Basket Component; on the respective Observation Date (k) according to the following formula:

$$K_i (k) / K_i (initial)$$

"Performance of the Basket Component; (m)" means the Performance of the Basket Component; on the respective Observation Date (m) according to the following formula:

$$K_i (m) / K_i (initial)$$

"Performance of the Basket Component; (final)" means the Performance of the Basket Component; on the Final Observation Date according to the following formula:

K_i (final) / K_i (initial)

"Principal Paying Agent" means the Principal Paying Agent as specified in § 2 (1) of the General Conditions.

"Redemption Amount" means the Redemption Amount as calculated or, respectively, specified by the Calculation Agent pursuant to § 4 of the Special Conditions.

"Reference Price_i" means the Reference Price_i of the relevant Basket Component_i as specified in § 1 of the Product and Underlying Data.

"Relevant Exchange_i" means the respective Relevant Exchange_i as specified in § 2 of the Product and Underlying Data.

In the case of a material change in the market conditions at the respective Relevant Exchange_i, such as a final discontinuation of the quotation of the respective Basket Component_i at the respective Relevant Exchange_i and the quotation at a different stock exchange or considerably restricted liquidity, the Relevant Exchange_i shall be substituted as the Relevant Exchange_i by another exchange that offers satisfactorily liquid trading in the respective Basket Component_i (the **"Replacement Exchange"**); such exchange shall be determined by the Calculation Agent acting in accordance with relevant market practice and in good faith. In this case, any reference to the Relevant Exchange_i in these Terms and Conditions shall from then on be deemed to refer to the Replacement Exchange.

"Security Holder" means the holder of a Security.

"Settlement Cycle" means the period of Clearance System Business Days following a transaction on the Relevant Exchange_i with respect to the relevant Basket Component_i, during which period settlement will customarily take place according to the rules of such Relevant Exchange_i.

"Share Call Event" means each of the following events:

- (a) the quotation of the respective Basket Component_i at the Relevant Exchange_i is suspended indefinitely or permanently discontinued and no suitable Replacement Exchange is available or can be determined; whether this is the case shall be determined by the Calculation Agent acting in accordance with relevant market practice and in good faith;
- (b) the quotation of the respective Basket Component_i at the Relevant Exchange_i no longer occurs in the Currency of the Basket Component_i;
- (c) a Change in Law occurs;
- (d) the Determining Futures Exchange_i terminates the there traded Underlying Linked Derivatives of the respective Basket Component_i early.

"Specified Currency" means the Specified Currency as specified in § 1 of the Product and Underlying Data.

"Strike" means the Strike as specified in § 1 of the Product and Underlying Data.

"Terms and Conditions" means the terms and conditions of these Securities as set out in the General Conditions (Part A), the Product and Underlying Data (Part B) and the Special Conditions (Part C).

"Underlying" means a Basket consisting of the Basket Components.

"Website for Notices" means the Website(s) for Notices as specified in § 1 of the Product and Underlying Data.

"Website of the Issuer" means the Website(s) of the Issuer as specified in § 1 of the Product and Underlying Data.

"Worst Performance (b)" means the Performance of the Basket Component_j (b) specified as follows:

Performance of the Basket Component_j (b) = $\min_{i=1, \dots, N} [K_i (b) / K_i (initial)]$

"Worst Performance (m)" means the Performance of the Basket Component_j (m) specified as follows:

Performance of the Basket Component_j (m) = $\min_{i=1, \dots, N} [K_i (m) / K_i (initial)]$

"Worst Performance (final)" means the Performance of the Basket Component_j (final) specified as follows:

Performance of the Basket Component_j (final) = $\min_{i=1, \dots, N} [K_i (final) / K_i (initial)]$

§ 2

Interest, Additional Amount

- (1) *Interest:* The Securities do not bear interest.
- (2) *Additional Conditional Amount (m):* If an Additional Conditional Amount Payment Event has occurred on an Observation Date (m), the respective Additional Conditional Amount (m) will be paid on the respective Additional Conditional Amount Payment Date (m) pursuant to the provisions of § 6 of the Special Conditions less all Additional Amounts paid on the preceding Additional Amount Payment Dates.

If no Additional Conditional Amount Payment Event has occurred on an Observation Date (m), the Additional Conditional Amount (m) will not be paid on the respective Additional Conditional Amount Payment Date (m).

- (3) *Additional Unconditional Amount (l):* The respective Additional Unconditional Amount (l) will be paid moreover on the Additional Unconditional Amount Payment Date (l) pursuant to the provisions of § 6 of the Special Conditions.

If an Early Redemption Event occurs on an Observation Date (k), no more Additional Unconditional Amount (l) will be paid on any following Additional Unconditional Amount Payment Date (l).

§ 3

Redemption, Automatic Early Redemption

- (1) *Redemption:* The Securities shall be redeemed by payment of the Redemption Amount on the Final Payment Date pursuant to the provisions of § 6 of the Special Conditions.
- (2) *Automatic Early Redemption:* If an Early Redemption Event has occurred, the Securities will be automatically early redeemed on the immediately following Early Payment Date (k) by payment of the respective Early Redemption Amount (k) on the respective Early Payment Date (k) pursuant to the provisions of § 6 of the Special Conditions.

§ 4

Redemption Amount, Early Redemption Amount

- (1) *Redemption Amount:* The Redemption Amount corresponds to an amount in the Specified Currency calculated or specified by the Calculation Agent as follows:
 - If no Barrier Event has occurred, the Redemption Amount corresponds to the Maximum Amount.
 - If a Barrier Event has occurred, the Redemption Amount is specified according to the following formula:
$$\text{Redemption Amount} = \text{Nominal Amount} \times \text{Worst Performance (final)} / \text{Strike}$$

However, in this case the Redemption Amount is not greater than the Nominal Amount.
- (2) *Early Redemption Amount:* The Early Redemption Amount (k) for an Early Payment Date (k) is specified in § 1 of the Product and Underlying Data.

§ 5

Issuer's Extraordinary Call Right

Issuer's extraordinary call right: Upon the occurrence of a Call Event the Issuer may call the Securities extraordinarily by giving notice pursuant to § 6 of the General Conditions and redeem the Securities at their Cancellation Amount. Such call shall become effective at the time indicated in the notice.

The "**Cancellation Amount**" shall be the fair market value of the Securities as of the first Banking Day before the extraordinary call becomes effective, determined by the Calculation Agent acting in accordance with relevant market practice and in good faith under then prevailing circumstances.

The determination of the fair market value is based on the economic equivalent of the Issuer's payment obligations to the Security Holders consistent with the provisions for the redemption profile, interest or other additional amounts of the Securities that would otherwise be due after the day on which the extraordinary call becomes effective and which is adjusted for taking into consideration the following parameters as of the first Banking Day before the extraordinary call becomes effective: the price of the Underlying, the remaining time to maturity, the estimated volatility, the

expected dividends (if applicable), the current market interest rate as well as the interest spread associated with the credit default risk of the Issuer and any other relevant market parameter that can influence the value of the Securities.

The Cancellation Amount will be paid within five Banking Days following the date as of which the extraordinary call becomes effective, or at the date specified in the above mentioned notice, as the case may be, pursuant to the provisions of § 6 of the Special Conditions.

§ 6

Payments

- (1) *Rounding:* The amounts payable under these Terms and Conditions shall be rounded up or down to the nearest EUR 0.01, with EUR 0.005 being rounded upwards.
- (2) *Business day convention:* If the due date for any payment under the Securities (the "**Payment Date**") is not a Banking Day then the Security Holders shall not be entitled to payment until the next following Banking Day. The Security Holders shall not be entitled to further interest or other payments in respect of such delay.
- (3) *Manner of payment, discharge:* All payments shall be made to the Principal Paying Agent. The Principal Paying Agent shall pay the amounts due to the Clearing System to be credited to the respective accounts of the depository banks and to be transferred to the Security Holders. The payment to the Clearing System shall discharge the Issuer from its obligations under the Securities in the amount of such a payment.
- (4) *Interest of default:* If the Issuer fails to make payments under the Securities when due, the amount due shall bear interest on the basis of the legal interest rate ('Saggio degli Interessi legali'), pursuant to Section 1284 CC, without prejudice to any other mandatory provisions under Italian law. Such accrual of interest starts on the day following the due date of that payment (including) and ends on the effective date of the payment (including).

§ 7

Market Disruptions

- (1) *Postponement:* Notwithstanding the provisions of § 8 of the Special Conditions, if a Market Disruption Event occurs on an Observation Date, the respective Observation Date will be postponed to the next following Calculation Date on which the Market Disruption Event no longer exists.

Any Payment Date relating to such Observation Date shall be postponed if applicable. Interest shall not be payable due to such postponement.

- (2) *Discretionary valuation:* If the Market Disruption Event continues for more than 8 consecutive Banking Days the Calculation Agent shall determine, acting in accordance with relevant market practice and in good faith, the respective Reference Price required for the calculations or, respectively, specifications described in these Terms and Conditions. Such Reference Price shall be determined in accordance with prevailing market conditions at 10:00 a.m. (Munich local time) on this 9th Banking Day, taking into account the financial position of the Security Holders.

If within these 8 Banking Days traded Underlying Linked Derivatives of the respective Basket Component_i expire or are settled on the Determining Futures Exchange_i, the settlement price established by the Determining Futures Exchange_i for the there traded Underlying Linked Derivatives will be taken into account in order to conduct the calculations or, respectively, specifications described in these Terms and Conditions. In that case, the expiration date for those Underlying Linked Derivatives is the respective Observation Date.

§ 8

Adjustments, Type of Adjustment, Replacement Specification, Notifications

- (1) *Adjustments:* If an Adjustment Event occurs the Calculation Agent is authorised to adjust the Terms and Conditions of these Securities (the "**Adjustment**"); whether an Adjustment is to be made shall be determined by the Calculation Agent acting in accordance with relevant market practice and in good faith.

The goal of the Adjustment is to appropriately consider the economic impact of the circumstance that triggered the Adjustment Event, so that the economic characteristics of the Securities remain as unchanged as possible, taking into

account the interests of the Security Holders as well as the Issuer ("**Adjustment Goal**"). A subsequent adverse change of the value of the Securities resulting from the Adjustment cannot be ruled out.

The Calculation Agent determines all Adjustments according to this § 8 acting in accordance with relevant market practice and in good faith, taking into account the Adjustment Goal. It will only make an Adjustment if such Adjustment is reasonable for the Security Holders as well as for the Issuer, in particular if the circumstance that triggered the Adjustment Event has not only an insignificant impact on the economic characteristics of the Securities; whether this is the case shall be determined by the Calculation Agent acting in accordance with relevant market practice and in good faith.

Within the context of an Adjustment in relation to a Basket Component, the Calculation Agent proceeds as follows:

- (a) *Adjustment in accordance with the Determining Futures Exchange:* In general, the Calculation Agent will undertake the Adjustment in terms of content and timing in a way that to the greatest extent matches the designated Adjustment by the respective Determining Futures Exchange, regarding the Underlying Linked Derivatives. The Calculation Agent is, however, also authorised to make an Adjustment if there is no Adjustment made to the Underlying Linked Derivatives by the respective Determining Future Exchange. In this case the Calculation Agent will make the Adjustment, if any, in accordance with the rulebook of the respective Determining Futures Exchange, with respect to the Underlying Linked Derivatives.
 - (b) *Deviating Adjustments:* In the following cases in particular the Calculation Agent is authorised to make Adjustments deviating from the Adjustments made by the respective Determining Futures Exchange, in order to take into account the Adjustment Goal in an appropriate manner.
 - (i) The Adjustment envisioned by the respective Determining Futures Exchange, regarding the Underlying Linked Derivatives is impossible for the Issuer or the Calculation Agent or technically not feasible within reasonable economic efforts; whether this is the case shall be determined by the Calculation Agent acting in accordance with relevant market practice and in good faith.
 - (ii) The Adjustment envisioned by the respective Determining Futures Exchange, regarding the Underlying Linked Derivatives is unreasonable for Securities Holders, the Calculation Agent or the Issuer (e.g. because the Issuer would have to breach internal trading restrictions in order to hedge its payment obligations under the Securities); whether this is the case shall be determined by the Calculation Agent acting in accordance with relevant market practice and in good faith.
 - (iii) The Adjustment envisioned by the respective Determining Futures Exchange, is not suitable to meet the Adjustment Goal; whether this is the case shall be determined by the Calculation Agent acting in accordance with relevant market practice and in good faith.
- (2) *Type of Adjustment:* In the context of an Adjustment in relation to a Basket Component, the Calculation Agent may undertake in particular the following measures in accordance with paragraph (1) above:
- (a) *Adjustment of Product and Underlying Data:* The Calculation Agent may redefine the Product and Underlying Data based on an adjustment factor (e.g. in case of a capital increase against cash contribution, issue of securities with options or conversion rights in shares, a capital increase from company funds, a distribution of special dividends or other measures undertaken by the company, that issued the relevant Basket Component, or a third party, that impacts the computed value of the relevant Basket Component, not only in an insignificant way, based on a change of a legal or economic situation, in particular a change of the fixed assets or equity of the company).
 - (b) *Replacement of a Basket Component:* In case of a take-over or a merger or similar measure with respect to the relevant Basket Component, the Calculation Agent can replace the relevant Basket Component, with the share of the successor of the issuer of the original Basket Component, or with another share of – inter alia – comparable liquidity and industry affiliation as the original Basket Component, (the "**Replacement Basket Component**"). Furthermore, until completion of the take-over or merger (excluding), the Calculation Agent may determine that either the shares submitted for sale or submitted for exchange are to be the Replacement Basket Component.

In case of a split or a similar measure with respect to the relevant Basket Component, the Calculation Agent may determine (i) a basket of shares and/or securities or (ii) a basket of shares and/or securities and a cash

component to be the Replacement Basket Component. The Calculation Agent may exclusively select, in deviation from the Adjustment made by the Determining Futures Exchange, the share with the highest market capitalisation or another share from the basket of shares determined by the Determining Futures Exchange with – inter alia – comparable liquidity and industry affiliation as the original Basket Component; to be the Replacement Basket Component. In this case the Calculation Agent will, if necessary, determine an adjustment factor by itself to meet the Adjustment Goal and will undertake an Adjustment according to paragraph 2 (a) above.

If the Calculation Agent designates a Replacement Basket Component, from the Adjustment Date on (as defined in paragraph (4) below), every reference to the relevant Basket Component; in these Terms and Conditions shall be a reference to the relevant Replacement Basket Component, unless the context requires otherwise.

- (3) *Replacement Specification:* If a price of a Basket Component; published by the respective Relevant Exchange; and required pursuant to these Terms and Conditions is subsequently corrected and the correction (the "**Corrected Value**") will be published by the Relevant Exchange; after the original publication, but still within one Settlement Cycle, then the Calculation Agent will notify the Issuer of the Corrected Value without undue delay and shall again specify the respective value by using the Corrected Value (the "**Replacement Specification**") and publish it pursuant to § 6 of the General Conditions.
- (4) *Notifications:* All Adjustments as described in this § 8 and undertaken by the Calculation Agent as well as the designation of the time of the first application (the "**Adjustment Date**") take place by notification of the Securities Holder according to § 6 of the General Conditions. Hereby reference is made to the aforementioned notifications.