

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.

MIFID II product governance / Retail investors, professional investors and ECPs target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (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, portfolio management, and non-advised sales, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer'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 target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

25 January 2023

PRICING SUPPLEMENT

UniCredit S.p.A.

(incorporated with limited liability as a *Società per Azioni* in the Republic of Italy under registered number 00348170101 with registered office at Piazza Gae Aulenti, 3 Tower-A 20154 Milan, Italy)

**Issue of Fixed Rate Non-Preferred Senior Notes due 23 February 2027
under the
€60,000,000,000 Euro Medium Term Note Programme**

XS2579191532

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 the Dealer or any Distributor 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 Terms and Conditions of the Notes attached hereto as Annex 2. Full information on the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Terms and Conditions of the Notes. Copies of the Terms and Conditions of the Notes may be obtained on the website of UniCredit, www.unicreditgroup.eu. 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 of the Notes (the **Conditions**) attached hereto as Annex 2.

1. Issuer: UniCredit S.p.A.
2. Series Number: 716
 - (a) Tranche Number: 1
 - (b) Date on which the Notes will be consolidated and form a single Series: Not Applicable
3. Specified Currency or Currencies: Euro (€)
4. Aggregate Nominal Amount:
 - (a) Series: Up to €330,000,000
 - (b) Tranche: Up to €330,000,000
5. Issue Price: 100 per cent. of the Aggregate Nominal Amount
6. Specified Denominations: €150,000
 - (a) Calculation Amount: €150,000
7. Issue Date: 23 February 2023
 - (a) Interest Commencement Date: Issue Date
8. Maturity Date: 23 February 2027 (subject to the exercise of the Issuer Call due to MREL or TLAC Disqualification Event)
9. Interest Basis: 4.10 per cent. per annum Fixed Rate.
(further particulars specified below)
10. Redemption/Payment Basis: 100 per cent.
11. Change of Interest Basis: Not Applicable
12. Call Options:

Issuer Call due to MREL or TLAC Disqualification Event

(further particulars specified below)
13. Status of the Notes: Non-Preferred Senior
 - (a) Date of Board approval for issuance of Notes: 16 January 2023

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 14. | Fixed Rate Note Provisions: | Applicable |
| | (a) Rate(s) of Interest: | 4.10 per cent. per annum payable in arrear on each Interest Payment Date |
| | (b) Interest Payment Date(s): | 23 February in each year, starting on 23 February 2024, up to and including the Maturity Date. |
| | (c) Business Day Convention: | Following Business Day Convention (Unadjusted) |
| | (d) Fixed Coupon Amount(s): | €6,150 per Calculation Amount payable annually in arrear on each Interest Payment Date. |
| | (e) Broken Amount(s): | Not Applicable. |
| | (f) Day Count Fraction: | Actual/Actual (ICMA) |
| | (g) Determination Dates: | 23 February in each year |
| 15. | Reset Note Provisions: | Not Applicable |
| 16. | Floating Rate Note Provisions: | Not Applicable |
| 17. | Zero Coupon Note Provisions: | Not Applicable |
| 18. | Index Linked Interest Note: | Not Applicable |
| 19. | Dual Currency Interest Note Provisions: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 20. | Notice periods for Condition 10.3 of the Terms and Conditions of the Notes and Condition 10.6 of the Terms and Conditions of the Notes: | Minimum period: 5 days
Maximum period: 90 days |
| 21. | Issuer Call: | Not Applicable |
| 22. | Regulatory Call: | Not Applicable |
| 23. | Issuer Call due to MREL or TLAC Disqualification Event: | Applicable |
| 24. | Final Redemption Amount: | 100 per cent. per Calculation Amount |
| 25. | Early Redemption Amount payable on redemption: | As per Condition 10.7 (<i>Early Redemption Amounts</i>) of the Terms and Conditions of the Notes |
| | (i) for taxation reasons (subject to Condition 10.16 of the Terms and Conditions of the Notes) as contemplated by Condition 10.3 | See also paragraph 23 above |

of the Terms and Conditions of the Notes;

- (ii) for MREL or TLAC Disqualification Event (subject to Condition 10.16 of the Terms and Conditions of the Notes) as contemplated by Condition 10.6 of the Terms and Conditions of the Notes; or
- (iii) on event of default (subject to Condition 10.16 of the Terms and Conditions of the Notes),

and/or the method of calculating the same (if required or if different from that set out in Condition 10.7 of the Terms and Conditions of the Notes (*Redemption and Purchase – Early Redemption Amounts*)):

- 26. RMB Currency Event: Not Applicable
- 27. Relevant Currency: Not Applicable
- 28. Extendible Notes: Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 29. Form of Notes:
 - (a) Form of Notes: Bearer Notes:

Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for definitive Notes upon an Exchange Event
 - (b) New Global Note: Yes
- 30. Additional Financial Centre(s): TARGET2 and London
- 31. RMB Settlement Centre: Not Applicable
- 32. Talons for future Coupons to be attached to Definitive Notes: 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
- 34. Details relating to Instalment Notes: Not Applicable

35. Other terms or special conditions: Not Applicable

Signed on behalf of UniCredit S.p.A.:

By:

Duly authorised

By:

Duly authorised

Part B – OTHER INFORMATION

1. LISTING

Not Applicable.

No application for the Notes to be admitted to trading on a regulated or equivalent market is expected to be made.

Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on EuroTLX® organised and managed by Borsa Italiana S.p.A. ("EuroTLX®"). UniCredit Bank AG, acting through its Milan Branch, will act as Liquidity Provider on EuroTLX®.

2. RATINGS

The Notes to be issued are not expected to be rated.

Ratings:

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the fees payable to the Distributors and to the Dealer, acting also as arranger, and save for the fact that the Dealer and the Distributors are part of the Issuer's Group, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.

Furthermore, UniCredit Bank AG is the Calculation Agent of the Notes and, with regard to trading of the Notes, will be the Liquidity Provider on the EuroTLX®.

The Dealer, the Distributors and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF THE PROCEEDS

(a) Reasons for the offer: for its general corporate purposes, which include making a profit

(b) Estimated net amount of the €324,192,000 proceeds:

5. OPERATIONAL INFORMATION

(i) ISIN: XS2579191532

(ii) Common Code: 257919153

(iii) CUSIP: Not Applicable

(iv) CINS: Not Applicable

(v) CFI: DTFXFB, 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

(vi) FISN: UNICREDIT SPA/4.1EMTN 20270223 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
(vii)	Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s):	Not Applicable
(viii)	Delivery:	Delivery against payment
(ix)	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
(x)	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.

6. DISTRIBUTION

(i)	Method of distribution:	Non-syndicated
		The offer is made in the Republic of Italy as an exempt offer (the Exempt Offer) from the obligation pursuant to Article 1 par. 4 lett. (c) of the Prospectus Regulation
(ii)	If syndicated, names and addresses of Managers (specifying Lead Manager) and underwriting commitments:	Not Applicable
(iii)	Stabilisation Manager(s) (if any):	Not Applicable
(iv)	If non-syndicated, name and address of relevant Dealer:	UniCredit Bank AG, acting through its Milan Branch Piazza Gae Aulenti 4, Tower C 20154 Milan Italy
(v)	U.S. Selling Restrictions:	Reg. S Compliance Category 2; TEFRA D
(vi)	Prohibition of Sales to EEA Retail Investors:	Not Applicable
(vii)	Prohibition of Sales to UK Retail Investors:	Applicable

ANNEX 1 – CONDITIONS OF THE EXEMPT OFFER

The Exempt Offer is made in the Republic of Italy under the exemption from the obligation to publish a prospectus pursuant to Article 1 par. 4 lett. (c) of the Prospectus Regulation. The Notes will be offered to eligible counterparties, professional clients and retail clients by way of the Exempt Offer and distributed without any underwriting commitment by the Distributors (as defined under paragraph (m) of this annex).

No undertakings have been made by the Dealer, the Distributors, or third parties to underwrite, or guarantee the outcome of the Exempt Offer.

(a) Offer Price: 100% of Issue Price. The Offer Price includes: (i) a distribution fee of 1.25% of the Issue Price payable by the Issuer to the Distributors; (b) a mandate fee of 0.40% of the Issue Price payable by the Issuer to the Dealer and (c) credit risk charges of 0.11% of the Issue Price.

(b) Offer Period: The Notes will be offered by the Distributor UniCredit S.p.A. from 30 January 2023 at 9:00 CET to, and including 20 February 2023 at 16:30 CET, (at its offices), from 30 January 2023 at 9:00 CET to, and including 13 February 2023 at 16:30 CET (in case of “door-to-door selling” or “*fuori sede*”), and from 30 January 2023 at 9:00 CET to, and including 6 February 2023 at 16:30 CET (by means of “long distance technique selling” or “*tecniche di comunicazione a distanza*”), subject to any early closure or extension of the Offer Period or cancellation of the Exempt Offer, as described below.

The Notes will be offered by the Distributor UniCredit Bank AG, acting through its Milan Branch, from 30 January 2023 at 9:00 CET to, and including 20 February 2023 at 16:30 CET by means of “long distance technique selling” or “*tecniche di comunicazione a distanza*” only, subject to any early closure or extension of the Offer Period or cancellation of the Exempt Offer, as described below.

Early Closure of the Offer Period

The Issuer and the Dealer reserve the right to close the Offer Period early at any time. Notice of the early closure of the Offer Period will be given in one or more notices to be made available on the Issuer’s website and through the Distributors.

Cancellation of the Exempt Offer

The Issuer and the Dealer reserve the right to cancel the Exempt Offer in case where, before the Issue Date, there has been a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls that would, in the view of the Issuer or the Dealer, be likely to prejudice materially the success of the offering and distribution

of the Notes or dealings in the Notes in the secondary market or there has been, in the view of the Issuer or the Dealer, an adverse change, financial or otherwise in the condition or general affairs of the Issuer that would be likely to prejudice materially the success of the offering of the Notes. In case of cancellation of the Exempt Offer no Notes will be issued. Notice of cancellation of the Exempt Offer will be given in one or more notices to be made available on the Issuer's website and through the Distributors.

If any application has been made by a potential subscriber and the Exempt Offer is cancelled, all subscription applications will become void and of no effect, without further notice and such potential subscriber shall not be entitled to subscribe or otherwise acquire the Notes.

Extension of the Offer Period

The Issuer and the Dealer reserve the right to extend the Offer Period. Notice of such decision will be given in one or more notices to be made available on the Issuer's website and through the Distributors.

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| (c) | Conditions to which the offer is subject: | The Exempt Offer of the Notes is conditional on their issue. |
| (d) | Description of the application process: | A prospective investor will subscribe for the Notes in accordance with the arrangements in place between the relevant Distributor and its customers, relating to the subscription of securities generally. |

Pursuant to MiFID II as implemented in Italy, investors who have submitted the Acceptance Form (as defined below) to a Distributor or have subscribed for the Notes through a Distributor, are or will become clients, regarding the placement activity, of the relevant Distributor and not of the Issuer or the Dealer.

Investors may apply for the subscription of the Notes by filling in, duly executing (also by appropriate attorneys) and delivering a specific acceptance form (the “**Acceptance Form**”). The application can be submitted during normal Italian banking hours to the Distributor UniCredit S.p.A. at its offices (*filiali*) from 30 January 2023 at 9:00 CET to (and including) 20 February 2023 at 16:30 CET, subject to any early closing or extension of the Offer Period or cancellation of the Exempt Offer of the Notes. Acceptance Forms are available at the offices of the Distributor UniCredit S.p.A..

The Notes can also be placed (i) by the Distributor UniCredit S.p.A. through "door to door selling" (through financial promoters or "*consulenti finanziari abilitati all'offerta fuori sede*" pursuant to articles 30 and 31 of the Italian Legislative Decree 24 February 1998, n. 58) and (ii) by both the Distributors also by means of "long distance technique selling" or "*tecniche di comunicazione a distanza*" (pursuant to article 67-duodecies, Par. 4 of the Italian Legislative Decree 6 September 2005, n. 206 the "Consumer Code", whose regime is applicable to investors that can be qualified as "consumers" for the purposes of the Consumer Code).

In case of "door to door selling", the subscription orders will be accepted starting from 30 January 2023 to (and including) 13 February 2023; in case of "long distance technique selling" ("*tecniche di comunicazione a distanza*"), the subscription orders will be accepted starting from 30 January 2023 to (and including) 6 February 2023 with respect to the Distributor UniCredit S.p.A., and starting from 30 January 2023 to (and including) 20 February 2023 with respect to the Distributor UniCredit Bank AG, acting through its Milan Branch, - in any case, unless closed in advance. Subscription orders will be satisfied within the limits of the maximum number of Notes on offer.

Subscription orders are irrevocable, except for the applicable provisions with respect to "door to door selling" and "long distance technique selling". Therefore, the effects of the subscription will be suspended (i) for seven days, with reference to those "door to door selling", from the date of the subscription by the relevant investors and (ii) for fourteen days, with reference to "long distance technique selling", from the date of the subscription by the relevant investors that can be qualified as "consumers" for the purposes of the Consumer Code. Within such terms, the relevant investor can withdraw by means of a notice in written form, including through registered letter with acknowledgement of receipt (lettera raccomandata A/R, anticipated by fax on the same day of the posting of the registered letter) to the relevant Distributor, without any liability, expenses or other fees, and in any case as further described in the relevant Acceptance Form.

Any application shall be made in Italy to the Distributors.

General

There is no limit to the number of Acceptance Forms which may be filled in and delivered by the same prospective investor with the relevant Distributor, without prejudice to the circumstance that for the purposes of the allotment each applicant will be considered individually, independently of the number of Acceptance Forms delivered.

Applicants having no client relationship with the Distributors with whom the Acceptance Form is filed may be required to open a current account or to make a temporary non-interest bearing deposit of an amount equal to the counter-value of the Notes requested, calculated on the basis of the Offer Price of the Notes.

In the event that the Notes are not allotted or only partially allotted, any difference with the counter-value of the Notes allotted, will be repaid to the applicant without interest by the Issue Date.

By subscribing for the Notes, the holders of the Notes are deemed to have knowledge of all the Conditions of the Notes and to accept the said Conditions of the Notes.

Applications received by the Distributors prior to the start of the Offer Period or after the closing date of the Offer Period, will be considered as not having been received and will be void.

- (e) Details of the minimum and/or maximum amount of the application: The Notes may be subscribed in a minimum lot equal to the Specified Denomination or an integral number of Notes greater than the Specified Denomination, as indicated in Part A, paragraph 6 above.

Multiple applications may be submitted by the same applicant with the Distributors, without prejudice to the circumstance that for the purposes of the allotment each applicant will be considered individually, independently of the number of Acceptance Forms delivered.

There is no maximum subscription amount of the Notes to be applied for by each investor within the Aggregate Nominal Amount and subject to the provisions in paragraph (k) "Process for notifying applicants of the amount allotted and an indication whether dealing may begin before notification is made" below.

(f)	Description of possibility to reduce subscriptions and manner for refunding amounts paid in excess by applicants:	Not Applicable
(g)	Details of the method and time limits for paying up and delivering the Notes:	<p>Each investor will be notified by the relevant Distributor of the settlement arrangement in respect of the Notes at the time of such investor's application and payment for the Notes allotted shall be made by the investor to the relevant Distributor, in accordance with arrangements existing between the relevant Distributor and its customers relating to the subscription of securities generally, without fees or any other expenses or commissions being charged to the applicant by the Issuer, the Dealer, or the Distributors.</p> <p>The Notes will be issued on the Issue Date against payment by the Distributors, through the Dealer, to the Issuer of the net subscription monies.</p> <p>The settlement and the delivery of the Notes as between the Issuer and the Distributors will be executed through the Dealer.</p> <p>The Issuer estimates that the Notes will be delivered to the subscribers' respective book-entry securities account on or around the Issue Date.</p>
(h)	Manner in and date on which results of the offer are to be made public:	The results of the Exempt Offer will be published as soon as possible on the website of the Issuer and through the Distributors on or around the Issue Date.
(i)	Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable
(j)	Whether tranche(s) have been reserved for certain countries:	Not Applicable
(k)	Process for notifying applicants of the amount allotted and an indication whether dealing may begin before notification is made:	<p>Prospective Noteholders will be notified directly by the Distributors of the success of their application and amount allotted.</p> <p>Subscription applications will be accepted until the Aggregate Nominal Amount is reached during the Offer Period. In the event that the total amount of Notes requested to be subscribed for exceeds the Aggregate Nominal Amount, the Issuer will close early the Offer Period.</p>
(l)	Amount of any expenses and taxes charged to the subscriber or purchaser:	Not applicable

- (m) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:
- Distributors:
- UniCredit S.p.A.
Piazza Gae Aulenti, 3 Tower A
20154 Milan
Italy
- UniCredit Bank AG, acting through its Milan Branch
Piazza Gae Aulenti 4, Tower C
20154 Milan
Italy

ANNEX 2 - TERMS AND CONDITIONS OF THE 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.

This Note is one of a Series (as defined below) of Notes governed by Italian law and issued by UniCredit S.p.A. (**UniCredit** or the **Issuer**) pursuant to the Agency Agreement (as defined below).

These terms and conditions of the Notes (the **Terms and Conditions of the Notes** or the **Conditions**) include summaries of, and are subject to, the detailed provisions of the Agency Agreement (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 Fourth Amended and Restated Agency Agreement dated 7 June 2022 (such Fourth Amended and Restated Agency Agreement, as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) 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 of the 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 (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 and the applicable Final Terms or applicable Pricing Supplement which are applicable to them.

Words and expressions defined in 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 Agency Agreement 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. 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.

Subject as set out below, 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, as amended from time to time) 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 holders of Additional Tier 1 Notes (which qualify, in whole or in part, as Additional Tier 1 Capital) and shareholders of UniCredit.

In the event the Subordinated Notes of any Series do not qualify or cease to qualify, in their entirety, as Own Funds, such Subordinated Notes and any relative Receipts and Coupons shall rank subordinated and junior to unsubordinated unsecured creditors (including depositors and

holders of Senior Notes and Non-Preferred Senior Notes) of UniCredit, *pari passu* among themselves and with the Issuer's obligations in respect of any other subordinated instruments which do not qualify or have ceased to qualify, in their entirety, as Own Funds and with all other present and future subordinated obligations of UniCredit which do not rank or are not expressed by their terms and/or by mandatory and/or overriding provisions of law to rank junior or senior to the relevant Subordinated Notes (which do not qualify or have so ceased to qualify, in their entirety, as Own Funds) and senior to instruments which qualify (in whole or in part) as own fund items (*elementi di fondi propri*).

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.

A. Subject as set out below, the Additional Tier 1 Notes and any relative Receipts and Coupons 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 and depositors and holders of Senior Notes and Non-Preferred Senior Notes, 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; 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 guarantee or similar instrument from the Issuer to any securities issued by a subsidiary,

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.

- B. In the event the Additional Tier 1 Notes of any Series do not qualify or cease to qualify, in their entirety, as Additional Tier 1 Capital and for so long as they qualify, in whole or part, as Tier 2 Capital, such Additional Tier 1 Notes (the **Reclassified AT1 Notes**) shall rank *pari passu* without any preference among themselves and:

- (i) *pari passu* with: (x) any instruments qualified in whole or in part as Tier 2 Capital of the Issuer (save to the extent any such instrument ranks, or is expressed to rank, senior or junior to the relevant Reclassified AT1 Notes); and (y) any securities or other obligations of the Issuer which rank, or are expressed to rank, on a voluntary or involuntary liquidation or bankruptcy of the Issuer, *pari passu* with instruments qualified in whole or in part as Tier 2 Capital;

- (ii) 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 guarantee or similar instrument from the Issuer to any securities issued by a subsidiary,

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 paragraph (a) and this paragraph (b) above and/or otherwise junior to the Reclassified AT1 Notes; and

- (c) any Additional Tier 1 Notes (which qualify, in whole or in part, as Additional Tier 1 Capital);

- (iii) subordinated and junior to (x) unsubordinated unsecured creditors (including depositors and holders of Senior Notes and Non-Preferred Senior Notes) of the Issuer and (z) subordinated creditors of the Issuer which rank, or are expressed to rank, senior to the relevant Reclassified AT1 Notes (including any subordinated instruments that do not qualify or have ceased to qualify, in their entirety, as Own Funds but which rank, or are expressed to rank senior to the relevant Reclassified AT1 Notes);

- C. In the event the Additional Tier 1 Notes of any Series do not qualify or cease to qualify, in their entirety, as Own Funds, such Additional Tier 1 Notes and any relative Receipts and Coupons shall rank (i) subordinated and junior to unsubordinated unsecured creditors (including depositors and holders of Senior Notes and Non-Preferred Senior Notes) of UniCredit; (ii) *pari passu* among themselves and with the Issuer's obligations in respect of any other subordinated instruments which do not qualify or have ceased to qualify, in their entirety, as Own Funds and with all other present and future subordinated

obligations of UniCredit which do not rank or are not expressed by their terms and/or by mandatory and/or overriding provisions of law to rank junior or senior to the relevant Additional Tier 1 Notes (which do not qualify or have so ceased to qualify, in their entirety, as Own Funds) and (iii) senior to instruments which qualify (in whole or in part) as own fund items (*elementi di fondi propri*), including, for the avoidance of doubt, any Reclassified AT1 Notes (which qualify, in whole or in part, as Tier 2 Capital as per paragraph (B) above).

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 or SOFR if the Specified Currency is 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 Issuer (or an agent appointed by the Issuer) shall, subject as provided in Condition 6.4 (*Reference Rate Replacement*), request each of the Reference Banks (as defined below) to provide the Issuer (or an agent appointed by the Issuer) 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 Issuer (or an agent appointed by the Issuer) 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 Issuer (or an agent appointed by the Issuer) 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 by the Calculation Agent 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 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. (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 Issuer (or an agent appointed by the Issuer) shall request each of the Reference Banks (as defined below) to provide 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 Issuer (or an agent appointed by the Issuer) 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 Issuer (or an agent appointed by the Issuer) 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 Issuer (or an agent appointed by the Issuer) 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 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 Issuer (or an agent appointed by the Issuer) 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 Issuer (or an agent appointed by the Issuer) 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 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.

For the purposes of this Condition 6.3(b)(ii), **Reference Banks** means (a) if the Reference Rate is CAD-BA-CDOR, the principal Toronto office of four major Canadian chartered banks listed in Schedule I to the Bank Act (Canada), or (b) if the Reference Rate is EURIBOR, the principal office of five leading banks in the Euro zone inter-bank market or (c) if any other Reference Rate is used, the principal Relevant Financial Centre office of five leading banks in the inter bank market of the Relevant Financial Centre, in each case selected by the Issuer.

(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) 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:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_{i-y\text{USBD}} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

d means the number of calendar days in the relevant Interest Period;

d₀, 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 d₀, 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-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:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

d means the number of calendar days in the relevant Observation Period.

d₀, 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 d₀, 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:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

d means the number of calendar days in the relevant Interest Accrual Period.

d₀, 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 d₀, 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_e 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 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 6.4(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 and the Agents, as soon as practicable prior to the first date on which the Calculation Agent is to cause notice of the Rate of Interest affected by such Benchmark Transition Event to be published in accordance with the Conditions, 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 will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agent and each stock exchange or listing agent (if any) on which the Notes are then listed 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, and notice thereof to be promptly published in accordance with Condition 17 (*Notices*).

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:

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

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

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:

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

or

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

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

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

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

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

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 Issuer (or an agent appointed by the Issuer) shall request each of the Reference Banks to provide the Issuer (or an agent appointed by the Issuer) 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 Issuer (or an agent appointed by the Issuer) 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) as determined by the Calculation Agent. If on any Interest Determination Date less than three or none of the Reference Banks provides the Issuer (or an agent appointed by the Issuer) 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; and
- (ii) 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:

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

subject to the Minimum Rate of Interest or the Maximum Rate of Interest if, in either case, designated as applicable in the applicable Final Terms in which case the provisions of Condition 6.3(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:

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

(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 from (and including) the relevant Switch Option Effective Date until the Maturity Date (or, where more than one Switch Option Effective Date is specified as applicable in the applicable Final Terms, up to and excluding the next following Switch Option Effective Date to the extent the related Switch Option is exercised), and (C) where a Switch Option has not been exercised prior to the relevant Switch Option Expiry Date, the Issuer shall no longer be entitled to exercise such Switch Option and the Interest Basis shall not change.

Switch Option Expiry Date and Switch Option Effective Date shall mean any date specified as such in the applicable Final Terms provided that any date specified in the applicable Final Terms as a Switch Option Effective Date shall be deemed as such subject to the exercise of the relevant Switch Option having been notified 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:

- Y₁** is the year, expressed as a number, in which the first day of the Interest Period falls;
- Y₂** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- M₁** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

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

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

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

where:

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

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

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

where:

- Y₁** is the year, expressed as a number, in which the first day of the Interest Period falls;
- Y₂** is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- M₁** is the calendar month, expressed as a number, in which the first day of the Interest Period falls;
- M₂** is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- D₁** is the first calendar day, expressed as a number, of the Interest Period, unless (I) that day is the last day of February or (II) such number would be 31, in which case D₁ will be 30; and

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

(g) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the 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 6.4 (*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 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.

(4) *Calculation Agent*

In no event shall the Calculation Agent be responsible for determining any Successor Reference Rate, Alternative Reference Rate, Adjustment Spread, Benchmark, Benchmark Event, Benchmark Transition Event, Benchmark Replacement Adjustment or Benchmark Replacement Conforming Changes. The Calculation Agent will be entitled to conclusively rely on any determinations made by the Issuer or the Independent Adviser and will have no liability for such actions taken at the direction of the Issuer or the Independent Adviser.

Notwithstanding any other provision of this Condition 6.4 (*Reference Rate Replacement*), if in the Calculation Agent's opinion there is any uncertainty in making any determination or calculation under this Condition 6.4 (*Reference Rate Replacement*), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

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 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 (if any); 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 Issuer (or an agent appointed by the Issuer) 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 Issuer (or an agent appointed by the Issuer), 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 Issuer (or an agent appointed by the Issuer) 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 (*Redemption for tax reasons*), Condition 10.4 (*Redemption for regulatory reasons*), Condition 10.6 (*Issuer Call Due to MREL or TLAC Disqualification Event*) and Condition 13 (*Events of Default*), the Early Redemption Amount shall be set:

- (a) in the case of a Note (other than a Zero Coupon Note), 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
- (b) 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.

Installments

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(a) 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.

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, 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, 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 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 and for so long as the rules of the Luxembourg Stock Exchange so require) 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 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 Agency Agreement (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 (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 Issuer and the Principal Paying Agent 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 or any waiver or authorisation of any breach or proposed breach of any of the provisions of the Notes or the Agency Agreement, 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 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, the Terms and Conditions of the 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, 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.