

BASE PROSPECTUS
Dated 3 December 2021

MEDIOBANCA - Banca di Credito Finanziario S.p.A.
(incorporated with limited liability in the Republic of Italy)

MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.
(incorporated with limited liability in Luxembourg)

Issuance Programme

guaranteed in the case of Warrants issued by Mediobanca International (Luxembourg) S.A.

by

MEDIOBANCA - Banca di Credito Finanziario S.p.A.



Under the Issuance Programme (the "**Programme**") described in this Base Prospectus (as defined below), each of Mediobanca - Banca di Credito Finanziario S.p.A. ("**Mediobanca**") and Mediobanca International (Luxembourg) S.A. ("**Mediobanca International**") (each an "**Issuer**" and together the "**Issuers**") may from time to time issue warrants ("**Warrants**" or the "**Securities**"), subject in each case to compliance with all relevant laws, regulations and directives. The payment of all amounts due and the performance of any non-cash delivery obligations in respect of any Securities issued by Mediobanca International will be unconditionally and irrevocably guaranteed by Mediobanca (in such capacity, the "**Guarantor**") under a deed of guarantee and subject to the limitations thereof executed by the Guarantor and dated 3 December 2021 (the "**Deed of Guarantee**").

An investment in Securities issued under the Programme involves certain risks. For a discussion of these risks, see "Risk Factors" beginning on page 19.

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under Regulation (EU) 2017/1129 as amended (the "**Prospectus Regulation**"). The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Securities that are the subject of this Base Prospectus. Such approval relates only to the Securities which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU as amended ("**MiFID II**") and/or which are to be offered to the public in any Member State of the European Economic Area ("**EEA**"). Investors should make their own assessment as to the suitability of investing in the Securities. This Base Prospectus is valid for a period of twelve months from the date hereof. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy when this Base Prospectus is no longer valid. This Base Prospectus comprises two base prospectuses (one for each Issuer, each of which referred to herein as the "**Base Prospectus**") for the purposes of Article 8 of the Prospectus Regulation.

Application will be made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for Securities issued under the Programme during the period of twelve months after the date hereof to be admitted to the official list of Euronext Dublin (the "**Official List**") and trading on its regulated market. The regulated market of Euronext Dublin is a regulated market for the purposes of MiFID II. Application may also be made for certain Securities issued under the Programme to the Luxembourg Stock Exchange to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Securities may also be admitted to trading (i) on the multilateral trading facility of securitised derivatives financial instruments, organised and managed by Borsa Italiana S.p.A. (the "**SeDeX**") and (ii) on the multilateral trading facility of EuroTLX managed by Borsa Italiana S.p.A. ("**EuroTLX**"), being understood that the admission to trading on SeDeX or EuroTLX and/or any other multilateral trading facilities will not be done

under the Prospectus Regulation passporting regime. The applicable Final Terms will specify whether or not application will be made for the Securities to be listed and/or admitted to trading on Euronext Dublin and/or the Luxembourg Stock Exchange and/or SeDeX and/or EuroTLX.

The Programme provides that Securities may be listed or admitted to trading (as the case may be) on such other or further stock exchange(s) or market(s) or multilateral trading facility(ies) as may be agreed between the relevant Issuer, the Guarantor (where applicable) and the relevant Dealer (as defined in "Plan of Distribution"). Unlisted Securities or Securities not admitted to trading on any trading venue may also be issued. This Base Prospectus comprises two base prospectuses (one for each Issuer, each of which referred to herein as the "Base Prospectus") for the purposes of the Prospectus Regulation.

The Central Bank may, at the request of the relevant Issuer, send to the competent authority of another European Economic Area member state (i) a copy of this Base Prospectus; and (ii) a certificate of approval pursuant to Article 25 of the Prospectus Regulation attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation (an "**Attestation Certificate**"). The language of the prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Notice of the aggregate amount of Securities (if applicable), issue price of Securities and any other terms and conditions not contained herein which are applicable to each Tranche (as defined below) of Securities will be set out in the final terms relating to the Securities (the "**Final Terms**") which will be delivered to the Central Bank and, with respect to Securities to be listed on the Official List of Euronext Dublin, will be delivered to Euronext Dublin and, with respect to Securities to be listed on any other or further Stock Exchange, will be delivered to the relevant Stock Exchange.

The terms and conditions of the Securities to be issued under the Programme (see "Terms and Conditions of the Securities" below) (the "**Terms and Conditions**" or the "**Security Conditions**") will be completed by the Final Terms.

The Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Securities will be offered and sold in offshore transactions outside the United States in reliance on Regulation S under the Securities Act. The Securities will be in bearer form and as such are subject to certain U.S. tax law requirements.

Amounts payable under the Securities or assets deliverable under the Securities may be calculated by reference to EURIBOR or CMS which are respectively provided by the European Money Markets Institute ("**EMMI**") for EURIBOR and ICE Benchmark Administration Limited ("**ICE**") for CMS. At the date of this Base Prospectus, EMMI has been authorised as a regulated benchmark administrator pursuant to Article 34 of Regulation (EU) 2016/1011 (the "**EU BMR**") which forms part of the domestic law in the United Kingdom by virtue of the European Union (Withdrawal Act) 2018 (the "**UK BMR**") (together the "**BMR**") and appears on (i) the public register of administrators established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the EU BMR or (ii) the register of administrators and benchmarks established and maintained by the Financial Conduct Authority ("**FCA**") pursuant to Article 36 of the UK BMR. As at the date of this Base Prospectus, ICE does not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the EU BMR, however ICE appears on the register of administrators and benchmarks established and maintained by FCA pursuant to Article 36 of the UK BMR. As far as the Issuer is aware, the transitional provisions in Article 51 of the EU BMR apply, such that ICE is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

Amounts payable under the Securities or assets deliverable under the Securities may also be calculated or otherwise determined by reference to an index or a combination of indices (other than EURIBOR or CMS). Any such index may constitute a benchmark for the purposes of the BMR. If any such index does constitute such a benchmark, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in (i) the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the EU BMR or (ii) the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of the UK BMR. Not every index will fall within the scope of the EU BMR or the UK BMR. Furthermore, transitional provisions in the EU BMR and the UK BMR may have the

result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the applicable Final Terms. The registration status of any administrator under the EU BMR or the UK BMR is a matter of public record and, save where required by applicable law, the relevant Issuer does not intend to update the applicable Final Terms to reflect any change in the registration status of the administrator.

Arranger of the Programme

MEDIOBANCA - Banca di Credito Finanziario S.p.A.

Mandated Dealer

MEDIOBANCA - Banca di Credito Finanziario S.p.A.

IMPORTANT NOTICES

This document constitutes a Base Prospectus for each Issuer for the purposes of Article 8 of the Prospectus Regulation.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this document and, to the best of the knowledge of each of the Issuers and the Guarantor, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

*Each of the Issuers and the Guarantor, having made all reasonable enquiries confirms that (i) this Base Prospectus contains all information with respect to the Issuers, the Guarantor and its subsidiaries taken as a whole (the "**Group**" or the "**Mediobanca Group**"), the Securities and the Deed of Guarantee which is material in the context of the issue and offering of the Securities, (ii) the statements contained in this Base Prospectus relating to the Issuers, the Guarantor and the Mediobanca Group are in every material respect true and accurate and not misleading, the opinions and intentions expressed in this Base Prospectus with regard to the Issuers, the Guarantor and the Mediobanca Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iii) there are no other facts in relation to the Issuers, the Guarantor, the Mediobanca Group, the Securities or the Deed of Guarantee the omission of which would, in the context of the issue and offering of Securities, make any statement in this Base Prospectus misleading in any material respect, and (iv) all reasonable enquiries have been made by the Issuers and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements.*

IMPORTANT – EEA RETAIL INVESTORS *If the Final Terms in respect of any Securities includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.*

IMPORTANT – UK RETAIL INVESTORS *The Securities 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 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 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, 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 Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.*

MIFID II PRODUCT GOVERNANCE / TARGET MARKET *The Final Terms in respect of any Securities may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate and may also include information on the product approval process. Any person subsequently offering, selling or recommending such Securities (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made at the time of issue about whether, for the purpose of the product governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for a Tranche of Securities is a manufacturer in respect of that Tranche, but otherwise neither the Arranger nor the*

Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET *The Final Terms in respect of any Securities may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Tranche of Securities is a manufacturer in respect of such Tranche of Securities, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.*

This Base Prospectus should be read and construed together with any supplement hereto and with any other documents incorporated by reference herein and, in relation to any Tranche of Securities, should be read and construed together with the relevant Final Terms.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue, offer or sale of Securities and, if given or made, such information or representation must not be relied upon as having been authorised by either of the Issuers, the Guarantor or any of the Dealers. Neither the delivery of this Base Prospectus or any Final Terms nor any offering or sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of either Issuer or the Guarantor since the date hereof or the date upon which this document has been most recently supplemented or that there has been no adverse change in the financial position of either Issuer or the Guarantor since the date hereof or the date upon which this document has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Purchases of Securities may be made through a duly appointed Dealer of the relevant Issuer. The relevant Issuer may also offer and sell Securities directly to investors without the involvement of any Dealer.

The Issuers and the Guarantor will enter into a Dealer Agreement with the Mandated Dealer (as defined in this Base Prospectus) in connection with the issue of Securities for the purpose of the distribution of the Securities to prospective investors. Pursuant to the terms of the Dealer Agreement, the relevant Issuer(s) may appoint one or more Dealer(s) under the Programme to subscribe or procure subscribers for all or part of the Securities of the relevant Series. See the section on "Plan of Distribution" in this Base Prospectus for further details.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of either Issuer, the Guarantor or any of the Dealers to subscribe for, or purchase, any Securities.

The distribution of this Base Prospectus and the offering or sale of Securities in certain jurisdictions may be restricted by law. The Issuers and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. No Securities may be offered or sold, directly or indirectly including to the public, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Securities. In particular, the Securities have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements.

This Base Prospectus has been prepared by the Issuers and the Guarantor for use in connection with the offer and sale of Securities in reliance upon Regulation S of the Securities Act outside the United States to non-U.S. persons or in transactions otherwise exempt from registration. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Securities or the accuracy or the adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

For a description of additional restrictions on the distribution of this Base Prospectus and the offer or sale of Securities in the United States, the European Economic Area (including Italy) and other jurisdictions, see "Plan of Distribution".

The Dealers and PricewaterhouseCoopers S.p.A and PricewaterhouseCoopers, Société coopérative, as auditors to, respectively, Mediobanca and Mediobanca International have not separately verified the information contained in this Base Prospectus. None of the Dealers makes any representation express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by either of the Issuers, the Guarantor or any of the Dealers that any recipient of this Base Prospectus or any financial statements should subscribe or purchase any Securities.

Each potential investor should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Securities should be based upon such investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of the relevant Issuer or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Securities of any information coming to the attention of any of the Dealers.

By investing in the Securities each investor represents that:

- (a) ***Non-Reliance.*** *It is acting for its own account, and it has made its own independent decisions to invest in the Securities and as to whether the investment in the Securities is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the relevant Issuer or the Dealers as investment advice or as a recommendation to invest in the Securities, it being understood that information and explanations related to the terms and conditions of the Securities shall not be considered to be investment advice or a recommendation to invest in the Securities. No communication (written or oral) received from the relevant Issuer or the Dealers shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Securities.*
- (b) ***Assessment and Understanding.*** *It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Securities. It is also capable of assuming, and assumes, the risks of the investment in the Securities.*
- (c) ***Status of Parties.*** *Neither the relevant Issuer nor the Dealers is acting as a fiduciary for or adviser to it in respect of the investment in the Securities.*

STABILISATION

*In connection with the issue of any Tranche of Securities under the Programme, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Securities is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Securities and 60 days after the date of the allotment of the relevant Tranche of Securities. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) in accordance with all applicable laws and rules.*

*Securities may be issued on a continuous basis in series (each a "Series") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Securities of each Series being intended to be interchangeable with all other Securities, as the case may be, of that Series. Each Series may be issued in tranches (each a "**Tranche**") on different issue dates. The specific terms of each Tranche (which save in respect of the issue date and issue price of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set forth in the relevant Final Terms, the form of which is set out in "Form of Final Terms" below.*

*In this Base Prospectus, unless otherwise specified or the context otherwise requires: references to "\$", "**U.S.\$**", "**USD**" and "**US Dollars**" are to the lawful currency of the United States of America; references to "**Euro**" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended; references to "£" are to the lawful currency of the United Kingdom; and references to "**Yen**" are to the lawful currency of Japan.*

IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF SECURITIES WHERE THERE IS NO EXEMPTION FROM THE OBLIGATION UNDER THE PROSPECTUS REGULATION TO PUBLISH A PROSPECTUS

Public Offers of Securities in the European Economic Area

Certain Tranches of Securities with a denomination of less than EUR 100,000 (or its equivalent in any other currency) may, subject as provided below, be offered in circumstances where there is no exemption from the obligation under the Prospectus Regulation to publish a prospectus. Any such offer is referred to in this Base Prospectus as a "**Public Offer**". Subject as provided below, this Base Prospectus has been prepared on a basis that permits Public Offers of Securities in Member States of the European Economic Area. Any person making or intending to make a Public Offer of Securities in any Member State of the European Economic Area (each, a "**Relevant Member State**") may only do so if this Base Prospectus has been approved by the competent authority in that Relevant Member State (or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State) and published in accordance with the Prospectus Regulation, provided that the Issuer has consented to the use of this Base Prospectus in connection with such offer as provided under "Consent given in accordance with Article 5(1) of the Prospectus Regulation (Retail Cascades)" and the conditions attached to that consent are complied with by the person making the Public Offer of such Securities.

In the context of any Public Offer of Securities, the Issuer has requested the Central Bank to provide a certificate of approval in accordance with Article 25 of the Prospectus Regulation (a "**passport**") in relation to the passporting of the Base Prospectus to the competent authorities of France, Luxembourg and Republic of Italy (the "**Host Member States**"). Even though the Issuer has elected (or will elect) to passport this Base Prospectus into the Host Member States, it does not mean that it will choose to make any Public Offer in the Host Member State. Investors should refer to the Final Terms for any issue of Securities to see whether the Issuer has elected to make a public offer of Securities in either the Republic of Ireland or a Host Member State (each a "**Public Offer Jurisdiction**").

The Issuer accepts responsibility in the Public Offer Jurisdictions for which it has given consent referred to herein for the content of this Base Prospectus in relation to any person (an "**Investor**") to whom an offer of any Securities is made by any financial intermediary to whom the Issuer has given its consent to use this Base Prospectus (such financial intermediary, an "**Authorised Offeror**"), where the offer is made during the period for which that consent is given and is in compliance with all other conditions attached to the giving of the consent, all as mentioned in this Base Prospectus. However, the Issuer does not have any responsibility for any of the actions of an Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

This Base Prospectus has not been approved by the UK Financial Conduct Authority (the "**FCA**") and has not been prepared on a basis that permits a Public Offer (within the meaning of the UK Prospectus Regulation) in the UK. The expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of "retained EU law", as defined in European Union (Withdrawal) Act 2018.

Consent given in accordance with Article 5.1 of the Prospectus Regulation (Retail Cascades)

Any offer made without the consent of the relevant Issuer or the Guarantor (as applicable) is unauthorised and neither the relevant Issuer nor the Guarantor (as applicable), nor, for the avoidance of doubt, any of the Dealers accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Public Offer, an Investor is offered Securities by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Base Prospectus for the purpose of the relevant Public Offer and, if so, who that person is.

If an Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, the Investor should take legal advice.

Consent to the use of this Base Prospectus

Common conditions to Consent

The conditions to the consent of the Issuers and the Guarantor are (in addition to the conditions described in either sub-paragraph (a) (Specific Consent) or sub-paragraph (b) (General Consent) under "Specific Consent and General Consent" below) that such consent:

- (i) is only valid in respect of the relevant Tranche of Securities;
- (ii) is only valid during the Offer Period specified in the applicable Final Terms; and
- (iii) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Securities in such of the Public Offer Jurisdictions as are specified in the applicable Final Terms.

The consent referred to above relates to Public Offers occurring within twelve months from the date of this Base Prospectus.

Specific Consent and General Consent

Subject to the conditions set out above under "Common Conditions to Consent", each of the Issuers and the Guarantor consents to the use of this Base Prospectus in connection with a Public Offer of Securities in any Public Offer Jurisdiction by:

- (a) **Specific Consent:**
 - (i) the Dealers specified in the relevant Final Terms;
 - (ii) any financial intermediaries specified in the applicable Final Terms; and
 - (iii) any financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the website of the Issuers (<https://mediobanca.com>) and identified as an Authorised Offeror in respect of the relevant Public Offer; and

- (b) **General Consent:**

if General Consent is specified in the relevant Final Terms as applicable, any other financial intermediary which:

- (i) is authorised to make such offers under MiFID II, including under any applicable implementing measure in each relevant jurisdiction; and
- (ii) accepts such offer by publishing on its website the following statement (with the information in square brackets duly completed with the relevant information) (the "**Acceptance Statement**"):

"We, [insert legal name of financial intermediary], refer to the [insert title of relevant Securities] (the "**Securities**") described in the Final Terms dated [insert date] (the "**Final Terms**") published by [ISSUER] (the "**Issuer**") [and [GUARANTOR] (the "**Guarantor**")].

In consideration of the Issuer [and the Guarantor] offering to grant their consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Securities in [insert name(s) of relevant Public Offer Jurisdiction(s)] during the Offer Period in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus), we accept the offer by the Issuer [and Guarantor]. We confirm that we are authorised under MiFID II to make, and are using the Base Prospectus in connection with, the Public Offer accordingly.

Terms used herein and otherwise not defined shall have the same meaning as given to such terms in the Base Prospectus."

Any financial intermediary falling within this sub-paragraph (b) who wishes to use this Base Prospectus in connection with a Public Offer is required, for the duration of the relevant Offer Period specified in the applicable Final Terms, to publish a duly completed Acceptance Statement on its website.

Arrangements between an Investor and the Authorised Offeror who will distribute the Securities

Neither the Issuers nor the Guarantor (nor, for the avoidance of doubt, any of the Dealers) has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

AN INVESTOR INTENDING TO ACQUIRE OR SUBSCRIBE OR ACQUIRING OR SUBSCRIBING ANY SECURITIES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH SECURITIES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT ARRANGEMENTS. NEITHER THE ISSUERS NOR THE GUARANTOR WILL BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE PUBLIC OFFER OR SALE OF THE SECURITIES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE RELEVANT AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE AUTHORISED OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NONE OF THE ISSUERS, THE GUARANTOR AND THE DEALERS HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

IN THE EVENT OF AN OFFER BEING MADE BY A FINANCIAL INTERMEDIARY, SUCH FINANCIAL INTERMEDIARY WILL PROVIDE INFORMATION TO INVESTORS ON THE TERMS AND CONDITIONS OF THE OFFER AT THE TIME THE OFFER IS MADE.

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GENERAL DESCRIPTION OF THE ISSUANCE PROGRAMME

The following is a general description of the Programme for the purposes of Article 25.1(b) of Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation. The following overview does not purport to be complete and is qualified by the remainder of this Document and, in relation to the terms and conditions of any particular Series (as defined below in "Terms and Conditions") of Securities, the applicable Final Terms. Subject as provided in the Terms and Conditions, any of the following (including, without limitation, the type of Securities which may be issued pursuant to the Programme) may be varied or supplemented as agreed between the relevant Issuer, the relevant Dealer(s) and the Fiscal Agent (if applicable). Words and expressions defined in "Form of the Securities" and "Terms and Conditions" shall have the same meaning in this overview:

Issuers: Mediobanca – Banca di Credito Finanziario S.p.A. and Mediobanca International (Luxembourg) S.A.

Mediobanca - Banca di Credito Finanziario S.p.A.: Mediobanca was established on 10 April in 1946 as a medium-term credit granting institution in Italy. In 1956 Mediobanca's shares were admitted to the Italian Stock Exchange and since then its business has expanded both nationally and internationally.

Mediobanca is registered at the Companies' Registry of the Chamber of Commerce of Milan-Monza-Brianza-Lodi, Italy under registration number 00714490158. Mediobanca's registered office is at Piazzetta E. Cuccia 1, 20121 Milan, Italy, telephone number (+39) 0288291.

Mediobanca holds a banking licence from the Bank of Italy authorising it to carry on all permitted types of banking activities in Italy.

Mediobanca is a bank organised and existing under the laws of Italy, carrying out a wide range of banking, financial and related activities throughout Italy.

At the date hereof, Mediobanca's issued share capital totals Euro 443,640,006.50, represented by 887,280,013 registered shares of a nominal value of Euro 0.50.

The Board of Directors of Mediobanca is responsible for the ordinary and extraordinary management of Mediobanca.

Mediobanca International (Luxembourg) S.A.: Mediobanca International has the form of a *société anonyme* subject to Luxembourg law and has its place of registration in Luxembourg. On 15 December 2005 the Luxembourg Minister of the Treasury and the Budget, on the recommendation of the CSSF, granted Mediobanca International a full banking licence pursuant to which its operations include raising funds in the international markets and lending, consistent with Mediobanca International's articles of association approved by the shareholders in the general meeting held on 21 December 2005.

Mediobanca International is registered at the Luxembourg trade and companies registry under registration number B 112885. Mediobanca International's registered office is at 4, Boulevard Joseph II, L-1840 Luxembourg, Grand Duchy of Luxembourg.

As at 30 June 2021, Mediobanca International's issued and authorised fully paid share capital totals Euro 10,000,000 represented by 1,000,000 registered shares of Euro 10 par value.

The Board of Directors of Mediobanca International is responsible for setting authorisation levels, defining organisational structure, defining the system of internal control and reviewing it on a regular basis, and

approving the bank's accounts and interim statements. Day-to-day management is entrusted to two managing directors.

Guarantor: Mediobanca - Banca di Credito Finanziario S.p.A. (with respect to Securities issued by Mediobanca International (Luxembourg) S.A.)

Description: Issuance Programme.

Arranger: Mediobanca - Banca di Credito Finanziario S.p.A.

Dealer: Mediobanca - Banca di Credito Finanziario S.p.A.

Each of the Issuers may from time to time appoint additional dealers under the Programme or terminate their appointment either in respect of a single Tranche or in respect of the whole Programme.

Fiscal Agent: BNP Paribas Securities Services, Luxembourg Branch. will act as Fiscal Agent in respect of the Securities except for Securities in dematerialised form deposited directly with Monte Titoli S.p.A. ("**Monte Titoli**").

Italian Paying Agent: Mediobanca – Banca di Credito Finanziario S.p.A. will act as Italian Paying Agent with respect to Securities in dematerialised form which are deposited directly with Monte Titoli (which role will include the role of Fiscal Agent with respect to such Securities).

Currencies: Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in any currency or currencies as the relevant Issuer, the Guarantor (where applicable), and the relevant Dealer so agree.

Method of Issue: The Securities may be issued on a syndicated or non-syndicated basis. The Securities will be issued in one or more Series (which may be issued on the same date or which may be issued in more than one Tranche on different dates). The Securities may be issued in Tranches on a continuous basis with no minimum issue size, subject to compliance with all applicable laws, regulations and directives. Further Securities may be issued as part of an existing Series.

Final Terms or Drawdown Prospectus: Securities issued under the Programme may be issued either (i) pursuant to this Base Prospectus and the relevant Final Terms or (ii) pursuant to a Drawdown Prospectus. The Terms and Conditions applicable to any particular Tranche of Securities are the Terms and Conditions of the Securities as completed by the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus.

References in this General Description of the Issuance Programme to the Final Terms shall, where applicable, be read as references to the Drawdown Prospectus relating to the Securities, as the case may be.

Form of Securities: Unless otherwise provided in the Final Terms, each issue of Securities will on issue date be represented either by a Temporary Global Security or a Permanent Global Security as indicated in the applicable Final Terms. The Temporary Global Security will be exchangeable either, in accordance with its terms, for a Permanent Global Security or for Definitive Securities. The Permanent Global Security will be exchangeable in limited circumstances for Definitive Securities. Each Temporary Global Security and each Permanent Global Security will be held by a common depository on behalf of Euroclear and

Clearstream, Luxembourg and/or any other relevant clearing system and/or deposited directly with Monte Titoli S.p.A.

If the Securities are issued and held in dematerialised form, the Securities will not be represented by paper certificates and the transfer and exchange of Securities will take place exclusively through an electronic book-entry system managed by Monte Titoli S.p.A. or any other Centralised Custodian appointed by the Issuers. Accordingly, all Securities of the same tranche shall be held by their owners with an intermediary participant in the relevant Centralised Custodian. The intermediary will in turn hold the Securities with the Centralised Custodian. In such circumstances, it will not be possible for a Securityholder to obtain physical delivery of Securities certificates representing the Securities.

Type of Securities:

The Issuer may issue Index Securities, Share Securities, ETI Securities, Currency Securities, Debt Securities, Fund Securities, Inflation Index Securities, Futures Securities and Underlying Interest Rate Securities.

The Securities may also be Open End Warrants and OET Warrants.

The Securities may also be Hybrid Securities where the Underlying Reference may be any combination of such indices (or index futures or options contracts), shares, interests in exchange traded instruments, debt instruments (or debt futures or options contracts), inflation indices, currencies (or currency futures contracts), funds, futures contracts, underlying interest rates or other asset classes or type.

The Securities may be European Style Warrants or American Style Warrants.

Terms and Conditions of the Securities:

Securities: the applicable terms of the Securities will comprise:

- the "Security Conditions", commencing on page 72 of this Base Prospectus;
- where the Securities are linked to one or more Underlying Reference, the terms and conditions relating to such Underlying Reference(s) set out in the "Additional Terms and Conditions" relating to the relevant Underlying Reference(s), commencing on page 269 of this Base Prospectus and ending on page 401, which are specified to be applicable in the relevant Final Terms;
- the "autocall" terms (if any) of the Warrants set forth in the Security Condition 19.9 (*Automatic Early Expiration*) and Annex 1 to the Conditions (*Additional Terms and Conditions Relating to Formulas*), which are specified to be applicable in the relevant Final Terms;
- the "payout" terms of the Warrants set forth in Security Condition 18.2 (*Cash Settlement*), 18.3 (*Physical Settlement*) and Annex 1 to the Conditions (*Additional Terms and Conditions Relating to Formulas*), which are specified to be applicable in the relevant Final Terms.

The terms of a Series of Securities are comprised of (i) the Security Conditions, (ii) the Annex relevant to the relevant Underlying References and (iii) if selected in the applicable Final Terms, the Final Payouts, Automatic Early Expiration Payouts and Entitlements in

respect of the Warrants selected from Annex 1 to the Conditions (the "**Formulas Conditions**") specified in the applicable Final Terms and the related variables specified in the applicable Final Terms.

Status of the Securities:

Securities constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law (also subject to the bail-in instruments as implemented under Italian law, in case of Securities issued by Mediobanca, or Luxemburg law, in case of Securities issued by Mediobanca International)) rank equally with all other unsecured obligations other than subordinated obligations, if any of the relevant Issuer from time to time outstanding.

Guarantee:

Under the Deed of Guarantee, and in accordance with the terms and subject to the limitations thereof, Mediobanca unconditionally and irrevocably guarantees payment of all amounts due and the performance of any non-cash delivery obligations in respect of Securities issued by Mediobanca International. Pursuant to the Guarantee, the Guarantor has the right to elect not to deliver or procure the delivery of any entitlement to holders of Securities, but *in lieu* thereof to pay a cash amount. See also Security Condition 2.2 (*Status of Guarantee*) of the Terms and Conditions of the Securities.

Status of the Guarantee:

The payment obligations of the Guarantor under the Deed of Guarantee constitute – in accordance with the terms and subject to the limitations thereof – direct, unconditional, unsubordinated and unsecured obligations of the Guarantor which will rank at all times at least *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Guarantor (save for certain mandatory exceptions of applicable law and subject to the application of the bail-in legislation applicable to the Guarantor). See also Security Condition 2.2 (*Status of Guarantee*) of the Terms and Conditions of the Securities. In particular, pursuant to the Deed of Guarantee, to the extent the Guarantor is incorporated in the Republic of Italy and to the extent under the applicable law in force at the relevant time a cap to the maximum amount to be guaranteed is required, the Guarantor shall only be liable up to an amount which is the aggregate of 110 per cent. of an amount equal to the sum of the Exercise Price of each Security of any Tranche of the Securities (in each case as specified in the applicable Final Terms). In addition, pursuant to the Deed of Guarantee, the Guarantor has also undertaken to issue an additional guarantee in an amount equal to any liability exceeding the maximum amount mentioned above in relation to any Tranche.

Taxation in respect of Securities:

All payments in respect of Securities shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted and no additional amount shall be payable to any relevant Securityholder in respect of any such tax, duty, withholding or other payment.

Governing Law:

If it is specified in the Final Terms that English law is applicable to the Securities, the Securities and all related contractual documentation and any contractual or non-contractual obligations arising from or connected with the Securities (or such related contractual documentation) will be governed by, and construed in accordance with, English law, save for the status provisions applicable to the Securities and the contractual recognition of bail-in powers provisions, and any non contractual obligations arising out of or in connection with such provisions, which shall be governed by, and construed in accordance with, Italian law (if the Securities are issued by Mediobanca) or

Luxembourg law (if the Securities are issued by Mediobanca International), as applicable. If it is specified in the Final Terms that Italian law is applicable to the Securities, the Securities will be governed by, and shall be construed in accordance with, Italian law, save, in case Securities are issued by Mediobanca International, for the status provisions applicable to the Securities and the contractual recognition of bail-in powers provisions, and any non contractual obligations arising out of or in connection with such provisions, which shall be governed by, and construed in accordance with, Luxembourg law. Articles 470-1 to 470-19 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended, are not applicable to the Securities.

Listing and Admission to Trading:

The Central Bank of Ireland has approved this document as a Base Prospectus. Application has also been made for Securities issued under the Programme to be admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and to be listed on the Official List of Euronext Dublin.

Application may also be made for certain Securities issued under the Programme (i) to the Luxembourg Stock Exchange to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Securities may also be admitted to trading (i) on the multilateral trading facility of securitised derivatives financial instruments, organised and managed by Borsa Italiana S.p.A. (the "**SeDeX**") and (ii) on the multilateral trading facility of EuroTLX managed by Borsa Italiana S.p.A. ("**EuroTLX**"). The applicable Final Terms will specify whether or not application will be made for the Securities to be listed and/or admitted to trading on Euronext Dublin and/or the Luxembourg Stock Exchange and/or SeDeX and/or EuroTLX.

The Programme provides that Securities may be listed or admitted to trading (as the case may be) on such other or further stock exchange(s) or market(s) or multilateral trading facility(ies) as may be agreed between the relevant Issuer, the Guarantor (where applicable) and the relevant Dealer (as defined in "*Plan of Distribution*"). Unlisted Securities or Securities not admitted to trading on any trading venue may also be issued.

The Central Bank may, at the request of the relevant Issuer, send to the competent authority of another European Economic Area member state (i) a copy of this Base Prospectus; and (ii) a certificate of approval pursuant to Article 25(1) of the Prospectus Regulation attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation (an "**Attestation Certificate**").

Notice of the aggregate amount of Securities, issue price of Securities and any other terms and conditions not contained herein which are applicable to each Tranche (as defined below) of Securities will be set out in the final terms relating to the Securities (the "**Final Terms**") which will be delivered to the Central Bank and, with respect to Securities to be listed on the Official List of Euronext Dublin, will be delivered to Euronext Dublin and, with respect to Securities to be listed on any other or further Stock Exchange, will be delivered to the relevant Stock Exchange.

The applicable Final Terms will state whether or not the relevant Securities are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets and/or trading venue.

Selling Restrictions:

See "*Plan of Distribution*".

RISK FACTORS

The Issuers and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under the Securities and the Guarantee issued under the Programme. Most of these factors are contingencies which may or may not occur. In addition, factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme are also described below.

The Issuers and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but the inability of the Issuers and the Guarantor to pay interest, principal or other amounts on or in connection with any Securities or the Guarantee may occur for other reasons which may not be considered significant risks by the Issuers and the Guarantor based on information currently available to them or which they may not currently be able to anticipate.

Investors should be aware that they may lose the value of their entire investment or part of it, as the case may be.

The purchase of Securities involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Securities. Before making an investment decision, prospective investors should ensure that they understand the nature of the Securities and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in this Base Prospectus and as supplemented from time to time.

No person has been authorised to give any information or make any representation not contained in or not consistent with the Base Prospectus and/or the Final Terms, or any other information supplied in connection with the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the relevant Issuer or the Dealer.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary, prior to making any investment decision.

Words and expressions defined in "Form of Final Terms", "Terms and Conditions" or elsewhere in this Base Prospectus have the same meaning in this section. Prospective investors should read the entire Base Prospectus. In this section, "Issuer" refers to Mediobanca and/or to Mediobanca International as appropriate.

1. Material Risks that are specific to the Issuers and that may affect the Issuers' ability to fulfil their obligations under the Securities

The risks below have been classified into the following categories:

- (A) Risks relating to the Issuers' activities and the market where the Issuers operate;
- (B) Risks relating to the Issuers' financial situation; and
- (C) Risks relating to the legal and regulatory framework.

(A) RISK FACTORS RELATING TO THE ISSUERS' ACTIVITIES AND THE MARKET WHERE THE ISSUERS AND THE GROUP OPERATE.

Systemic risks in connection with the economic/financial crisis and the Covid-19 Pandemic

The evolution of the macroeconomic scenario could negatively affect the economic and financial situation of the Issuer and/or of the Mediobanca Group, and in particular its liquidity, profitability and capital solidity, leading the Issuers and/or the Mediobanca Group to incur losses, increase the cost of financing and reduce the value of assets held.

The Issuers' performance is also influenced by the general economic situation, both national and for the Eurozone as a whole, and by the trend on financial markets, in particular by the solidity and growth prospects of the geographical areas in which the Issuers operate. The macroeconomic scenario currently reflects considerable areas

of uncertainty, in relation to: (a) the trends in the real economy with reference to the prospects of recovery and growth in the national economy and/or resilience of growth in the economies of those countries, such as the United States and China, which have delivered growth, even substantial, in recent years; (b) future developments in the monetary policy of the European Central Bank for the Eurozone area, and the U.S. Federal Reserve Board for the US dollar area, and the policies implemented by various countries to devalue their own currencies for competitive reasons; (c) the sustainability of the sovereign debt of certain countries, and the tensions noted more or less frequently on financial markets.

In this respect, the outbreak of Covid-19 pandemic, which began in China at the end of January 2020 and expanded globally in a few months, has had and is still having significant negative consequences on the overall scenario and in turn on the Italian banking sector in which the Issuer operates. Furthermore, the measures implemented by the competent authorities, and mainly the Italian Government, on the one side, helped facing the health emergency, while on the other had massive negative consequences in human, social and economic terms. Indeed, such measures led to a reduction in revenues on the majority of the corporate customers, an increase of costs related to the actions necessary to contain and prevent the spread of Covid-19 and, in turn, on the ability to pay existing debt (potentially also *vis-à-vis* the Issuer) and on current employment levels. Any of such circumstances may have an impact on the Issuers' results and, in turn, on the Issuers' ability to pay interest or repay principal under the Securities.

Despite the actions taken so far by the Italian government, the regulatory bodies of the European Union and the relevant member states to mitigate the negative impacts of the anti-Covid-19 measures and support the economic recovery (including the adoption of the recovery plan named "NextGenerationEU"), significant uncertainties still remain about the evolution, severity and duration of the pandemic. Should the Covid-19 pandemic and the consequent economic crisis situation persist in the forthcoming months, further negative impacts may arise on the Issuers' business situation, also due to the fact that such crisis situation increase the materiality of most of the risks to which the Issuer is exposed to, which are detailed below, and in turn the Group's results and financial condition might be materially adversely affected.

The Issuers' financial results are affected by changes in interest rates

Fluctuations in interest rates in Italy and in the other markets in which the Mediobanca Group operates influence the Mediobanca Group's performance. The results of each Issuer's banking operations are affected by its management of interest rate sensitivity (*i.e.* Interest rate sensitivity refers to the relationship between changes in market interest rates and changes in net interest income). A mismatch of interest-earning assets and interest-bearing liabilities in any given period, which tends to accompany changes in interest rates, may have a material effect on the Issuers' financial condition or results of operations.

The Issuers' financial results may be affected by market declines and volatility

The results of the Issuers may be affected by general economic, financial and other business conditions. During recessionary periods, there may be less demand for loan products and a greater number of the Issuers' customers may default on their loans or other obligations. Interest rate rises may also impact the demand for mortgages and other loan products. The risk arising from the impact of the economy and business climate on the credit quality of the Issuers' borrowers and counterparties, including sovereign states, can affect the overall credit quality and the recoverability of loans and amounts due from counterparties.

The Issuers are therefore exposed by its very nature to potential changes in the value of financial instruments, including securities issued by sovereign states, due to fluctuations in interest rates, exchange rates and currencies, stock market and commodities prices and credit spreads, and/or other risks.

The Issuers are subject to credit risk and market risk

Credit risk relates to the risk of loss arising from counterparty default or, more generally, from counterparties failure to perform their contractual obligations. Therefore, the Issuers' business depends on the creditworthiness of its borrowers and counterparties, including sovereign states, which can affect the recoverability of loans and amounts due to the Issuers.

Notwithstanding any policy implemented to hedge or otherwise manage their exposure to credit risk, the Issuers may not have access to all relevant information regarding its customers and their financial position, before granting loans. Any failure to properly understand the financial and economic profile of their customers could have an adverse effect on the Issuers' business and financial results.

In addition, during recessionary periods, there may be less demand for loan products and a greater number of the

Issuers' customers may default on their loans or other obligations. Interest rate rises may also impact the demand for mortgages and other loan products. The risk arising from the impact of the economy and business climate on the credit quality of the Issuers' borrowers and counterparties, including sovereign states, can affect the overall credit quality and the recoverability of loans and amounts due from counterparties, with a consequent negative impact on the Issuers' business and financial results.

Market risk relates to the risk arising from market transactions in connection with financial instruments, currencies and commodities. The Issuers' trading revenues are dependent upon its ability to identify properly, and mark to market, changes in the value of financial instruments caused by changes in market prices or interest rates. The Issuers' financial results also depend upon how effectively the Issuers determine and assess the cost of credit and manages their credit risk and market risk concentration. In addition, due to market fluctuations, weak economic conditions and/or a decline in stock and bond prices, trading volumes or liquidity, the Issuers' financial results may also be affected by a downturn in the revenues deriving from their margin interests, principal transactions, investment banking and securities trading fees and brokerage activities.

The credit and capital markets have been experiencing extreme volatility and disruption in recent months. To the extent that any of the instruments and strategies the Issuers use to hedge or otherwise manage their exposure to credit or capital markets risk are not effective, the Issuers may not be able to mitigate effectively their risk exposures in particular market environments or against particular types of risk. The Issuers' trading revenues and interest rate risk are dependent upon their ability to identify properly, and mark to market, changes in the value of financial instruments caused by changes in market prices or interest rates. The Issuers' financial results also depend upon how effectively the Issuers determine and assess the cost of credit and manage their credit risk and market risk concentration. In addition, due to market fluctuations, weak economic conditions and/or a decline in stock and bond prices, trading volumes or liquidity, the Issuers' financial results may also be affected by a downturn in the revenues deriving from its margin interests, principal transactions, investment banking and securities trading fees and brokerage activities.

Risk relating to the Issuers investment banking and financial advisory activities

The Issuers' investment banking revenues, in the form of financial advisory and debt and equity underwriting fees, are directly related to the number and size of the transactions in which the Issuers participate and may be impacted by continued or further credit market dislocations or sustained market downturns. Sustained market downturns or continued or further credit market dislocations and liquidity issues would also likely lead to a decline in the volume of capital market transactions that the Issuers execute for their clients and, therefore, to a decline in the revenues that it receives from commissions and spreads earned from the trades the Issuer executes for its clients. Further, to the extent that potential acquirers are unable to obtain adequate credit and financing on favourable terms, they may be unable or unwilling to consider or complete acquisition transactions, and as a result the Issuers' merger and acquisition advisory practice would suffer.

In addition, declines in the market value of securities can result in the failure of buyers and sellers of securities to fulfil their settlement obligations, and in the failure of the Issuers' clients to fulfil their credit obligations. During market downturns, the Issuers' counterparties in securities transactions may be less likely to complete transactions. Also, the Issuers often permit their clients to purchase securities on margin or, in other words, to borrow a portion of the purchase price from the Issuers and collateralize the loan with a set percentage of the securities. During steep declines in securities prices, the value of the collateral securing margin purchases may drop below the amount of the purchasers' indebtedness. If the clients are unable to provide additional collateral for these loans, the Issuers may lose money on these margin transactions. In addition, particularly during market downturns, the Issuers may face additional expenses defending or pursuing claims or litigation related to counterparty or client defaults.

Risks connected to the presence of OTC derivatives in the Group's portfolio

The investors should note that the portfolio of the Group contains so-called "over the counter" ("OTC") derivatives. The fair value of these OTC derivatives depends upon both the valuation and the perceived credit risk of the instrument insured or guaranteed or against which protection has been bought and the credit quality of the protection provider. Market counterparties have been adversely affected by their exposure to residential mortgage linked products, and their perceived creditworthiness has deteriorated significantly since 2007. Although the Group seeks to limit and manage direct exposure to market counterparties, indirect exposure may exist through other financial arrangements and counterparties. If the financial condition of market counterparties or their perceived creditworthiness deteriorates further, the Group may record further credit valuation adjustments on the underlying instruments insured by such parties.

Any primary or indirect exposure to the financial condition or creditworthiness of these counterparties could have a material adverse impact on the results of operations, financial condition and prospects of the Group.

Risk relating to intense competition, especially in the Italian market, where the Group has the largest concentration of its business

Competition is intense in all of the Mediobanca Group's primary business areas in Italy and the other countries in which the Mediobanca Group conducts its business. The Mediobanca Group derives most of its total banking income from its banking activities in Italy, a mature market where competitive pressures have been increasing quickly. If the Mediobanca Group is unable to continue to respond to the competitive environment in Italy with attractive product and service offerings that are profitable for the Mediobanca Group, it may lose market share in important areas of its business or incur losses on some or all of its activities.

The Issuers are subject to operational risk

The adverse effects on the Issuers may impact on whether they can make the payments due on the Securities issued under the Programme. The Issuers, like all financial institutions, are exposed to many types of operational risk, including the risk of fraud by employees and outsiders, unauthorised transactions by employees or operational errors, including errors resulting from faulty computer or telecommunication systems. The Issuers' systems and processes are designed to ensure that the operational risks associated with the Issuers' activities are appropriately monitored. Any failure or weakness in these systems, however, could adversely affect the Issuers' financial performance and business activities.

The Issuers' operation is dependent upon the correct functioning of the IT systems, which might expose the Group to certain risks

The financial losses or impacts on the Issuers' operations that may arise may impact on whether they can make the payments due on the Securities issued under the Programme. The Issuers' operation depends on, among other things, the correct and adequate operation of the Issuers' IT systems, as well as their continuous maintenance and constant updating.

Although the Issuers have always invested significant resources in upgrading its IT systems and improving its defense and monitoring systems, possible risks remain with regard to the reliability of the systems (e.g. disaster recovery), the quality and integrity of the data managed and the threats to which IT systems are subject, as well as physiological risks related to the management of software changes (change management), which could have negative effects on the Issuers' business, results of operations and financial condition.

Among the risks that the Issuers might face relating to the management of IT systems are the possible violations of its systems due to unauthorised access to the Issuers' corporate network or IT resources, the introduction of viruses into computers or any other form of abuse committed via internet. Like attempted hacking, such violations have become more frequent over the years throughout the world and therefore can threaten the protection of information relating to the Issuers and their customers and can have negative effects on the integrity of the Issuers' IT systems, as well as on the confidence of their customers and on the Issuers reputation, with possible negative effects on the Issuers' business, results of operations and financial condition.

In addition, the Issuers' substantial investment in resources in software development creates the risk that when one or more of the above-mentioned circumstances occurs, the Issuers' may suffer financial losses or impacts on the Issuers' operations if the software is destroyed or seriously damaged, or will incur repair costs for the violated IT systems.

(B) RISKS RELATING TO THE ISSUERS' FINANCIAL SITUATION

Liquidity Risk

Liquidity risk is the risk that the Issuers will be unable to meet their obligations as they fall due, because of their inability to obtain funding (i.e., funding liquidity risk) and/or because of their difficulties to sell assets without incurring in a capital loss due to the illiquid nature of the market (i.e., market liquidity risk).

The liquidity of the Issuers may be affected by (i) national and international markets' volatility; (ii) potential adverse developments of general economic, financial and other business conditions; (iii) circumstances making the Issuers temporarily unable to obtain access to capital markets by issuing debt instruments; (iv) credit spreads; (v) regulatory developments in the prudential requirements field; and (vi) variations in the Issuers' creditworthiness – which may affect the aforementioned market liquidity risk. All the above circumstances may

derive from factors – as market disruptions – which do not depend on the Issuers' will, but may adversely affect their liquidity profile.

Risks in connection with the exposure of the Group to Eurozone sovereign debt

In carrying out its activities, the Group holds substantial volumes of public-sector bonds, including bonds issued by European countries. The Group's total exposure in this respect as at 30 June 2021 is set out in the tables A.1.2a and A.1.2b of Part E on page 270 of the audited consolidated annual financial statements of Mediobanca as at and for the year ended 30 June 2021 incorporated by reference into this Base Prospectus. This could give rise to operational disruptions to the Group's business.

Thus, any negative developments in the Group's sovereign exposure could adversely affect its results of operations, business and financial condition.

Risks connected to a potential rating downgrade

At the date of this Base Prospectus, Mediobanca is rated (i) A-2 (short-term Issuer Credit Rating "**ICR**"), BBB (long-term ICR) and positive (outlook) by S&P, (ii) F3 (short-term Issuer Default Rating "**IDR**"), BBB- (long-term IDR) and stable (outlook) by Fitch and (iii) P-2 (short-term Counterparty Risk and Deposits Rating), Baa1 (long-term Counterparty Risk and Deposits Rating) and stable (outlook) by Moody's. Each of S&P, Fitch and Moody's are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit rating agencies, (as amended from time to time) (the "**CRA Regulation**") as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority pursuant to the CRA Regulation.

A downgrade of Mediobanca's rating (for whatever reason) might result in higher funding and refinancing costs for Mediobanca in the capital markets. In addition, a downgrade of Mediobanca's rating may limit Mediobanca's opportunities to extend mortgage loans and may have a particularly adverse effect on Mediobanca's image as a participant in the capital markets, as well as in the eyes of its clients. These factors may have an adverse effect on Mediobanca's financial condition and/or the results of its operations.

In addition, Mediobanca's credit ratings are potentially exposed to the risk of reductions in the sovereign credit rating of the Republic of Italy. On the basis of the methodologies used by rating agencies, any downgrades of Italy's credit rating may have a potential knock-on effect on the credit rating of Italian issuers such as Mediobanca and make it more likely that the credit rating of Securities issued under the Programme are downgraded.

(C) RISKS RELATING TO THE LEGAL AND REGULATORY FRAMEWORK

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

Mediobanca is subject to extensive regulation and supervision by the Bank of Italy, the *Commissione Nazionale per le Società e la Borsa* (the Italian securities market regulator or "**CONSOB**") the European Central Bank and the European System of Central Banks. Mediobanca International is subject to extensive regulation and supervision by the CSSF, the European Central Bank and the European System of Central Banks.

The banking laws to which the Issuers are subject govern the activities in which banks and foundations may engage and are designed to maintain the safety and soundness of banks, and limit their exposure to risk. In addition, the Issuers must comply with financial services laws that govern their marketing and selling practices. The regulatory framework governing the international financial markets is currently being amended in response to the credit crisis, and new legislation and regulations are being introduced in Italy and the Grand Duchy of Luxembourg and could significantly alter the Issuers' capital requirements.

The supervisory authorities mentioned above govern various aspects of the Issuers, which may include, among other things, liquidity levels and capital adequacy, the prevention and combating of money laundering, privacy protection, ensuring transparency and fairness in customer relations and registration and reporting obligations. In order to operate in compliance with these regulations, the Issuers have in place specific procedures and internal policies. Despite the existence of these procedures and policies, there can be no assurance that violations of regulations will not occur, which could adversely affect the Group's results of operations, business and financial condition. The above risks are compounded by the fact that, as at the date of this Base Prospectus, certain laws and regulations have only been approved and the relevant implementation procedures are still in the process of being developed.

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

Directive 2014/59/EU (the "BRRD") as amended by Directive 2017/2399 (the "BRRD Amending Directive") and Directive 2019/879 (the "BRRD II" and, jointly with the BRRD and the BRRD Amending Directive, the "BRRD Package") provides for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms in the EEA. The BRRD has been implemented in (i) Italy through the adoption of the Legislative Decrees No. 180/2015 and 181/2015 and (ii) the Grand Duchy of Luxembourg through the adoption of the Law of 18 December 2015.

The BRRD Package contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that: (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation - which enables resolution authorities to transfer assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims into shares or other instruments of ownership (*i.e.* shares, other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing interests in shares or other instruments of ownership) (the "**General Bail-in Tool**"), which equity could also be subject to any future application of the General Bail-In Tool.

In addition to the General Bail-in Tool, the BRRD Package provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments such as subordinated notes at the point of non-viability and before or concurrently with any other resolution action is taken ("**non-viability loss absorption**"). Any shares issued to holders of the Securities upon any such conversion into equity capital instruments may also be subject to any application of the General Bail-in Tool.

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

In the context of these resolution tools, the resolution authorities have the power to amend or alter the maturity of debt instruments and other eligible liabilities issued by an institution under resolution or amend the amount of interest payable under such instruments and other eligible liabilities, or the date on which the interest becomes payable, including by suspending payment for a temporary period, except for those secured liabilities which are subject to Article 44(2) of the BRRD.

Moreover, the European Commission has proposed a harmonised national insolvency ranking of unsecured debt instruments to facilitate credit institutions' issuance of such loss absorbing debt instruments, by creating, *inter alia*, a new asset class of "non-preferred" senior debt instruments with a lower rank than ordinary senior unsecured debt instruments in insolvency. In such perspective, the proposed amendments to Article 108 of the BRRD aim at enhancing the implementation of the bail-in tool and at facilitating the application of the "minimum requirement for own funds and eligible liabilities" ("**MREL**") requirement concerning the loss absorption and recapitalisation capacity of credit institutions and investment firms. As such, the amendments provide an additional means for credit institutions and certain other institutions to comply with the forthcoming MREL requirement and improve their resolvability, without constraining their respective funding strategies.

The powers set out in the BRRD Package and the application of the MREL requirement will impact credit institutions and investment firms and how they are managed as well as, in certain circumstances, the rights of creditors under the Programme.

Risk related to major regulatory changes

In the wake of the global financial crisis that began in 2008, the Basel Committee on Banking Supervision approved a number of capital adequacy and liquidity requirements ("**Basel III**") aimed at reaching higher and better-quality capital and risk coverage and at implementing measures to promote the build-up of capital that can be drawn down in periods of stress, the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards. The Basel III framework adopted a gradual approach, with the requirements to be implemented over time, with full enforcement in 2019.

Moreover, the Basel Committee has embarked on a very significant risk weighted assets ("**RWAs**") variability agenda. This includes the Fundamental Review of the Trading Book, revised standardised approaches (*e.g.* credit, market, operational risk), constraints to the use of internal models as well as the introduction of a capital floor. The regulator's primary aim is to eliminate unwarranted levels of RWA variance. The new setup will have a significant impact on risk modelling. From a credit risk perspective, an impact is expected both on capital held against the exposures assessed via standardised approach and on those evaluated via an internal ratings based approach ("**IRB**"), due to the introduction of capital floors that, according to the new framework, will be calculated based on the revised standardised approach. Implementation of these new rules on risk models will take effect from 1 January 2022.

At the European level, the Basel III rules have been implemented through two separate legislative instruments: Directive 2013/36/EU of 26 June 2013, as amended (the "**CRD IV Directive**") and Regulation (EU) No. 575 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "**CRR**" and together with the CRD IV Directive, the "**CRD IV**").

The CRD IV has been amended, as well as the BRRD and the SRM Regulation, following the adoption of a comprehensive reform package first announced by the European Commission in November 2016 (the "**EU Banking Reform**"). In particular, the EU Banking Reform consists of:

- Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending the CRD IV Directive as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (the "**CRD V**");
- Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (the "**CRR II**");
- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the Bank Recovery and Resolution Directive as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC (the "**BRRD II**"); and
- 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 (the "**SRMR II**").

These recently introduced banking reforms as well as other laws and regulations that may be adopted in the future could result in additional charges and obligations to be fulfilled by the Issuer, which could impact negatively on the Issuer's operating results and its earnings, capital and financial situation.

Risks related to changes in fiscal law

These recently introduced banking reforms as well as other laws and regulations that may be adopted in the future could adversely affect the Issuer's business, financial condition, results of operations and cash flow.

The Issuers are subject to risks associated with changes in tax law or in the interpretation of tax law, changes in tax rates and consequences arising from non-compliance with procedures required by tax authorities. Any legislative changes affecting the calculation of taxes could therefore have an impact on the Issuers' financial condition, results of operations and cash flow.

With particular reference to Mediobanca, Mediobanca is required to pay Italian corporate income taxes ("**IRES**") pursuant to Title II of Italian Presidential Decree no. 917 of 22 December 1986 (*i.e.* the Consolidated Income Tax Law, or "**TUIR**") and the Italian regional business tax ("**IRAP**") pursuant to Legislative Decree no. 446 of 15 December 1997, and the amount of taxes due and payable by Mediobanca may be affected by tax benefits from time to time available.

Mediobanca currently benefits from the stimulus provisions introduced by way of article 1 of Italian Law Decree no. 201 of 6 December 2011, as amended and converted into Law no. 214 of 22 December 2011, concerning "economic-growth allowances" (*aiuto alla crescita economica*, or "ACE"). The ACE rules allow for a deduction from net income for the purposes of IRES of an amount computed by applying a notional yield at a rate of 1.3% from 2019 onwards to the increase in net equity (the "ACE Base"). The ACE base is, for the first year of application of ACE (*i.e.* 2011), the amount of equity existing at close of that year less the amount of equity as of 31 December 2010 (excluding profits earned in 2010) and, for subsequent years, the base carried forward from the previous year as adjusted (increased and reduced) to reflect components affecting equity.

In accordance with article 3 of the Italian Ministerial Decree of 3 August 2017 revising the implementing provisions of the ACE legislation, if the amount of the notional yield (*i.e.* the ACE deduction) exceeds net income declared for a given tax year (the "Excess ACE"), such excess (i) may increase the amount deductible from income in subsequent tax years without time or amount limits, or (ii) may be converted into a tax credit calculated by applying the IRES tax rate, as per article 77 of the TUIR, to the Excess ACE amount and then utilised in five annual instalments of equal amount as an offset to IRAP up to the amount of tax due for the period.

From time to time, the Italian budget law may also include provisions that affect the deductibility of particular items that could result in an increase in the taxable income of the Issuer for IRES and/or IRAP purposes, either in general or for specific tax period(s).

The Issuer may be affected by new accounting and regulatory standards

The potentially negative effects on the estimates contained in the financial plans for future years may impact on whether the Issuers can make the payments due on the Securities issued under the Programme. Following the entry into force and subsequent application of new accounting standards and/or regulatory rules and/or the amendment of existing standards and rules, the Issuer may have to revise the accounting and regulatory treatment of some operations and the related income and expense, with potentially negative effects on the estimates contained in the financial plans for future years and with the need to restate already published financial statements.

The transposition of the Anti-Tax Avoidance Directives in Luxembourg law could have an impact on the tax position of Mediobanca International (including its performance)

As part of its anti-tax avoidance package, and to provide a framework for a harmonised implementation of a number of the BEPS conclusions across the EU, the EU Council adopted Council Directive (EU) 2016/1164 ("ATAD 1") on 12 July 2016. The EU Council further adopted Council Directive (EU) 2017/952 ("ATAD 2" and, together with the ATAD 1, "ATAD") on 29 May 2017, amending the EU Anti-Tax Avoidance Directive 1, to provide for minimum standards for counteracting hybrid mismatches involving EU member states and third countries.

In this respect, the Luxembourg law dated 21 December 2018 (the "ATAD 1 Law") transposed the ATAD 1 into Luxembourg legislation.. Amongst the measures contained in the ATAD 1 Law there is an interest deductibility limitation rule.

The interest deduction limitation rule set out by ATAD 1 has been implemented in article 168bis of the Luxembourg income tax law ("LITL") effective as of 1 January 2019, which restrict, for a Luxembourg taxpayer, the deduction of net interest expenses qualifying as "exceeding borrowing costs" to the higher of (i) 30 per cent. of the taxpayer's EBITDA, and (ii) € 3 million.

Exceeding borrowing costs are defined as the amount by which the deductible borrowing costs of a taxpayer exceeds the taxpayer's taxable interest revenues and other economically equivalent taxable income of the taxpayer. Exceeding borrowing costs not deductible in a tax period can be carried forward indefinitely. The same applies to a taxpayer's excess interest capacity which cannot be used in a given tax period (however, such excess interest capacity can only be carried forward for a maximum period of 5 years).

Financial undertakings, such as credit institutions, are excluded from the scope of the interest limitation rule, hence, considering that Mediobanca International is a credit institution within the meaning of the law dated 5 April 1993, it is not impacted by this interest limitation rule.

EU Anti-Tax Avoidance Directives also contain rules relating to so-called hybrid mismatches. Luxembourg implemented the anti-hybrid mismatch rules under ATAD 2 in article 168ter of the LITL with effect as of 1

January 2020, except for the measures related to reverse hybrid mismatches which will apply as from fiscal year 2022.

As per article 168ter of the LITL, a hybrid mismatch arises when a payment between entities located in different states results in a double deduction or a deduction without inclusion. In the event of a double deduction, the deriving hybrid mismatch should be adjusted by denying the deduction at the level of either (i) the payee or (ii) the payor (provided that the deduction has not already been denied at the level of the payee). In the event of a deduction without inclusion, the deriving hybrid mismatch shall be adjusted by means of either (i) the denial of the deduction at the level of the payor or (ii) the inclusion of the payment in the taxable income of the payee (provided that the deduction has not already been denied at the level of the payor).

A hybrid mismatch occurs only if it arises either (i) between "associated enterprises" or in the case of "acting together", (ii) a taxpayer and an associated enterprise, (iii) head office and permanent establishment, (iv) two or more permanent establishments of the same entity or (v) in the case of a structured arrangement.

The impact of ATAD 2 depends on the tax treatment at the level of the relevant holder of Securities and may alter the tax position and hence the performance of Mediobanca International.

2. Risks relating to the Securities

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

(A) General

The Securities may not be a suitable investment for all investors

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

- (i) proceed with investment only after fully appreciating the risks inherent in the nature of the Securities;
- (ii) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (iii) evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets;
- (v) consider all of the risks of an investment in the Securities, including Securities with payments thereunder payable in one or more currencies, or where the currency for payments thereunder is different from the potential investor's currency; and
- (vi) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities;
- (vii) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In addition, an investment in Index Securities, Share Securities, ETI Securities, Debt Securities, Currency Securities, Inflation Index Securities, Fund Securities, Inflation Index Securities, Futures Securities and Underlying Interest Rate Securities may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including, but not limited to, the risks set out in "Risks related to the structure of a particular issue of Securities" set out below.

Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios.

A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular Issue of Securities

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

The Securities involve a high degree of risk, which may include (in addition to the risks relating to the Issuers (including the default risk) and Guarantor's ability to fulfil their obligations under the Securities to investors) price risks associated with the Underlying Reference (as defined below), among others, interest rate, foreign exchange, inflation, correlation, time value and political risks. Prospective purchasers of Securities should recognise that their Securities may expire worthless or be settled for no value. Investors should be prepared to sustain a total loss of the subscription or purchase price of their Securities. See "*Certain Factors Affecting the Value and Trading Price of Securities*" below. Prospective investors should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Securities and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Securities in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Securities and the particular underlying index (or basket of indices), share, GDR or ADR (or basket of shares, GDRs and/or ADRs), interests in exchange traded funds, exchange traded notes, exchange traded commodities or other exchange traded products (each an "**exchange traded instrument**") (or basket of interests in exchange traded instruments), debt futures or debt options contract (or basket of debt futures or debt options contracts), debt instrument (or basket of debt instruments), inflation index (or basket of inflation indices), currency (or basket of currencies), fund share or unit (or basket of fund shares or units), futures contracts (or basket of futures contracts), or other basis of reference to which the value of the relevant Securities may relate, as specified in the applicable Final Terms (such reference being the "**Underlying Reference**").

Securities linked to Underlying Reference(s) will represent an investment linked to the economic performance of the relevant Underlying Reference(s) and potential investors should note that the return (if any) on their investment in such Securities will depend upon the performance of such Underlying Reference(s). Securities linked to the difference in performance between two Underlying References (in case of Performance Differential Securities) will represent an investment linked to the difference between the economic performance of the relevant Underlying Reference(s) and potential investors should note that the return (if any) on their investment in such Securities will depend upon the relative performance of such Underlying References. Potential investors should also note that whilst the market value of such Securities is linked to such Underlying Reference(s) and will be influenced (positively or negatively) by such Underlying Reference(s), any change in the market value of such Securities may not be comparable to changes in the market value of the Underlying Reference(s). It is impossible to predict how the market value of the relevant Underlying Reference(s) will vary over time.

The exposure to the Underlying Reference in many cases will be achieved by the relevant Issuer entering into hedging arrangements. Potential investors should be aware that under the terms of Underlying Reference linked Securities they are exposed to the performance of these hedging arrangements and the events that may affect these hedging arrangements and consequently the occurrence of any of these events may affect the value of the Securities.

The risk of the loss of some or all of the subscription or purchase price of a Security on settlement means that, in order to recover and realise a return upon his or her investment, an investor must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the Underlying Reference which may be specified in the applicable Final Terms. Assuming all other factors are held constant, the lower the value of a Security and the shorter the remaining term to settlement, the greater

the risk that Securityholders of such Securities will lose all or part of their investment. With respect to European Style Warrants, the only means through which a Securityholder can realise value from the Securities prior to their Settlement Date is to sell it at their then market price in an available secondary market. See "*Possible Illiquidity of the Securities in the Secondary Market*" below.

Fluctuations in the value of the relevant index or basket of indices will affect the value of Index Securities or Inflation Index Securities. Fluctuations in the price of the relevant share, GDR or ADR or value of the basket of shares, GDRs and/or ADRs will affect the value of Share Securities. Fluctuations in the price of the relevant interest in an exchange traded instrument or value of the basket of interests in exchange traded instruments will affect the value of ETI Securities. Fluctuations in the price or yield of the relevant debt instrument or value of the basket of debt instruments will affect the value of Debt Securities. Also, the character of the particular market on which a debt instrument is traded, the absence of last sale information and the limited availability of quotations for such debt instrument may make it difficult for many investors to obtain timely, accurate data for the price or yield of such debt instrument. Fluctuations in the value of the relevant inflation index or basket of inflation indices will affect the value of Inflation Index Securities. Fluctuations in the rates of exchange between the relevant currencies will affect the value of Currency Securities. Fluctuations in the value of the relevant fund share or unit or fund index or basket of fund shares or units will affect the value of the Fund Securities. Fluctuations in the value of the relevant futures contracts or basket of futures contracts will affect the value of the Futures Securities. In the case of Hybrid Securities the Underlying Reference in respect of which is any combination of such indices, shares, GDRs, ADRs, interests in exchange traded instruments, debt instruments, futures or options contracts, currencies, inflation indices, fund shares, futures contracts, underlying interest rate or any other asset class or type, fluctuations in the value of any one or more of such Underlying References will correspondingly affect the value of Hybrid Securities. Potential investors risk losing their entire investment if the value of the relevant Underlying Reference does not move in the anticipated direction.

The historical performances of an Underlying Reference should not be viewed as an indication of the future performance of such Underlying Reference during the term of any Securities. Accordingly, each potential investor should consult its own financial and legal advisers about the risks entailed by an investment in any Securities and the suitability of such Securities in light of its particular circumstances.

Each Issuer may issue several issues of Securities relating to various Underlying References. However, no assurance can be given that the relevant Issuer will issue any Securities other than the Securities to which a particular Final Terms relates. At any given time, the number of Securities outstanding may be substantial. Securities provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the underlying investment. Securities on shares, interests in exchange traded instruments, debt instruments or fund shares or units or fund indices are priced primarily on the basis of the value of underlying securities whilst Securities on currencies are priced primarily on the basis of present and expected values of the reference currency (or basket of currencies) specified in the applicable Final Terms.

Potential Loss of the Holder's Investment in the Securities

Each Securityholder may receive a Cash Settlement Amount and/or physical delivery of the Entitlement the aggregate value of which may be less than the value of the Holder's investment in the relevant Securities. In certain circumstances Securityholders may lose the entire value of their investment.

Possible Illiquidity of the Securities in the Secondary Market

It is very difficult to predict the price at which Securities will trade in the secondary market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, list or ask for admission to trading of Securities on a stock exchange or a trading venue. If the Securities are not listed or admitted to trading on any stock exchange or trading venue, pricing information for the Securities may be more difficult to obtain and the liquidity of the Securities may be adversely affected. If the Securities are listed or admitted to trading on any stock exchange or trading venue, there can be no assurance that at a later date, the Securities will not be delisted or that trading on such stock exchange or trading venue will not be suspended. In the event of a delisting or suspension of listing or trading on a stock exchange or trading venue, the relevant Issuer will use its reasonable efforts to list or obtain the admission to trading of the Securities on another stock exchange or trading venue. Also, to the extent Securities of a particular issue are settled in part, the number of Securities of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Securities of such issue. A decrease in the liquidity of an issue of

Securities may cause, in turn, an increase in the volatility associated with the price of such issue of Securities.

Each Issuer and any of its Affiliates may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private offer/treaty. Any Securities so purchased may be held or resold or surrendered for cancellation as further described herein. Each Issuer or any of its Affiliates may, but is not obliged to, be a market-maker for an issue of Securities. In those circumstances, the entity acting as market-maker will endeavour to maintain a secondary market throughout the life of the Securities, subject to normal market conditions and will submit bid and offer prices to the market. The spread between bid and offer prices may change during the life of the Securities. However, during certain periods, it may be difficult, impractical or impossible for the entity acting as market-maker to quote bid and offer prices, and during such periods, it may be difficult, impracticable or impossible to buy or sell these Securities. This may, for example, be due to adverse market conditions, volatile prices or large price fluctuations, a large marketplace being closed or restricted or experiencing technical problems such as an IT system failure or network disruption.

Even if the relevant Issuer or such other entity is a market-maker for an issue of Securities, the secondary market for such Securities may be limited.

To the extent that an issue of Securities becomes illiquid, an investor may have to exercise such Securities (in the case of American Style Warrants) or wait until the Exercise Date (in the case of European Style Warrants) to realise value.

Investors should note that if an entity is appointed as market-maker or liquidity provider with respect to the Securities in the secondary market, this may, in certain circumstances, affect the price of the Securities in the secondary market.

In addition, all or part of the Securities issued under this Programme may be subscribed upon issuance by the relevant Issuer itself or by its Affiliate(s) for resales thereafter on the basis of investors' demand. Accordingly, investors subscribing for Securities upon their issuance should be aware that there may not be a viable secondary market for the relevant Securities immediately. Even if a market does develop subsequently, it may not be very liquid.

Risk of Leveraged Exposure

Leverage involves the use of a number of financial techniques to increase the exposure to an Underlying Reference, and can therefore magnify both returns and losses. While the use of leverage allows for potential multiples of a return (assuming a return is achieved) when the Underlying Reference moves in the anticipated direction, it will conversely magnify losses when the Underlying Reference moves against expectations. If the relevant Securities include leverage (such as OET Warrants), potential holders of such Securities should note that these Securities will involve a higher level of risk, and that whenever there are losses such losses may be higher than those of a similar security which is not leveraged. Investors should therefore only invest in leveraged Securities if they fully understand the effects of leverage.

Absence of Rights in respect of the Underlying Reference

The Securities do not represent a claim against any Underlying Reference (or any issuer, sponsor, manager or other connected person in respect of an Underlying Reference) and Securityholders will not have any right of recourse under the Securities to any such Underlying Reference (or any issuer, sponsor, manager or other connected person in respect of an Underlying Reference). The Securities are not in any way sponsored, endorsed or promoted by any issuer, sponsor, manager or other connected person in respect of an Underlying Reference and such entities have no obligation to take into account the consequences of their actions on any Securityholders.

Exposure to modification and disruption events

In case certain events, indicated in the Terms and Conditions and the relevant Final Terms, occurs with reference to the relevant Underlying Reference(s) or the Securities, the Calculation Agent and the Issuer have broad discretion to make certain determinations to account for such event(s) including to (i) make

adjustments to the terms of the Securities and/or (ii) cause cancellation of the Securities, any of which determinations may have an adverse effect on the value of the Securities.

The investor should consider that the effects of coronavirus pandemic (such as the measures taken by governments and authorities in this respect) may cause the occurrence of the events indicated above and involve such adjustments to the terms of the Securities and/or early settlement of the Securities.

Securities are Unsecured Obligations

The Securities are unsubordinated and unsecured obligations of the relevant Issuer and will rank *pari passu* with themselves. Each issue of Securities issued by Mediobanca International will be guaranteed by Mediobanca pursuant to the deed of guarantee executed by the Guarantor and dated 3 December 2021 (the "**Deed of Guarantee**"). The obligations of Mediobanca under the Deed of Guarantee are unsubordinated and unsecured obligations of Mediobanca and will rank *pari passu* with all its other present and future unsubordinated and unsecured obligations, subject as may from time to time be mandatory under Italian law and subject to the application of the bail-in legislation applicable to the Guarantor.

Certain Factors Affecting the Value and Trading Price of Securities

The Cash Settlement Amount (in the case of Cash Settled Securities) or the value of the Entitlement (in the case of Physical Delivery Securities) less the Exercise Price (the "**Physical Settlement Value**") (in the case of Physical Delivery Securities) at any time prior to expiration is typically expected to be less than the trading price of such Securities at that time. The difference between the trading price and the Cash Settlement Amount or the Physical Settlement Value, as the case may be, will reflect, among other things, a "time value" for the Securities. The "time value" of the Securities will depend partly upon the length of the period remaining to expiration and expectations concerning the value or level of the Underlying Reference(s). Securities offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Securities varies with the price level of the Underlying Reference(s), as well as by a number of other interrelated factors, including those specified herein.

Before exercising or selling Securities, Securityholders should carefully consider the factors set out below, which may cause the value and trading price of the Securities to fluctuate, either positively or negatively:

- (a) the trading price of the Securities;
- (b) the value and volatility of the Underlying Reference(s) as specified in the applicable Final Terms. Depending on the applicable payout, movements in the value and/or volatility of the Underlying Reference may cause the value of the Securities to either rise or fall;
- (c) the time remaining until the scheduled Settlement date of the Securities. Depending on the applicable payout, the value of the Securities may fluctuate as the time remaining until the scheduled settlement date decreases;
- (d) in the case of Cash Settled Securities the probable range of Cash Settlement Amounts;
- (e) any change(s) in interim interest rates and dividend yields, if applicable. Depending on the applicable payout, movements in interest rates and/or dividends may cause the value of the Securities to either rise or fall;
- (f) any change(s) in currency exchange rates;
- (g) the depth of the market or liquidity of the Underlying Reference as specified in the applicable Final Terms; and
- (h) any related transaction costs.

Such factors may mean that the trading price of the Securities is below the Cash Settlement Amount or the Physical Settlement Value, as applicable.

Modification

The Terms and Conditions of the Securities contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Securities also provide that the relevant Issuer and the Guarantor may, without the prior consent of the holders of the Securities correct (i) any manifest error in the Terms and Conditions of the Securities and/or in the Final Terms, (ii) any error of a formal, minor or technical nature in the Terms and Conditions of the Securities and/or in the Final Terms or (iii) any inconsistency in the Terms and Conditions of the Securities and/or in the Final Terms between the Terms and Conditions of the Securities and/or the Final Terms and any other documents prepared in connection with the issue and/or offer of a Series of Securities (provided such correction is not materially prejudicial to the holders of the relevant Series of Securities). Any such correction shall be binding on the holders of the relevant Securities and the relevant Issuer and the Guarantor (if applicable) shall cause such correction to be notified to the holders of the Securities as soon as practicable thereafter pursuant to Security Condition 8 (*Notices*).

Minimum Trading Amount

Investors should note that the Securities may have a minimum trading amount. In such cases, if, following the transfer of any Securities, a Securityholder holds fewer Securities than the specified minimum trading amount, such Securityholder will not be permitted to transfer their remaining Securities prior to settlement without first purchasing enough additional Securities in order to hold the minimum trading amount. The Securityholder may not be able to purchase additional Securities, in which case they will have to wait until settlement of the Securities to realise any value. If they are able to purchase additional Securities, this may be at a price higher than their original investment and is likely to adversely affect the overall return they achieve on their investment.

Potential Conflicts of Interest

The relevant Issuer and/or any of its Affiliates may also engage in trading activities (including hedging activities) related to the asset or other basis of reference underlying any Securities and other instruments or derivative products based on or related to the asset or other basis of reference underlying any Security for their proprietary accounts or for other accounts under their management. The Issuer and/or any of its Affiliates may also issue other derivative instruments in respect of the asset or other basis of reference underlying Securities. The relevant Issuer and/or any of its Affiliates may also act as underwriter in connection with future offerings of shares or other securities related to an issue of Securities or may act as financial adviser to certain companies or companies whose shares are included in a basket of shares or in a commercial banking capacity for such companies. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of such Securities.

Under the Terms and Conditions of the Securities, the Calculation Agent may make certain determinations in respect of the Securities (including whether a Market Disruption Event, a Settlement Disruption Event (each, as defined in the Terms and Conditions) has occurred) which could affect the amount payable by the relevant Issuer on the Securities. In exercising its right to make such determinations, the Calculation Agent is obligated to carry out its duties and functions as Calculation Agent acting in good faith and in a commercially reasonable manner however, subject to always acting only within the parameters allowed by the terms and conditions of the Securities, it has no responsibility to take investors' interests into account. Where the relevant Issuer acts as Calculation Agent, potential conflicts of interest may exist between the Calculation Agent and the Securityholders, including with respect to those determinations that the Calculation Agent may make pursuant to the Securities that may influence the Cash Settlement Amount payable, or the Entitlement deliverable (as the case may be), on the Settlement Date.

Investors should note that Securities issued under the Programme may be underwritten by Dealers (including Mediobanca) which receive in consideration underwriting commissions and selling concessions. The relevant Issuer may also offer and sell Securities directly to investors without the involvement of any Dealer. In addition, Mediobanca may act as market maker or specialist or perform other similar roles in connection with the Securities: potential conflicts of interest may exist between Mediobanca acting in such capacity on the one hand, and investors in the Securities on the other.

Investors should note too that Mediobanca itself is acting in a number of capacities in connection with the issuance of the Securities. In particular Mediobanca will act as, *inter alia*, the relevant Issuer, the Guarantor in respect of Mediobanca International's obligations, the Dealer, the Calculation Agent, the Arranger and Italian Paying Agent.

Even if its respective rights and obligations in relation to the issuance of the Securities are not conflicting and are independent from one another, in performing any such obligations in these different capacities, Mediobanca may be in a situation of conflict of interests. Mediobanca will only have the duties and responsibilities expressly agreed to by such entity in the relevant capacity and will not, by virtue of its or any of its affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a duty of care other than as expressly provided in respect of each such capacity.

Any further conflict of interest, including conflicts between the relevant Issuer and any Dealers or distributors will be indicated in the relevant Final Terms.

In respect of ETI Securities and Fund Securities:

- (a) the relevant Issuer or one or more of its Affiliates may from time to time engage in business with the relevant ETI or Fund, as the case may be, or companies in which an ETI or Fund, as the case may be, invests, including among other things, extending loans to, or making investments in, or providing advisory services to them, including merger and acquisition advisory services, engaging in activities that may include prime brokerage business, financing transactions or entry into derivative transactions;
- (b) the ETI or Fund (each as defined below), as applicable, may pay a portion of its fees to the relevant Issuer or any of its Affiliates for the provision of such services;
- (c) in the course of this business, the relevant Issuer, the Guarantor (if any), the Calculation Agent and any of their respective Affiliates may acquire non-public information about an ETI or a Fund, as applicable, or any companies, funds or reference assets in which an ETI or a Fund invests and the relevant Issuer, the Guarantor (if any), the Calculation Agent or any of their respective Affiliates may publish research reports about them. This research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding ETI Securities or Fund Securities, as applicable. Such activities could present certain conflicts of interest, could influence the prices of such shares, Fund Shares, ETI Interests or other securities and could adversely affect the value of such Securities;

Certain Considerations Regarding Subscribing or Purchasing Securities as Hedges

Prospective investors intending to subscribe or purchase Securities to hedge against the market risk associated with investing in the Underlying Reference which may be specified in the applicable Final Terms should recognise the complexities of utilising Securities in this manner. For example, the value of the Securities may not exactly correlate with the value of the Underlying Reference which may be specified in the applicable Final Terms. Due to fluctuating supply and demand for the Securities, there is no assurance that their value will correlate with movements of the Underlying Reference which may be specified in the applicable Final Terms. For these reasons, among others, it may not be possible to purchase or liquidate securities in a portfolio at the prices used to calculate the value of any relevant Underlying Reference.

The Issuer and/or any of its respective Affiliates or agents may from time to time hedge the relevant Issuer's obligations under Securities (and under other instruments and OTC contracts issued by or entered into from time to time by the relevant Issuer and/or any of its respective Affiliates or agents relating to such securities) by taking positions, directly or indirectly, in the relevant Underlying Reference.

Although the relevant Issuer has no reason to believe that such hedging activities will have a material impact on the price of any relevant Underlying Reference, there can be no assurance that such hedging activities will not adversely affect the value of the Securities.

Bull and Bear Securities

Bull Warrants and Bear Warrants (together, the "**Bull and Bear Securities**" or "**Single Final Payout - Leverage Factor Securities**") are designed for very short-term trading or intraday trading and are not intended for buy-to-hold investing. The percentage change in value of the Securities over one day will be the Leverage Factor which is a constant factor for each Security multiplied by the daily performance of the relevant Underlying Reference measured as the percentage change of the reference price from one day to the next day adjusted by the applicable Financing Component (which includes a Fee, an Interest Margin and Hedging Costs and may be positive or negative depending on, amongst other things, prevailing interest rates). Bull Warrants aim to produce a performance equal to the Leverage Factor (as specified in the applicable Final Terms) multiplied by the performance of the relevant Underlying Reference whereas Bear Warrants aim to produce a performance equal to the Leverage Factor times the inverse performance of the relevant Underlying Reference. However, because the performance of the Securities over any period longer than one day will be derived from the compounded daily performance of the relevant Underlying Reference during that period, such Security's performance may differ significantly to the overall performance of the Underlying Reference over that same period. Accordingly, compared to a security that measures change in value of the Underlying Reference between two dates, Bull and Bear Securities may have significantly different outcomes depending on the number and direction of changes in the daily value of the Underlying Reference over such period and the order in which such changes occur. Bull and Bear Securities are therefore described as "path-dependent" financial instruments. The potential for divergence between the Performance of the Bull and Bear Securities and the performance of the Underlying Reference over the same period of time will increase as such period becomes longer and will be most marked in periods when the value of the Underlying Reference is volatile. Consequently, Bull or Bear Securities are only suitable for intra-day trading or very short investment periods.

The terms of the Securities contain no negative pledge, and the Issuer is not prohibited from incurring additional debt.

There is no negative pledge in respect of the Securities and the Terms and Conditions of the Securities place no restrictions on the incurrence by the Issuer or the Guarantor (if applicable) of additional obligations that rank *pari passu* with, or senior to, the Securities. In addition, the Issuer or the Guarantor (if applicable) may pledge assets to secure other notes or debt instruments without granting an equivalent pledge or security interest and status to the Securities.

There are no events of default under the Securities

The Terms and Conditions of the Securities do not include events of default allowing for the acceleration of the Securities if certain events occur. Accordingly, if the Issuer or the Guarantor (if applicable) fail to meet any obligations under the Securities, Securityholders will not be able to accelerate the payment of amounts under the Securities. Upon a payment default, the sole remedy available to holders of such Securities for recovery of amounts owing in respect of any payment on such Securities will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer or the Guarantor (if applicable) will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

Limited Exposure to Underlying Reference

The Securities may provide for the application to the relevant Underlying Reference of a component weight, in order to increase or decrease the percentage of each Underlying Reference used to determine the amounts payable or deliverable to investors. The component weight may be lower than 100 per cent.

In such case, the amounts payable or deliverable to investors will be reduced and, therefore, will contribute to the yield of the Securities only to such reduced extent. The performance of the relevant Underlying Reference(s) will, therefore, impact the yield of the Securities only to a limited extent.

If the applicable Final Terms provide that the exposure of the relevant Securities to one or more Underlying References is limited or capped at a certain level or amount, the relevant Securities will not benefit from any upside in the value of any such Underlying References beyond such limit or cap.

Expenses and Taxation

A holder of Securities must pay all Expenses relating to such Securities. As used in the Conditions, Expenses means all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, sale commissions, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise and settlement of such Securities and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of such Securities as more fully set out in Condition 9 (*Expenses and Taxation*) of the Terms and Conditions of the Securities.

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Security by any person and all payments made by the relevant Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. The payment of all Expenses by the Securityholders is likely to adversely affect the overall return they achieve on their investment in the Securities.

Other taxation considerations

It is not possible to predict whether the taxation regime applicable to Securities on the date of purchase or subscription will be amended during the term of the Securities. If such amendments are made, the taxation regime applicable to the Securities may differ substantially from the taxation regime in existence on the date of purchase or subscription of the Securities and such amendments could materially adversely impact the value of any Securities affected by them.

Change of Law

The Terms and Conditions are based on English law or Italian law, as the case may be, in effect as at the date of this Base Prospectus, except for the status provisions applicable to the Securities and the contractual recognition of bail-in powers provisions, and any non contractual obligations arising out of or in connection with such provisions, which shall be governed by, and construed in accordance with, Italian law (if the Securities are issued by Mediobanca) or Luxembourg law (if the Securities are issued by Mediobanca International), as applicable. No assurance can be given as to the impact of any possible judicial decision or change to an administrative practice or change to English law or Italian and/or Luxembourg law, as applicable, after the date of this Base Prospectus and any such change could materially adversely impact the value of any Securities affected by it.

Procedures of clearing systems

Unless otherwise provided in the Final Terms, Securities issued under the Programme may be represented by one or more Global Securities and such Global Securities will be deposited with a common depository for Euroclear and/or Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Security, investors will not be entitled to receive definitive Securities. Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system provided in the Final Terms will maintain records of the beneficial interests in the Global Securities. While the Securities are represented by one or more Global Securities, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. While the Securities are represented by one or more Global Securities the relevant Issuer will discharge its payment obligations under the Securities by making payments to the common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system for distribution to their account holders. A holder of a beneficial interest in a Global Security must rely on the procedures of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system to receive payments under the relevant Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities. Holders of beneficial interests in the Global Securities will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by

Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system to appoint appropriate proxies.

Italian Dematerialised Securities issued under the Programme will be in dematerialised form and evidenced at any time through book entries pursuant to the relevant provisions of Italian legislative decree no. 58/1998, as amended and integrated by subsequent implementing provisions, and in accordance with the CONSOB and Bank of Italy Joint Regulation dated 13 August 2018, as amended and integrated by subsequent implementing provisions. In no circumstance would physical documents of title be issued in respect of the Italian Dematerialised Securities. While the Italian Dematerialised Securities are represented by book entries, investors will be able to trade their beneficial interests only through Monte Titoli S.p.A. ("**Monte Titoli**") and the authorised financial intermediaries holding accounts on behalf of their customers with Monte Titoli. As the Italian Dematerialised Securities are held in dematerialised form with Monte Titoli, investors will have to rely on the procedures of Monte Titoli and the financial intermediaries authorised to hold accounts therewith, for transfer, payment and communication with the relevant Issuer or Guarantor (if any).

Termination of Securities in the Event of Illegality or Impracticability

If the relevant Issuer determines that the performance of its obligations under the Securities or that any arrangements made to hedge the relevant Issuer's obligations under the Securities have become (i) illegal in whole or in part for any reason, or (ii) by reason of a *force majeure* event (such as an act of God, fire, flood, severe weather conditions, or a labour dispute or shortage) or an act of state occurring after the Trade Date (as specified in the applicable Final Terms), impossible or impracticable the relevant Issuer may settle the Securities.

If the relevant Issuer settles the Securities pursuant to an illegality then the relevant Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by such holder, which amount shall be equal to the fair market value of a Security, notwithstanding such illegality less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the relevant Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), plus, if already paid by or on behalf of a Securityholder, the Exercise Price, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

If the relevant Issuer settles the Securities by reason of a *force majeure* event or an act of state, then the relevant Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security, or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by such holder, which amount shall be equal to the fair market value of a Security, taking into account the applicable *force majeure* event or act of state, as the case may be, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the relevant Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), plus, if already paid by or on behalf of a Securityholder, the Exercise Price, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

In the cases described above, the amount paid by Issuer to the Securityholders may be less than the subscription or purchase price of the Securities and may in certain circumstances be zero.

Post-issuance Information

Save as set out in the applicable Final Terms, the relevant Issuer will not provide post-issuance information in relation to the Underlying Reference. In such an event, investors will not be entitled to obtain such information from the relevant Issuer.

Impossibility to know the amount of the Securities in circulation on the date of issue

The Securities may be issued and withheld by the relevant Issuer for the progressive sale on the market in accordance with investors' demand. In this context an investor who acquires the Securities does not know in the moment of subscription or purchase how much of the issued Securities effectively are

publicly traded with the consequence that the amount in circulation could be meagre and may not guarantee successively adequate liquidity in the Securities.

Issue of subsequent tranche

In the event the relevant Issuer decides to issue further Securities having the same terms and conditions as already existing Securities (or in all respects except for the issue price per Security indicated in the applicable Final Terms (the "**Issue Price**"), the Issue Date) and so that the further Securities shall be consolidated and form a single series with the original Securities, the greater amount of Securities in circulation could lead to greater liquidity in the secondary market with a consequent negative impact on the price of the relevant Securities.

Physical Delivery Requirements and Settlement Risk

In order to receive the Entitlement in respect of a Physical Delivery Security, the holder of such Security must (1) deliver, or send by authenticated swift message (confirmed in writing), to Euroclear or Clearstream, Luxembourg or any other relevant clearing system (as the case may be), with a copy to the relevant Issuer and the Fiscal Agent, a duly completed Exercise Notice on or prior to the relevant time on the Exercise Date or Expiration Date and (2) pay the relevant Expenses, together with any other amounts payable. In case of failure to do so, will result (i) in the case of a Warrant where Non-Automatic Exercise is specified in the applicable Final Terms, the relevant Warrant's becoming void and (ii) in case of a Warrant where Non-Automatic Exercise is not specified in the applicable Final Terms, the Issuer shall have no obligation to make delivery of the Entitlement in respect of such Security unless and until a duly completed Exercise Notice is delivered as provided in the terms and conditions. If the duly completed Exercise Notice is delivered after 10.00 a.m. (Local Time) on the Exercise Date, delivery of such Entitlement shall be made as soon as possible thereafter but not earlier than the Settlement Date. For the avoidance of doubt, the relevant holder of a Security shall not be entitled to any additional or further payment by reason of the delivery of the Entitlement in respect of such Security occurring after the Settlement Date as a result of such Exercise Notice being delivered after 10.00 a.m. (Local Time) on the Exercise Date.

In connection with the exercise of Physical Delivery Securities, unless otherwise indicated in the applicable Final Terms, the Calculation Agent may determine that a Settlement Disruption Event or, if applicable, a Failure to Deliver due to Illiquidity is subsisting. Any such determination may affect the value of the Securities and/or may delay settlement and/or lead to cash settlement rather than physical settlement in respect of the Securities.

In relation to Physical Delivery Securities, under the Guarantee, the Guarantor has the right at all times to elect not to deliver or procure delivery of the Entitlement to the holders of Physical Delivery Securities, but *in lieu* thereof to pay an amount in cash equal to the Guaranteed Cash Settlement Amount specified in the applicable Final Terms or determined by the Calculation Agent in accordance with the Terms and Conditions. Such cash payment will constitute a complete discharge of the Guarantor's obligations in relation to such Physical Delivery Securities.

The Barrier Level, Bonus Level and/or Cap Level may not be known until after the Issue Date

In certain circumstances in respect of SFP Payouts, the Barrier Level, Bonus Level and/or Cap Level may not be known at the issue date of the Securities. In these circumstances, the Final Terms will specify that the Barrier Level, Bonus Level and/or Cap Level, as applicable, will be the product of a specified percentage and the Closing Level, Closing Price, Italian Securities Reference Price, Relevant Price or Settlement Price, as applicable, of the Underlying Reference on the Strike Date (rounded upwards or downwards as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner). Following the Strike Date, the Issuer will give notice of the actual Barrier Level, Bonus Level and/or Cap Level, as applicable, applicable to the Securities. Prospective investors should review the Final Terms together with the information contained in the notice in order to ascertain the Barrier Level, Bonus Level and/or Cap Level which will apply to the Securities.

Risks Relating to Automatic Early Expiration of the Securities

In the case of Securities that include an Automatic Early Expiration feature, the longer the time remaining until the scheduled settlement date of the Securities, the higher the probability that an Automatic Early Expiration Event will occur.

In the event that the relevant level, value or price of the Underlying Reference approaches the level that triggers the Automatic Early Expiration Event, the Securityholder may not be able to sell the Securities in the secondary market before the occurrence of the Automatic Early Expiration Event (see also "*Possible Illiquidity of the Securities in the Secondary Market*" above). If the Underlying Reference is listed on a different exchange to that on which the Securities are listed, the Automatic Early Expiration Event may occur outside the normal trading hours of the exchange on which the Securities are listed. In this case, the Securityholder may not have an opportunity to sell the Securities in the secondary market before the Automatic Early Expiration Event occurs.

Risk of Loss Following Automatic Early Expiration of the Securities

In the case of Securities that include an Automatic Early Expiration feature, if the relevant level, value or price of the Underlying Reference(s) reaches the level that triggers the Automatic Early Expiration Event, the product will automatically settle before the scheduled settlement date. Depending on the applicable payout, the Securityholder may lose some or all of their investment in the Securities.

Gap Risk

Securityholders will be exposed to the gap risk associated with the relevant level, value or price of the Underlying Reference(s), whereby the relevant level, value or price of one or more Underlying Reference may change suddenly and significantly during the trading day or at the opening of the market. Such change may be positive or negative.

The price of the Securities may include a premium, which includes the cost to the Issuer or its Affiliates of unwinding its hedging positions in relation to the Securities on early settlement of the Securities. The calculation of the premium charged to Securityholders is based on the gap risk associated with the relevant level, value or price of the Underlying Reference(s). The Securityholder will not receive a refund of this premium if an Automatic Early Settlement Event occurs.

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

The Euro Interbank Offered Rate ("**EURIBOR**") and other types of indices, including (but not limited to) indices comprised of interest rates, equities, commodities, commodity indices, exchange traded products, foreign exchange rates, funds and combinations of any of the preceding types of indices which may be deemed to be "benchmarks", have been the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented.

Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directive 2008/48/EC and 2014/17/EC and Regulation (EU) No 596/2014 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU.

The Benchmark Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK.

The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Securities linked to EURIBOR or another benchmark rate or index, deemed to be a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the EU Benchmarks Regulation or the UK Benchmarks Regulation,

and such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

Any of the international, national or other reforms, initiatives or investigations or the general increased regulatory scrutiny of "benchmarks", could potentially have a material adverse effect on the relevant benchmark or have other unforeseen consequences, including, without limitation, that such changes could:

- affect the level of the published rate or the level of the benchmark, which may have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level;
- increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".;
- discourage market participants from continuing to administer or contribute to certain "benchmarks";
- trigger changes in the rules or methodologies used in certain "benchmarks";
- lead to the disappearance of certain "benchmarks" (or certain currencies or tenors of benchmarks); or
- have other adverse effects or unforeseen consequences.

Any such consequences could have a material adverse effect on the value of and return on any Securities and/or could lead to the Securities being de-listed, adjusted, redeemed early following the occurrence of an Administrator/Benchmark Event, subject to discretionary valuation by the Calculation Agent or otherwise impacted, depending on the particular "benchmark" and the applicable terms of the Securities.

A benchmark licence may also be required for the issuance or calculation of amounts payable under any Securities referencing a benchmark. To the extent any such licence is not obtained or retained, it may not be possible for the Securities to reference the benchmark and the Securities may be adjusted or redeemed early or otherwise impacted depending on the particular "benchmark" and the applicable terms of the Securities.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by benchmark reforms and investigations, in making any investment decision with respect to any Securities linked to or referencing a "benchmark".

Administrator/Benchmark Event

If specified as an Optional Additional Disruption Event in the applicable Final Terms, the occurrence of an Administrator/Benchmark Event may lead to early settlement or adjustment of the Securities, which may include selecting one or more successor benchmarks and making related adjustments to the Securities, including, if applicable to reflect increased costs. An Administrator/Benchmark Event may arise if any of the following circumstances occurs or will occur: (1) a benchmark is materially changed or permanently cancelled; or (2) (i) the relevant authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the benchmark or the administrator or sponsor of the benchmark is not obtained, (ii) an application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is rejected, (iii) any authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or inclusion in any official register is withdrawn; or (3) it is not fair and commercially reasonable from the perspective of the Issuer or the Calculation Agent to continue the use of the benchmark or the Issuer or the Calculation Agent suffer increased costs in each case due to licensing restrictions or changes in licence costs; or (4) a relevant supervisor officially announces a benchmark is longer representative of any relevant underlying market(s).

Future discontinuance of EURIBOR may adversely affect the value of the Securities

On 5 March 2021 the FCA confirmed that all London Inter-bank Offered Rate, settings will either cease to be provided by any administrator or no longer be representative: (i) immediately after 31 December 2021, in the case of all sterling, euro, Swiss franc and Japanese yen settings, and the 1-week and 2-month U.S. dollar settings; and (ii) immediately after 30 June 2023, in the case of the remaining U.S. dollar settings.

Separate workstreams are also underway in Europe to reform EURIBOR using a hybrid methodology and to provide a fallback by reference to a euro risk-free rate (based on a euro overnight risk-free rate as adjusted by a methodology to create a term rate). On 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate ("ESTR") as the new risk free rate. ESTR has been published by the ECB starting from October 2019. In addition, on 21 January 2019, the euro risk free-rate working group published a set of guiding principles for fallback provisions in new euro denominated cash products (including bonds). The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts may increase the risk to the euro area financial system.

Investors should be aware that, if EURIBOR was discontinued or otherwise unavailable, the rate of interest on the Securities will be determined for the relevant period by the fall-back provisions applicable to the Securities. Depending on the manner in which the EURIBOR rate is to be determined under the Terms and Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the EURIBOR rate which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate based on the rate which applied in the previous period when EURIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, the Securities.]

If EURIBOR or any other benchmark is discontinued, Underlying Interest Rate may be changed in ways that may be adverse to Holders of such Securities

In respect of Securities linked to an Underlying Interest Rate, if the Issuer or the Calculation Agent determines at any time that the relevant reference rate has been discontinued, the Calculation Agent will use, as a substitute for the relevant reference rate, the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution in the jurisdiction of the currency of the relevant rate that is consistent with industry accepted standards. If the Calculation Agent notifies the Issuer that it is unable to determine such an alternative reference rate, the Calculation Agent will appoint a determination agent (which may be the Issuer, the Guarantor (if applicable) or an affiliate of the Issuer, the Guarantor (if applicable) or the Calculation Agent) who will determine a replacement reference rate, as well as any required changes to the business day convention, the definition of business day, the interest determination date, the day count fraction and any method for calculating the replacement rate including any adjustment required to make such replacement reference rate comparable to the relevant reference rate. Such replacement reference rate will (in the absence of manifest error) be final and binding, and will apply to the relevant Securities.

The replacement rate may perform differently from the historical and expected performance of the discontinued reference rate. The fall-back provisions may in certain circumstances result in the Calculation Agent, or the Issuer itself, determining a replacement rate (if any at the relevant time) to be used, with or without the application of an adjustment spread (which, if applied, could be positive or negative or zero and would be applied with a view to reducing or eliminating, to the extent reasonably practicable in the circumstances, any transfer of economic value between the Issuer and Securityholders arising out of the replacement of the relevant rate) and making such other adjustments to the terms of the Securities as it determines appropriate to account for such replacement.

If the Calculation Agent or the determination agent is unable to determine an appropriate replacement reference rate, then the relevant rate of interest for the affected Securities will not be changed. The terms of the Securities provide that, if it is not possible to determine a value for a given reference rate, the relevant reference rate on such Securities will be the last available rate plus or minus, as indicated in the applicable Final Terms, the margin, if any, effectively converting such Securities into fixed rate obligations. The conditions also provide for other fallbacks, such as consulting reference banks for rate quotations, which may not be possible if the reference banks decline to provide such quotations for a sustained period of time (or at all).

It is possible that, if a reference rate is discontinued, a clear successor rate will not be established in the market for some time. Accordingly, the terms of the Securities provide as an ultimate fallback that,

following the designation of a replacement rate, if the Calculation Agent or the determination agent appointed by the Calculation Agent considers that such replacement reference rate is no longer substantially comparable to the original reference rate or does not constitute an industry accepted successor rate, the Calculation Agent will appoint or re-appoint a determination agent (which may or may not be the same entity as the original determination agent) for the purposes of confirming the replacement reference rate or determining a substitute replacement reference rate (despite the continued existence of the initial replacement reference rate). Any such substitute replacement reference rate, once designated pursuant to the Conditions, will apply to the affected Securities. This could impact the trading value of the affected Securities. In addition, any Holders of such Securities that enter into hedging instruments based on the original replacement reference rate may find their hedges to be ineffective, and they may incur costs replacing such hedges with instruments tied to the new replacement reference rate.

Time Lag after Exercise

In the case of any exercise of Warrants, there will be a time lag between the time a Warrantholder gives instructions to exercise, or the time the Warrant is automatically exercised, and the time the applicable Cash Settlement Amount (in the case of Cash Settled Warrants) relating to such exercise is determined. Any such delay between the time of exercise and the determination of the Cash Settlement Amount will be specified in the Terms and Conditions of the Securities. However, such delay could be significantly longer, particularly in the case of a delay in exercise of Warrants arising from any daily maximum exercise limitation (in the case of American Style Warrants), the occurrence of a market disruption event or failure to open of an exchange or related exchange (if applicable) or following the imposition of any exchange controls or other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies) in the case of Currency Securities. The applicable Cash Settlement Amount may change significantly during any such period, and such movement or movements could decrease the Cash Settlement Amount of the Warrants being exercised and may result in such Cash Settlement Amount being zero.

Minimum Exercise Number

If so indicated in the applicable Final Terms, a Warrantholder must tender or hold a specified number of Warrants at any one time in order to exercise. Thus, Warrantholders with fewer than the specified minimum number of Warrants will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore, holders of such Warrants incur the risk that there may be differences between the trading price of such Warrants and the Cash Settlement Amount (in the case of Cash Settled Warrants) or the Physical Settlement Value (in the case of Physical Delivery Warrants) of such Warrants.

Limitations on Exercise

In the case of American Style Warrants, if so indicated in the applicable Final Terms, the relevant Issuer will have the option to limit the number of American Style Warrants exercisable on any date (other than the final exercise date) to the maximum number specified in the applicable Final Terms and, in conjunction with such limitation, to limit the number of American Style Warrants exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of American Style Warrants being exercised on any date (other than the final exercise date) exceeds such maximum number and the relevant Issuer elects to limit the number of American Style Warrants exercisable on such date, a Warrantholder may not be able to exercise on such date all American Style Warrants that such holder desires to exercise. In any such case, the number of American Style Warrants to be exercised on such date will be reduced until the total number of American Style Warrants exercised on such date no longer exceeds such maximum, such American Style Warrants being selected at the discretion of the relevant Issuer or in any other manner specified in the applicable Final Terms. Unless otherwise specified in the applicable Final Terms, the American Style Warrants tendered for exercise but not exercised on such date will be automatically exercised on the next date on which American Style Warrants may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

Exercise Risk

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, the Guarantor, if any, or any of their Affiliates, the Paying

Agents and the Calculation Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the relevant Issuer, the Guarantor, if any, or any of their Affiliates, the Paying Agents and the Calculation Agent shall, to the extent permitted by applicable law, under any circumstances, be liable for any acts or defaults of the relevant Clearing System in relation to the performance of its duties in relation to the Warrants.

(B) Certain considerations associated with specific types of Securities

Certain Risks Associated with SFP Securities

(i) Risks associated with Yield Enhancement Securities

Yield Enhancement Securities include: (i) Single Final Payout - Parity and Exchange Securities, (ii) Single Final Payout - Capped Speed Securities, (iii) Single Final Payout - Capped Bonus Parity Exchange, (iv) Single Final Payout - Continuous Capped Bonus Securities, (v) Single Final Payout - Standard Express Securities and (vi) Single Final Payout – Continuous Reverse Level Parity Exchange Securities, as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and whether a cap, knock-out and/or automatic early settlement features apply.

(ii) Risks associated with Participation Securities

Participation Securities include: (i) Single Final Payout - Forex DivReinvested Fees Securities, (ii) Single Final Payout - Continuous Bonus Floored Exchange Parity Securities, (iii) Single Final Payout - Continuous Capped Reverse Level Parity Exchange Securities, (iv) Single Final Payout - Continuous Bonus Barrier Securities and (v) Single Final Payout - Capped Continuous Bonus Barrier Securities, as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and whether knock-in, knock-out and/or automatic early settlement features apply.

(iii) Risks associated with Leverage Securities

Leverage Securities include: (i) Single Final Payout - Lower Collared Knock-Out Securities, (ii) Single Final Payout - Upper Collared Knock-Out Securities, (iii) Single Final Payout - Continuous Lower Knock-Out Securities, (iv) Single Final Payout - Continuous Upper Knock-Out Securities, (v) Single Final Payout – Standard Call and Put Securities, (vi) Single Final Payout - Knock-In Call and Put Securities, as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and whether knock-in, knock-out and/or automatic early settlement features apply. Additionally, the return may depend on other market factors such as interest rates, the implied volatility of the Underlying Reference(s) and the time remaining until settlement. The effect of leverage on the Securities may be either positive or negative.

(iv) Risks associated with Constant Leverage Securities

Constant Leverage Securities include the Single Final Payout - Leverage Factor Securities as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the daily performance of the Underlying Reference(s) and the operation of an automatic early settlement feature. Constant Leverage Securities are generally suited to

short term investments intraday or over a few days. Investments held for a longer period of time may be affected by volatile market conditions which may have a negative impact on the performance of the Underlying Reference(s).

Certain Risks Associated with MFP Securities

(i) Risks associated with Multiple Final Payout – Constant Percentage Securities

Multiple Final Payout – Constant Percentage Securities are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors receive a fixed return on the Securities. This payout may be used in conjunction with at least one other payout to provide investors with partial or total capital protection.

(ii) Risks associated with Multiple Final Payout – Normal Performance Securities

Multiple Final Payout – Normal Performance Securities include: (i) Multiple Final Payout – Normal Performance Securities, (ii) Multiple Final Payout – 1 -Way Cap Securities, (iii) Multiple Final Payout – 1 -Way Floor Securities and (iv) Multiple Final Payout – 2-Way Securities, as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and whether participation factor, gearing, cap and/or floor and/or automatic early settlement features apply.

(iii) Risks associated with Multiple Final Payout – Performance Differential Securities

Multiple Final Payout – Performance Differential Securities are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on differential in performance between two Underlying References and whether participation factor and/or automatic early settlement features apply.

(iv) Risks associated with Multiple Final Payout - Reverse Convertible Securities

Multiple Final Payout - Reverse Convertible Securities include: (i) Multiple Final Payout – KI – Reverse Convertible Securities, (ii) Multiple Final Payout – KI – Extended Reverse Convertible Securities, (iii) Multiple Final Payout – KO – Extended Reverse Convertible Securities, (iv) Multiple Final Payout – KO –Reverse Convertible Securities, (v) Multiple Final Payout – Vanilla KI Reverse Convertible Securities, (vi) Multiple Final Payout – Vanilla KO Reverse Convertible Securities, and (vii) Multiple Final Payout – KIKO Reverse Convertible Securities, as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and whether a knock-in and/or knock-out event occurs and whether automatic early settlement features apply.

(v) Risks associated with Multiple Final Payout - Vanilla Securities

Multiple Final Payout - Vanilla Securities include: (i) Multiple Final Payout – Plain Vanilla Call Securities, (ii) Multiple Final Payout – Plain Vanilla Call Spread Securities, (iii) Multiple Final Payout – Plain Vanilla Put Securities, (iv) Multiple Final Payout – Plain Vanilla Put Spread Securities, (v) Multiple Final Payout – Plain Vanilla KI Digital Securities, (vi) Multiple Final Payout – Plain Vanilla KO Digital Securities, (vii) Multiple Final Payout – Geared Knock-in Vanilla Call Securities and (viii) Multiple Final Payout – Geared Knock-out Vanilla Call Securities, as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return depends on the performance of the Underlying Reference(s) and whether knock-in or knock-out features apply and whether automatic early settlement features apply.

(vi) Risks associated with Multiple Final Payout - Asian Securities

Multiple Final Payout - Asian Securities include: (i) Multiple Final Payout – Standard Asian Securities, (ii) Multiple Final Payout – Standard Collared Asian Spread Securities (iii) Multiple Final Payout Standard Himalaya Securities, and (iv) Multiple Final Payout – Dispersion Securities as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s), which is determined using an averaging method. The return will also depend on whether specific features, such as a cap or lock-in and/or automatic early settlement, apply.

(vii) Risks associated with Multiple Final Payout - Step Securities

Multiple Final Payout - Step Securities include: (i) Multiple Final Payout - 3-Step Knock-in Securities, (ii) Multiple Final Payout - 3-Step Plus Knock-in Securities (iii) Multiple Final Payout - 3-Step Knock-out Securities, (iv) Multiple Final Payout - 3-Step Plus Knock-out Securities (v) Multiple Final Payout – 4-Step Securities, (vi) Multiple Final Payout - Standard 3-Step Knock-in Securities, (vii) Multiple Final Payout - Standard 3-Step Knock-out Securities, (viii) Multiple Final Payout - Standard 2 -Step Barrier Down Securities (ix) Multiple Final Payout - Standard 2 -Step Barrier Up Securities, (x) Multiple Final Payout - 2 -Step Knock-in Securities and (xi) Multiple Final Payout - 2 -Step Knock-out Securities, as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and whether knock-in or knock-out and/or automatic early settlement features apply.

(viii) Risks associated with Multiple Final Payout - Performance Securities

Multiple Final Payout - Performance Securities include: (i) Multiple Final Payout - Geared Call Performance Securities, (ii) Multiple Final Payout - Multi Performance Securities, (iii) Multiple Final Payout – (Capped) Multi Knock-Out Bonus Performance Securities, (iv) Multiple Final Payout – (Capped) Multi Knock-In Bonus Performance Securities, (v) Multiple Final Payout – 2 - Step KI Multi Bonus Securities, (vi) Multiple Final Payout – 3- Step Multi Bonus Securities, (vii) Multiple Final Payout – 3- Step Flexi Bonus Securities, (viii) Multiple Final Payout – (Capped) Knock-Out Bonus Performance Securities, (ix) Multiple Final Payout – (Capped) Knock – In Bonus Performance Securities, (x) Multiple Final Payout – Leveraged Performance Securities (xi) Multiple Final Payout – Twin -Win Securities, (xii) Multiple Final Payout – Knock-In Outperformance Securities, (xiii) Multiple Final Payout – Flexi Performance Securities, (xiv) Multiple Final Payout – Hyper-Flexi Performance Securities, (xv) Multiple Final Payout – Flexi Knock-In Performance Securities, (xvi) Multiple Final Payout – Flexi Knock-Out Performance Securities, (xvii) Multiple Final Payout – Hyper-Flexi Knock-In Performance Securities, (xviii) Multiple Final Payout – Hyper-Flexi Knock-Out Performance Securities, (ixx) Multiple Final Payout – Hyper-Flexi Multi Knock-In Performance Securities and (xx) Multiple Final Payout – Hyper-Flexi Multi Knock-out Performance Securities, as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and whether knock-in, knock-out and/or automatic early settlement features apply. Depending on the applicable formula, if an automatic early settlement event occurs investors may be exposed to a partial loss of their investment.

(ix) Risks associated with Multiple Final Payout – Capped and Floored Ratchet Securities

Multiple Final Payout - Performance Securities are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and is calculated based on the sum of returns determined on a given formula (which can be capped and/or floored).

(x) Risks associated with Multiple Final Payout – Weighted Mixed Payouts Securities

Multiple Final Payout – Weighted Mixed Payouts Securities are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and is calculated based on the weighted sum of returns determined using different payout formulas.

(xi) Risks associated with Multiple Final Payout – Knock-In Mixed Payouts Securities

Multiple Final Payout – Knock-In Mixed Payouts Securities are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s). The return calculation can be based on various payouts and various mechanisms (including a knock-in feature).

(xii) Risks associated with Multiple Final Payout – Knock-out Mixed Payouts Securities

Multiple Final Payout – Knock-out Mixed Payouts Securities are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s). The return calculation can be based on various payouts and various mechanisms (including a knock-out feature).

(xiii) Risks associated with Multiple Final Payout – Max Mixed Payouts Securities

Multiple Final Payout – Max Mixed Payouts Securities are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and is calculated based on the maximum return determined using different payout formulas.

(xiv) Risks associated with Multiple Final Payout – Leveraged Securities

Multiple Final Payout – Leveraged Securities are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities is calculated by reference to a leverage on the positive or negative performance of the Underlying Reference(s).

Risks Associated with Single FI Securities

(i) Risks associated with Single FI FX Vanilla Securities

Single FI FX Vanilla Securities are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities depends on the performance of the Underlying Reference(s) and whether knock-in or knock-out features apply.

(ii) Risks associated with Single FI Digital Securities

Single FI Digital Securities include: (i) Single FI Digital Floor Securities, (ii) Single FI Digital Cap Securities, (iii) Single FI Digital Plus Securities and (iv) Continuous FX Wedding Cake Securities, as described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Investors may be exposed to a partial or total loss of their investment. The return on the Securities is fixed or variable and will be dependent upon the performance of the Underlying Reference(s). The return is calculated by reference to various mechanisms (including floor or cap conditions and knock-in and/or knock-out features).

(iii) Risks associated with Single FI Inflation Securities

Single FI Inflation Securities are described in Annex 1 (*Additional Terms and Conditions relating to Formulas*).

Single FI Inflation Securities are capital protected. The return on the Securities depends on the performance of the Underlying Reference(s).

(C) **Product Specific Risk Factors**

Certain considerations associated with Index Securities

General

An investment in Index Securities will entail significant risks not associated with an investment in a conventional debt security. On settlement of Index Securities, Securityholders will receive an amount (if any) determined by reference to the value of the underlying index/indices. Such underlying index may be a well known and widely published index or an index which may not be widely published or available.

Factors affecting the performance of Indices may adversely affect the value of the Securities. Indices are comprised of a synthetic portfolio of shares, bonds, currency exchange rates, commodities, property or other assets, and as such, the performance of an Index is dependent upon the performance of components of such index, which may include interest rates, currency developments, political factors, market factors such as the general trends in capital markets or broad based indices and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. If an Index does not perform as expected, this will materially and adversely affect the value of Index Securities.

For the avoidance of doubt, the relevant Issuer and/or its Affiliates may not be able to trade on and hedge its obligations in respect of the index under the Securities notwithstanding the calculation or publication of the level of such index. In the event that any relevant date for valuation is a Disrupted Day for such index, that valuation date shall be the first succeeding day that is not a Disrupted Day and on which the Issuer or relevant affiliate is able to trade on and hedge its obligations in respect of such index, subject to a specified maximum days of disruption, as more fully set out in the Conditions. Where this occurs on (i) the Strike Date for valuation, the Calculation Agent will not be able to determine the initial or strike level for the index or (ii) the final date for valuation, the Calculation Agent will not determine the final level for the index until such time as the disruption is no longer subsisting, or the specified maximum days of disruption has elapsed, whichever is sooner. Investors should be aware that any delay to the determination of the final level of the index may result in a delay in the payment of the Cash Settlement Amount.

Returns on the Securities do not reflect a direct investment in underlying shares or other assets comprising the Index

The return payable on Securities that reference indices may not reflect the return a potential investor would realise if it actually owned the relevant assets comprising the components of the Index or owned

a different form of interest in the relevant Index. For example, if the components of the Indices are shares, holders of Securities will not receive any dividends paid or distributions made on those shares and will not participate in the return on those dividends or distributions unless the relevant Index takes such dividends into account for purposes of calculating the relevant level. Similarly, holders of Securities will not have any voting rights in the underlying shares or any other assets which may comprise the components of the relevant Index. Accordingly, holders of Securities that reference Indices as Underlying Reference may receive a lower payment upon settlement of such Securities than such holder of Securities would have received if it had invested in the components of the Index directly or other comparable instruments linked to the Index.

A change in the composition or discontinuance of an Index could adversely affect the market value of the Securities

The sponsor of any Index can add, delete or substitute the components of such Index or make other methodological changes that could change the level of one or more components. The changing of components of any Index may affect the level of such Index as a newly added component may perform significantly worse or better than the component it replaces, which in turn may affect the payments made by the relevant Issuer to the holders of the Index Securities. The sponsor of any such Index may also alter, discontinue or suspend calculation or dissemination of such Index. The sponsor of an Index will have no involvement in the offer and sale of the Index Securities and will have no obligation to any holder of such Securities. Accordingly, the sponsor of an Index may take any actions in respect of such Index without regard to the interests of the holder of the Securities, and any of these actions could adversely affect the market value of the Index Securities.

Certain considerations associated with Share Securities

General

An investment in Share Securities will entail significant risks not associated with an investment in a conventional debt security. On settlement of Share Securities, Securityholders will receive an amount (if any) determined by reference to the value of the share(s), GDRs and/or ADRs and/or the physical delivery of a given number of share(s), GDRs and/or ADRs. Accordingly, an investment in Share Securities may bear similar market risks to a direct equity investment and investors should take advice accordingly.

In the case of Share Securities, no issuer of the underlying shares will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Securities, and none of the Issuer, the Guarantor (if applicable) or any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of shares contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available information described in this paragraph or in any relevant Final Terms) that would affect the trading price of the share, GDRs and/or ADRs will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of shares could affect the trading price of the share, GDRs and/or ADRs and therefore the trading price of the Securities.

Except as provided in the Conditions, Securityholders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant shares to which such Securities relate.

The performance of Shares is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors and company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. These factors are not within the relevant Issuer's control and may result in a decline in the value of the Securities.

Lack of rights in respect of Shares

Share Securities do not represent a claim against or an investment in any issuer of the relevant share(s) and investors will not have any right of recourse under the Share Securities to any such company or the shares. Share Securities are not in any way sponsored, endorsed or promoted by any issuer of the relevant

share(s) and such companies have no obligation to take into account the consequences of their actions for any holders. Accordingly, the issuer of a share may take any actions in respect of such share without regard to the interests of the investors in the Share Securities, and any of these actions could adversely affect the market value of the Share Securities.

Physical delivery of Shares

Where the Securities linked to Shares include the are Physical Delivery, the Issuer will settle such Share Securities at their maturity by delivering Shares to the investor and the investors will receive such Shares rather than a monetary amount upon maturity. Securityholders will, therefore, be exposed to the issuer of such Shares and the risks associated with such Shares. The investor should not assume that he or she will be able to sell such Shares for a specific price after the settlement of the Securities, and in particular not for the subscription or purchase price of the Share Securities. Under certain circumstances the Shares may only have a very low value or may, in fact, be worthless. Securityholders may also be subject to certain documentary or stamp taxes in relation to the delivery and/or disposal of such Shares.

Certain considerations associated with ETI Securities

An investment in ETI Securities will entail significant risks not associated with an investment in a conventional debt security. On settlement of ETI Securities, Securityholders will receive an amount (if any) determined by reference to the value of the interests in exchange traded instruments or a basket of interests in exchange traded instruments and/or the physical delivery of a given number of interests in exchange traded instruments. Accordingly, an investment in ETI Securities may bear similar market risks to a direct exchange traded instrument investment, and investors should take advice accordingly.

Whilst interests in exchange traded instruments are traded on an exchange and are therefore valued in a similar manner as a share traded on an exchange, certain provisions related to ETI Securities are similar to the provisions related to funds and Fund Securities.

In the case of ETI Securities, no exchange traded instrument will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Securities, and none of the Issuer, the Guarantor (if applicable) or any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such exchange traded instrument contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available information described in this paragraph or in any relevant Final Terms) that would affect the trading price of the interests in the exchange traded instrument will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an exchange traded instrument could affect the trading price of interests in the exchange traded instruments and therefore the trading price of the Securities. ETI Securities do not provide Securityholders with any participation rights in the underlying ETI(s) and, except in certain circumstances in the case of Physical Delivery Securities, do not entitle holders of ETI Securities to any ownership interest or rights in such ETI(s).

Except as provided in the Conditions, Securityholders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant exchange traded instruments to which such Securities relate.

Certain considerations associated with Debt Securities

An investment in Debt Securities will entail significant risks not associated with an investment in a conventional debt security. On settlement of Debt Securities, Securityholders will receive an amount (if any) determined by reference to the price or yield of the underlying debt instrument(s) (as specified in the applicable Final Terms) and/or the physical delivery of a given number of debt instrument(s). Accordingly, an investment in Debt Securities may bear similar market risks to a direct debt instrument investment, and investors should take advice accordingly.

Certain additional considerations associated with Rolling Futures Contract Securities

Futures contracts have a predetermined expiration date. Holding a futures contract until expiration will result in delivery of the physical underlying or the requirement to make or receive a cash settlement

amount. Rolling Futures Contract Securities are valued by reference to futures contracts that have a delivery or expiry month that do not correspond with the term of the Securities. Consequently the futures contracts are "rolled" which means that the futures contract that is nearing expiration (the "**near-dated futures contracts**") is sold before it expires and a futures contract that has an expiration date further in the future (the "**longer-dated futures contracts**") is purchased ("**Rolling**"). In order to maintain an ongoing exposure to such underlyings Rolling of the applicable futures contracts is applied.

An investment in futures contracts where the future is a commodity may increase or decrease through Rolling. Where the price of a near-dated futures contract is greater than the price of the longer-dated futures contract (the underlying is said to be in "**backwardation**"), then Rolling from the former to the latter will result in greater exposure to the longer-dated futures contract. Therefore, any loss or gain on the new positions will be greater than if an investor had synthetically held the same number of underlying contracts as before the Rolling. Conversely, where the price of the near-dated futures contract is lower than the price of the longer-dated futures contract (the underlying is said to be in "**contango**") then Rolling will result in less exposure to the longer-dated futures contract. Therefore, any gain or loss on the new positions will be less than if an investor had synthetically held the same number of underlying contracts as before the Rolling.

Depending on whether the Securities are synthetically "long" or "short" the relevant futures contract, where a futures contract is in contango, this is expected to (though may not) have a negative (in the case of a "long" position) or positive (in the case of a "short" position) effect over time on the value of the Securities. Where a futures contract is in backwardation this is expected to (though may not) have a positive (in the case of a "long" position) or negative (in the case of a "short" position) effect over time on the value of the Securities. Where an underlying contract is in contango, then the price of the longer-dated underlying contract will be expected to (but may not) decrease over time as it nears expiry. In such event, Rolling is expected to have a negative effect (in the case of a "long" position) or positive (in the case of a "short" position) on an investment in the underlying contract. Where an underlying contract is in backwardation, then the price of the longer-dated underlying contract is expected to (but may not) increase over time as it nears expiry. In such event, Rolling is expected to have a positive (in the case of a "long" position) or negative (in the case of a "short" position) effect on an investment in the underlying contract.

If, on any Futures Rollover Date (as defined below), a Non-Commencement or Discontinuance of an Exchange-traded Contract (as defined in Index Security Condition 5.1, Debt Security Condition 6 or Currency Security Condition 5), as applicable, occurs and it is impossible or materially impracticable for the Calculation Agent to select a futures contract and/or at such time hedge the relevant Issuer's obligations in respect of the Securities then:

- (i) the relevant Issuer may cancel the Securities by giving notice to Securityholders in accordance with Security Condition 8 (*Notices*). If the Securities are so cancelled, the relevant Issuer, unless (in the case of Index Securities) Market Value or Highest Value are specified as applicable in the applicable Final Terms, will pay an amount to each Securityholder in respect of each Security or, if Units are specified in the applicable Final Terms, each Unit being cancelled at an amount equal to the fair market value of such Security, or Unit, as the case may be, taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the relevant Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8 (*Notices*); or
- (ii) in the case of Index Securities, if Highest Value is specified as being applicable in the applicable Final Terms, the relevant Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay an amount to each Securityholder in respect of each Security or, if Units are specified in the applicable Final Terms, each Unit held by such Securityholder, an amount equal to the greater of the fair market value of such Security or Unit, as the case may be (notwithstanding any illegality (if applicable) and taking into account any Non-Commencement or Discontinuance of an Exchange-traded Contract) and the Protected Amount specified in the applicable Final Terms, provided that, (x) no costs shall be deducted from such amount and (y) such amount shall include the reimbursement by the Issuer, *pro rata* (calculated from the cancellation date notified to the Securityholders until the scheduled Exercise Date or

Expiration Date, as the case may be, of the Securities of any costs (including but not limited to any structuring costs) paid by Securityholders to the Issuer in the Exercise Price of the Securities, such amount to be paid to the Securityholders on the date notified to the Securityholders in the notice of cancellation;

- (iii) in the case of Index Securities, if Market Value is specified as being applicable in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay an amount to each Securityholder in respect of each Security or, if Units are specified in the applicable Final Terms, each Unit held by such Securityholder, an amount equal to the fair market value of such Security or Unit, as the case may be (notwithstanding the illegality (if applicable) and taking into account any Non-Commencement or Discontinuance of an Exchange-traded Contract) calculated (x) without taking account of any costs and no costs shall be deducted from such amount, and (y) including the reimbursement by the Issuer, *pro rata* (calculated from the cancellation date notified to the Securityholders until the scheduled Exercise Date or Expiration Date, as the case may be, of the Securities), of any costs (including but not limited to any structuring costs) paid by Securityholders to the Issuer in the Exercise Price of the Securities, such an amount to be paid to the Securityholders on the date notified in the notice of cancellation.

Rollover ("**Rollover**") will be effected on the relevant day specified in the applicable Final Terms or the date selected by the Calculation Agent acting in good faith and in a commercially reasonable manner within the Futures Rollover Period specified in the applicable Final Terms (the "**Futures Rollover Date**") within a certain time frame shortly before the expiration date of the current futures contract. Consequently on any Futures Rollover Date, the relevant Issuer will liquidate its positions assumed through the corresponding hedging arrangements in relation to the existing futures contract whose expiration is imminent and will assume corresponding positions in relation to a new futures contract having identical terms but with a different maturity selected by it acting in good faith and in a commercially reasonable manner.

At each Rollover there may be expenses incurred in replacing the futures contract which may have an adverse effect on the return on the Securities.

Prospective investors should be aware that in respect of Rolling Futures Contract Securities, the price difference between the futures involved in each Rollover may have a negative effect on the value of the securities and in the long term be higher than the positive performance of the underlying and result in a total loss of the investment in the Securities. Rolling Futures Contract Securities may not be suitable for investors who intend to invest medium to long term.

Certain Considerations associated with Inflation Index Securities

An investment in Inflation Index Securities will entail significant risks not associated with an investment in a conventional debt security. On settlement of Inflation Index Securities, Securityholders will receive an amount (if any) determined by reference to the value of the underlying inflation index/indices.

Inflation indices may not correlate with other indices and may not correlate perfectly with the rate of inflation observed by purchasers of the Inflation Index Securities in such jurisdiction. The value of the Inflation Index Securities which are linked to an inflation index may be based on a calculation made by reference to such inflation index for a month which is several months prior to the date of payment on the Inflation Index Securities and therefore could be substantially different from the level of inflation at the time of the payment on the Inflation Index Securities.

Upon the occurrence of certain events in relation to an inflation index, e.g., the inflation index level has not been published or is discontinued or is corrected or such inflation index is rebased or materially modified, then depending on the particular event, the relevant Issuer may determine the level, substitute the original inflation index, adjust the terms and conditions of the Inflation Index Securities or cancel the Inflation Index Securities. Any such event and its consequences may have an adverse effect on the value of the Inflation Index Securities.

Certain considerations associated with Currency Securities

An investment in Currency Securities will entail significant risks not associated with an investment in a conventional debt security. On settlement of Currency Securities, Securityholders will receive an amount (if any) determined by reference to the value of the currency/currencies and/or the physical delivery of a given amount of a currency or currencies. Accordingly, an investment in Currency Securities may bear similar market risks to a direct currency investment, and investors should take advice accordingly.

Fluctuations in exchange rates of the relevant currency (or basket of currencies) will affect the value of Currency Securities. The performance of foreign exchange rates is dependent upon the supply and demand for currencies in the international foreign exchange markets, which are subject to international and domestic political factors, economic factors (including inflation rates in the countries concerned, interest rate differences between the respective countries), economic forecasts, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Measures taken by governments and central banks include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a Settlement Currency that would affect exchange rates and the availability of a Settlement Currency which would affect return on the Currency Security or ability of the relevant Issuer to make delivery in the Settlement Currency.

Furthermore, investors who intend to convert gains or losses from the exercise, settlement or sale of Currency Securities into their home currency may be affected by fluctuations in exchange rates between their home currency and the relevant currency (or basket of currencies). Currency values may be affected by complex political and economic factors, including governmental action to fix or support the value of a currency (or basket of currencies), regardless of other market forces. Investors in Currency Securities risk losing their entire investment if exchange rates of the relevant currency (or basket of currencies) do not move in the anticipated direction.

If additional warrants, securities or options relating to particular currencies or particular currency indices are subsequently issued, the supply of warrants and options relating to such currencies or currency indices, as applicable, in the market will increase, which could cause the price at which the Securities and such other warrants, securities and options trade in the secondary market to decline significantly.

Currency Securities linked to emerging market currencies may experience greater volatility and less certainty as to the future levels of such emerging market currencies or their rate of exchange as against other currencies. See also "*Certain Considerations Associated with Securities Linked to Emerging Markets*".

Certain considerations associated with Fund Securities

An investment in Fund Securities will entail significant risks not associated with an investment in a conventional debt security. On settlement of Fund Securities, Securityholders will receive an amount (if any) determined by reference to the value of the fund shares and/or the physical delivery of a given number of fund shares or units. Accordingly, an investment in Fund Securities may bear similar market risks to a direct fund investment, and investors should take advice accordingly. The price of units or shares in a fund may be affected by the performance of the fund service providers, and in particular the investment adviser.

No Fund Service Provider will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Fund Securities, and none of the Issuer, the Guarantor (if applicable) or any Dealer will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of fund shares or units contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available information described in this paragraph or in any relevant Final Terms) that would affect the trading price of the fund shares or units will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of fund shares or units could affect the trading price of the fund shares or units and therefore the trading price of the Securities. Fund Securities do not provide Securityholders with any participation rights in the underlying Fund(s) and except in certain circumstances in the case of Physical

Delivery Securities, do not entitle holders of Fund Securities to any ownership interest or rights in such Fund(s).

Except as provided in the Conditions, Securityholders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant fund shares or units to which such Securities relate.

Certain considerations associated with Futures Securities

An investment in Futures Securities will entail significant risks not associated with an investment in a conventional debt security. On settlement of Futures Securities, Securityholders will receive an amount (if any) determined by reference to the value of the futures contract or basket of futures contracts. Should an exchange make or announce: (a) a modification to the futures contract, (b) a replacement of the futures contract with another futures contract, or (c) that the futures contract will cease to be listed, traded or publicly quoted, a Future Adjustment Event will occur. Upon the occurrence of a Futures Adjustment Event: (i) the Calculation Agent may determine whether to use the futures contract so modified or replaced, as the case may be, or (ii) the Issuer may cancel the Futures Securities and pay a cancellation amount equal to: (1) (unless otherwise specified or if Market Value is specified in the applicable Final Terms) the fair market value of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled; or (2) (if Highest Value is specified in the applicable Final Terms) the greater of the fair market value of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled, and the Protected Amount specified in the Final Terms. In addition, if the published price of a futures contract is subsequently corrected, the corrected price will be used if it is corrected within the prescribed period, provided that, if the corrected price is published less than three Exchange Business Days prior to a due date for payment it will be disregarded. Accordingly, an investment in Futures Securities may bear similar market risks to a direct futures contract investment, and investors should take advice accordingly.

Certain considerations associated with Hybrid Securities

An investment in Hybrid Securities will entail significant risks which are different from those associated with an investment in a conventional debt security. In fact, with respect to Hybrid Securities the Underlying Reference may be any combination of indices (or index futures or options contracts), shares, interests in exchange traded instruments, debt instruments (or debt futures or options contracts), inflation indices, currencies (or currency futures contracts), funds, futures contracts, underlying interest rates or other asset classes or type. Consequently, investors should be aware that on settlement of Hybrid Securities, Securityholders will receive an amount (if any) determined by reference to the value of a number of different Underlying References of different type.

Certain considerations associated with Open End Warrants and OET Warrants

Open End Warrants and OET Warrants do not have any pre-determined maturity and may be settled on any date determined by the relevant Issuer, subject to compliance with the provisions of the Conditions. Investment in Open End Warrants and OET Warrants will entail additional risks compared with other Warrants, due to the fact that the settlement date for such OET Warrants cannot be determined by the investor and this may have an impact on the potential investor's overall investment portfolio.

(D) Additional factors relating to certain Underlying References

Certain considerations associated with Securities linked to ETIs

ETI Securities linked to one or more interest in exchange traded instruments reflect the performance of such interest in exchange traded instruments.

An exchange traded instrument may invest in and trade in a variety of investments and financial instruments using sophisticated investment techniques for hedging and non-hedging purposes. Such financial instruments and investment techniques may include, but are not limited to, the use of leverage, short sales of securities, derivative transactions, such as swaps, stock options, index options, futures contracts and options on futures, lending of securities to certain financial institutions, entry into repurchase and reverse repurchase agreements for securities and the investment in foreign securities and foreign currencies.

The amount payable on ETI Securities will be dependent on the performance of the relevant ETI(s) underlying the ETI Securities, which may be linked to the reported NAV per ETI Interest, the trading price available on an exchange for the relevant ETI Interest and/or the actual redemption proceeds the Hedge Provider or a hypothetical investor in the relevant ETI(s) would receive. The amount payable on the ETI Securities may be less and in certain circumstances may be significantly less than the return from a direct investment in the relevant ETI(s) and may be zero.

Unlike Funds, exchange traded instruments are not actively managed. The value of an interest in an exchange traded instrument will decline, more or less, in line with the decline of any securities or the value of any index underlying or linked to the relevant exchange traded instrument. Exchange traded instruments involve risks similar to those of investing in any equity securities traded on an exchange, such as market fluctuations caused by, amongst other things, economic and political developments, changes in interest rates and perceived trends in prices of securities. Where the relevant exchange traded instrument is linked to a particular index, the return on such exchange traded instrument may not match the return of the particular index.

Potential investors in ETI Securities should be aware that none of the relevant Issuer, the Guarantor (if any) or the Calculation Agent have any control over investments made by the relevant exchange traded instrument(s) and in no way guarantee the performance of an exchange traded instrument or the amount payable to holders of ETI Securities.

In hedging the relevant Issuer's obligations under the ETI Securities, the Hedge Provider is not restricted to any particular hedging practice. Accordingly, the Hedge Provider may hedge its exposure using any method it, in its sole discretion, deems appropriate, including, but not limited to, investing in the relevant exchange traded instrument(s), replicating the performance of the relevant exchange traded instrument(s) or holding any of the assets underlying the relevant exchange traded instrument(s). The Hedge Provider may perform any number of different hedging practices with respect to ETI Securities.

Investing directly or indirectly in interests in exchange traded instruments is generally considered to be risky. If the exchange traded instrument does not perform sufficiently well, the value of the Securities will fall, and may in certain circumstances be zero.

Prospective investors should review carefully the prospectus, information memorandum and/or offering circular (if any) issued by any relevant exchange traded instrument before purchasing any ETI Securities. None of the relevant Issuer, the Guarantor (if any), the Calculation Agent or any of their respective Affiliates make any representation as to the creditworthiness of any relevant exchange traded instrument or any such exchange traded instrument's administrative, custodian, investment manager or adviser.

Certain considerations associated with Securities linked to Funds

Where an Issuer issues Fund Securities linked to one or more Funds, the relevant Securities reflect the performance of such fund(s).

Investors in Fund Securities should understand that:

- (i) there are market risks associated with an actual investment in the underlying Fund(s), and while the Fund Securities do not create an actual interest in the underlying Fund(s), the return on the Fund Securities generally involves the same associated risks as an actual investment in the underlying Fund(s). The Issuer has not purported and does not purport to be a source of information concerning the market risks associated with such underlying Fund or Fund interests;
- (ii) third parties, not related to the relevant Issuer or the Guarantor, may subscribe for and redeem underlying fund interests. These investments may affect the performance and volatility of such Fund's net asset value and so subsequently affect, from time to time, the return on the Fund Securities;
- (iii) the relevant Issuer has no control over the underlying Fund(s) or the performance of such Fund(s) and any performance of the underlying Fund(s) necessary for the Fund Securities to yield a specified return is not assured. Potential investors in the Fund Securities should understand that the performance of the underlying Fund(s) may, depending on the terms of the Fund Securities, strongly affect the value of payments on the Fund Securities;

- (iv) the value of units in the underlying Fund(s) and the income from it may fluctuate significantly. The Issuer makes no representation or warranty about, or guarantee of, the performance of an underlying Fund;
- (v) the relevant Issuer has not provided and will not provide during the term of the Fund Securities prospective investors with any information or advice with respect to the performance of an underlying Fund. The Issuer may have acquired, or during the term of the Fund Securities may acquire, non-public information with respect to an underlying Fund, which will not be provided to the Securityholders;
- (vi) the Funds may follow a wide range of investment strategies, invest in assets in a number of different countries and invest in assets denominated in a number of different currencies. The returns to the Securityholders may, therefore, be materially affected by, among other things, market trends, exchange rate fluctuations and political and economic developments in the relevant countries. This may lead to substantial volatility in the net asset value of the Funds;
- (vii) the funds may have investment strategies and guidelines that are very broad. They may also be free to engage in additional or alternative strategies without reference to any other person including the relevant Issuer, the Guarantor and the investor;
- (viii) Funds may trade and invest in a broad range of investments and financial instruments using sophisticated investment techniques for hedging and non-hedging purposes such as debt and equity securities and foreign exchange and may enter into derivative transactions, including, without limitation, futures, swaps and options. Such financial instruments and investment techniques may also include, but are not limited to, the use of leverage, short sales of securities, transactions that involve the lending and borrowing of securities to financial institutions, investment in sub-investment grade or non-readily realizable investments, uncovered options transactions, options and futures transactions and foreign exchange transactions and the use of concentrated portfolios, the entry into repurchase and reverse repurchase agreements for securities and the investment in foreign securities and foreign currencies. While these investment strategies and financial instruments provide the investment manager and/or adviser of a Fund the flexibility to implement a range of strategies in an attempt to generate positive returns for the Fund, they also create the risk of significant losses and, in certain circumstances, may magnify adverse market developments and losses that may adversely affect the value of the Fund and therefore the return on the Fund Securities. Potential investors should be aware that none of the relevant Issuer, the Guarantor (if any) or the Calculation Agent have any control over investments made by a Fund and therefore in no way guarantee the performance of a Fund and therefore the amount due to Securityholders on exercise of the Fund Securities;
- (ix) Funds may often be illiquid and may only be traded on a monthly, quarterly or even less frequent basis. The trading strategies of Funds are often opaque. Funds, as well as the markets and instruments in which they invest, are often not subject to review by governmental authorities, self-regulatory organisations or other supervisory authorities;
- (x) the amount payable on Fund Securities will be dependent on the performance of the relevant Fund(s) underlying the Fund Securities, which may be linked to the reported NAV per Fund Share and/or the actual redemption proceeds the Hedge Provider or a hypothetical investor in the relevant Fund(s) would receive. The amount payable on the Fund Securities may be less than the amount payable from a direct investment in the relevant Fund(s);
- (xi) in certain circumstances, a Fund may continue reporting a NAV per Fund Share, but the Hedge Provider or a hypothetical investor may not be able to realise their investment in the relevant Fund(s) at such reported NAV per Fund Share. In such a case, the return on the Fund Securities may be less and in certain circumstances may be significantly less than the reported performance of the relevant Fund(s) and may be zero;
- (xii) a Fund may be established as part of a master-feeder fund structure. Generally, a master-feeder fund structure involves the incorporation of a "master" fund company into which separate and distinct "feeder" funds invest. Active management of any investment strategy is, generally, performed at the master fund level. In instances where the Fund(s) underlying the relevant Fund Securities are "feeder" funds, the Extraordinary Fund Events (see "*Other Events relating to*

Fund Securities" below) extend to include the "master" fund and its service providers. In conducting their own due diligence of the relevant Fund(s), prospective investors should pay particular attention to whether the relevant Fund(s) are established as part of a master-feeder fund structure;

- (xiii) In hedging the relevant Issuer's obligations under the Fund Securities, the Hedge Provider is not restricted to any particular hedging practice. Accordingly, the Hedge Provider may hedge its exposure using any method it, in its sole discretion, deems appropriate, including, but not limited to, investing in the relevant Fund(s), replicating the performance of the relevant Fund(s) or holding any of the assets underlying the relevant Fund(s). The Hedge Provider may perform any number of different hedging practices with respect to Fund Securities;
- (xiv) the Funds may often rely on a few individuals to determine their investment strategies and to make investment decision. The loss of such individuals could jeopardise the performance of the Funds;
- (xv) the funds may be engaged in a high level of trading with commensurately high brokerage and transaction costs, as well as costs associated with leverage, such as interest payments and margin maintenance. Such costs will adversely affect the net asset value of the Funds and so may adversely affect the return on the Fund Securities;
- (xvi) the Funds will be exposed to credit risks against brokers and other counterparties with which they deal in implementing their investment strategies;
- (xvii) where underlying Funds invest in unlisted shares and certain other assets, risks associated with reduced liquidity and lack of objective valuations will arise. Additionally, the underlying Funds may invest in emerging markets. This involves risks attributable to nationalisations, expropriation or taxation, currency devaluation, foreign exchange control, political, social or diplomatic instability or governmental restrictions. The capital markets in such countries have substantially less volume, and are generally less liquid and more volatile, than those in more developed markets. Disclosure and regulatory requirements could be less stringent than in other markets, with a low level of monitoring and limited and uneven enforcements of existing regulations;
- (xviii) an underlying Fund may have no or a limited history, with no proven track record in achieving their stated investment objectives;
- (xix) some or all of the underlying Funds may be wholly unregulated investment vehicles and may trade in futures, options, forward exchange contracts and other derivative instruments, which may represent significant investment risks. In addition, underlying funds may acquire leveraged trading positions, including through the use of borrowing, and may engage in short selling. As a result of leverage, relatively small adverse price movements may result in substantial losses; and
- (xx) an underlying Fund itself may be subject to fees and charges on its investments which shall be borne by such Fund and incorporated in the value of interests in it.

Risk from composition and changes to a fund

The management company of a Fund can, without regard to the interests of the investors in the Fund Securities, add, delete or substitute any funds by reference to which the value of a fund is calculated or make other methodological changes that could change the investment profile of a fund. The management company may also determine to discontinue a Fund. If a Fund is discontinued, it may be replaced by other assets and/or the Fund Securities may be cancelled early.

In the event that a Fund is materially modified or permanently cancelled or the management company fails to calculate or announce the NAV per Fund Share, the Calculation Agent will either make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions of the Fund Securities as the Calculation Agent determines appropriate to account for the effect on the Fund Securities of such events, or may cancel the Fund Securities early. Any of these decisions or determinations may adversely impact the value of the Fund Securities.

Funds may be subject to transfer restrictions and illiquidity

Funds and the assets thereof may be subject to transfer restrictions arising by way of applicable securities laws or otherwise. Such restrictions may mean that investors are not entitled to acquire interests in the Funds directly. Holders of units or shares (however described) in a Fund may have the right to transfer or withdraw their investment in the Fund only at certain times and upon completion of certain documentary formalities and such rights may be subject to suspension or alteration. These circumstances may affect the NAV per Fund Share of the relevant Funds. Potential investors should familiarise themselves with the features of the Funds in this regard.

Events which affect the value of a Fund will affect the value of Fund Securities

The occurrence of any of the following events could materially and adversely affect the value of shares or units in a Fund, and have a consequent material and adverse effect on the value of Fund Securities:

- *Valuation:* The valuation of Funds is generally controlled by the management company of the Fund. Valuations are performed in accordance the terms and conditions governing the Fund. Such valuations may be based upon the unaudited financial records of the Fund and any accounts pertaining thereto. Such valuations may be preliminary calculations of the net asset values of the Fund and accounts. The Fund may hold a significant number of investments which are illiquid or otherwise not actively traded and in respect of which reliable net asset values may be difficult to obtain. In consequence, the management company may vary certain quotations for such investments held by the fund in order to reflect its judgement as to the fair value thereof.
- Therefore, valuations may be subject to subsequent adjustment upward or downward. Uncertainties as to the valuation of fund assets and/or accounts may have an adverse effect on the net asset value of the Fund where such judgements regarding valuations prove to be incorrect.
- *Trading charges:* The performance of a Fund will be affected by the charges incurred thereby relating to the investments of such Fund. The Fund may engage in short-term trading which may result in increased turnover and associated higher than normal brokerage commissions and other expenses.
- *Legal and regulatory changes:* Future changes to applicable law or regulation may be adverse to a Fund.
- *Performance risk:* No assurance can be given relating to the present or future performance of a Fund. The performance of a Fund is dependent on the performance of the management company thereof. Certain management companies may utilise analytical models upon which investment decisions are based. No assurance can be given that these persons will succeed in meeting the investment objectives of the Fund, that any analytical model used thereby will prove to be correct or that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investments in which the Funds have invested or will invest will prove accurate.
- *Effect of exchange rates and exchange controls:* The NAV per Fund Share could be adversely affected not only by hedging costs and changes in exchange rates, but also by local exchange control regulations and other limitations, including currency exchange limitations and political and economic developments in the relevant countries.
- *Market risks:* The markets in which a Fund invests may prove to be highly volatile from time to time as a result of, for example, sudden changes in government policies on taxation and currency repatriation or changes in legislation relating to the value of foreign ownership in companies, and this may affect the net asset value at which a fund may liquidate positions to meet repurchase requests or other funding requirements.
- *Hedging risks:* A Fund may in certain cases employ various hedging techniques to reduce the risk of investment positions. A substantial risk remains, nonetheless, that such techniques will not always be available and when available, will not always be effective in limiting losses. A fund may take substantial unhedged positions.

- *Interest rate risks:* The values of securities held by a Fund (or by any underlying fund) tend to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding NAV per Fund Share to move in directions which were not initially anticipated. To the extent that interest rate assumptions underlie the hedge ratios implemented in hedging a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose a Fund to losses.
- *Suspension of trading:* A securities exchange typically has the right to suspend or limit trading in any instrument traded on that exchange. A suspension could render it impossible for a Fund to liquidate positions and thereby expose a Fund to losses.
- *Dependence on key individuals:* The success of a Fund is dependent on the expertise of its managers. The loss of one or more individuals could have a material adverse effect on the ability of a fund manager to direct a Fund's portfolio, resulting in losses for a Fund and a decline in the value of a Fund. Indeed, certain fund managers may have only one principal, without whom the relevant fund manager could not continue to operate.
- *Experience of fund managers:* Certain Funds may be managed by investment managers who have managed funds for a relatively short period of time. The previous experience of such investment managers is typically in trading proprietary accounts of financial institutions or managing unhedged accounts of institutional asset managers or other investment firms. As such investment managers do not have direct experience in managing Funds, including experience with financial, legal or regulatory considerations unique to fund management, and there is generally less information available on which to base an opinion of such managers' investment and management expertise, investments with such investment managers may be subject to greater risk and uncertainty than investments with more experienced fund managers.
- *Risk of fraud:* There is a risk that a fund manager could divert or abscond with the assets, fail to follow agreed-upon investment strategies, provide false reports of operations or engage in other misconduct.
- *Performance compensation payable to fund managers:* The performance-based compensation paid to a fund manager is typically calculated on a basis that includes unrealised appreciation and may consequently be greater than if such compensation were based solely on realised gains. Each Fund generally calculates its own performance compensation based on its individual performance, irrespective of increases in the overall value of the Fund. Furthermore, when the Fund is rebalanced and an unprofitable underlying asset is removed, the loss carried forward by such Fund's trading is eliminated for purposes of calculating subsequent performance compensation due to the fund manager of any replacement underlying asset. Thus, there may be substantial incentive compensation due to the relevant fund manager even during a period when the portfolio of assets is incurring significant losses.
- *Risks of leverage:* A Fund may borrow subject to applicable restrictions provided by laws and typically utilise various lines of credit and other forms of leverage. In addition, certain of a Fund's investment strategies (primarily those utilising derivative instruments) may involve indirect forms of leverage. While leverage presents opportunities for increasing a Fund's total return, it increases the potential risk of loss as well. Any event which adversely affects the value of an investment by a fund is magnified to the extent that such investment is leveraged. Leverage can have a similar effect on issuers in which a Fund invests. The use of leverage by a Fund could result in substantial losses which would be greater than if leverage had not been used. A Fund's assets may be further leveraged or hedged by the use of derivatives. In addition, investments of a Fund may include investments in partnerships and other pooled investment vehicles, which themselves employ leverage to a significant extent. Such investments are subject to the same leverage risks as described above and a Fund could lose its entire investment. As a general matter, the banks and dealers that provide financing to a Fund can apply essentially discretionary margin, haircut, financing and security and collateral valuation policies. Changes by banks and dealers in these policies may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous net asset values.

- *Investment criteria:* It may be difficult to specify precisely or comprehensively the strategies of a Fund. As a result, it may not sometimes be clear whether or not a Fund fulfils the investment criteria set out in its offering document.
- *Risks of equity investments:* The investment orientation of a Fund may be based to a significant extent on equity investments. Investment in equity securities to aggressively seek capital appreciation is speculative and is generally perceived to encompass greater risks than those involved in connection with an investment in debt securities of comparable issuers.
- *Risks of fixed income investments:* A Fund may invest in fixed income securities and, therefore, may be exposed to the risk of default by the issuers of such securities. Such default may result in delays in payment, or non-payment of interest or principal when due. Furthermore, the net asset value of fixed income securities may also fluctuate with changes in prevailing interest rates and/or in the creditworthiness of the issuer, and these fluctuations may result in a loss of capital by a Fund.
- *Risks of collective investment schemes:* Some Funds may invest in other collective investment schemes. Investment in schemes of this type may afford the investor less transparency in respect of the ultimate assets of the scheme.
- *Large transactions:* Large subscriptions and redemptions may result in the liquidation or dilution of Fund assets that may affect the NAV per Fund Share of such Fund.
- *Emerging markets:* A Fund may invest in securities of governments of, or companies domiciled in, less-developed or emerging markets. See "*Certain considerations associated with Securities linked to emerging markets*". Custody arrangements in such countries may also present enhanced risk.
- *Risks of repos:* A Fund may use repurchase agreements. Under a repurchase agreement, a security is sold to a buyer and at the same time the seller of the security agrees to buy back the security at a later date at a higher net asset value. In the event of a bankruptcy or other default of the transferor of securities in a repurchase agreement, a Fund could experience delays in liquidating the underlying securities and losses, including possible declines in the value of the collateral during the period while it seeks to enforce its rights thereto; possible subnormal levels of income and lack of access to income during this period and the expenses of enforcing its rights. In the case of a default by the transferee of securities in a repurchase agreement, the management company bears the risk that the transferee may not deliver the securities when required.
- *Risks of currency speculation:* A Fund may engage in exchange rate speculation. Foreign exchange rates have been highly volatile in recent years. The combination of volatility and leverage gives rise to the possibility of large profit but also carries a high risk of loss. In addition, there is counterparty credit risk since foreign exchange trading is done on a principal to principal basis.
- *Risks of commodity futures:* Commodity futures prices can be highly volatile. As a result of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested.
- *Risks of derivative instruments:* A Fund may use derivative instruments, such as collateralised debt obligations, stripped mortgage-backed securities, options and swaps. There are uncertainties as to how the derivatives market will perform during periods of unusual price volatility or instability, market illiquidity or credit distress. Substantial risks are also involved in borrowing and lending against such instruments. The prices of these instruments are volatile, market movements are difficult to predict and financing sources and related interest rates are subject to rapid change. One or more markets may move against the positions held by a Fund, thereby causing substantial losses. Most of these instruments are not traded on exchanges but rather through an informal network of banks and dealers. These banks and dealers have no

obligation to make markets in these instruments and may apply essentially discretionary margin and credit requirements (and thus, in effect, force a Fund to close out its relevant positions). In addition, such instruments carry the additional risk of failure to perform by the counterparty to the transaction. Government policies, especially those of the U.S. Federal Reserve Board and non-U.S. central banks, have profound effects on interest and exchange rates which, in turn, affect prices of derivative instruments. Many other unforeseeable events, including actions by various government agencies and domestic and international political events, may cause sharp market fluctuations.

- *Risks of short selling:* A Fund may sell securities short. Short selling exposes a fund to theoretically unlimited risk due to the lack of an upper limit on the price to which a security may rise. Short selling involves the sale of borrowed stock. If a stock loan is called, the short seller may be forced to repurchase the stock at a loss. In addition, some traders may attempt to profit by forcing short sellers to incur a loss. Traders may make large purchases of a stock that has been sold short. The large purchases are intended to drive up the stock price, and cause the short sellers to incur losses. By doing this, the traders hope the short sellers will limit their losses by repurchasing the stock and force the stock price even higher.
- *Risks of arbitrage:* The use of arbitrage strategies by a Fund in no respect should be taken to imply that such strategies are without risk. Substantial losses may be incurred on "hedge" or "arbitrage" positions, and illiquidity and default on one side of a position may effectively result in the position being transformed into an outright speculation. Every arbitrage strategy involves exposure to some second order risk of the market, such as the implied volatility in convertible bonds or warrants, the yield spread between similar term government bonds or the net asset value spread between different classes of stock for the same underlying firm. Further, there are few examples of "pure" arbitrage funds. Most Funds also employ limited directional strategies which expose them to market risk.
- *Credit risk:* Many of the markets in which a fund effects its transactions are "over-the-counter" or "inter-dealer" markets. The participants in these markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. To the extent that a Fund invests in swaps, derivatives or synthetic instruments, or other over-the-counter transactions in these markets, such Fund may take a credit risk with regard to parties with which it trades and also may bear the risk of settlement default. These risks may differ materially from those involved in exchange-traded transactions, which generally are characterised by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from these protections, which in turn may subject a Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract or because of a credit or liquidity problem. Such "counterparty risk" is increased for contracts with longer maturities when events may intervene to prevent settlement. The ability of a Fund to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses.
- *Risks relating to controlling stakes:* A Fund may take controlling stakes in companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise and other types of related liability.

As the shares of certain funds may only be redeemable on certain dates, there is a risk of delays or defaults in payment

The shares of a Fund may only be redeemable on certain redemption dates, subject to the prescribed notice period in respect of such Fund. This gives rise to a time delay between the execution of an order for redemption and payment of the proceeds on such redemption. If the Fund becomes insolvent following the date on which a redemption order would have to be notionally placed or the Calculation Agent determines that the relevant Fund would fail to pay to any shareholder in cash the full redemption proceeds owing to them if they redeemed their shares on the relevant date, an adjustment may be made by the Calculation Agent when calculating the return on the Securities to the NAV per Fund Share of the relevant Fund, thereby reducing the return on the Securities.

The market price of Fund Securities may be volatile and may depend on the time remaining to the settlement date and the volatility of the price of fund share(s) or unit(s). The price of fund share(s) or unit(s) may be affected by the economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any units in the fund or funds may be traded.

For all the above reasons, investing directly or indirectly in Funds is generally considered to be risky. If the underlying Fund does not perform sufficiently well, the value of the Security will fall, and may in certain circumstances be zero.

Certain considerations associated with Securities linked to emerging markets

Each Issuer may issue Securities where the amount payable on settlement is linked to Underlying References which consist of (i) securities, funds or indices comprising securities of issuers that are located in, or subject to regulation in, emerging or developing countries, or (ii) securities which are denominated in the currency of, or are traded in, emerging or developing countries or (iii) currencies of emerging or developing countries. Prospective investors should note that additional risks may be associated with investment in such Securities, including risks associated with political and economic uncertainty, adverse governmental policies, restrictions on foreign investment and currency convertibility, currency exchange rate fluctuations, possible lower levels of disclosure and regulation, and uncertainties as to the status, interpretation and application of laws including, but not limited to, those relating to expropriation, nationalisation and confiscation. Securities traded in emerging or developing countries tend to be less liquid and the prices of such securities more volatile. In addition, settlement of trades in some such markets may be slower and more subject to failure than in markets in developed countries.

Increased custodian costs as well as administrative difficulties (such as the applicability of the laws of the jurisdictions of emerging or developing countries to custodians in such jurisdictions in various circumstances, including bankruptcy, ability to recover lost assets, expropriation, nationalisation and record access) may also arise from the maintenance of assets in such emerging or developing countries.

Prospective purchasers of the Securities should also be aware that the probability of the occurrence of a Hedging Disruption Event (or other Adjustment Event under the relevant legal terms as set out further in the Security Conditions) and consequently loss of investment or profit by an investor may be higher for certain developing or emerging markets. Prospective investors are expected to conduct their own enquiries and be satisfied that there are additional risks associated with investments linked to the performance of underlying assets located in these markets.

Exchange control risks

Potential investors should be aware that there is the risk that authorities with jurisdiction over the Settlement Currency (as specified in the applicable Final Terms and/or the currency in which the Underlying Reference is denominated, such as government and monetary authorities, may impose or modify (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or transfer of funds in and out of the country. It is impossible to predict whether the value of one such currency relative to another will rise or fall during the term of the Securities.

(E) Additional factors relating to disruption and adjustments

If an Additional Disruption Event occurs, or any Optional Additional Disruption Event specified in the applicable Final Terms occurs (other than in respect of a Failure to Deliver due to Illiquidity), the Securities may be subject to adjustment (including, in the case of Share Securities linked to a Basket of Shares, adjustments to the Basket of Shares), early settlement or the amount payable on scheduled settlement may be different from the amount expected to be paid at scheduled settlement.

The Additional Disruption Events relate to changes in law (including changes in tax or regulatory capital requirements) and hedging disruptions in respect of any hedging transactions relating to the Securities (both as more fully set out in the Conditions).

If a Failure to Deliver due to Illiquidity occurs:

- (A) subject as provided in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date; and
- (B) in respect of any Affected Relevant Assets, *in lieu* of physical settlement, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security, by payment to the relevant Securityholder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Securityholders in accordance with the relevant Conditions. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Securityholders.

Consequently the occurrence of an Additional Disruption Event and/or an Optional Additional Disruption Event may have an adverse effect on the value or liquidity of the Securities.

Market Disruption Events or failure to open of an exchange

If an issue of Securities includes provisions dealing with the occurrence of a Market Disruption Event or failure to open of an exchange on a date for valuation of an Underlying Reference and the Calculation Agent determines that a Market Disruption Event or failure to open of an exchange has occurred or exists on such valuation date, any consequential postponement of the valuation date, or any alternative provisions for valuation provided in any Securities may have an adverse effect on the value and liquidity of such Securities.

The occurrence of such a Market Disruption Event or failure to open of an exchange in relation to any Underlying Reference comprising a basket may also have such an adverse effect on Securities related to such basket. In addition, any such consequential postponement may result in the postponement of the relevant Settlement Date.

Adjustment events relating to Index Securities

In the case of Index Securities, if a relevant Index is (i) not calculated and announced by the Index Sponsor in respect of the Index but is calculated and announced by a successor sponsor or successor entity, as the case may be, acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then, in each case, that index will be deemed to be the Index.

The occurrence of an Index Modification, an Index Cancellation or an Index Disruption (each being an "**Index Adjustment Event**") may lead to (i) changes in the calculation of the relevant value or price (if the Calculation Agent determines such Index Adjustment Event has a material effect on the Securities), (ii) early settlement of the Securities or (iii) the amount payable on scheduled settlement of the Securities being different from the amount expected to be paid at scheduled settlement.

Any such adjustment may have an adverse effect on the value and liquidity of such Securities.

Potential Adjustment Events relating to Share Securities

In the case of Share Securities, following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, acting in good faith and in a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will make the corresponding adjustment, if any, to any terms of the Securities as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share). Such adjustment may have an adverse effect on the value and liquidity of the affected Share Securities.

Extraordinary Events relating to Share Securities

In the case of Share Securities the occurrence of an Extraordinary Event (as defined in the Share Security Conditions) in relation to a Share, may lead to:

- (A) adjustments to any of the terms of the Securities (including, in the case of Share Securities linked to a Basket of Shares, adjustments to and/or substitution of constituent shares of the Basket of Shares);
- (B) early settlement in whole or, in the case of Share Securities relating to a Basket of Shares, in part or the amount payable on scheduled settlement being different from the amount expected to be paid at scheduled settlement;
- (C) the Calculation Agent making an adjustment to any terms of the Securities which corresponds to any adjustment to the settlement terms of options on the Shares traded on such exchanges(s) or quotation system(s) as the Issuer in its sole discretion shall select (the "Option Exchange") or, if options on the Shares are not traded on the Options Exchange, the Calculation Agent making such adjustment, if any, to any terms of the Securities as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

Following such settlement, an investor generally would not be able to reinvest the relevant proceeds at an effective interest rate as high as the effective return on the relevant Securities being settlement and may only be able to do so at a significantly lower rate, and potential investors should consider reinvestment risk in light of other investments available at that time. Consequently the occurrence of an Extraordinary Event in relation to a Share may have an adverse effect on the value or liquidity of the Securities.

Potential Adjustment Events relating to ETI Securities

In the case of ETI Securities, following the declaration by the relevant exchange traded instruments or any person appointed to provide services directly or indirectly in respect of such exchange traded instrument, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, acting in good faith and in a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the ETI Interests and, if so, will make the corresponding adjustment, if any, to any terms of the Securities as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant ETI Interest).

Any such adjustment may have an adverse effect on the value and liquidity of such Securities.

Extraordinary Events relating to ETI Securities

In the case of ETI Securities if certain events ("**Extraordinary ETI Events**") including events relating to Global Events, Litigation/Fraudulent Activity Events, Change in Related Parties/Key Persons Events, Modification Events, Net Asset Value/Investment/AUM Level Events, Tax/Law/Accounting/Regulatory Events, Hedging/Impracticality/Increased Costs Events and Miscellaneous Events in the determination of the Calculation Agent (acting in good faith and in a commercially reasonable manner) occur, the relevant Issuer may acting in good faith and in a commercially reasonable manner adjust the terms of the Securities to reflect such event, substitute the relevant ETI Interests or redeem the Securities.

Consequently the occurrence of an Extraordinary ETI Event may have an adverse effect on the value or liquidity of the Securities.

The Issuer will exercise its rights under the ETI Security Conditions, including in particular the action it takes on the occurrence of an Extraordinary Fund Event, acting in good faith. Subject to all regulatory obligations, none of the Issuer, the Guarantor (if any) or the Calculation Agent owes any duty or responsibility to any of the Securityholders of the ETI Securities. The exercise of such rights in such manner may result in an increased loss in performance of the ETI Securities than if the Issuer had taken different action.

Other events relating to Fund Securities

In the case of Fund Securities, if certain events ("**Extraordinary Fund Events**") including events relating to Global Events, Litigation/Fraudulent Activity Events, Fund Service Provider/Key Person Events, Modification Events, NAV per Fund Share/AUM Level Events, Reporting Events, Tax/Law/Accounting/Regulatory Events, Hedging/Impracticality/Increased Costs Events, Dealing Events and Miscellaneous Events in the determination of the Calculation Agent (acting in good faith and in a commercially reasonable manner) occur, the Issuer may, acting in good faith and in a commercially reasonable manner, adjust the terms of the Securities to reflect such event, substitute the relevant Fund Shares or redeem the Securities.

Consequently the occurrence of an Extraordinary Fund Event may have an adverse effect on the value or liquidity of the Securities.

In addition, in the event that redemption proceeds in respect of the underlying Fund Shares are not received by the Hedge Provider on or prior to the scheduled date for settlement, such settlement date may be postponed for a period of up to two calendar years (or such other period as may be specified in the applicable Final Terms) and no additional amount shall be payable as a result of such delay.

The Issuer will exercise its rights under the Fund Security Conditions, including in particular the action it takes on the occurrence of an Extraordinary Fund Event, acting in good faith. Subject to all regulatory obligations, none of the Issuer, the Guarantor (if any) or the Calculation Agent owes any duty or responsibility to any of the Securityholders of the Fund Securities. The exercise of such rights in such manner may result in an increased loss in performance of the Fund Securities than if the Issuer had taken different action.

Settlement Disruption Events

In the case of Physical Delivery Securities, if a Settlement Disruption Event occurs or exists on the Settlement Date, settlement will be postponed until the next Settlement Business Day in respect of which there is no Settlement Disruption Event. The relevant Issuer in these circumstances also has the right to pay the Disruption Cash Settlement Price (as defined below) *in lieu* of delivering the Entitlement. As further described below, the Disruption Cash Settlement may be less than the fair market value of the Entitlement.

The occurrence of a FX Settlement Disruption Event may lead to postponement or payment in an alternative currency

If "FX Settlement Disruption" applies to the Securities, and the Calculation Agent determines on the second Business Day prior to the relevant due date for payment (the "**FX Disrupted Payment Date**") that a FX Settlement Disruption Event has occurred and is continuing, investors should be aware that payments under the relevant Securities may (i) occur at a different time than expected and (ii) be made in USD (the "**FX Settlement Disruption Currency**"). In certain circumstances, the rate of exchange used to convert the Specified Currency and/or Settlement Currency into the FX Settlement Disruption Currency, may not be the market rate of exchange for such currencies, and in some cases, may be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

Option to Vary Settlement

If so indicated in the Final Terms, the Issuer may, elect to vary the settlement of the Securities, by (i) in the case of cash settled securities, delivering or procuring delivery of the Entitlement instead of making payment of the Cash Settlement Amount to the relevant Securityholders or (ii) in the case of physical delivery securities, making payment of the Cash Settlement Amount to the relevant Securityholders instead of delivering or procuring delivery of the Entitlement.

Option to Substitute Assets or to Pay the Alternate Cash Settlement Amount

The Issuer may if the Calculation Agent determines (acting in good faith and in a commercially reasonable manner) that the Relevant Asset or Relevant Assets, as the case may be, comprise assets which are not freely tradable, elect either (i) to substitute a Substitute Asset or Substitute Assets, as the case may be, for the Relevant Asset or Relevant Assets or (ii) not to deliver or procure the delivery of

the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant holders, but *in lieu* thereof to make payment to the relevant holders on the Settlement Date of the Alternate Settlement Cash Amount.

(F) **Risks related to the market generally**

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk that may be relevant in connection with an investment in Securities:

The secondary market generally

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

The Issuer has no obligation to purchase the Securities from the Securityholders. However, should the relevant Issuer decide to purchase the Securities, the secondary market pricing that the relevant Issuer may provide on the Securities may reflect the unwinding cost of the hedging portfolio (if any).

Exchange rate risks and exchange controls

The Issuer will pay amounts on the Securities in the Settlement Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Settlement Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Settlement Currency or revaluation of the Investor's Currency or due to the official redenomination of the Settlement Currency and/or Investor's Currency) and the risk that authorities with jurisdiction over the Settlement Currency and/or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Settlement Currency would decrease (i) the Investor's Currency-equivalent yield on the Securities (ii) the Investor's Currency equivalent value of the principal payable on the Securities and (iii) the Investor's Currency equivalent market value of the Securities. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest, principal or other amount than expected, or no interest or principal or other amount.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Securities are legal investments for it, (ii) Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Securities. Each prospective investor should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Certain specific information may not be known at the beginning of an offer period

The relevant Final Terms may provide that certain specific information relating to the Securities (such as certain amounts, levels, percentages, prices, rates or values (as applicable) used to determine or calculate amounts payable or assets deliverable in respect of the Securities) may not be fixed or determined until the end of the offer period. In such case, the Final Terms will specify in place of the relevant amounts, levels, percentages, prices, rates or values (as applicable), an indicative range of amounts, levels, percentages, prices, rates or values (as applicable).

The actual amount, level, percentage, price, rate or value, applicable to the Securities will be determined by the Issuer from within the range and will be made public prior to the Issue Date. The actual rate, level or percentage, as applicable, will be determined in accordance with market conditions by the Issuer in good faith and in a commercially reasonable manner.

Prospective investors will be required to make their investment decision based on the indicative range rather than the actual amounts, levels, percentages, prices, rates or values (as applicable), which will only be fixed after the investment decision is made but will apply to the Securities once issued.

Where an indicative range is specified in the Final Terms in respect of amounts, levels, percentages, prices, rates or values (as applicable), prospective investors should, assume that the actual amounts, levels, percentages, prices, rates or values (as applicable) fixed or determined at the end of the offer period may have a negative impact on the amounts payable or assets deliverable in respect of the Securities and consequently, have an adverse impact on the return on the Securities (when compared with other amounts, levels, percentages, prices, rates or values (as applicable) within any indicative range). Prospective investors should therefore make their decision to invest in the Securities on that basis.

Potential conflicts of interest relating to distributors or other entities involved in the offer or listing of the Securities

Potential conflicts of interest may arise in connection with the Securities, as any distributors or other entities involved in the offer and/or the listing of the Securities as indicated in the applicable Final Terms, will act pursuant to a mandate granted by the Issuer and can receive commissions and/or fees on the basis of the services performed in relation to such offer and/or listing.

Impact of costs and fees on the value of the Securities

Investors should note that issue price and/or offer price of the Securities may include fees (e.g. subscription fees, placement fees, direction fees, structuring fees (normally paid by the Issuer to the relevant intermediaries)) and/or other additional costs. Any such fees and costs may not be taken into account for the purposes of determining the price of such Securities on the secondary market (which will also depend on the prevailing market conditions) and could result in a difference between the original issue price and/or offer price, the theoretical value of the Securities, and/or the actual bid/offer price quoted by any intermediary in the secondary market. Any such difference may have an adverse effect on the value of the Securities, particularly immediately following the offer and the issue date relating to such Securities, where any such fees and/or costs may be deducted from the price at which such Securities can be sold by the initial investor in the secondary market.

Certain considerations associated with public offers of Securities

If Securities are distributed by means of a public offer, under certain circumstances indicated in the relevant Final Terms, the relevant Issuer and/or other entities specified in the Final Terms may have the right to withdraw the offer, which in such circumstances will be deemed to be null and void according to the terms indicated in the relevant Final Terms and to cancel the issuance of the Securities.

In such case, investors who have already paid or delivered subscription monies for the relevant Securities will be entitled to reimbursement of such amounts, but will not receive any compensation that may have accrued in the period between their payment or delivery of subscription monies and the reimbursement of such amounts.

The Issuer and/or the other entities specified in the applicable Final Terms may also terminate the offer early by immediate suspension of the acceptance of further subscription requests and by giving notice to the public in accordance with the applicable Final Terms. Any such termination may occur even where the maximum amount for subscription in relation to that offer (as specified in the applicable Final Terms), has not been reached. In such circumstances, the early closing of the offer may have an impact on the aggregate number of Securities issued and, therefore, may have an adverse effect on the liquidity of the Securities.

Furthermore, under certain circumstances indicated in the applicable Final Terms, the Issuer and/or the other entities indicated in the applicable Final Terms will have the right to extend the offer period and/or to postpone the originally designated issue date, and related interest payment dates and the maturity date.

For the avoidance of doubt, this right applies also in the event that the Issuer publishes a supplement to the Base Prospectus in accordance with the provisions of the Prospectus Regulation.

In case of overallocation of the Securities, the investors should consider that subscription applications validly submitted may not be satisfied.

If indicated in the Final Terms, the Issuer will use the SeDeX for the distribution of the Securities according to the provisions of the rules governing SeDeX from time to time (the "**SeDeX Rules**"). In this case, Borsa Italiana shall verify the admission requirements of the Issuer and of the Securities and shall receive the request for admission to trading. Following this, Borsa Italiana shall admit the Securities to trading and commence trading of purchase and sales contracts on the market. At the end of the sale phase, if successful, and subject to compliance with the requirements laid down in the SeDeX Rules, the admission shall become final and Borsa Italiana shall establish the date for the start of trading on the SeDeX. The circumstance that, pursuant to this distribution process, potential investors can monitor (via market operators) the progress of the proposed purchases of the Securities during the offer period, may have an impact on the progress and results of the offer.

If the issue of the Securities does not take place because the admission requirements laid down in the SeDeX Rules are not satisfied, the admission decision shall cease to be effective and the contracts executed shall be considered as null and void. The contracts concluded during the distribution phase via electronic trading systems cannot be revoked unless otherwise provided in the applicable Final Terms.

Similar procedures might apply to other trading venues.

The relevant Final Terms may also provide that the effectiveness of the offer of Securities is conditional upon admission to listing or to trading on the relevant regulated market and/or multilateral trading facility indicated in the relevant Final Terms, occurring by the Issue Date. In such case, in the event that admission to listing or trading of the Securities does not take place by the Issue Date for whatever reason, the Issuer may withdraw the offer, the offer will be deemed to be null and void and the relevant Securities will not be issued. As a consequence, the potential investor will not receive any Securities, any subscription rights the potential investor has for the Securities will be cancelled and he/she will not be entitled to any compensation therefor.

Listing of Securities

In respect of Securities which are (in accordance with the applicable Final Terms) to be listed on a regulated market and/or admitted to trading on a multilateral trading facility, the relevant Issuer shall use all reasonable endeavours to maintain such listing and/or multilateral trading facility, provided that if it becomes impracticable or unduly burdensome or unduly onerous to maintain such listing, then the relevant Issuer may apply to de-list the relevant Securities, although in this case it will use all reasonable endeavours to obtain and maintain (as soon as reasonably practicable after the relevant de-listing) an alternative admission to listing and/or trading within or outside the European Union, as it may decide.

If such an alternative admission is not available or is, in the opinion of the relevant Issuer, impracticable or unduly burdensome, an alternative admission will not be obtained.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated by reference in, and form part of, this Base Prospectus:

- the audited consolidated annual financial statements as at and for the years ended 30 June 2021 and 2020 of Mediobanca;
- the audited non-consolidated annual financial statements as at and for the years ended 30 June 2021 and 2020 of Mediobanca International;

in the case of the above-mentioned financial statements, together with the accompanying notes and (where applicable) auditors' reports, save that any statement contained in this Base Prospectus or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference by way of supplement prepared in accordance with Article 23 of the Prospectus Regulation modifies or supersedes such statement. Where only certain sections of a document referred to above are incorporated by reference to this Base Prospectus, the parts of the document which are not incorporated by reference are either not relevant for prospective investors or are covered elsewhere in this Base Prospectus.

The Issuers will provide, without charge to each person to whom a copy of this Base Prospectus has been delivered, upon the request of such person, a copy (by electronic means, unless such person requests hard copy) of any or all the documents deemed to be incorporated by reference herein unless such documents have been modified or superseded as specified above, in which case the modified or superseded version of such document will be provided. Request for such documents should be directed to the Issuers at their offices set out at the end of this Base Prospectus. In addition, such documents will be available, without charge, at the principal office of the Paying Agent in Luxembourg and on the Mediobanca's website at the following link (<https://www.mediobanca.com/en/investor-relations/results-presentations/results.html>) and on the Mediobanca International's website (<https://www.mediobancaint.lu/en/investor-documentation.html>).

The following table shows where some of the information incorporated by reference can be found in the above-mentioned documents. Information contained in those documents other than the information listed below does not form part of this Base Prospectus and is either not relevant or covered elsewhere in this Base Prospectus.

Cross-reference list in respect of the Mediobanca and Mediobanca International financial statements

Mediobanca - Consolidated annual financial statements		
	2021	2020
Balance sheet	Pages 94-95	Pages 96-97
Statement of income	Pages 96-97	Pages 98-99
Statement of changes in equity	Pages 98-99	Pages 100-101
Cash flow statement	Pages 100-101	Pages 102-103
Accounting policies and explanatory notes	Pages 103-371	Pages 104-357
Auditors' reports	Pages 80-91	Pages 82-93

Mediobanca International - Non-Consolidated annual financial statements		
	2021	2020
Statement of financial position	Pages 36-37	Pages 36-37
Statement of comprehensive income	Pages 38	Pages 38
Statement of changes in equity	Pages 39-40	Pages 39-40
Cash flow statement	Page 41	Page 41
Accounting policies and explanatory notes	Pages 43-150	Pages 43-151
Auditors' reports	Pages 29-34	Pages 29-34

SUPPLEMENTS AND FURTHER PROSPECTUSES

The Issuers will prepare a replacement prospectus setting out the changes in the operations and financial conditions of the Issuer at least every year after the date of this Base Prospectus and each subsequent Base Prospectus.

The Issuers have given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to the information contained in this Base Prospectus which is capable of affecting the assessment of the Securities, they shall prepare a supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Securities and shall supply to each Dealer a number of copies of such supplement as a Dealer may reasonably request.

In addition, the Issuers and the Guarantor may agree with any Dealer to issue Securities in a form not contemplated in the sections of this Base Prospectus entitled "*Form of Final Terms*". To the extent that the information relating to that Tranche of Securities constitutes a significant new factor in relation to the information contained in this Base Prospectus, a separate prospectus specific to such Tranche (a "**Drawdown Prospectus**") will be made available and will contain such information. Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the relevant Issuer and (if applicable) the Guarantor and the relevant Securities or (2) pursuant to Article 6.3 of the Prospectus Regulation, by a registration document containing the necessary information relating to the relevant Issuer and (if applicable) the Guarantor, a securities note containing the necessary information relating to the relevant Securities and, if necessary, a summary note. In the case of a Tranche of Securities which is the subject of a Drawdown Prospectus, references in this Base Prospectus to information specified or identified in the Final Terms shall (unless the context requires otherwise) be read and construed as information specified or identified in the relevant Drawdown Prospectus.

FORMS OF THE SECURITIES

Form

Each Series of Securities will on issue be constituted by either (a) in the case of Securities with a maturity of more than one year, a temporary global security in bearer form (the "**Temporary Global Security**") or (b) in the case of Securities with a maturity of one year or less, a permanent global security in bearer form (the "**Permanent Global Security**") and together with the Temporary Global Security, the "Global Securities" and each a "**Global Security**") as indicated in the applicable Final Terms which, in either case, will be deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and/or deposited directly with Monte Titoli S.p.A. and/or any other centralised custodian appointed by the Issuers (a "**Centralised Custodian**").

The relevant Final Terms will specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Securities or, if the Securities do not have a term of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

On or after the 40th day following the Issue Date of the Securities (the "**Exchange Date**") the Temporary Global Security will be exchangeable (a) for a Permanent Global Security or (b) for Securities in definitive form ("**Definitive Securities**"), as indicated in the applicable Final Terms and in each case only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Security are not United States persons or persons who have purchased for resale to any United States person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certification received) to the Fiscal Agent.

A Permanent Global Security will be exchangeable (free of charge), in whole but not in part, for Definitive Securities only upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that:

- (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business, or
- (ii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Securities represented by the Permanent Global Security in definitive form.

The Issuer will promptly give notice to Securityholders in accordance with Condition 8 (*Notices*) of the Terms and Conditions of the Securities if an Exchange Event occurs. No Definitive Security delivered in exchange for a Temporary Global Security or a Permanent Global Security, as the case may be, will be mailed or otherwise delivered to any location in the United States or its possessions.

Terms and Conditions applicable to the Securities

The applicable Final Terms for the Securities will be attached to or incorporated by reference into the Global Security and completes the Terms and Conditions of the Securities.

Legend concerning United States persons

The following legend will appear on all Securities with a maturity of more than 365 days:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Dematerialised form

If the relevant Final Terms specifies the form of the Securities as being "Dematerialised form", then the Securities will not be represented by paper certificates and the transfer and exchange of Securities will take place exclusively through an electronic book-entry system managed by Monte Titoli S.p.A. or any other Centralised Custodian appointed by the Issuers. Accordingly, all Securities shall be held by their owners with an intermediary participant

in the relevant Centralised Custodian. The intermediary will in turn hold the Securities with the Centralised Custodian.

To transfer an interest in the Securities, the transferor and the transferee are required to give instructions to their respective intermediaries. If the transferee is a client of the transferor's intermediary, the intermediary will simply transfer the Securities from the Transferor's account to the account of the transferee. If, however, the transferee is a client of another intermediary, the transferor's intermediary will instruct the centralised clearing system to transfer the Securities to the account of the transferee's intermediary, which will then register the Securities on the transferee's account.

Each intermediary maintains a custody account for each of its clients. This account sets out the financial instruments of each client and the records of all transfers, interest payments, charges or other encumbrances on such instruments. The account holder or any other eligible party may submit a request to the intermediary for the issue of a certified account statement.

In such circumstances, it will not be possible for a Securityholder to obtain physical delivery of Securities certificates representing the Securities.

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the Terms and Conditions of the Securities which will include the additional terms and conditions contained in Annex 1 (Additional Terms and Conditions relating to Formulas) in relation to the formulas for Securities, the additional terms and conditions contained in Annex 2 (Additional Terms and Conditions for Index Securities) in the case of Index Securities, the additional terms and conditions contained in Annex 3 (Additional Terms and Conditions for Share Securities) in the case of Share Securities, the additional terms and conditions contained in Annex 4 (Additional Terms and Conditions for ETI Securities) in the case of ETI Securities, the additional terms and conditions contained in Annex 5 (Additional Terms and Conditions for Debt Securities) in the case of Debt Securities, the additional terms and conditions contained in Annex 7 (Additional Terms and Conditions for Inflation Index Securities) in the case of Inflation Index Securities, the additional terms and conditions contained in Annex 8 (Additional Terms and Conditions for Currency Securities) in the case of Currency Securities, the additional terms and conditions contained in Annex 9 (Additional Terms and Conditions for Fund Securities) in the case of Fund Securities, the additional terms and conditions contained in Annex 10 (Additional Terms and Conditions for Futures Securities) in the case of Futures Securities, the additional terms and conditions contained in Annex 11 (Additional Terms and Conditions for Underlying Interest Rate Securities) in the case of Underlying Interest Rate Securities, the additional terms and conditions contained in Annex 13 in the case of OET Warrants (Additional Terms and Conditions for OET Warrants) (each, an "Annex" and, together the "Annexes") (the "Security Conditions") which will be incorporated by reference into each Global Security or, in the case of Dematerialised Securities (as defined below), will apply to such Securities. In the case of Securities (other than Dematerialised Securities), the applicable Final Terms (or the relevant provisions thereof) will be attached to each Global Security.

For the purposes of Securities which are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation ("**Exempt Securities**"), references in these Terms and Conditions to "Final Terms" shall be deemed to be references to "Pricing Supplement". The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

Mediobanca - Banca di Credito Finanziario S.p.A. ("**Mediobanca**") and Mediobanca International (Luxembourg) S.A. ("**Mediobanca International**") (each, an "**Issuer**" and, together, the "**Issuers**") have established an Issuance Programme (the "**Programme**") for the issuance of warrants ("**Warrants**" or "**Securities**"), guaranteed by Mediobanca (in its capacity as guarantor, the "**Guarantor**") in respect of Securities issued by Mediobanca International.

The Securities are issued pursuant to an amended and restated Issue and Paying Agency Agreement dated 3 December 2021, as amended or supplemented from time to time, (the "**Issue and Paying Agency Agreement**") between the Issuers, the Guarantor, BNP Paribas Securities Services, Luxembourg Branch, as fiscal agent and principal paying agent (the "**Fiscal Agent**") and Mediobanca in its capacity as Italian paying agent (the "**Italian Paying Agent**") and together with the Fiscal Agent and any additional or other paying agents in respect of the Securities from time to time appointed, the "**Paying Agents**") and with the benefit of deeds of covenant dated 3 December 2021 (each, a "**Deed of Covenant**" and, together, the "**Deeds of Covenant**"), each of them executed by the relevant Issuer in respect of Securities issued by such Issuer. The Guarantor has, for the benefit of the holders of Securities issued by Mediobanca International from time to time, executed and delivered a deed of guarantee (the "**Deed of Guarantee**") dated 3 December 2021 under which it has guaranteed, in accordance with the terms and subject to limitations of the Deed of Guarantee, the due and punctual payment of the amounts due and the performance of any non-cash delivery obligations by Mediobanca International under the Securities and the Deed of Covenant as and when the same shall become due and payable or deliverable, as the case may be (the "**Guarantee of the Securities**").

The Securityholders (as defined in Security Condition 1.2 (*Title to Securities*)) are entitled to the benefit of and are deemed to have notice of all of, and are bound by the provisions of, the Issue and Paying Agency Agreement and the applicable Final Terms, applicable to them.

Securities issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Securities. The terms and conditions applicable to any particular Tranche of Securities are these Conditions, as completed by the relevant Final Terms (the "**Final Terms**"). In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail. All subsequent references in these Conditions to "**Securities**" are to the Securities which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available during normal business hours at the specified office of the Fiscal Agent, the initial specified office of which is set out below, save that if the Securities

are unlisted, the applicable Final Terms will only be obtainable by a Securityholder and such Securityholder must produce evidence satisfactory to the relevant Fiscal Agent as to identity. Certain provisions of these Conditions are summaries of the Issue and Paying Agency Agreement and are subject to their detailed provisions.

The Final Terms issued in respect of each issue of Securities will specify whether the relevant Issuer is Mediobanca or Mediobanca International. In these Conditions of the Securities, any reference to a statute or regulation shall be construed as a reference to such statute or regulation as the same may have been, or may from time to time be, amended or re-enacted.

Copies of the Issue and Paying Agency Agreement, the Deeds of Covenant, the Deed of Guarantee and the Programme Manual (being a manual signed for the purposes of identification by the Issuers and the Fiscal Agent, containing suggested forms and operating procedures for the Programme, including the forms of the Notes in global and definitive form) are available for inspection at the specified office of the Paying Agent.

Securities issued under the Programme will be in the form of Warrants and references in these Conditions to "**Security**" and "**Securities**" will be construed accordingly. References herein to the applicable Final Terms are to Part A of the Final Terms or each Final Terms (in the case of any further securities issued pursuant to Security Condition 10 (*Further Issues*) and forming a single series with the Securities) (which for the avoidance of doubt may be issued in respect of more than one series of Securities) attached to the global security in bearer form representing the Securities (the "**Global Security**") or, in the case of Dematerialised Securities, will applying to such Securities, insofar as it relates to the Securities.

For the avoidance of doubt, any reference in the Conditions to a level, value, price, percentage, number, amount or date to be indicated in the relevant Final Terms, should be interpreted as reference to one or more of such levels, values, prices, percentages, numbers, amounts or dates, based on what will be indicated in the relevant Final Terms.

1. **TYPE, TITLE AND TRANSFER**

1.1 *Type*

The Securities relate to (i) a specified index or basket of indices or futures or options contracts related to a specified index or basket of indices ("**Index Securities**"), (ii) a specified share or basket of shares, or a specified depository receipt (a "**GDR/ADR**") referencing a share (an "**Underlying Share**") or basket of GDRs and/or ADRs ("**Share Securities**"), (iii) a specified interest in an exchange traded fund, an exchange traded note, an exchange traded commodity or any other exchange traded product (each an "**exchange traded instrument**") or basket of interests in exchange traded instruments ("**ETI Securities**"), (iv) a specified debt instrument or basket of debt instruments or futures or options contracts related to a specified debt instrument or basket of debt instruments (synthetic or otherwise) ("**Debt Securities**"), (v) a specified inflation index or basket of inflation indices ("**Inflation Index Securities**"), (vi) a specified currency or basket of currencies or futures or options contracts related to a specified currency or basket of currencies ("**Currency Securities**"), (vii) a specified fund share or unit or basket of fund shares or units ("**Fund Securities**"), (viii) a specified futures contract or basket of futures contract(s) ("**Futures Securities**"), (ix) a specified underlying interest rate or basket of underlying interest rates ("**Underlying Interest Rate Securities**"), (x) and/or any combination of such indices, shares, interests in exchange traded instruments, debt instruments, inflation indices, currencies, fund shares or units, futures contract(s), underlying interest rate(s) and other asset classes or types ("**Hybrid Securities**").

If the Securities are Hybrid Securities and Hybrid Securities is specified as applicable in the applicable Final Terms, the terms and conditions of the Securities will be construed on the basis that in respect of each separate type of underlying reference asset or basis, the relevant terms applicable to each such separate type of underlying reference asset or basis will apply, as the context admits, separately and independently in respect of the relevant type of underlying reference asset or basis, except as specified in the applicable Final Terms.

The applicable Final Terms will indicate:

- (i) whether settlement shall be by way of cash payment ("**Cash Settled Securities**") or physical delivery ("**Physical Delivery Securities**");

- (ii) whether Averaging ("**Averaging**") will apply to the Securities; and
- (iii) if Averaging is specified as applying in the applicable Final Terms, the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day as defined in Security Condition 3 below (*Definitions*), whether Omission, Postponement or Modified Postponement (each as defined in Security Condition 3 (*Definitions*)) applies.

References in these Conditions, unless the context otherwise requires, to Cash Settled Securities shall be deemed to include references to Physical Delivery Securities, which include an option (as set out in the applicable Final Terms) at the relevant Issuer's election to request cash settlement of such Security and where settlement is to be by way of cash payment. References in the Conditions, unless the context otherwise requires, to Physical Delivery Securities shall be deemed to include references to Cash Settled Securities which include an option (as set out in the applicable Final Terms) at the relevant Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Security and where settlement is to be by way of physical delivery.

1.2 *Title to Securities*

In the case of Securities represented by a Global Security held by a common depository on behalf of a relevant Clearing System, each person who is for the time being shown in the records of the relevant Clearing System(s) as the holder of a particular number of Securities (in which regard any certificate or other document issued by the relevant Clearing System(s) as to the number of Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer, the Guarantor, if any, the Paying Agents and the Calculation Agent and all other persons dealing with such person as the holder of such number of Securities for all purposes (and the expressions "**Securityholder**", "**Warrantholder**" and "**holder of Securities**" and related expressions shall be construed accordingly).

In the case of Dematerialised Securities, the person who is for the time being shown in the records of the relevant Clearing System(s) as the holder of a particular amount of Securities (in which regard any certificate, record or other document issued by the relevant Clearing System(s) as to the amount of Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall (except as otherwise required by applicable law) be treated for all purposes by the Issuer, the Guarantor, if any, the Paying Agents and the Calculation Agent and all other persons dealing with such person as the holder thereof and as the holder of such number of Securities for all purposes (and the expressions "**Securityholder**", "**Warrantholder**" and "**holder of Securities**" and related expressions shall be construed accordingly, except where the Securities are Italian Dematerialised Securities, in which case "**Securityholder**", "**Warrantholder**" and "**holder of Securities**" will be exclusively deemed to be the beneficial owner of the Securities). The Issuer shall cause Italian Dematerialised Securities to be dematerialised and centralised with Monte Titoli S.p.A., pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions.

1.3 *Transfers of Securities*

For so long as the Securities are represented by Securities in definitive form ("**Definitive Securities**"), title to the Securities will pass by delivery.

For so long as the Securities are represented by a Global Security, all transactions (including transfers of Securities) in the open market or otherwise must be effected through an account at the relevant Clearing System(s), subject to and in accordance with the rules and procedures for the time being of the relevant Clearing System(s). Title will pass upon registration of the transfer in the books of the relevant Clearing System(s).

If the relevant Final Terms specifies that the Securities will be held in dematerialised form ("**Dematerialised Securities**"), then the Securities will not be represented by paper certificates and the transfer and exchange of Securities will take place exclusively through an electronic book-entry system managed by Monte Titoli S.p.A. or any other centralised custodian appointed by the Issuers (the "**Centralised Custodian**"). Accordingly, all Securities in dematerialised form shall be held by their owners with an intermediary participant the relevant Centralised Custodian. The intermediary will in turn hold the Securities with the Centralised Custodian.

Any reference herein to a Clearing System(s), Euroclear and/or Clearstream, Luxembourg and/or Monte Titoli S.p.A. shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the relevant Issuer and the Fiscal Agent from time to time and notified to the Securityholders in accordance with Security Condition 8 (*Notices*).

Any transfer or attempted transfer within the United States or to, or for the account or benefit of, a United States person shall be null and void *ab initio* and shall vest no rights in the purported transferee (the "**Disqualified Transferee**") and the last preceding holder that was not a Disqualified Transferee shall be restored to all rights as a Securityholder thereof retroactively to the date of transfer of such interest by the relevant Securityholder.

2. STATUS OF THE SECURITIES AND THE GUARANTEE

2.1 *Status of the Securities*

The Securities constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law and subject to any Italian Bail-in Power, with reference to Securities issued by Mediobanca, and any Luxembourg Bail-in Power, with reference to Securities issued by Mediobanca International) equally with all other unsecured obligations other than subordinated obligations), if any, of the relevant Issuer from time to time outstanding.

2.2 *Status of Guarantee*

The Guarantee of the Securities constitutes direct, unconditional, unsubordinated and unsecured obligations of the Guarantor pursuant to the terms and conditions and subject to the limitations set out in the Deed of Guarantee which will rank at all times at least *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for certain mandatory exceptions of applicable law and subject to any Italian Bail-in Power.

As more fully set forth in the Guarantee, the Guarantor shall at all times have the right, at its sole and unfettered discretion, to elect not to deliver or procure delivery of the Entitlement to the holders of Physical Delivery Securities when the same shall become due and deliverable, but *in lieu* thereof to pay an amount in cash determined by the Guarantor acting in good faith and in a commercially reasonable manner equal to the Guaranteed Cash Settlement Amount. The "**Guaranteed Cash Settlement Amount**" in respect of each Security means an amount calculated pursuant to the terms of, or as specified in, the applicable Final Terms or, if not specified in the applicable Final Terms, an amount equal to the fair market value of the Entitlement in respect of such Security on any date notified as such by the Guarantor to the relevant Issuer and the Calculation Agent, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the relevant Issuer and/or its Affiliates or agents of unwinding or adjusting any underlying or related hedging arrangements (including the cost of funding in respect of such hedging arrangements), all as determined by the Guarantor acting in good faith and in a commercially reasonable manner.

Any payment of the Guaranteed Cash Settlement Amount, *in lieu* of the Entitlement shall constitute a complete discharge of the Guarantor's obligations in respect of such Physical Delivery Securities.

3. DEFINITIONS

For the purposes of these Security Conditions, the following general definitions will apply:

"**Actual Exercise Date**" means the Exercise Date (in the case of European Style Warrants) or, subject to Condition 18, the date during the Exercise Period (in the case of American Style Warrants) on which the Warrant is actually or is deemed exercised or is automatically exercised (as more fully set out in Condition 18);

"**Additional Disruption Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**Adjustment Date**" is as defined in Security Condition 15(b);

"**Administrator/Benchmark Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**AES Range Level**" is as defined in Security Condition 19.9(c);

"**AES Range Level 1**" is as defined in Security Condition 19.9(c);

"**AES Range Level 2**" is as defined in Security Condition 19.9(c);

"**Affected Component Security**" is as defined in this Security Condition 3 (*Definitions*) under the definition of Strike Date and the definition of Valuation Date;

"**Affected Item**" is as defined in this Security Condition 3 (*Definitions*) under the definition of Averaging Date, Strike Date, Valuation Date;

"**Affected Relevant Assets**" is as defined in Security Condition 13.1 (*Definitions*);

"**Affected Share**" is as defined in Security Condition 13.2(c) and Share Security Condition 5.2(e);

"**Affiliate**" means in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes control means ownership of a majority of the voting power of an entity;

"**Alternate Cash Amount**" is as defined in Security Condition 4.5 (*Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount*);

"**Alternative Currency**" is the currency alternative to the Base Currency, indicated in the relevant Final Terms;

"**Annex**" is as defined in the first paragraph of these Security Conditions;

"**Applicable Banking Regulations**" is as defined in Security Condition 13.1 (*Definitions*);

"**Automatic Early Expiration Amount**" is as defined in Security Condition 19.9(c) and in OET Warrant Condition 1 (*Definitions*);

"**Automatic Early Expiration Event**" is as defined in Security Condition 19.9(c) and in OET Warrant Condition 1 (*Definitions*);

"**Automatic Early Expiration Date**" is as defined in Security Condition 19.9(c) and in OET Warrant Condition 1 (*Definitions*);

"**Automatic Early Expiration Level**" is as defined in Security Condition 19.9(c);

"**Automatic Early Expiration Payout**" is as defined in Formulas Condition 2.1 (*Automatic Early Expiration Payouts Formulas*);

"**Automatic Early Expiration Valuation Date**" is as defined in Security Condition 19.9(c) and in OET Warrant Condition 1 (*Definitions*);

"**Averaging**" is as defined in Security Condition 1.1(ii) (*Type*);

"**Averaging Date**" means, in respect of an Actual Exercise Date:

(a) in the case of Index Securities, Share Securities, ETI Securities, Debt Securities or Futures Securities, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (i) if "**Omission**" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant value, level, price or amount provided that, if through the operation of this provision no Averaging Date would occur in respect of such Actual Exercise Date, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant value, level, price or amount on the final Averaging Date with respect of such Actual Exercise Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (ii) if "**Postponement**" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant value, level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (iii) if "**Modified Postponement**" is specified as applying in the applicable Final Terms, then:
 - (A) where the Securities are Index Securities relating to a single Index (other than a Component Security Index), Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest or Futures Securities relating to a single Future, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) that last consecutive Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that last consecutive Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall determine the relevant value, level, price or amount for that Averaging Date in accordance with sub-paragraph (a)(i) of the definition of "Valuation Date" below; and
 - (B) where the Securities are Index Securities relating to a single Component Security Index, the Calculation Agent shall determine the level of the Component Security Index for the Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below and the Averaging Date shall be deemed to be the earliest date on which the Calculation Agent determines the relevant level of the Component Security Index in accordance with the provisions of sub-paragraph (a)(ii) of the definition of "Valuation Date" below;
 - (C) where the Securities are Index Securities relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Securities relating to a Basket of Shares, ETI Securities relating to an ETI Basket or Futures Securities relating to a Basket of Futures, the Averaging Date for each Index, Share, ETI Interest or Future not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the "**Scheduled Averaging Date**") and the Averaging Date for each Index, Share, ETI Interest or Future affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index, Share, ETI Interest or Future. If the first succeeding Valid Date in relation to such Index, Share, ETI Interest or Future has not occurred for a number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (I) the last such consecutive Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether such last consecutive Scheduled Trading Day is

already an Averaging Date) in respect of such Index, Share, ETI Interest or Future, and (II) the Calculation Agent shall determine the relevant value, level, price, or amount for that Averaging Date in accordance with sub-paragraph (a)(iii) of the definition of "Valuation Date" below; and

- (D) where the Warrants are Index Securities relating to a Basket of Component Security Indices, the Averaging Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Averaging Date, and for each Component Security Index affected (an "**Affected Item**") by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of the Component Security Index in accordance with the provisions of sub-paragraph (a)(iv) of the definition of "Valuation Date" below and the Averaging Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the provisions of sub-paragraph (a)(iv) of the definition of "Valuation Date" below;
- (b) in the case of Open End Warrants, the date designated as such by the Issuer, provided that such date is determined by the Issuer and notified to the Securityholders in accordance with Security Condition 8 (*Notices*) at the latest on the tenth (10th) Business Day preceding the contemplated Averaging Date;

"**Base Currency**" is the currency specified as such in the Final Terms;

"**Basket**" means in respect of any Underlying Reference constituted by more than one item, the basket composed of such items in the relative proportions and/or numbers specified in the Final Terms;

"**Basket of Underlying References**" is as defined in Security Condition 19.9(c);

"**Benchmark**" is as defined in Security Condition 13.1 (*Definitions*);

"**Benchmark Modification or Cessation Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**BMR**" is as defined in Security Condition 13.1 (*Definitions*);

"**BRRD**" is as defined in Security Condition 13.1 (*Definitions*);

"**Business Day**" means (i) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) and on which the relevant Clearing System(s) is open for business, (ii) if TARGET2 System is specified as a Business Day Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open (a "**TARGET2 Settlement Day**") and (iii) for the purposes of making payments in euro, any TARGET2 Settlement Day. If any date referred to in these Conditions which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (i) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day, (ii) the Modified Following Business Day Convention, such 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 date shall be brought forward to the immediately preceding Business Day, (iii) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day or (iv) the Modified Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day unless it would thereby fall into the previous calendar month, in which event such date shall be brought forward to the immediately following Business Day;

"**Calculated Additional Disruption Amount**" is as defined in Security Condition 13.2(b)(ii);

"**Calculated Additional Disruption Amount Determination Date**" is as defined in Security Condition 13.2(b)(ii);

"Calculation Agent" means Mediobanca - Banca di Credito Finanziario S.p.A. or the different entity indicated in the relevant Final Terms;

"Cash Settlement Amount" means, in relation to a Cash Settled Security, the amount (which may never be less than zero) which the Securityholder is entitled to receive on the Settlement Date in the Settlement Currency in relation to each such Security or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, in each case as specified in the applicable Final Terms or determined by the Calculation Agent in accordance with the Final Payouts included in Annex 1 (*Additional Terms and Conditions relating to Formulas*), provided in each case that the Cash Settlement Amount will not be greater than the Maximum Amount (if any) and will not be less than the Minimum Amount (if any), as specified in the relevant Final Terms. The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention, provided that if Rounding Convention 2 is specified as applicable in the applicable Final Terms, the Cash Settlement Amount shall not be subject to rounding but Securities of the same Series held by the same Securityholder will be aggregated for the purpose of determining the aggregate Cash Settlement Amount in respect of such Securities and such aggregate of Cash Settlement Amounts will be rounded down to the nearest whole sub-unit of the Settlement Currency in such manner as the Calculation Agent shall determine, provided that if the Final Payout is zero, no amount shall be payable in respect of the relevant Warrant (and such Warrant shall expire worthless).

If the Cash Settlement Amount is not an amount in the Settlement Currency, if specified in the applicable Final Terms it will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms;

"Change in Law" is as defined in Security Condition 13.1 (*Definitions*);

"Clearing System" shall mean Euroclear and/or Clearstream, Luxembourg and/or Monte Titoli S.p.A. or such other clearing system or Centralised Custodian as may be specified in the applicable Final Terms;

"Component" means in respect of any Underlying Reference constituted by a Basket, each component comprised in such Basket;

"CRD IV" is as defined in Security Condition 13.1 (*Definitions*);

"CRD IV Directive" is as defined in Security Condition 13.1 (*Definitions*);

"CRD IV Implementing Measure" is as defined in Security Condition 13.1 (*Definitions*);

"CRR" is as defined in Security Condition 13.1 (*Definitions*);

"Currency Event" is as defined in Security Condition 13.1 (*Definitions*);

"Currency Securities" is as defined in Security Condition 1.1 (*Type*);

"Day Count Fraction" is as defined in Security Condition 19.9(c) and in Formulas Condition 1.1(kkk);

"Debt Instruments" and **"Debt Instrument"** mean, subject to adjustment in accordance with Annex 5 (*Additional Terms and Conditions for Debt Securities*), in the case of an issue of Securities relating to a Basket of Debt Instruments, each debt instrument and, in the case of an issue of Securities relating to a single Debt Instrument, the debt instrument, specified in the applicable Final Terms and related expressions shall be construed accordingly;

"Debt Securities" is as defined in Security Condition 1.1 (*Type*);

"Disqualified Transferee" is as defined in Security Condition 1.3 (*Transfers of Securities*);

"Disrupted Amount" is as defined in Security Condition 4.6(v);

"Disrupted Day" is as defined in Index Security Condition 1 (*Definitions*), in Share Security Condition 1 (*Definitions*), in ETI Security Condition 1 (*Definitions*) in Debt Security Condition 11 (*Definitions*), in Currency Security Condition 1 (*Definitions*) and in Futures Security Condition 1 (*Definitions*);

"Disrupted Settlement Date" is as defined in Security Condition 4.6(v);

"Early Expiration Entitlement" is as defined in Security Condition 19.9(c);

"Early Closure" is as defined in Index Security Condition 1 (*Definitions*), Share Security Condition 1 (*Definitions*), ETI Security Condition 1 (*Definitions*) and Futures Security Condition 1 (*Definitions*);

"Entitlement" means, in relation to a Physical Delivery Security or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, and an Underlying Reference or, as the case may be, a Component, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Securityholder is entitled to receive on the Settlement Date in respect of each such Security following payment of the Exercise Price (any other sums payable) and Expenses rounded down as provided in Security Condition 18.3 (*Physical Settlement*), as determined by the Calculation Agent including any documents evidencing such Entitlement which amount will be the Entitlement Amount specified in the applicable Final Terms.

"Entitlement Amount" means, in relation to a Physical Delivery Security, the amount specified in the applicable Final Terms or determined by the Calculation Agent in accordance with the following:

- (a) If MFP Entitlement Amounts is specified as applicable in the applicable Final Terms, the amount determined in accordance with the Entitlement Amount Formulas set out in Annex 1 (*Additional Terms and Conditions relating to Formulas*);
- (b) Otherwise:
 - (i) the Entitlement Units; multiplied by
 - (ii) the Entitlement Multiplier; multiplied by
 - (iii) in respect of any Underlying Reference constituted by a Basket, the relevant Weighting;

"Entitlement Units" is as defined in the applicable Final Terms;

"Entitlement Multiplier" is as defined in the applicable Final Terms;

"Established Rate" is as defined in Security Condition 15(b);

"ETI OET Warrant" means an ETI Security that is an OET Warrant;

"ETI Securities" is as defined in Security Condition 1.1 (*Type*);

"Euroclear" means Euroclear Bank SA/NV;

"Euronext Dublin" means the Irish Stock Exchange plc trading as Euronext Dublin;

"Exchange Disruption" is as defined in Index Security Condition 1 (*Definitions*), in Share Security Condition 1 (*Definitions*), ETI Security Condition 1 (*Definitions*) and Futures Security Condition 1 (*Definitions*);

"Exchange Rate" means the applicable rate of exchange indicate in the relevant Final Terms;

"Exercise Business Day" means:

- (a) in the case of Cash Settled Securities, a day that is a Business Day; and

(b) in the case of Physical Delivery Securities, a day that is a Business Day and a Scheduled Trading Day;

"**Exercise Date**" is as defined in the relevant Final Terms;

"**Exercise Period**" is as defined in the relevant Final Terms;

"**Exercise Price**" is as specified in the applicable Final Terms;

"**Expenses**" is as defined in Security Condition 9(a);

"**Expiration Date**" means the last day of the Exercise Period;

"**Extraordinary External Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**Failure to Deliver due to Illiquidity**" is as defined in Security Condition 4.2 (*Failure to Deliver due to Illiquidity*) and Security Condition 13.1 (*Definitions*);

"**Failure to Deliver Settlement Price**" is as defined in Security Condition 13.2;

"**Final Payout**" is as defined in Formulas Condition 1.1 (*Final Payouts Formulas*);

"**First Settlement Currency**" is the currency specified as such in the applicable Final Terms;

"**Fund Business Day**" is as defined in Fund Security Condition 1 (*Definitions*);

"**Fund Securities**" is as defined in Security Condition 1.1 (*Type*);

"**Future**" is as defined in Futures Security Condition 1 (*Definitions*);

"**Futures Securities**" is as defined in Security Condition 1.1 (*Type*);

"**Index**" is as defined in Index Security Condition 1 (*Definitions*);

"**FX Settlement Disruption Currency**" is as defined in Security Condition 4.6(v);

"**FX Settlement Disruption Cut-off Date**" is as defined in Security Condition 4.6(ii)(A);

"**FX Settlement Disruption Event**" is as defined in Security Condition 4.6(v);

"**FX Settlement Disruption Exchange Rate**" is as defined in Security Condition 4.6(v)

"**FX Settlement Disruption Expenses**" is as defined in Security Condition 4.6(v);

"**FX Settlement Disruption Notice**" is as defined in Security Condition 4.6(i);

"**GDR/ADR**" is as defined in Security Condition 1.1 (*Type*) and Share Security Condition 9 (*Definitions relating to GDR/ADR*);

"**Government Authority**" is as defined in Security Condition 13.1 (*Definitions*);

"**Guaranteed Cash Settlement Amount**" is as defined in Security Condition 2.2 (*Status of Guarantee*);

"**Hedge**" is as defined in Security Condition 13.1;

"**Hedging Disruption**" is as defined in Security Condition 13.1 (*Definitions*);

"**Hedging Shares**" is as defined in Security Condition 13.1 (*Definitions*) and ETI Security Condition 1 (*Definitions*);

"**Hybrid Business Day**" has the meaning given to such term in the applicable Final Terms;

"**Hybrid Securities**" is as defined in Security Condition 1.1 (*Type*);

"**Increased Cost of Hedging**" is as defined in Security Condition 13.1 (*Definitions*);

"**Increased Cost of Stock Borrow**" is as defined in Security Condition 13.1 (*Definitions*);

"**Index Securities**" is as defined in Security Condition 1.1 (*Type*);

"**Inflation Index Securities**" is as defined in Security Condition 1.1 (*Type*);

"**Initial Stock Loan Rate**" is as defined in Security Condition 13.1 (*Definitions*);

"**Insolvency Filing**" is as defined in Security Condition 13.1 (*Definitions*);

"**Intervening Period**" is as defined in Security Condition 4.4 (*Intervening Period*);

"**Issue Date**" is as defined in the relevant Final Terms;

"**Issue Price**" is as defined in the relevant Final Terms;

"**Italian Bail-in Power**" is as defined in Security Condition 13.1 (*Definitions*);

"**Italian Dematerialised Securities**" means Securities issued in uncertificated and dematerialised form into Monte Titoli pursuant to Italian legislative Decree No. 58/1998 as amended and integrated by subsequent implementing provisions;

"**Italian Listed Securities**" means Securities in respect of which the applicable Final Terms state that an application will be made or has been made to admit such Securities to trading on the Italian Stock Exchange or the Multilateral Trading Facility (the "**EuroTLX**"), organised and managed by Borsa Italiana S.p.A., as the case may be, and the expression "**Italian Listed Warrants**" shall be construed accordingly;

"**Italian Stock Exchange**" means the Multilateral Trading Facility of securitised derivatives financial instruments (the "**SeDeX**"), organised and managed by Borsa Italiana S.p.A.;

"**Jurisdiction Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**Knock-in Determination Day**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Determination Period**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Event**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Level**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Period Beginning Date**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Period Ending Date**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Range Level**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"Knock-in Valuation Time" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"Knock-out Determination Day" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"Knock-out Determination Period" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"Knock-out Event" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"Knock-out Level" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"Knock-out Period Beginning Date" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"Knock-out Period Ending Date" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"Knock-out Range Level" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"Knock-out Valuation Time" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"Level" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"Local Currency" is as defined in Security Condition 13.1 (*Definitions*);

"Local Time" means local time in the city of the relevant Clearing System;

"Loss of Stock Borrow" is as defined in Security Condition 13 (*Additional Disruption Events And Optional Additional Disruption Events*) and ETI Security Condition 1 (*Definitions*);

"Luxembourg Bail-in Power" is as defined in Security Condition 13.1 (*Definitions*);

"Market Disruption Event" is as defined in Index Security Condition 2 (*Market Disruption*), in Share Security Condition 2 (*Market Disruption*), ETI Security Condition 2 (*Market Disruption*), Debt Security Condition 3 (*Market Disruption*) and Futures Security Condition 2 (*Market Disruption*);

"Maximum Amount" is as defined in the applicable Final Terms;

"Minimum Amount" is as defined in the applicable Final Terms;

"Maximum Stock Loan Rate" is as defined in Security Condition 13.1 (*Definitions*) and ETI Security Condition 1 (*Definitions*);

"Monte Titoli Accountholder" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli which has credited to its securities account with Monte Titoli one or more entries in respect of the Securities held in book-entry form (except for Monte Titoli in its capacity as an accountholder of another Clearing System);

"National Currency Unit" is as defined in Security Condition 15(b);

"Non-Approval Event" is as defined in Security Condition 13.1 (*Definitions*);

"Observation Date" means:

- (a) in the case of Securities (other than Open End Warrants), each date specified as an Observation Date in the applicable Final Terms or if any such date is not a Scheduled Trading Day (in the case of Index Securities, Share Securities, ETI Securities, Debt Securities or Futures Securities), the immediately following Scheduled Trading Day. The provisions contained in the definition of "Averaging Date" shall apply if any such day is a Disrupted Day, *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Observation Date" unless Observation Day Disruption Consequences is specified as not applicable in the applicable Final Terms, in which case such date will be an Observation Date notwithstanding the occurrence of a Disrupted Day and in the case of Index Securities, Share Securities, ETI Securities, Debt Securities or Futures Securities, the provisions of (a)(i)(B), (a)(ii), (a)(iii)(B) or (a)(iv), as applicable, of the definition of "Valuation Date" will apply for the purposes of determining the relevant value, level, price or amount on such Observation Date as if such Observation Date were a Valuation Date that was a Disrupted Day;
- (b) in the case of Open End Warrants, the date designated as such by the Issuer, provided that such date is determined by the Issuer and notified to the Securityholders in accordance with Security Condition 8 (*Notices*) at the latest on the tenth (10th) Business Day preceding the contemplated Observation Date;

"Observation Period" means the period specified in the relevant Final Terms;

"Open End Warrant" means a Warrant in respect of which "Open End" is specified as applicable in the relevant Final Terms and which may be settled on a date determined by the Issuer, subject to the other provisions of these Conditions;

"Optional Additional Disruption Event" is as defined in Security Condition 13.1 (*Definitions*);

"Original Currency" is as defined in Security Condition 15(a)(ii);

"Protected Amount" means the amount specified as such in the applicable Final Terms;

"Reference Banks" means the four (or, if the Relevant Financial Centre is Helsinki, five) major banks selected by Issuer;

"Reference Rate Determination Agent" is as defined in Security Condition 19.9(d)(iii);

"Reference Rate Fallback Event" is as defined in Security Condition 19.9(d)(iii);

"Rejection Event" is as defined in Security Condition 13.1 (*Definitions*);

"Relevant Adjustment Provisions" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*) Security Condition 19.9 (*Automatic Early Expiration*) and Security Condition 19.9(c);

"Relevant Asset" means the asset or assets specified in the Final Terms that constitute the Entitlement;

"Relevant Authority" is as defined in Security Condition 13.1 (*Definitions*);

"Relevant Currency" is as defined in Security Condition 4.6(v);

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours subject to the definition of Valuation Time;

"Scheduled Trading Day" is as defined in Index Security Condition 1 (*Definitions*), in Share Security Condition 1 (*Definitions*), in ETI Security Condition 1 (*Definitions*), in Currency Security Condition 1 (*Definitions*), in Futures Security Condition 1 (*Definitions*), in Fund Security Condition 1 (*Definitions*) and in Debt Security Condition 11 (*Definitions*).

"**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

"**Second Settlement Currency**" is the currency specified as such in the applicable Final Terms;

"**Securities Act**" means the U.S. Securities Act of 1933, as amended;

"**Settlement Business Day**" has the meaning specified in the applicable Final Terms;

"**Settlement Date**" means, unless specified otherwise in the applicable Final Terms:

- (a) in relation to Cash Settled Securities and to each Actual Exercise Date:
 - (i) where Averaging is not specified in the applicable Final Terms, the n^{th} Business Day following the Valuation Date indicated in the applicable Final Terms provided that if the Securities relate to a Basket and the occurrence of a Disrupted Day has resulted in a Valuation Date for one or more Components being adjusted as set out in the definition of Valuation Date below, the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Component; or
 - (ii) where Averaging is specified in the applicable Final Terms, the fifth Business Day following the last occurring Averaging Date provided that where the Securities relate to a Basket and the occurrence of a Disrupted Day has resulted in an Averaging Date for one or more Components being adjusted as set out in the definition of Averaging Date above, the Settlement Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Component, or such other date as is specified in the applicable Final Terms; and
- (b) in relation to Physical Delivery Securities, the date specified as such in the applicable Final Terms;

"**Settlement Disruption Event**" is as defined in Security Condition 4.1 (*Settlement Disruption*);

"**Settlement Disruption Amount**" is as defined in Security Condition 4.1 (*Settlement Disruption*);

"**Settlement Valuation Date**" has the meaning specified in the applicable Final Terms;

"**Share Securities**" is as defined in Security Condition 1.1 (*Type*);

"**Significant Alteration Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**Specified Maximum Days of Disruption**" means the number of Scheduled Trading Days specified in the applicable Final Terms;

"**SRM Regulation**" is as defined in Security Condition 13.1 (*Definitions*);

"**Stop-Loss Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**Strike Date**" means, in the case of Index Securities, Share Securities, ETI Securities, Debt Securities or Futures Securities, the Strike Date specified in the applicable Final Terms, or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day unless, in the opinion of the Calculation Agent such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) where the Securities are Index Securities relating to a single Index (other than a Component Security Index), Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Strike Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be

deemed to be the Strike Date, notwithstanding the fact that such day is a Disrupted Day and (B) the Calculation Agent shall determine the relevant level or price:

- (i) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (ii) in the case of Share Securities, ETI Securities, Debt Securities or Futures Securities, in accordance with its good faith estimate of the relevant value, level, price or amount as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (b) in the case of Index Securities relating to a single Component Security Index, the Calculation Agent shall determine the relevant level for such Component Security Index using the formula for and method of calculating such Component Security Index last in effect prior to the occurrence of the first Disrupted Day using:
- (i) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Strike Date; and
 - (ii) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of the Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Strike Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions.

- (c) in the case of Index Securities relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Securities relating to a Basket of Shares, ETI Securities relating to an ETI Basket, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a Basket of Futures, the Strike Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date and the Strike Date for each Index, ETI Interest, Share, Debt Instrument or Future affected, as the case may be (each an "**Affected Item**"), by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a Disrupted Day relating to the Affected Item. In that case, (i) the last such consecutive Scheduled Trading Day shall be deemed to be the Strike Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the relevant value, level, price or amount using, in relation to the Affected Item:
- (i) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such

consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or

- (ii) in the case of a Share, ETI Interest, Debt Instrument or Future, its good faith estimate of the value, level, price or amount for the Affected Item as of the Valuation Time on the last such consecutive Scheduled Trading Day; or
- (d) in the case of Index Securities relating to a Basket of Component Security Indices, the Strike Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Strike Date, and for each Component Security Index affected (an "**Affected Item**") by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of that Component Security Index using the formula for and method of calculating that Component Security Index last in effect prior to the occurrence of the first Disrupted Day, using:
 - (i) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Strike Date; and
 - (ii) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Strike Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Strike Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Strike Date shall be deemed to be the earliest date on which the Calculation Agent can determine the level of the Component Security Index in accordance with the above provisions; or

- (e) in the case of Underlying Interest Rate Securities, the Strike Date specified as such in the applicable Final Terms;

"**Strike Day**" means each date specified as such in the applicable Final Terms and, if Averaging Date Consequences are specified as applicable in the applicable Final Terms, the provisions contained in the definition of "Averaging Date" shall apply *mutatis mutandis* as if references in such provisions to "Averaging Date" were to "Strike Day";

"**Strike Period**" means the period specified as such in the applicable Final Terms;

"**Substitute Asset**" and "**Substitute Assets**" is as defined in Security Condition 4.5 (*Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount*);

"**Substitute Share**" is as defined in Security Condition 13.2(c) and Share Security Condition 5.2(e);

"**Substitution Date**" is as defined in Security Condition 13.2, Share Security Condition 5.2(e), ETI Security Condition 6.2(b);

"**Suspension/Withdrawal Event**" is as defined in Security Condition 13.1 (*Definitions*);

"Trading Disruption" is as defined in Index Security Condition 1 (*Definitions*) and in Share Security Condition 1 (*Definitions*), ETI Security Condition 1 (*Definitions*) and Futures Security Condition 1 (*Definitions*).

"Underlying Reference" is as defined in OET Warrant Condition 1 (*Definitions*), Security Condition 14.7(*Definitions relating to Knock-in Event/Knock-out Event*), Security Condition 19.9 (*Automatic Early Expiration*), Formulas Condition 7 (*General Formulas Definitions*);

"Underlying Reference Level" is as defined in Security Conditions 19.9(c) and Formulas Condition 7 (*General Formulas Definitions*);

"Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in relation to the Exercise Date, as the case may be, does not or is not deemed to occur;

"Valuation Date" means:

- (a) in the case of Index Securities, Share Securities, ETI Securities, Debt Securities or Futures Securities, unless otherwise specified in the applicable Final Terms, (x) the Scheduled Trading Day immediately preceding the Actual Exercise Date or (y) the Actual Exercise Date (or, if such date is not a Scheduled Trading Day, the first Scheduled Trading Day following such date) or the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant, as specified in the applicable Final Terms, unless in either case, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:
 - (i) where the Warrants are Index Securities relating to a single Index (other than a Component Security Index), Share Securities relating to a single Share, ETI Securities relating to a single ETI Interest, Debt Securities relating to a single Debt Instrument or Futures Securities relating to a single Future, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the relevant value, level, price or amount:
 - (I) in the case of Index Securities, by determining the level of the Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (II) in the case of Share Securities, ETI Securities, Debt Securities or Futures Securities, in accordance with its good faith estimate of the relevant value, level, price or amount as of the Valuation Time on the last such consecutive Scheduled Trading Day;
 - (ii) in the case of Index Securities relating to a single Component Security Index, the Calculation Agent shall determine the relevant level for such Component Security Index using the formula for and method of calculating such Component Security Index last in effect prior to the occurrence of the first Disrupted Day using:
 - (I) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Valuation Date; and

- (II) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Valuation Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions; or

- (iii) in the case of Index Securities relating to a Basket of Indices (other than a Basket of Component Security Indices), Share Securities relating to a Basket of Shares, ETI Securities relating to a Basket comprised of ETI Interests, Debt Securities relating to a Basket of Debt Instruments or Futures Securities relating to a Basket of Futures, the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, ETI Interest, Debt Instrument or Future affected, as the case may be, (each an "**Affected Item**") by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (A) the last such consecutive Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the relevant value, level, price or amount using, in relation to the Affected Item, the value, level, price or amount as applicable, determined using:
 - (I) in the case of an Index, the level of that Index as of the Valuation Time on the last such consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the last such consecutive Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that last such consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on the last such consecutive Scheduled Trading Day); or
 - (II) in the case of a Share, ETI Interest, Debt Security or Future, its good faith estimate of the value, level, price or amount for the Affected Item as of the Valuation Time on that last such consecutive Scheduled Trading Day; or
- (iv) in the case of Index Securities relating to a Basket of Component Security Indices, the Valuation Date for each Component Security Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and for each Component Security Index affected (an "**Affected Item**") by the occurrence of a Disrupted Day, the Calculation Agent shall determine the level of that Component Security Index using the formula for and method of calculating that Component Security Index last in effect prior to the occurrence of the first Disrupted Day, using:

- (I) in respect of each Component Security not affected by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price of such Component Security as of the Valuation Time on the Scheduled Valuation Date; and
- (II) in respect of each Component Security affected (each, an "**Affected Component Security**") by a Market Disruption Event on the Scheduled Valuation Date, the exchange traded or quoted price for each Affected Component Security on the first succeeding Scheduled Trading Day on which no Market Disruption Event occurs or is continuing with respect to the Affected Component Security, unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the Scheduled Valuation Date is a day on which a Market Disruption Event occurs or is continuing with respect to the Affected Component Security, in which case, the Calculation Agent shall determine the value, amount, level or price of such Affected Component Security using its good faith estimate of the value, amount, level or price of the relevant Affected Component Security as of the Valuation Time on the last such consecutive Scheduled Trading Day; and

the Valuation Date shall be deemed to be the earliest date on which the Calculation Agent determines the level of the Component Security Index in accordance with the above provisions; and

- (b) in the case of Open End Warrants and for the purposes of the "Exercise, Valuation and Settlement" set out in the applicable Final Terms, the date designated as the Settlement Valuation Date by the Issuer, provided that such date is determined by the Issuer and notified to the Securityholders in accordance with Security Condition 8 (*Notices*) at the latest on the tenth (10th) Business Day preceding the contemplated Settlement Valuation Date;

and otherwise in accordance with the above provisions; and

"Valuation Time" means:

- (a) the Valuation Time specified in the applicable Final Terms; or
- (b) in the case of Index Securities relating to:
 - (i) a Composite Index, unless otherwise specified in the applicable Final Terms, (A) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (y) in respect of any options contracts or futures contracts on such Index, the close of trading on the Related Exchange; and (B) in all other circumstances, the time at which the official closing level of such Index is calculated and published by the Index Sponsor; or
 - (ii) Indices other than Composite Indices, Share Securities or ETI Securities unless otherwise specified in the applicable Final Terms, the Scheduled Closing Time on the relevant Exchange on the relevant Strike Date, Valuation Date, Observation Date or Averaging Date, as the case may be, in relation to each Index, Share or ETI Interest to be valued, provided that if the relevant Exchange closes prior to its Scheduled Closing Time or Valuation Time, as the case may be, is after the actual closing time for its regular trading session, the Valuation Time, shall be such actual closing time; and

"Weighting" means in respect of any Component comprised in a Basket, the percentage specified in the Final Terms.

4. PHYSICAL DELIVERY PROVISIONS

4.1 *Settlement Disruption*

If, following the exercise of Physical Delivery Securities, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Settlement Date then such Settlement Date for such Securities shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that the relevant Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security or, if applicable, Unit, as the case may be, by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date shall be such day as the relevant Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date.

In the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement.

For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then *in lieu* of physical settlement and notwithstanding any other provision hereof, the relevant Issuer may elect in its sole discretion to satisfy and discharge its obligations in respect of the relevant Security or, if applicable, Unit, as the case may be, by payment to the relevant Securityholder of the Settlement Disruption Amount (as defined below) up to the 5th Business Day following the date that notice of such election is given to the Securityholders in accordance with Security Condition 8 (*Notices*). Payment of the Settlement Disruption Amount will be made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Security Condition 8 (*Notices*) that a Settlement Disruption Event has occurred provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such Settlement Disruption Event. No Securityholder shall be entitled to any payment in respect of the relevant Security or, if applicable, Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the relevant Issuer or the Guarantor, if any.

For the purposes hereof:

"Settlement Disruption Amount" in respect of any relevant Security or, if applicable, Unit, as the case may be, shall be the fair market value of such Security or, if applicable, Unit, as the case may be, (disregarding, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the relevant Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the relevant Issuer acting in good faith and in a commercially reasonable manner, plus, if applicable and if already paid, the Exercise Price (or, whereas provided above some Relevant Assets have been delivered and a *pro rata* portion thereof has been paid, such *pro rata* portion); and

"Settlement Disruption Event" means, in the opinion of the Calculation Agent, or, if the provision of Security Condition 2.2 (*Status of Guarantee*) applies, the Guarantor, an event beyond the control of the relevant Issuer or, if the provision of Security Condition 2.2 (*Status of Guarantee*) applies, the Guarantor, as a result of which the relevant Issuer or the Guarantor cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

4.2 *Failure to Deliver due to Illiquidity*

"**Failure to Deliver due to Illiquidity**", if specified as applicable in the applicable Final Terms, will be an Optional Additional Disruption Event, as described in Security Condition 13.1 (*Definitions*).

4.3 *Issuer's Option to vary Settlement*

If the applicable Final Terms indicates that the relevant Issuer has an option to vary settlement in respect of the Securities, upon a valid exercise of Securities in accordance with these Conditions, the relevant Issuer may, in respect of each such Security or Unit, elect not to pay the relevant Securityholders the Cash Settlement Amount or not to deliver or procure delivery of the Entitlement to the relevant Securityholders, as the case may be, but, *in lieu* thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Securityholders, as the case may be. Notification of such election will be given to Securityholders no later than 10.00 a.m. (Luxembourg time) on the second Business Day following the Exercise Date in accordance with Security Condition 8 (*Notices*) and/or, at the option of the relevant Issuer, if applicable, in accordance with the contact details for a Securityholder specified in its Exercise Notice.

4.4 *Intervening Period*

For such period of time after the Settlement Date as the Issuer or any person other than the relevant Securityholder shall continue to be the legal owner of the securities or the Entitlement, obligations and/or other assets comprising the Entitlement (the "**Intervening Period**"), neither the relevant Issuer, the Guarantor nor any other person shall (i) be under any obligation to deliver or procure delivery to any Securityholder any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in respect of such securities, obligations, assets or Entitlement, or (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such securities, obligations, assets or Entitlement during the Intervening Period or (iii) be under any liability to a Securityholder in respect of any loss or damage which such Securityholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities, obligations, assets or Entitlement.

4.5 *Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount*

Unless Issuer's Option to Substitute is specified as not applicable in the applicable Final Terms, following a valid exercise of Securities in accordance with these Conditions, the Issuer may in respect of such Securities, if the Calculation Agent determines (acting in good faith and in a commercially reasonable manner) that the Relevant Asset or Relevant Assets, as the case may be, comprise(s) shares or interests in ETIs which are not freely tradable, elect either (a) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner) of such other shares or interests in ETIs which the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, are freely tradable (the "**Substitute Asset**" or the "**Substitute Assets**", as the case may be) or (b) not to deliver or procure the delivery of the Entitlement or the Substitute Asset or Substitute Assets, as the case may be, to the relevant Securityholders, but *in lieu* thereof to make payment to the relevant Securityholders on the Settlement Date of an amount equal to the fair market value of the Entitlement on the Settlement Valuation Date as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner by reference to such sources as it considers appropriate (the "**Alternate Cash Amount**"). Notification of any such election will be given to Securityholders in accordance with Security Condition 8 (*Notices*).

For the purposes hereof, a "**freely tradable**" share or interest in an ETI shall mean (i) with respect to the United States, a share or interest in an ETI, as the case may be, which is registered under the Securities Act or not restricted under the Securities Act and which is not purchased from the issuer of such share or interest in an ETI, as the case may be, and not purchased from an Affiliate of the issuer of such share or interest in an ETI, as the case may be, or which otherwise meets the requirements of a freely tradable share or interest in an ETI, as the case may be, for purposes of the Securities Act, in each case, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner or (ii) with respect to any other jurisdiction, a share or interest in an ETI, as the case may be, not subject to any legal restrictions on transfer in such jurisdiction.

4.6 *FX Settlement Disruption Event*

If (a) FX Settlement Disruption Event Determination is specified as applicable in the applicable Final Terms and the Calculation Agent determines that the FX Settlement Disruption Event is not attributable to the relevant Issuer, but substantially alters the economics of the Securities compared to the economics as of the Issue Date and the Settlement Currency specified in the applicable Final Terms is a Relevant Currency or (b) if FX Settlement Disruption Event Determination is not specified as applicable in the applicable Final Terms and the Settlement Currency specified in the applicable Final Terms is a Relevant Currency, "FX Settlement Disruption" will apply, and:

- (i) If on the second Business Day prior to the Disrupted Settlement Date, the Calculation Agent (acting in good faith and in a commercially reasonable manner) determines that a FX Settlement Disruption Event has occurred and is subsisting, the relevant Issuer shall give notice (a "**FX Settlement Disruption Notice**") to the Securityholders in accordance with Security Condition 8 (*Notices*) as soon as reasonably practicable thereafter and, in any event, prior to the due date for payment of the relevant Disrupted Amount as the case may be.
- (ii) Following the occurrence of a FX Settlement Disruption Event:
 - (A) the date for payment of the relevant Disrupted Amount will be postponed to (a) the second Business Day following the date on which the Calculation Agent determines that a FX Settlement Disruption Event is no longer subsisting or if earlier (b) the date falling thirty calendar days following the Settlement Date or other scheduled date for payment, as applicable, of the relevant Disrupted Amount (the "**FX Settlement Disruption Cut-off Date**") which, for the avoidance of doubt, may be later than the scheduled Settlement Date; and
 - (B) (i) in the case of A(a) above, the relevant Issuer will pay or cause to be paid the relevant Disrupted Amount, less (unless FX Settlement Disruption Expenses are indicated as not applicable in the relevant Final Terms) FX Settlement Disruption Expenses (if any), in the Settlement Currency or (ii) in the case of A(b) above, *in lieu* of paying the relevant Disrupted Amount in the Settlement Currency, the Issuer will, subject to sub-paragraph (iii) below, convert the relevant Disrupted Amount into the FX Settlement Disruption Currency (using the FX Settlement Disruption Exchange Rate determined by the Calculation Agent for the relevant Disrupted Settlement Date) and will pay or cause to be paid the relevant Disrupted Amount, less (unless FX Settlement Disruption Expenses are indicated as not applicable in the relevant Final Terms) FX Settlement Disruption Expenses (if any), in the FX Settlement Disruption Currency on the FX Settlement Disruption Cut-off Date;
- (iii) If sub-paragraph (ii)(A)(b) applies, the Calculation Agent will determine the FX Settlement Disruption Exchange Rate acting in good faith and in a commercially reasonable manner in accordance with the following procedures:
 - (A) the FX Settlement Disruption Exchange Rate shall be the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Settlement Currency/FX Settlement Disruption Currency exchange rates provided by two or more leading dealers on a foreign exchange market (as selected by the Calculation Agent) on such day; or
 - (B) if fewer than two leading dealers provide the Calculation Agent with bid and offer Settlement Currency/FX Settlement Disruption Currency exchange rates on such day, the Calculation Agent shall determine the FX Settlement Disruption Exchange Rate acting in good faith and in a commercially reasonable manner.
- (iv) For the avoidance of doubt, nothing contained in this Security Condition 4.6 shall prevent the Issuer from determining that an Additional Disruption Event and/or Optional Additional Disruption Event has occurred, in which case, the provisions of Security Condition 13 (*Additional Disruption Events and Optional Additional Disruption Events*) shall prevail in the

event of any conflict between this Security Condition 4.6 and Security Condition 13 (*Additional Disruption Events and Optional Additional Disruption Events*).

(v) For these purposes:

"Disrupted Amount" means any Cash Settlement Amount or other amount payable;

"Disrupted Settlement Date" means the Settlement Date or any other due date for payment;

"FX Settlement Disruption Currency" means USD;

"FX Settlement Disruption Event" means the occurrence of an event which makes it unlawful, impossible or otherwise impracticable to pay the relevant Disrupted Amount in the Settlement Currency on the scheduled Settlement Date or other date for payment;

"FX Settlement Disruption Exchange Rate" means the rate of exchange between the Settlement Currency (as specified in the applicable Final Terms) and the FX Settlement Disruption Currency, determined by the Calculation Agent in accordance with the provisions of sub-paragraph (iii) above;

"FX Settlement Disruption Expenses" means the sum of (i) the cost to the Issuer and/or its affiliates of unwinding any hedging arrangements related to the Securities and (ii) any transaction, settlement or other costs and expenses arising directly out of the occurrence of a FX Settlement Disruption Event or the related payment of the Disrupted Amount, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner;

"Relevant Currency" means each of Emirati Dirhams ("**AED**"), Argentinian Pesos ("**ARS**"), Australian Dollars ("**AUD**"), Bermudan Dollars ("**BMD**"), Bulgarian Leva ("**BGN**"), Bahraini Dinars ("**BHD**"), Botswana Pula ("**BWP**"), Brazilian Reais ("**BRL**"), Canadian Dollars ("**CAD**"), Swiss Francs ("**CHF**"), Chilean Pesos ("**CLP**"), Chinese Yuan ("**CNY**"), Czech Republic Korun ("**CZK**"), Danish Kroner ("**DKK**"), Great British Pounds ("**GBP**"), Ghanaian Cedis ("**GHS**"), Hong Kong Dollars ("**HKD**"), Croatian Kuna ("**KRJ**"), Hungarian Forints ("**HUF**"), Indonesian Rupiah ("**IDR**"), Israeli Shekels ("**ILS**"), Icelandic Krónur ("**ISK**"), Jordanian Dinars ("**JOD**"), Japanese Yen ("**JPY**"), Kenyan Shillings ("**KES**"), Kuwaiti Dinars ("**KWD**"), Kazakhstani Tenges ("**KZT**"), Lebanese Pounds ("**LBP**"), Moroccan Dirhams ("**MAD**"), Mauritian Rupees ("**MUR**"), Mexican Pesos ("**MXN**"), Malaysian Ringgits ("**MYR**"), Namibian Dollars ("**NAD**"), Nigerian Naira ("**NGN**"), Norwegian Kroner ("**NOK**"), New Zealand Dollars ("**NZD**"), Omani Riyals ("**OMR**"), Peruvian Nuevos Soles ("**PEN**"), Philippine Pesos ("**PHP**"), Polish Zloty ("**PLN**"), Qatari Riyals ("**QAR**"), Romanian Lei ("**RON**"), Russian Roubles ("**RUB**"), Saudi Riyals ("**SAR**"), Swedish Kronor ("**SEK**"), Singaporean Dollars ("**SGD**"), Thai Baht ("**THB**"), Tunisian Dinars ("**TND**"), Turkish Lira ("**TRY**") and South African Rand ("**ZAR**"); and

"USD" means the lawful currency of the United States of America.

4.7 *General*

None of the relevant Issuer, the Guarantor, the Paying Agents and the Calculation Agent shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Entitlement.

The subscription or purchase of Securities does not confer on any holder of such Securities any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

In making any election, modification, determination or adjustment, the Issuer or the Calculation Agent, as applicable, will act in good faith and in a commercially reasonable manner, to preserve or restore the economics of the agreed terms, as far as reasonably practicable. Any such election, modification, determination or adjustment shall not create a significant imbalance between the rights and obligations of the Issuer compared to the Securityholders, to the detriment of the Securityholders.

If Essential Trigger is specified as applicable in the applicable Final Terms, the Issuer or the Calculation Agent, as the case may be, may only modify or adjust the terms of the Securities (other than modifications or adjustments that do not relate to essential characteristics of the Securities) or cancel the Securities prior to their scheduled Exercise Date (in the case of European Style Warrants) or Expiration Date (in the case of American Style Warrants), as described in the Conditions, following an event or circumstance (or combination of events or circumstances) that (a) is not attributable to the Issuer that significantly alters the economics of the Securities compared to the economics as of the Issue Date, or (b) constitutes a *force majeure*.

For the purpose of this Security Condition, "**essential characteristics**" of the Securities means characteristics of the Securities that are considered essential to the Securityholders generally, including without limitation the Underlying Reference, the identity of the Issuer and of the Guarantor and the scheduled Exercise Date (in the case of European Style Warrants) or Expiration Date (in the case of American Style Warrants).

The Issuer shall be under no obligation to register or procure the registration of any Securityholder or any other person as the registered holder in respect of any securities, obligations, assets or the Entitlement comprised in any Entitlement in the register of, as the case may be, *inter alia*, (i) members of the relevant Share Company as defined in Share Security Condition 1 (*Definitions*) or Fund Security Condition 1 (*Definitions*) (if any) or (ii) bondholders of the relevant obligor.

5. **ILLEGALITY AND FORCE MAJEURE**

If the relevant Issuer determines that the performance of its obligations under the Securities or that any arrangements made to hedge the relevant Issuer's obligations under the Securities have become (i) illegal in whole or in part for any reason, or (ii) by reason of a *force majeure* event (such as an act of God, fire, flood, severe weather conditions, or a labour dispute or shortage) or an act of state occurring after the Trade Date, impossible or impracticable the relevant Issuer may cancel the Securities by giving notice to Securityholders in accordance with Security Condition 8 (*Notices*).

Should any one or more of the provisions or part of any provision contained in these Conditions be or become invalid, the validity of the remaining provisions or part of such provision shall not in any way be affected thereby.

If the relevant Issuer cancels the Securities pursuant to an illegality then the relevant Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such holder, which amount shall be equal to the fair market value of a Security or a Unit, as the case may be, notwithstanding such illegality less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the relevant Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus, if applicable and if already paid by or on behalf of the Securityholder, the Exercise Price, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Payment will be made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8 (*Notices*).

If the relevant Issuer settles the Securities by reason of a *force majeure* event or an act of state, then the relevant Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such holder, which amount shall be equal to the fair market value of a Security or a Unit, as the case may be, taking into account the applicable *force majeure* event or act of state, as the case may be, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the relevant Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements) plus, if applicable and if already paid by or on behalf of the Securityholder, the Exercise Price, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Payment will be made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8 (*Notices*).

6. PURCHASES AND CANCELLATION

The Issuer may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private treaty. Any Securities so purchased may be held or resold or surrendered for cancellation.

7. AGENTS, DETERMINATIONS, MEETINGS OF SECURITYHOLDERS AND MODIFICATIONS

7.1 *Agents*

The Fiscal Agent, the Paying Agent and the Calculation Agent initially appointed by the relevant Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agent and the Calculation Agent act solely as agents of the relevant Issuer and the Guarantor (where applicable) and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer and the Guarantor (where applicable) reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent or the Calculation Agent and to appoint additional or other agents provided that the relevant Issuer will at all times maintain (i) a Fiscal Agent, (ii) a Calculation Agent where the Conditions so require one, (iii) the relevant Issuer and the Guarantor (where applicable) will ensure that they maintain a Paying Agent in an EU member state that will not be obliged to withhold or deduct tax, pursuant to European Council Directive 2003/48/EU, or any law or agreement implementing or complying with, or introduced in order to conform to, such Directive or with any Directive replacing it, (iv) Paying Agents having a specified office in at least two major European cities (including Luxembourg so long as the Securities are listed on the Official List of the Luxembourg Stock Exchange), and (v) such other agents as may be required by the rules of any other stock exchange on which the Securities may be listed.

Notice of any such change or any change of any specified office will promptly be given to the holders of Securities in accordance with Security Condition 8 (*Notices*).

The Fiscal Agent initially appointed by the Issuers is BNP Paribas Securities Services, Luxembourg Branch and its specified office is 60, avenue J.F Kennedy, L-1855 Luxembourg. BNP Paribas Securities Services Luxembourg Branch, being part of a financial group providing client services with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg. Further information on the international operating model of BNP Paribas Securities Services Luxembourg Branch may be provided upon request.

The Italian Paying Agent initially appointed by the Issuers is MEDIOBANCA - Banca di Credito Finanziario S.p.A. and its specified office is Piazzetta E. Cuccia, 1, 20121 Milan, Italy.

The Calculation Agent initially appointed by the Issuers is MEDIOBANCA - Banca di Credito Finanziario S.p.A. and its specified office is Piazzetta E. Cuccia, 1, 20121 Milan, Italy.

7.2 *Calculation Agent*

In relation to each issue of Securities, the Calculation Agent (whether it be the relevant Issuer or another entity) acts solely as agent of the relevant Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders. All calculations and determinations made in respect of the Securities by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the relevant Issuer and the Securityholders.

The Calculation Agent may, with the consent of the relevant Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

7.3 *Determinations by the relevant Issuer*

Any determination made by the relevant Issuer pursuant to these Conditions shall (save in the case of manifest error) be final, conclusive and binding on the relevant Issuer and the Securityholders.

7.4 Occurrence of certain events

The Issuer or the Calculation Agent are under no obligation to monitor whether or not any of the applicable events described in Annex 2 (*Additional Terms and Conditions for Index Securities*), Annex 3 (*Additional Terms and Conditions for Share Securities*), Annex 4 (*Additional Terms and Conditions for ETI Securities*), Annex 5 (*Additional Terms and Conditions for Debt Securities*), Annex 7 (*Additional Terms and Conditions for Inflation Index Securities*), Annex 8 (*Additional Terms and Conditions for Currency Securities*), Annex 9 (*Additional Terms and Conditions for Fund Securities*), Annex 10 (*Additional Terms and Conditions for Futures Securities*), Annex 11 (*Additional Terms and Conditions for Underlying Interest Rate Securities*) and Annex 13 (*Additional Terms and Conditions for OET Warrants*) has occurred in respect of any Security, Underlying Reference or Component, as the case may be. Neither the relevant Issuer nor the Calculation Agent shall be liable to any Securityholder for losses resulting from (i) any determination that any such event has occurred or has not occurred, (ii) the timing relating to the determination that any such event has occurred or has not occurred or (iii) any actions taken or not taken by the relevant Issuer and/or the Calculation Agent in accordance with these Conditions as a result of such determination that any such event has occurred or has not occurred.

7.5 Meetings of Securityholders and Modifications

The Issue and Paying Agency Agreement contains provisions for convening meetings of holders of Securities to consider any matter affecting their interest, including modification by Extraordinary Resolution of the Securities (including these Conditions insofar as the same may apply to such Securities). An Extraordinary Resolution duly passed at any such meeting shall be binding on all the holders of Securities, whether present or not, except that any Extraordinary Resolution proposed, *inter alia*, (i) to modify the date of exercise of the Securities, (ii) to reduce or cancel the Cash Settlement Amount or the Entitlement in respect of the Securities, (iii) to alter the currency of payment of the Securities other than pursuant to Security Condition 15 (*Adjustments for European Monetary Union*), will only be binding if passed at a meeting of the holders of Securities (or at any adjournment thereof) at which a special quorum (provided for in the Issue and Paying Agency Agreement) is present.

The Issuer and the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Issue and Paying Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the holders of Securities.

The Issuer and the Guarantor may, without the prior consent of the holders of the Securities correct (i) any manifest error in the Terms and Conditions of the Securities and/or in the Final Terms, (ii) any error of a formal, minor or technical nature in the Terms and Conditions of the Securities and/or in the Final Terms or (iii) any inconsistency in the Terms and Conditions of the Securities and/or in the Final Terms between the Terms and Conditions of the Securities and/or the Final Terms and any other documents prepared in connection with the issue and/or offer of a Series of Securities (provided such correction is not materially prejudicial to the holders of the relevant Series of Securities). Any such correction shall be binding on the holders of the relevant Securities and the relevant Issuer and the Guarantor (if applicable) shall cause such correction to be notified to the holders of the Securities as soon as practicable thereafter pursuant to Security Condition 8 (*Notices*).

In addition, the relevant Issuer and the Guarantor may modify from time to time in the relevant Final Terms the time references to certain Business Days contained in these Conditions.

8. NOTICES

All notices to Securityholders shall be valid if (i) until such time as any Definitive Securities are issued, the notice is delivered to the relevant Clearing System(s), for communication by them to the Securityholders; (ii) if and so long as the Securities are admitted to trading on Euronext Dublin's regulated market (and listed on the Official List of Euronext Dublin), the notice is published in accordance with the rules and regulations of Euronext Dublin (which shall include publication in a leading newspaper having general circulation in Ireland or on the website of Euronext Dublin (www.euronext.com/en/markets/dublin)), (iii) if and so long as the Securities are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange, the notice is published in accordance with the rules and regulations of the Luxembourg Stock Exchange (which shall include publication on the website of the Luxembourg Stock Exchange (www.bourse.lu)), and (iv) if and so long as the Securities are admitted to trading on the Italian Stock

Exchange, the notice is published in accordance with the rules and regulations of the Italian Stock Exchange (which shall include publication on the website of the Italian Stock Exchange (www.borsaitaliana.it)). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any other stock exchange (or any other relevant authority) on which the Securities are for the time being listed or by which they have been admitted to trading. If Definitive Securities are issued, notices to Securityholders will be deemed validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the Financial Times. Any such notice shall be deemed to have been given on the date of delivery to the relevant Clearing System(s) or the date of publication, as the case may be, or, if published more than once, on the date of the first publication.

9. EXPENSES AND TAXATION

- (a) A holder of Securities must pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, sale commissions, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise and settlement of such Securities and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of such Securities ("**Expenses**") relating to such Securities as provided above.
- (b) The Issuer shall not be liable for or otherwise obliged to pay, and the relevant Securityholder shall be liable for and/or pay, any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Security by any person. All payments made by the relevant Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted and no additional amount shall be payable to any relevant Securityholder in respect of any such tax, duty, withholding or other payment.

10. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of Securityholders to create and issue further Securities so as to be consolidated with and form a single series with the outstanding Securities.

11. SUBSTITUTION OF THE RELEVANT ISSUER

11.1 *Substitution of Issuer*

- (a) The Issuer and, in case of Securities issued by Mediobanca International, the Guarantor may at any time, without the consent of the holders of Securities, substitute Mediobanca, or any other third party entity, as Issuer in place of Mediobanca International or Mediobanca International, or any other third party entity, as Issuer in place of Mediobanca (each a "**Substitute**") upon notice by the relevant Issuer, the Guarantor (in case of Securities issued by Mediobanca International) and the Substitute to be given in accordance with Security Condition 8 (*Notices*) **provided that**:
 - (i) no payment in respect of the Securities or the Deed of Guarantee (as the case may be) is at the relevant time overdue;
 - (ii) the Substitute shall, by means of a deed poll in the form scheduled to the Programme Manual as Schedule 9 (the "**Deed Poll**"), agree to indemnify each holder of Securities against any incremental tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Securities or the Deed of Covenant and which would not have been so imposed or otherwise suffered by any holder of Securities had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;
 - (iii) in respect of Securities issued by Mediobanca International, where the Substitute is not the Guarantor, the obligations of the Substitute under the Deed Poll, the Securities and

Deed of Covenant shall be unconditionally and irrevocably guaranteed by the Guarantor by means of the Deed Poll, in accordance with the terms thereof;

- (iv) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Securities and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and, where applicable, of the Guarantor have been taken, fulfilled and done and are in full force and effect;
 - (v) the Substitute shall have become party to the Issue and Paying Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
 - (vi) legal opinions shall have been delivered to the Fiscal Agent from lawyers of recognised standing in each jurisdiction referred to in (ii) above, in Italy and in England as to the fulfilment of the requirements of this Security Condition 11 and the other matters specified in the Deed Poll and that the Securities are legal, valid and binding obligations of the Substitute;
 - (vii) each stock exchange on which the Securities are listed shall have confirmed that, following the proposed substitution of the Substitute, the Securities will continue to be listed on such stock exchange;
 - (viii) if applicable, the Substitute has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Securities.
- (b) Upon the execution of the Deed Poll and the delivery of the legal opinions, the Substitute shall succeed to, and be substituted for, and may exercise every right and power, of the relevant Issuer under the Securities and the Issue and Paying Agency Agreement with the same effect as if the Substitute had been named as the relevant Issuer herein, and the relevant Issuer shall be released from its obligations under the Securities and under the Issue and Paying Agency Agreement.
 - (c) After a substitution pursuant to Security Condition 11.1(a), the Substitute may, without the consent of any holder, effect a further substitution. All the provisions specified in Security Condition 11.1(a) and Security Condition 11.1(b) shall apply *mutatis mutandis*, and references in these Conditions to the relevant Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute.
 - (d) After a substitution pursuant to Security Condition 11.1(a) or Security Condition 11.1(c) any Substitute may, without the consent of any holder, reverse the substitution, *mutatis mutandis*.
 - (e) The Deed Poll and all documents relating to the substitution shall be delivered to, and kept by, the Fiscal Agent. Copies of such documents will be available free of charge at the specified office of the Paying Agent.

11.2 *Modification of Conditions as a result of Substitution of Issuer*

After any substitution pursuant to Security Condition 11.1 (*Substitution of Issuer*) above, the Conditions will be modified in all consequential respects including, but not limited to, replacement of references to the Republic of Italy in the Conditions where applicable, by references to the country of incorporation, domicile and/or residence for tax purposes of the Substitute, as the case may be. Such modifications shall be notified to Securityholders in accordance with Security Condition 8 (*Notices*).

12. **GOVERNING LAW AND JURISDICTION**

- (a) *Governing Law*: If it is specified in the Final Terms that English law is applicable to the Securities, the Securities and any contractual or non-contractual obligations arising from or connected with the Securities are governed by, and shall be construed in accordance with, English law, save for the status provisions applicable to the Securities and the contractual recognition of bail-in powers provisions, and any non contractual obligations arising out of or

in connection with such provisions set out in Security Conditions 22 (*Acknowledgement of the Italian Bail-in power*) and 23 (*Acknowledgement of the Luxembourg Bail-in power*), (the "**status and bail-in recognition provisions**"), which shall be governed by, and construed in accordance with, Italian law (if the Securities are issued by Mediobanca) or Luxembourg law (if the Securities are issued by Mediobanca International), as applicable. If it is specified in the Final Terms that Italian law is applicable to the Securities, the Securities are governed by, and shall be construed in accordance with, Italian law, save, in case Securities are issued by Mediobanca International, for the status and bail-in recognition provisions which shall be governed by, and construed in accordance with, Luxembourg law. Articles 470-1 to 470-19 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended, are not applicable to the Securities.

- (b) *English courts*: If it is specified in the Final Terms that English law is applicable to the Securities, the courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising from or connected with the Securities, whether arising out of or in connection with contractual or non-contractual obligations, subject to the status and bail-in recognition provisions. If it is specified in the Final Terms that Italian law is applicable to the Securities, the Courts of Milan shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with these Securities, whether arising out of or in connection with contractual or non-contractual obligations, subject to the status and bail-in recognition provisions.
- (c) *Appropriate forum*: If it is specified in the Final Terms that English law is applicable to the Securities, each of the relevant Issuer and the Guarantor (where applicable) agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.
- (d) *Service of notices/documents*: If it is specified in the Final Terms that English law is applicable to the Securities, each of the relevant Issuer and the Guarantor (where applicable) agree that the documents which start any proceedings relating to a Dispute ("**Proceedings**") and any other documents required to be served in relation to those Proceedings may be served on them by being delivered to Mediobanca – London Branch, 4th floor, 62 Buckingham Gate SW1E 6AJ, United Kingdom. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the relevant Issuer and the Guarantor (where applicable), the relevant Issuer and the Guarantor (where applicable) shall, on the written demand of any Securityholder addressed and delivered to the relevant Issuer and to the Guarantor (where applicable) or to the specified office of the Fiscal Agent appoint a further person in England to accept service of process on their behalf and, failing such appointment within 15 days, any Securityholder shall be entitled to appoint such a person by written notice addressed to the relevant Issuer and the Guarantor (where applicable) and delivered to the relevant Issuer and the Guarantor (where applicable) or to the specified office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Securityholder to serve process in any other manner permitted by law. This clause applies to Proceedings in England and to Proceedings elsewhere.
- (e) *Non-applicable Conditions if Italian law applies to the Securities*: If it is specified in the Final Terms that Italian law is applicable to the Securities, Security Condition 12(c), Security Condition 12(d) and Security Condition 16 (*Contracts (Rights of Third Parties) Act 1999*) shall not apply.

13. **ADDITIONAL DISRUPTION EVENTS AND OPTIONAL ADDITIONAL DISRUPTION EVENTS**

13.1 *Definitions*

"**Additional Disruption Event**" means each of Change in Law and Hedging Disruption, unless otherwise specified in the applicable Final Terms;

"**Administrator/Benchmark Event**" means the Calculation Agent determines that:

- (i) a Benchmark Modification or Cessation Event has occurred or will occur;

- (ii) any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of a relevant Benchmark or the administrator or sponsor of a relevant Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that the Issuer or the Calculation Agent or any other entity is not, or will not be, permitted under any applicable law or regulation to use the relevant Benchmark to perform its or their respective obligations under the Securities; or
- (iii) it is not fair and commercially reasonable to continue the use of a relevant Benchmark in connection with the Securities from the perspective of the Issuer or the Calculation Agent or the Issuer or the Calculation Agent suffers or will suffer an increased cost, in each case, as a result of any applicable licensing restrictions or changes in the cost of obtaining or maintaining any relevant licence (including, without limitation, where the Issuer, the Calculation Agent or any other entity is required to hold a valid licence in order to issue or perform its obligations in respect of the Securities and for any reason such licence is either not obtained, not renewed or is revoked or there is a material change in the cost of obtaining or renewing such licence); or
- (iv) there has been an official announcement by the supervisor of the administrator and/or sponsor of a relevant Benchmark that the relevant Benchmark is no longer representative of any relevant underlying market(s).

"Applicable Banking Regulations" means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in the Republic of Italy, including, without limitation to the generality of the foregoing, those regulations, requirements, guidelines and policies relating to capital adequacy then in effect of the Relevant Authority (as defined below) whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer and including, for avoidance of doubt, as at the Issue Date the rules contained in, or implementing, CRD IV);

"Benchmark" means any figure, value, level or rate which is a benchmark as defined in the BMR and where any amount payable or deliverable under the Warrants, or the value of the Warrants, is determined by reference in whole or in part by reference to such figure, value, level or rate all as determined by the Calculation Agent;

"Benchmark Modification or Cessation Event" means, in respect of the Benchmark any of the following has occurred or will occur:

- (i) any material change in such Benchmark; or
- (ii) the permanent or indefinite cancellation or cessation in the provision of such Benchmark.

"BMR" means the EU Benchmarks Regulation (Regulation (EU) 2016/1011) (the **"EU BMR"**) and the EU BMR as it forms part of the domestic law in the United Kingdom by virtue of the European Union (Withdrawal Act) 2018 (the **"UK BMR"**) (together the **"BMR"**);

"BRRD" means the directive 2014/59/EU providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms;

"Cancellation Event" means, that in the determination of the Calculation Agent, all or some of the Debt Instruments are redeemed prior to their stated maturity date for any reason, and as a result thereof it is impossible, impracticable or unduly onerous for the Issuer or its Affiliates to hedge the Issuer's obligations in respect of the Securities;

"Change in 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, in respect of any tax law, solvency or capital requirements), or (b) due to the promulgation of or any change in the interpretation or application of any law or regulation by any court, tribunal or regulatory or other supervisory authority with competent jurisdiction (including any action taken by a taxing or financial authority or any supervisory authority) or the combined effect thereof if occurring more than once, the Issuer determines acting in good faith and in a commercially reasonable manner that:

- (a) it has become illegal for it or any of its Affiliates to hold, acquire or dispose of any relevant hedge position relating to an Index (in the case of Index Securities), any relevant hedge position relating to a Debt Instrument (in the case of Debt Securities), any relevant hedge position relating to a Share (in the case of Share Securities), any relevant hedge position relating to an ETI Interest (in the case of ETI Securities), or any relevant hedge position relating to a Fund Share (in the case of Fund Securities) (each a "**Hedge**"); or
- (b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency, regulatory or capital requirements) in maintaining the Securities in issue or, unless Hedge Maintenance Cost is specified as not applicable in the applicable Final Terms, in holding, acquiring or disposing of any Hedge;

"**CRD IV**" means the CRD IV Directive, the CRR and any CRD IV Implementing Measure;

"**CRD IV Directive**" means the directive 2013/36 of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC;

"**CRD IV Implementing Measure**" means any regulatory capital rules implementing the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Bank of Italy, the European Banking Authority or any other relevant authority, which are applicable to the Issuer (on a standalone basis) or the Issuer together with its consolidated subsidiaries (on a consolidated basis) and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a standalone or consolidated basis);

"**CRR**" means 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 amending Regulation No. 648/2012;

"**Currency Event**" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates (a) to convert the relevant currency ("**Local Currency**") in which the Index, the Shares or the Debt Instruments or any options or futures contracts or other hedging arrangement in relation to the Index, the Shares or the Debt Instruments (for the purposes of hedging the Issuer's obligations under the Securities) are denominated, into the Settlement Currency, or exchange or repatriate any funds in the Local Currency or the Settlement Currency outside of the country in which the Index, the Shares or the Debt Instruments or any options or futures contracts in relation to the Index, the Shares or the Debt Instruments respectively are traded due to the adoption of, or any change in, any applicable law, rule, regulation, judgment, order, directive or decree of any Government Authority or otherwise, or (b) for the Calculation Agent to determine a rate or (in the determination of the Calculation Agent) a commercially reasonable rate at which the Local Currency can be exchanged for the Settlement Currency for payment under the Securities;

"**Extraordinary External Event**" means that, on or after the Trade Date, the performance of the Issuer's obligations under the Securities is prevented or materially hindered or delayed due to:

- (a) any act (other than a Market Disruption Event), law, rule, regulation, judgment, order, directive, interpretation, decree or material legislative or administrative interference of any Government Authority or otherwise; or
- (b) the occurrence of civil war, disruption, military action, unrest, political insurrection, terrorist activity of any kind, riot, public demonstration and/or protest, or any other financial or economic reasons or any other causes or impediments beyond such party's control; or
- (c) any expropriation, confiscation, requisition, nationalisation or other action taken or threatened by any Government Authority that deprives the Issuer or any of its Affiliates, of all or substantially all of its assets in the Local Currency jurisdiction;

"Failure to Deliver due to Illiquidity" means, following the exercise of Physical Delivery Securities, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the **"Affected Relevant Assets"**) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets;

"Government Authority" means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

"Hedging Disruption" means that the Issuer and/or any of its Affiliates 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) or any futures or option contracts it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer issuing and performing its obligations with respect to the Securities, or (b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s), asset(s) or futures or options contract(s) or any relevant hedge positions relating to the Securities;

"Hedging Party Default" means any hedging counterparty in respect of the Securities announces its inability to meet its financial obligations, ceases its payments or a court in its jurisdiction of incorporation opens insolvency proceedings against it and the Issuer or the Guarantor is unable to replace such hedging counterparty on terms acceptable to the Issuer or the Guarantor, as the case may be;

"Hedging Shares" means the number of components comprised in an Index (in the case of Index Securities) or the number of Shares (in the case of Share Securities) that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities;

"Increased Cost of Hedging" means that the Issuer and/or any of its Affiliates 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) or, in respect of any Debt Securities, any relevant hedge positions relating to a Debt Instrument, it deems necessary to hedge the market risk (including, without limitation, equity price risk, foreign exchange risk and interest risk) of the Issuer issuing and performing its obligations with respect to the Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s) or any such futures or options contract(s) or, in respect of any Debt Securities, any relevant hedge positions relating to a Debt Instrument, 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;

"Increased Cost of Stock Borrow" means that the Issuer and/or any of its Affiliates would incur a rate to borrow any component security comprised in an Index (in the case of Index Securities) or any Share (in the case of Share Securities) that is greater than the Initial Stock Loan Rate;

"Initial Stock Loan Rate" means, in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the initial stock loan rate specified in relation to such Share, security, component or commodity in the applicable Final Terms;

"Insolvency Filing" means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing;

"Italian Bail-in Power" means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of Italy, relating to (i) the transposition of the BRRD (in including, but not limited to, Legislative Decrees No. 180/2015 and 181/2015) as amended from time to time; and

(ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period).

"Jurisdiction Event" means that, on or after the Trade Date, it has become impracticable, illegal or impossible for the Issuer or any of its Affiliates to purchase, sell, hold or otherwise deal (or to continue to do so in the future) in the Index, the Shares or the Debt Instruments or, unless Hedging Arrangements is specified as not applicable in the applicable Final Terms, any options or futures contracts in relation to the Index, the Shares or the Debt Instruments in order for the Issuer to perform its obligations:

- (a) under the Securities; or
- (b) unless Hedging Arrangements is specified as not applicable in the applicable Final Terms, in respect of any relevant hedging arrangements in connection with the Securities (including, without limitation, any purchase, sale or entry into or holding of one or more securities positions, currency positions, stock loan transactions, derivatives position, commodity position or other instruments or arrangements (however described) by the Issuer and/or any of its Affiliates in order to hedge, either individually or on a portfolio basis, the Securities),

or the costs of so doing would (in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner) be materially increased under the restriction or limitation of the existing or future law, rule, regulation, judgment, order, interpretation, directive or decree of any Government Authority or otherwise;

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any component security comprised in an Index (in the case of Index Securities) or any Share (in the case of Share Securities) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"Luxembourg Bail-in Power" means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Luxembourg, (i) relating to the transposition of the BRRD (including, but not limited to, the Luxembourg law of 18 December 2015 relative *aux mesures de résolution, d'assainissement et de liquidation des établissements de crédit et de certaines entreprises d'investissement ainsi qu'aux systèmes de garantie des dépôts et d'indemnisation des investisseurs*, as amended from time to time (the "**Luxembourg BRRD Law**"), (ii) relating to the SRM Regulation or (iii) otherwise arising under Luxembourg law and (iv) in each case, the instruments, rules and standards created thereunder, pursuant to which certain eligible liabilities of a regulated entity or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into equity or other types of capital instruments of such regulated entity or any other person (or suspended for a temporary period) and any right in a contract governing an obligation of a regulated entity may be deemed to have been exercised. For this purpose, a reference to a "regulated entity" is to any institution or entity (which includes certain credit institutions, investment firms, and certain of their group companies) referred to in points (1), (2), (3) or (4) of Article 2(1) of the Luxembourg BRRD Law, and with respect to the SRM Regulation to any entity referred to in Article 2 of the SRM Regulation;

"Maximum Stock Loan Rate" means in respect of a component security comprised in an Index (in the case of Index Securities) or a Share (in the case of Share Securities), the Maximum Stock Loan Rate specified in the applicable Final Terms;

"Optional Additional Disruption Event" means any of Administrator/Benchmark Event, Cancellation Event, Currency Event, Failure to Deliver due to Illiquidity, Extraordinary External Event, Hedging Party Default, Increased Cost of Hedging, Increased Cost of Stock Borrow, Jurisdiction Event, Insolvency Filing, Loss of Stock Borrow, Stop-Loss Event and/or Significant Alteration Event, in each case if specified in the applicable Final Terms;

"Relevant Authority" means (i) in respect of Italy, the European Central Bank, the Bank of Italy, or any successor authority having responsibility for the prudential supervision of the Issuer or the Group within the framework of the Single Supervisory Mechanism set out under Council Regulation (EU) No. 1024/2013 and in accordance with the Applicable Banking Regulations and/or, as the context may require,

the Italian resolution authority, the Single Resolution Board established pursuant to the SRM Regulation, and/or any other authority in Italy or in the European Union entitled to exercise or participate in the exercise of the Italian Bail-in Power or having primary responsibility for the prudential oversight and supervision of Mediobanca from time to time; and (ii) in respect of Luxembourg, the *Commission de Surveillance du Secteur Financier*, acting in its capacity as resolution authority within the meaning of Article 3(1) of the BRRD, the Single Resolution Board established pursuant to the SRM Regulation, and/or any other authority in Luxembourg or in the European Union entitled to exercise or participate in the exercise of the Luxembourg Bail-in Power from time to time;

"Significant Alteration Event" means the occurrence after the Issue Date of any event or combination of events or circumstances that are not attributable to the Issuer that significantly alters the economics of the Securities compared to the economics as of the Issue Date, but do not render performance of the Issuer's obligations under the Securities impossible;

"SRM Regulation" means the Regulation (EU) No.806/2014 of the European Parliament and of the 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 the Single Supervisory Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010, as amended or superseded from time to time;

"Stop-Loss Event" means, in respect of a Share, the price of any Share as quoted on the relevant Exchange for such Share at the Scheduled Closing Time on any Scheduled Trading Day that is not a Disrupted Day in respect of such Share on or after the Trade Date or, if later, the Strike Date, is less than 5 per cent., or such percentage specified in the applicable Final Terms, of its Strike Price or, if no Strike Price is specified in the applicable Final Terms, the price given as the benchmark price for such Share in the applicable Final Terms, all as determined by the Calculation Agent;

"Suspension/Withdrawal Event" means, in respect of the Benchmark:

- (i) the relevant competent authority or other relevant official body suspends or withdraws or will suspend or withdraw any authorisation, registration, recognition, endorsement, equivalence decision or approval in relation to the Benchmark or the administrator or sponsor of the Benchmark which is required under any applicable law or regulation in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Warrants; or
- (ii) the Benchmark or the administrator or sponsor of the Benchmark is or will be removed from any official register where inclusion in such register is or will be required under any applicable law in order for any of the Issuer, the Calculation Agent or any other entity to perform its obligations in respect of the Warrants.

For the avoidance of doubt, a Suspension/Withdrawal Event shall not occur if such authorisation, registration, recognition, endorsement, equivalence decision or approval is or will be suspended or where inclusion in any official register is or will be withdrawn if, at the time of such suspension or withdrawal, the continued provision and use of the Benchmark is permitted in respect of the Warrants under the applicable law or regulation during the period of such suspension or withdrawal;

"Trade Date" has the meaning given to it in the applicable Final Terms; and

13.2 If an Additional Disruption Event and/or an Optional Additional Disruption Event are specified as applicable in the applicable Final Terms and an Additional Disruption Event and/or an Optional Additional Disruption Event occurs (other than in respect of Failure to Deliver due to Illiquidity), the Issuer may take the action described in (a) or, if applicable, (b) or (c), as the case may be, below:

- (a) require the Calculation Agent to determine acting in good faith and in a commercially reasonable manner the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and/or Optional Additional Disruption Event and determine the effective date of that adjustment. In the case of an Administrator/Benchmark Event, such adjustment may, without limitation (i) consist of one or more amendments and/or be made on

one or more dates, (ii) be determined by reference to any adjustment(s) in respect of the relevant event or circumstance in relation to any hedging arrangements in respect of the Securities and (iii) include, without limitation, selecting a successor benchmark(s) and making related adjustments to the Conditions of the Securities including, where applicable, and unless Unwind Costs is specified as not applicable, to reflect any increased costs of the Issuer providing such exposure to the successor benchmark(s) and, in the case of more than one successor benchmark, making provision for allocation of exposure as between the successor benchmarks, it being understood that in any of such circumstances under (i), (ii) and (iii) the Calculation Agent will make any determination that is customarily applied in international debt capital markets transactions to produce an industry-accepted successor benchmark and/or relevant adjustment to such Benchmark;

- (b) cancel the Warrants by giving notice to Securityholders in accordance with Security Condition 8 (*Notices*). If the Warrants are so cancelled the Issuer will:
- (i) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each Securityholder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.1; or
 - (ii) if Market Value is specified in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each Securityholder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.2; or
 - (iii) otherwise, pay an amount to each Securityholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Additional Disruption Event and/or Optional Additional Disruption Event less, unless Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements (unless provided for otherwise in the relevant Final Terms) plus, if applicable and already paid, the Exercise Price, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8 (*Notices*);
- (c) in the case of Share Securities linked to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each a "**Substitute Share**") for each Share (each an "**Affected Share**") which is affected by the Additional Disruption Event and/or Optional Additional Disruption Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Weighting and/or Exercise Price and/or any of the other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the initial price of the Affected Share, the initial price of each Substitute Share will be determined by the Calculation Agent in accordance with the following formula:

$$\text{initial price} = A \times (B/C)$$

where:

"A" is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

"B" is the initial price of the relevant Affected Share; and

"C" is the official closing price of the relevant Affected Share on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the Basket of Shares will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") acting in good faith and in a commercially reasonable manner and specified in the notice referred to below which may, but need not, be the relevant date of the Additional Disruption Event and/or Optional Additional Disruption Event.

The Weighting of each Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must be a share which the Calculation Agent determines, acting in good faith and in a commercially reasonable manner:

- (i) is not already included in the Basket of Shares;
- (ii) the relevant issuer of such share belongs to the same economic sector as the Basket Company in respect of the Affected Share; and
- (iii) the relevant issuer of such share has a comparable market capitalisation, international standing and exposure as the Basket Company in respect of the Affected Share.

If a Failure to Deliver due to Illiquidity occurs:

- (A) subject as provided elsewhere in the Conditions as completed by the applicable Final Terms, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date in accordance with Security Condition 18.3 (*Physical Settlement*) and the Calculation Agent shall determine acting in good faith and in a commercially reasonable manner the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Securityholder in respect of that partial settlement; and
- (B) in respect of any Affected Relevant Assets, *in lieu* of physical settlement and notwithstanding any other provision hereof, the Issuer may elect to satisfy its obligations in respect of the relevant Security or if Units are specified in the applicable Final Terms, Unit, as the case may be, by payment to the relevant Securityholder of the Failure to Deliver Settlement Price on the fifth Business Day following the date that notice of such election is given to the Securityholders in accordance with Security Condition 8 (*Notices*). Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8 (*Notices*).

For the purposes hereof:

"Failure to Deliver Settlement Price" means, in respect of any relevant Security or if Units are specified in the applicable Final Terms, Unit, as the case may be, the fair market value of such Security or Unit, as the case may be (taking into account the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer acting in good faith and in a commercially reasonable manner plus, if applicable and already paid, the Exercise Price (or, whereas provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).

Upon the occurrence of an Additional Disruption Event and/or Optional Additional Disruption Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable and the Issuer shall give notice as soon as practicable to the Securityholders in accordance with Security Condition 8 (*Notices*) stating the occurrence of the Additional Disruption Event and/or Optional Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto provided that any failure to give, or non-receipt of, such notice will not affect the validity of the Additional Disruption Event and/or Optional Additional Disruption Event.

14. **KNOCK-IN EVENT AND KNOCK-OUT EVENT**

- 14.1 If Knock-in Event is specified as applicable in the applicable Final Terms, then any payment and/or delivery, as applicable, under the relevant Securities which is expressed in the Conditions to be subject to a Knock-in Event, shall be conditional upon the occurrence of such Knock-in Event.
- 14.2 If Knock-out Event is specified as applicable in the applicable Final Terms, then any payment and/or delivery, as applicable, under the relevant Securities which is expressed in the Conditions to be subject to a Knock-out Event, shall be conditional upon the occurrence of such Knock-out Event.
- 14.3 In respect of Index Securities, Share Securities, ETI Securities, Debt Securities and Futures Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if on any Knock-in Determination Day or Knock-out Determination Day (a) in respect of Securities other than Debt Securities, at any time during the one hour period that begins or ends at the Valuation Time the Level triggers the Knock-in Level or the Knock-out Level, a Trading Disruption, Exchange Disruption or Early Closure occurs or exists, or (b) in respect of Debt Securities, a Market Disruption Event, as applicable, is occurring, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Trading Disruption, Exchange Disruption, Early Closure, or Market Disruption Event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred; provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date" for the purposes of determining the occurrence of a Knock-in Event or Knock-out Event.
- 14.4 In respect of Currency Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is the Valuation Time and if any Knock-in Determination Day or Knock-out Determination Day is a Disrupted Day, as applicable, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such day being a Disrupted Day, as the case may be or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, such Knock-in Determination Day or Knock-out Determination Day will be deemed not to be a Knock-in Determination Day or Knock-out Determination Day for the purposes of determining the occurrence of a Knock-in Event or a Knock-out Event.
- 14.5 In respect of Securities other than Debt Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the relevant Exchange and if on any Knock-in Determination Day or Knock-out Determination Day and at any time during the one-hour period that begins or ends at the time on which the Level triggers the Knock-in Level or the Knock-out Level, (a) in the case of Index Securities, Share Securities, ETI Securities and Futures Securities, a Trading Disruption, Exchange Disruption or Early Closure, (b) in the case of Currency Securities, a Disruption Event, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Trading Disruption, Exchange Disruption, Early Closure, Disruption Event or Market Disruption Event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that, in the case of Securities other than Currency Securities, if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or

Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date" for the purposes of determining the occurrence of a Knock-in Event or Knock-out Event.

- 14.6 In respect of Debt Securities, if the Knock-in Valuation Time or the Knock-out Valuation Time specified in the applicable Final Terms is any time or period of time during the regular trading hours on the exchange on which the relevant Debt Instrument is traded or on any exchange on which options contracts or futures contracts with respect to such Debt Instrument are traded and if on any Knock-in Determination Day or Knock-out Determination Day and at any time at which the Level triggers the Knock-in Level or the Knock-out Level, a Market Disruption Event has occurred or is occurring, then (i) if Disruption Consequences are specified as not applicable in the applicable Final Terms, a Knock-in Event or Knock-out Event may occur notwithstanding such Market Disruption Event or (ii) if Disruption Consequences are specified as applicable in the applicable Final Terms, the Knock-in Event or the Knock-out Event shall be deemed not to have occurred, provided that if, by operation of this provision, no Knock-in Determination Day or Knock-out Determination Day would occur in the Knock-in Determination Period or Knock-out Determination Period, the Knock-in Period Ending Date or Knock-out Period Ending Date shall be treated as a Valuation Date and the Calculation Agent shall determine the Level as at the Knock-in Valuation Time or Knock-out Valuation Time in accordance with the provisions contained in the definition of "Valuation Date" for the purposes of determining the occurrence of a Knock-in Event or Knock-out Event.

14.7 *Definitions relating to Knock-in Event/Knock-out Event*

Unless otherwise specified in the applicable Final Terms:

"Knock-in Determination Day" means (a) each date specified as such in the applicable Final Terms, (b) each Scheduled Trading Day in the Knock-in Determination Period, (c) each date specified as such in the Knock-in Determination Period, (d) each Fund Business Day in the Knock-in Determination Period, (e) each Business Day in the Knock-in Determination Period, (f) each MFP Valuation Date, (g) each MFP Valuation Date in MFP Valuation Period or (h) each MFP Valuation Date indicated as such within the Knock-in Determination Period;

"Knock-in Determination Period" means the period which commences on, and includes, the Knock-in Period Beginning Date and ends on, and includes, the Knock-in Period Ending Date;

"Knock-in Event" means:

- (a) if Knock-in Valuation is specified as applicable in the applicable Final Terms, the Knock-in Value is; or
- (b) if the Securities are Currency Securities and FX Knock-in Valuation is specified as applicable in the applicable Final Terms:
 - (i) if FX Coupon Performance is specified as applicable in the applicable Final Terms, that the FX Coupon Performance is; or
 - (ii) if Performance Value is specified as applicable in the applicable Final Terms, that the Performance Value is; or
- (c) if Knock-in Valuation is specified as not applicable in the applicable Final Terms and, if the Securities are Currency Securities and unless FX Knock-in Valuation is specified as applicable in the applicable Final Terms:
 - (i) (in respect of a single Underlying Reference) that the Level is; or
 - (ii) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying Reference as the product of (x) the Level of such Underlying Reference and (y) the relevant Weighting is;

- (A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-in Level or, if applicable,
- (B) "within" the Knock-in Range Level, in each case as specified in the applicable Final Terms (x) on a Knock-in Determination Day or (y) in respect of a Knock-in Determination Period, as specified in the applicable Final Terms;
- (C) "outside" the Knock-in Range Level, in each case as specified in the applicable Final Terms (x) on a Knock-in Determination Day or (y) in respect of a Knock-in Determination Period, specified in the applicable Final Terms;

"Knock-in Level" means the FX Knock-in Level or the other level, amount, number or percentage specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-in Observation Price Source" means the source specified as such in the applicable Final Terms;

"Knock-in Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Securities, Share Securities, ETI Securities, Debt Securities or Currency Securities), a Fund Business Day (in the case of Fund Securities) or Business Day (in the case of other Securities), the next following Scheduled Trading Day, Fund Business Day or Business Day, as the case may be;

"Knock-in Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-in Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Securities, Share Securities, ETI Securities, Debt Securities or Currency Securities), a Fund Business Day (in the case of Fund Securities) or Business Day (in the case of other Securities), the next following Scheduled Trading Day, Fund Business Day or Business Day, as the case may be;

"Knock-in Range Level" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-in Valuation Time" means the time or period of time on any Knock-in Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time;

"Knock-in Value" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"Knock-out Determination Day" means (a) each date specified as such in the applicable Final Terms, (b) each Scheduled Trading Day in the Knock-out Determination Period, (c) each date specified as such in the Knock-out Determination Period, (d) each Fund Business Day in the Knock-out Determination Period, (e) each Business Day in the Knock-out Determination Period, (f) each MFP Valuation Date, (g) each MFP Valuation Date in MFP Valuation Period or (h) each MFP Valuation Date indicated as such within the Knock-out Determination Period;

"Knock-out Determination Period" means the period which commences on, and includes, the Knock-out Period Beginning Date and ends on, and includes, the Knock-out Period Ending Date;

"Knock-out Event" means:

- (a) if Knock-out Valuation is specified as applicable in the applicable Final Terms, the Knock-out Value is, or

- (b) if the Securities are Currency Securities and FX Knock-out Valuation is specified as applicable in the applicable Final Terms:
 - (i) if FX Coupon Performance is specified as applicable in the applicable Final Terms, that the FX Coupon Performance is; or
 - (ii) if Performance Value is specified as applicable in the applicable Final Terms, that the Performance Value is; or
- (c) if Knock-out Valuation is specified as not applicable in the applicable Final Terms and, if the Securities are Currency Securities and unless FX Knock-out Valuation is specified as applicable in the applicable Final Terms:
 - (i) (in respect of a single Underlying Reference) that the Level is; or
 - (ii) (in respect of a Basket of Underlying References) that the amount determined by the Calculation Agent equal to the sum of the values of each Underlying References as the product of (x) the Level of such Underlying Reference and (y) the relevant Weighting is,
 - (A) "greater than", "greater than or equal to", "less than" or "less than or equal to" the Knock-out Level or, if applicable,
 - (B) "within" the Knock-out Range Level, in each case, as specified in the applicable Final Terms (x) on a Knock-out Determination Day or (y) in respect of a Knock-out Determination Period, as specified in the applicable Final Terms;
 - (C) "outside" the Knock-out Range Level, in each case as specified in the applicable Final Terms (x) on a Knock-in Determination Day or (y) in respect of a Knock-in Determination Period, specified in the applicable Final Terms;

"Knock-out Level" means the FX Knock-out Level or other level, amount, number or percentage specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-out Observation Price Source" means the source specified as such in the applicable Final Terms;

"Knock-out Period Beginning Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Beginning Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Securities, Share Securities, ETI Securities, Debt Securities or Currency Securities), a Fund Business Day (in the case of Fund Securities) or Business Day (in the case of other Securities), the next following Scheduled Trading Day, Fund Business Day or Business Day, as the case may be;

"Knock-out Period Ending Date" means the date specified as such in the applicable Final Terms or, if the Knock-out Period Ending Date Day Convention is specified as applicable in the applicable Final Terms and such date is not a Scheduled Trading Day (in the case of Index Securities, Share Securities, ETI Securities, Debt Securities or Currency Securities), a Fund Business Day (in the case of Fund Securities) or Business Day (in the case of other Securities), the next following Scheduled Trading Day, Fund Business Day or Business Day, as the case may be;

"Knock-out Range Level" means the range of Levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Knock-out Valuation Time" means the time or period of time on any Knock-out Determination Day specified as such in the applicable Final Terms or in the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time;

"Knock-out Value" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"Level" means, for the purposes of this Security Condition 14.7, (i) the "official level", "official close", "last price", "traded price", "bid price" or "asked price" of the Underlying Reference, as specified in the applicable Final Terms, published by the Knock-in Observation Price Source or Knock-out Observation Price Source, as applicable, or (ii) if "Standard Level" is specified as applicable in the applicable Final Terms (a) in the case of Share Securities, ETI Securities and Futures Securities, the price of the relevant Underlying Reference, (b) in the case of Index Securities, the level of the relevant Underlying Reference (c) in the case of Currency Securities, the spot rate of exchange for the exchange of the Alternative Currency into the Base Currency (expressed as the number of units (or part units) of such Alternative Currency for which one unit of the Base Currency can be exchanged), or, in each case determined by the Calculation Agent as of the Knock-in Valuation Time or Knock-out Valuation Time on any Knock-in Determination Day or Knock-out Determination Day, as applicable, or, in the case of the "official close" level, at such time as the official close is published by the Knock-in Observation Price Source or Knock-out Observation Price Source, as applicable;

"Relevant Adjustment Provisions" means:

- (a) in the case of Index Securities, Index Security Condition 2 (*Market Disruption*) and Index Security Condition 3 (*Adjustments to an Index*);
- (b) in the case of Share Securities, Share Security Condition 2 (*Market Disruption*), Share Security Condition 3 (*Potential Adjustment Events*) and Share Security Condition 5 (*Extraordinary Events*);
- (c) in the case of Fund Securities, Fund Security Condition 4 (*Consequences of an Extraordinary Fund Event*);
- (d) in the case of ETI Securities, ETI Security Condition 2 (*Market Disruption*) and ETI Security Condition 3 (*Potential Adjustment Events*);
- (e) in the case of Currency Securities, Currency Security Condition 2 (*Disruption Events*), Currency Security Condition 3 (*Consequences of a Disruption Event*);
- (f) in the case of Futures Securities, Futures Security Condition 3 (*Adjustments to a Future*);
- (g) in the case of Debt Securities, Debt Security Condition 3 (*Market Disruption*) Debt Security Condition 4 (*Correction of Debt Instrument Price*) and Debt Security Condition 5 (*Redemption or Cancellation of a Debt Instrument*);

"Underlying Reference" means, for the purposes of this Security Condition 14, each Index, Share, ETI Interest, Debt Instrument, Fund, Alternative Currency, Future or other basis of reference to which the relevant Securities relate.

15. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

Unless Redenomination is specified as not applicable in the applicable Final Terms, the Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with Security Condition 8 (*Notices*):

- (a) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Securities shall be redenominated in euro.

The election will have effect as follows:

- (i) where the Settlement Currency of the Securities is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Calculation Agent may decide and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the Securities will be made solely in euro as though references in the Securities to the Settlement Currency were to euro;
 - (ii) where the Exchange Rate and/or any other terms of these Conditions (as completed in the applicable Final Terms) are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the "**Original Currency**") of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted from or, as the case may be into, euro at the Established Rate; and
 - (iii) such other changes shall be made to these Conditions (as completed in the applicable Final Terms) as the relevant Issuer may decide, in its sole and absolute discretion to conform them to conventions then applicable to instruments expressed in euro; and/or
- (b) require that the Calculation Agent make such adjustments to the Weighting and/or the Exercise Price and/or the Settlement Price and/or any other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent, acting in good faith and in a commercially reasonable manner, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Weighting and/or the Exercise Price and/or the Settlement Price and/or such other terms of these Conditions and/or the applicable Final Terms.

Notwithstanding the foregoing, none of the relevant Issuer, the Guarantor any of their Affiliates, the Calculation Agent or any of the Paying Agents shall be liable to any Securityholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

In this Security Condition, the following expressions have the following meanings:

"**Adjustment Date**" means a date specified by the relevant Issuer in the notice given to the Securityholders pursuant to this Security Condition 15 which falls on or after the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

"**Established Rate**" means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Union regulations) into euro established by the Council of the European Union Article 140 of the Treaty;

"**euro**" means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

"**National Currency Unit**" means the unit of the currency of a country, as those units are defined on the day before the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union; and

"**Treaty**" means the treaty on the Functioning of the European Union, as amended.

16. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

Subject as provided in the Issue and Paying Agency Agreement, the Securities do not confer on any third party any rights under the Contracts (Rights of Third Parties) Act 1999 (the Act) to enforce any term of the Securities, but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

17. **TYPE**

The applicable Final Terms will indicate whether the Warrants are American style Warrants ("**American Style Warrants**") or European style Warrants ("**European Style Warrants**") or such other type as may be specified in the applicable Final Terms, whether settlement shall be by way of cash payment ("**Cash Settled Warrants**") or physical delivery ("**Physical Delivery Warrants**"), in the case of Cash Settled Warrants whether non-automatic exercise ("**Non-Automatic Exercise**") applies to the Warrants, whether the Warrants are call Warrants ("**Call Warrants**") or put Warrants ("**Put Warrants**"), or such other type as may be specified in the applicable Final Terms, whether the Warrants may only be exercised in units ("**Units**") and whether Averaging ("**Averaging**") will apply to the Warrants. If Units are specified in the applicable Final Terms, Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

If the Warrants are Italian Dematerialised Securities, they will be European Style Warrants or American Style Warrants and Cash Settlement will apply.

If the Warrants are Italian Dematerialised Securities and Italian Listed Securities, Non-Automatic Exercise shall never apply.

18. **EXERCISE RIGHTS**

18.1 *Exercise of Warrants*

(a) American Style Warrants

Subject to Security Condition 19.9 (*Automatic Early Expiration*), American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

Any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 19, at or prior to 10.00 a.m. (Local time) on the Expiration Date shall be automatically exercised on the Expiration Date. However, in relation to American Style Warrants which are Physical Delivery Warrants, an Exercise Notice is required to be submitted in order to obtain delivery of the Entitlement.

If Non-Automatic Exercise is specified as applying in the applicable Final Terms, any American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 19, at or prior to 10.00 a.m. (Local time) on the Expiration Date, shall become void.

The Exercise Business Day during the Exercise Period on which an Exercise Notice in, or substantially in, the form set out in the applicable Final Terms, is delivered by the Securityholder prior to 10.00 a.m. (Local Time) to the relevant Clearing System (or, in case of Italian Dematerialised Securities, to the Italian Paying Agent), and the copy thereof is received by the Fiscal Agent or, if the Warrants are automatically exercised, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any Exercise Notice is received by the relevant Clearing System (or, in case of Italian Dematerialised Securities, by the Italian Paying Agent), or if the copy thereof is received by the Fiscal Agent, in each case, after 10.00 a.m. (Local Time) on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 19 at or prior to 10.00 a.m. (Local Time) on the Expiration Date shall be automatically exercised on the Expiration Date as provided above.

If the Warrants are Italian Dematerialised Securities and Italian Listed Securities, Non-Automatic Exercise shall never apply and prior to the Renouncement Notice Cut-off Time as specified in the applicable Final Terms on the Expiration Date the Securityholder of a Warrant may renounce automatic exercise of such Warrant by the delivery or sending by authenticated swift message (confirmed in writing) of a duly completed Renouncement Notice (a "**Renouncement Notice**") in, or substantially in, the form set out in the applicable Final Terms to the Italian Paying Agent. Once delivered a Renouncement Notice shall be irrevocable. Any

determination as to whether a Renunciation Notice is duly completed and in proper form shall be made by the Italian Paying Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, and the relevant Securityholder. Subject as set out below, any Renunciation Notice so determined to be incomplete or not in proper form shall be null and void. If such Renunciation Notice is subsequently corrected to the satisfaction of the Italian Paying Agent, it shall be deemed to be a new Renunciation Notice submitted at the time such correction was delivered to the Italian Paying Agent.

(b) European Style Warrants

Subject to Security Condition 19.9 (*Automatic Early Expiration*), European Style Warrants will be automatically exercised on the Exercise Date, subject as provided in the following paragraphs.

No Exercise Notice is required to be submitted for the exercise of the European Style Warrants, provided that, in relation to European Style Warrants which are Physical Delivery Warrants, an Exercise Notice is required to be submitted in order to obtain delivery of the Entitlement.

If Non-Automatic Exercise is specified as applying in the applicable Final Terms, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 19, at or prior to 10.00 a.m. (Local time) on the Expiration Date, shall become void.

If the Warrants are Italian Dematerialised Securities and Italian Listed Securities, Non-Automatic Exercise shall never apply and prior to the Renunciation Notice Cut-off Time as specified in the applicable Final Terms on the Exercise Date, the Securityholder of a Warrant may renounce automatic exercise of such Warrant by the delivery or sending by authenticated swift message (confirmed in writing) of a duly completed Renunciation Notice (a "**Renunciation Notice**") in, or substantially in, the form set out in the applicable Final Terms to the Italian Paying Agent. Once delivered a Renunciation Notice shall be irrevocable. Any determination as to whether a Renunciation Notice is duly completed and in proper form shall be made by the Italian Paying Agent (in consultation with Monte Titoli) and shall be conclusive and binding on the Issuer, the Guarantor, if applicable, and the relevant Securityholder. Subject as set out below, any Renunciation Notice so determined to be incomplete or not in proper form shall be null and void. If such Renunciation Notice is subsequently corrected to the satisfaction of the Italian Paying Agent, it shall be deemed to be a new Renunciation Notice submitted at the time such correction was delivered to the Italian Paying Agent.

18.2 *Cash Settlement*

If the Warrants are Cash Settled Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit entitles its Securityholder, upon due exercise, to receive from the Issuer on the Settlement Date the Cash Settlement Amount.

Unless otherwise specified in the applicable Final Terms, Warrants exercised at the same time by the same Securityholder will be aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants or Units, as the case may be.

18.3 *Physical Settlement*

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its Holder, upon due exercise, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

Unless otherwise specified in the applicable Final Terms, Warrants of the same Securityholder automatically exercised and in respect of which an Exercise Notice has been duly given as provided in Security Condition 19.1 (*Exercise Notice*), will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Warrants, provided that the aggregate Entitlements in respect of the same Securityholder will be rounded down to the nearest whole unit of the Relevant Asset or each

of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and a cash adjustment amount calculated by the Calculation Agent will be paid *in lieu* of such fractions of the Relevant Asset. Any such cash adjustment amount will be paid to the account specified in the relevant Exercise Notice.

Following exercise of a Share Security or ETI Security which is a Physical Delivery Warrant, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares or ETI Interests executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares or ETI Interests, all as determined by the Calculation Agent. Any such dividends to be paid to a Securityholder will be paid to the account specified by the Securityholder in the relevant Exercise Notice as referred to in Condition 19.

18.4 *Open End Warrants*

If Open End is specified as applicable in the relevant Final Terms, the Settlement Date of such Open End Warrants will, notwithstanding any provision to the contrary, be the date falling (5) five Business Days after the relevant Averaging Date, Observation Date, Strike Date or, as applicable, Valuation Date determined by the Issuer, provided that the relevant Averaging Date, Observation Date, Strike Date or Valuation Date so-determined by the Issuer is notified to the Securityholders at the latest ten (10) Business Days prior to the contemplated date in accordance with Security Condition 8 (*Notices*).

If a Warrant is an Open End Warrant, Knock-in Event and Knock-out Event may not be specified as applicable in the relevant Final Terms in respect of such Warrant.

19. **EXERCISE PROCEDURE**

19.1 *Exercise Notice*

Subject as provided in Condition 19.8, Warrants may be exercised by the delivery, or the sending by authenticated swift message (confirmed in writing), of a duly completed exercise notice (an "**Exercise Notice**") in the form set out in the Issue and Paying Agency Agreement (copies of which form may be obtained from the relevant Clearing System and the relevant Paying Agents during normal office hours) to the relevant Clearing System, with a copy to the Fiscal Agent (or, in case of Italian Dematerialised Securities, to the Italian Paying Agent) and the relevant Issuer in accordance with the provisions set out in Condition 23 and this Condition.

- (a) In the case of Cash Settled Warrants, the Exercise Notice shall:
- (i) specify the Series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
 - (ii) except in case of Definitive Securities, specify the number of the Securityholder's securities account (or of the relevant Monte Titoli Accountholder's account, in case of Italian Dematerialised Securities) at the relevant Clearing System to be debited with the Warrants;
 - (iii) except in case of Definitive Securities, irrevocably instruct the relevant Clearing System to debit on or before the Settlement Date the Securityholder's securities account (or of the relevant Monte Titoli Accountholder's account, in case of Italian Dematerialised Securities) with the Warrants being exercised;
 - (iv) specify the number of the account (or the account of the relevant Monte Titoli Accountholder, in case of Italian Dematerialised Securities) at the relevant Clearing System to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;
 - (v) include an undertaking to pay all Expenses, and, except in case of Definitive Securities, an authority to the relevant Clearing System to deduct an amount in respect thereof

from any Cash Settlement Amount due to such Securityholder and/or to debit a specified account (or the account of the relevant Monte Titoli Accountholder, in case of Italian Dematerialised Securities) at the relevant Clearing System;

- (vi) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States as may be required; and
- (vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Issue and Paying Agency Agreement.

(b) In the case of Physical Delivery Warrants, the Exercise Notice shall:

- (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (ii) except in case of Definitive Securities, specify the number of the Securityholder's securities account (or of the relevant Monte Titoli Accountholder's account, in case of Italian Dematerialised Securities) at the relevant Clearing System to be debited with the Warrants being exercised;
- (iii) except in case of Definitive Securities, irrevocably instruct Clearstream, Luxembourg or Euroclear and/or any other relevant Clearing System to debit on or before the Settlement Date the Securityholder's securities account (or of the relevant Monte Titoli Accountholder's account, in case of Italian Dematerialised Securities) with the Warrants being exercised or Units, as the case may be, being exercised;
- (iv) except in case of Definitive Securities, irrevocably instruct the relevant Clearing to debit on the Actual Exercise Date a specified account (or the account of the relevant Monte Titoli Accountholder, in case of Italian Dematerialised Securities) with such Clearing System with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be (together with any other amounts payable);
- (v) include an undertaking to pay all Expenses and, except in case of Definitive Securities, an authority to the relevant Clearing System to debit a specified account (or the account of the relevant Monte Titoli Accountholder, in case of Italian Dematerialised Securities) at the relevant Clearing System in respect thereof and to pay such Expenses;
- (vi) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Securityholder's account (or the account of the relevant Monte Titoli Accountholder, in case of Italian Dematerialised Securities) with the relevant Clearing System to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Amount;
- (vii) in the case of Currency Securities only, specify the number of the account (or the account of the relevant Monte Titoli Accountholder, in case of Italian Dematerialised

Securities) at the relevant Clearing System to be credited with the amount due upon exercise of the Warrants or Units, as the case may be;

- (viii) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash, securities or other property has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof and, where appropriate, undertake to provide such various forms of certification in respect of selling restrictions under the securities, commodities and other laws of the United States as may be required; and
- (ix) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Issue and Paying Agency Agreement.

19.2 *Verification of the Securityholder*

Except in the case of an Exercise Notice submitted in respect of a Definitive Security, upon receipt of an Exercise Notice, the relevant Clearing System(s) shall verify that the person exercising the Warrants (including the relevant Monte Titoli Accountholder, in case of Italian Dematerialised Securities) is the holder thereof according to the books of the relevant Clearing System(s). Subject thereto, the relevant Clearing System(s) will confirm to the Fiscal Agent or the Italian Paying Agent (in case of Italian Dematerialised Securities) the series and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement in respect of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Fiscal Agent or the Italian Paying Agent (in case of Italian Dematerialised Securities) will inform the Issuer thereof. The relevant Clearing System(s) will on or before Settlement Date debit the account of the relevant Securityholder (or the account of the relevant Monte Titoli Accountholder, in case of Italian Dematerialised Securities) with the Warrants being exercised and, in the case of Italian Dematerialised Securities, accordingly reduce the number of Warrants of the relevant series by the cancellation *pro tanto* of the Warrants so exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants represented by a Global Security, the Common Depositary will, on the instructions of, and on behalf of the Fiscal Agent, note such exercise on the Schedule to such Global Security and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

19.3 *Settlement*

(a) Cash Settled Warrants

If the Warrants are Cash Settled Warrants, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the Securityholder's account with the relevant Clearing System(s), or in case of Italian Dematerialised Securities, according to the instructions of Monte Titoli, to the accounts of the relevant Monte Titoli Accountholder, for value on the Settlement Date, less any Expenses not already paid, such payment to be made in accordance with the rules of the relevant Clearing System(s).

In the case of OET Warrants, the Issuer shall confirm to Euroclear and Clearstream, Luxembourg (in the case of OET Warrants held through Euroclear or Clearstream, Luxembourg), the Cash Settlement Amount to be paid in respect of each OET Warrants.

The Issuer's obligations will be discharged by payment to, or to the order of, the relevant Clearing System(s) of the amount so paid or in case of Italian Dematerialised Securities, by payment to the relevant Monte Titoli Accountholders indicated by Monte Titoli of the amount so paid. With reference to all Securities, excluding the Italian Dematerialised Securities, each of the persons shown in the records of the relevant Clearing System(s) as the holder of a particular amount of the Warrants must look solely to the relevant Clearing System(s) for his share of each such payment.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

(b) Physical Delivery Warrants

Subject as provided in Condition 18.3 and payment of any Expenses with regard to the relevant Warrants, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice. Subject as provided in Condition 23.3, the Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

With respect to Physical Delivery Warrants, in the event that no valid Exercise Notice has been duly delivered at or prior to 10.00 a.m. (Local Time) on the Exercise Date, and provided that the relevant Warrants are not Definitive Securities, in which case the provisions of Security Condition 19.6 (*Settlement provisions for Definitive Securities*) will apply, the Issuer shall have no obligation to make delivery of the Entitlement in respect of such Security unless and until a duly completed Exercise Notice is delivered as provided above. If the duly completed Exercise Notice is delivered after 10.00 a.m. (Local Time) on the Exercise Date, delivery of such Entitlement shall be made as soon as possible thereafter but not earlier than the Settlement Date.

For the avoidance of doubt, the relevant holder of a Security shall not be entitled to any additional or further payment by reason of the delivery of the Entitlement in respect of such Security occurring after the Settlement Date as a result of such Exercise Notice being delivered after 10.00 a.m. (Local Time) on the Exercise Date.

19.4 *Determinations*

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by Fiscal Agent, or the Italian Paying Agent (in case of Italian Dematerialised Securities) and shall be conclusive and binding on the Issuer, the Guarantor, if any, the Paying Agents, the Calculation Agent and the relevant Securityholder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form or which is not duly delivered to the relevant Clearing System(s) and copied to the relevant Issuer and the Fiscal Agent or the Italian Paying Agent (in case of Italian Dematerialised Securities) (or, in the case of Definitive Securities, which is not duly delivered to the relevant Issuer together with the relevant Definitive Securities and copied to the Fiscal Agent) shall be null and void. In the case of Italian Dematerialised Warrants, the Italian Security Agent shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with Monte Titoli, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Guarantor, if any, the Italian Security Agents or Monte Titoli shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

If such Exercise Notice is subsequently corrected to the satisfaction of the relevant Clearing System, in consultation with the relevant Issuer and the Fiscal Agent or the Italian Paying Agent (in case of Italian Dematerialised Securities) (or, in the case of Definitive Securities, to the satisfaction of the relevant Issuer in consultation with the Fiscal Agent), it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to the relevant Clearing System and copied to the relevant Issuer and the Fiscal Agent or the Italian Paying Agent (in case of Italian Dematerialised Securities) (or, in the case of Definitive Securities, to the relevant Issuer and copied to the Fiscal Agent).

The relevant Clearing System(s) (or, in the case of Definitive Securities, the relevant Issuer) shall use its best efforts promptly to notify the Securityholder (or the relevant Monte Titoli Accountholder, in case of Italian Dematerialised Securities) submitting an Exercise Notice if, in consultation with the relevant Issuer and/or the Fiscal Agent or the Italian Paying Agent (in case of Italian Dematerialised Securities) (as applicable), it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the relevant Issuer, the Guarantor (if any), the Paying Agents, the relevant Clearing System(s) and the Calculation Agent shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Securityholder.

19.5 *Delivery of an Exercise Notice*

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Securityholder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Securityholder may not transfer such Warrants.

19.6 *Settlement provisions for Definitive Securities*

In the event that any Definitive Securities have been issued prior to the Exercise Date, the relevant Issuer shall, on or prior to the Exercise Date, notify Securityholders in accordance with Security Condition 8 (*Notices*) of the procedure to be followed in order to receive any Cash Settlement Amount that may be payable upon exercise of the Warrants.

19.7 *Automatic Exercise*

- (a) This Condition only applies if Non-Automatic Exercise is specified as not applying in the applicable Final Terms.
- (b) Except for Physical Delivery Warrants, no Exercise Notice is required to be submitted or any other action required to be taken by any relevant Securityholder of a Warrant in order to receive the Cash Settlement Amount in respect of such Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be. In case of American Style Warrants, the Securityholder may exercise the Warrants during the Exercise Period, but if no Exercise Notice has been delivered, the Warrants shall be automatically exercised on the Expiration Date. The Issuer shall transfer or cause to be transferred to each Clearing System through which such Warrants are held an amount equal to the aggregate of the Cash Settlement Amounts in respect of the Warrants held in each such Clearing System and each such Clearing System shall, subject to having received such aggregate Cash Settlement Amount, on the Settlement Date credit the account of each Holder of such Warrant(s) in its books with an amount equal to the aggregate Cash Settlement Amount relating to the Warrant(s) held by such Securityholder and on or before the Settlement Date debit such account with the number of Warrants exercised and in respect of which such Cash Settlement Amount is being paid. Neither the Issuer nor, if applicable, the Guarantor shall have any responsibility for the crediting by the relevant Clearing System of any such amounts to any such accounts.
- (c) In the case of Physical Delivery Warrants, no Exercise Notice is required to be submitted or any other action required to be taken by any relevant Securityholder of a Warrant for the exercise of such Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be. However, an Exercise Notice is required to be submitted in order to obtain delivery of the Entitlement subject to Security Condition 19.3(b).

19.8 *Exercise Risk*

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, the Guarantor, if any, or any of their Affiliates, the Paying Agents and the Calculation Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the relevant Issuer, the Guarantor, if any, or any of their Affiliates, the Paying Agents and the Calculation Agent shall, to the extent permitted by applicable law, under any circumstances be liable for any acts or defaults of the relevant Clearing System in relation to the performance of its duties in relation to the Warrants.

19.9 *Automatic Early Expiration*

This Security Condition 19.9 applies to Index Securities, Share Securities, Debt Securities, ETI Securities, Currency Securities, Futures Securities, Fund Securities and, if FI Underlying Automatic Early Expiration Payout is specified as applicable in the applicable Final Terms, Underlying Interest Rate Securities only.

- (a) If Automatic Early Expiration is specified as applicable in the applicable Final Terms, then unless previously exercised or cancelled, if on (i) any Automatic Early Expiration Valuation

Date (the "**Relevant Automatic Early Expiration Valuation Date**") or (ii) in respect of an Automatic Early Expiration Valuation Period, as specified in the applicable Final Terms, an Automatic Early Expiration Event occurs, then the Warrants will be automatically cancelled in whole, but not in part, and on the Automatic Early Expiration Date each Warrant will entitle its holder to receive from the Issuer the relevant Automatic Early Expiration Amount or, in case of Physical Delivery Securities, the Early Expiration Entitlement, as the case may be, less any Expenses not already paid.

(b) Notwithstanding Security Condition 19.9(a), an Automatic Early Expiration Event 1 may only occur on an AES 1 Expiration Valuation Date or in respect of an AES 1 Expiration Valuation Period and an Automatic Early Expiration Event 2 may only occur on an AES 2 Expiration Valuation Date or in respect of an AES 2 Expiration Valuation Period.

(c) Definitions relating to Automatic Early Expiration:

"**AES Event 1 Underlying(s)**" means the Underlying Reference or each Underlying Reference comprising the Basket, in each case specified as such in the applicable Final Terms;

"**AES Event 2 Underlying(s)**" means the Underlying References or each Underlying Reference comprising the Basket, in each case specified as such in the applicable Final Terms;

"**AES Knock-out**" means the occurrence (such date of occurrence, the **AES Knock-out Date**) of a Knock-out Event and/or a Knock-in Event as specified in the applicable Final Terms;

"**AES Margin**" is as defined in the applicable Final Terms.

"**AES Range Level**" means the range of levels, amounts, numbers or percentages specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

"**AES Range Level 1**" means the range of levels, amounts, numbers or percentages specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

"**AES Range Level 2**" means the range of levels, amounts, numbers or percentages specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

"**AES Rate(s)**" means the rate(s) specified as such or determined in the manner set out in the applicable Final Terms with reference to each Automatic Early Expiration Date;

"**Automatic Early Expiration Amount**" means an amount equal to the Automatic Early Expiration Payout set out in the applicable Final Terms provided that if the Automatic Early Expiration Payout is zero, no amount shall be payable on settlement of the Warrant pursuant to this Security Condition. If the Automatic Early Expiration Amount is not an amount in the Settlement Currency specified in the applicable Final Terms, it will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms;

"**Automatic Early Expiration Date**" means each date specified as such in the applicable Final Terms, or if such date is not a Business Day, the next following Business Day, and no Securityholder shall be entitled to any interest or further payment in respect of such delay;

"**Automatic Early Expiration Event**" means:

(a) if FI Underlying Automatic Early Expiration Payout is specified as applicable in the applicable Final Terms, that:

(i) (in respect of an Underlying Reference (other than an Alternative Currency)) the Underlying Reference Level is; or

- (ii) (in respect of an Alternative Currency), the FX Coupon Performance determined by the Calculation Agent is

equal to or greater than the Automatic Early Expiration Level 1 and less than or equal to the Automatic Early Expiration Level 2;

- (b) if Standard Automatic Early Expiration and MFP AES Valuation are specified as applicable in the applicable Final Terms, that:
 - (i) the MFP AES Value 1 in respect of the AES Event 1 Underlying(s) is (aa) "greater than", (bb) "greater than or equal to", (cc) "less than", (dd) "less than or equal to" the Automatic Early Expiration Level 1, or (ee) "within" the AES Range Level, or (ff) "outside" the AES Range Level 1, all as specified in the applicable Final Terms (the "**Automatic Early Expiration Event 1**"); and/or (as specified in the applicable Final Terms)
 - (ii) if Automatic Early Expiration Event 2 is specified as applicable in the applicable Final Terms, the MFP AES Value 2 in respect of the AES Event 2 Underlying(s) is (aa) "greater than", (bb) "greater than or equal to", (cc) "less than", (dd) "less than or equal to" the Automatic Early Expiration Level 2 or (ee) "within" the AES Range Level, (ff) "outside" the AES Range Level 2, all as specified in the applicable Final Terms (the "**Automatic Early Expiration Event 2**");
- (c) if Standard Automatic Early Expiration is specified as applicable in the applicable Final Terms and MFP AES Valuation is specified as not applicable in the applicable Final Terms that:
 - (i) (A) if AES Event 1 Basket is specified as not applicable in the applicable Final Terms, the Underlying Reference Level 1 or (B) if AES Event 1 Basket is specified as applicable in the applicable Final Terms, the Basket Price 1 is, (aa) "greater than", (bb) "greater than or equal to", (cc) "less than", (dd) "less than or equal to" or (ee) "within" the AES Range Level, (ff) "outside" the AES Range Level 1, the Automatic Early Expiration Level 1, as specified in the applicable Final Terms (the "**Automatic Early Expiration Event 1**"); and/or (as specified in the applicable Final Terms)
 - (ii) if Automatic Early Expiration Event 2 is specified as applicable in the applicable Final Terms (A) if AES Event 2 Basket is specified as not applicable in the applicable Final Terms, the Underlying Reference Level 2 or (B) if AES Event 2 Basket is specified as applicable in the applicable Final Terms, the Basket Price 2 is, (aa) "greater than", (bb) "greater than or equal to", (cc) "less than", (dd) "less than or equal to" or (ee) "within" the AES Range Level, (ff) "outside" the AES Range Level 2, the Automatic Early Expiration Level 2, as specified in the applicable Final Terms (the "**Automatic Early Expiration Event 2**");
- (d) if Single Standard Automatic Early Expiration and MFP AES Valuation are specified as applicable in the applicable Final Terms, that the MFP AES Value is (aa) "greater than", (bb) "greater than or equal to", (cc) "less than", (dd) "less than or equal to" or (ee) "within" the AES Range Level, (ff) "outside" the AES Range Level, the Automatic Early Expiration Level, as specified in the applicable Final Terms;
- (e) if Single Standard Automatic Early Expiration is specified as applicable in the applicable Final Terms and MFP AES Valuation is specified as not applicable in the applicable Final Terms that (A) in the case of a single Underlying Reference, the Underlying Reference Level or (B) in the case of a Basket of Underlying References, the Basket Price is, (aa) "greater than", (bb) "greater than or equal to", (cc) "less than" (dd) "less than or equal to" or (ee) "within" the AES Range Level, (ff) "outside" the AES Range Level, the Automatic Early Expiration Level as specified in the applicable Final Terms;

- (f) if AES Knock-out is specified in the applicable Final Terms, an AES Knock-out occurs;
- (g) if Leveraged Automatic Early Expiration is specified as applicable in the applicable Final Terms that the Reference Level is, (aa) "greater than", (bb) "greater than or equal to", (cc) "less than" or (dd) "less than or equal to" the Leveraged Barrier, as specified in the applicable Final Terms; or

"Automatic Early Expiration Level" means the level, amount, number or percentage specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

"Automatic Early Expiration Level 1" means the level, amount, number or percentage specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

"Automatic Early Expiration Level 2" means the level, amount, number or percentage specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

"Automatic Early Expiration Percentage(s)" means the percentage(s) specified as such in the applicable Final Terms with reference to each Automatic Early Expiration Date;

"Automatic Early Expiration Valuation Date" means (i) the AES Knock-out Date or (ii) each date specified as such in the applicable Final Terms (including the AES 1 Expiration Valuation Date and AES 2 Expiration Valuation Date (if any)) or, if such date is not a Scheduled Trading Day (in the case of Index Securities, Share Securities, Debt Securities or ETI Securities), a Fund Business Day (in the case of Fund Securities) or Business Day (in the case of other Securities), as applicable, the next following Scheduled Trading Day, Fund Business Day or Business Day, as applicable, unless, in the case of Index Securities, Share Securities, Debt Securities or ETI Securities, in the opinion of the Calculation Agent, any such day is a Disrupted Day (in the case of Index Securities, Share Securities, Debt Securities or ETI Securities). If any such day is a Disrupted Day, or a day on which a Market Disruption Event is occurring, as applicable, then the corresponding provisions in the definition of "Valuation Date" shall apply *mutatis mutandis* as if references in such provisions to "Valuation Date" were to "Automatic Early Expiration Valuation Date", then the provisions of "Pricing Date" shall apply *mutatis mutandis* as if references in such provision to "Pricing Date" were to "Automatic Early Expiration Valuation Date". For the purposes of the Relevant Adjustment Provisions, any references to "Valuation Date" shall be deemed to refer to the "Automatic Early Expiration Valuation Date";

"Automatic Early Expiration Valuation Period" means the period (including the AES 1 Expiration Valuation Period and AES 2 Expiration Valuation Period (if any)) specified as such in the applicable Final Terms;

"Automatic Early Expiration Valuation Time" means the time specified as such in the applicable Final Terms;

"Basket of Underlying References" means, for the purposes of this Security Condition 19.9, the Basket of Indices, Basket of Shares, ETI Basket, Basket of Debt Instruments, Basket of Futures, Fund Basket or other basis of reference to which the value of the relevant Securities may relate, as specified in the applicable Final Terms;

"Basket Price" means, in respect of any Automatic Early Expiration Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each Underlying References comprising the Basket as the product of (a) the Underlying Reference Level of such Underlying References comprising the Basket on such Automatic Early Expiration Valuation Date and (b) the relevant Weighting;

"Basket Price 1" means, in respect of any AES 1 Expiration Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each AES Event 1 Underlying comprising the Basket as the product of (a) the Underlying Reference Level 1 of

such AES Event 1 Underlying on such AES 1 Expiration Valuation Date and (b) the relevant Weighting;

"Basket Price 2" means, in respect of any AES 2 Expiration Valuation Date, an amount determined by the Calculation Agent equal to the sum of the values for each AES Event 2 Underlying comprising the Basket as the product of (a) the Underlying Reference Level 2 of such AES Event 2 Underlying on such AES 2 Expiration Valuation Date and (b) the relevant Weighting;

"Early Expiration Entitlement" means, in relation to a Physical Delivery Security, and an Underlying Reference or, as the case may be, a Component, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Securityholder is entitled to receive on the Automatic Early Expiration Date in respect of each such Warrant following payment of any sums payable and Expenses rounded down as provided in Security Condition 18.3 (*Physical Settlement*), as determined by the Calculation Agent including any documents evidencing such Entitlement, specified in the applicable Final Terms or in accordance with the following:

- (a) the Entitlement Units; multiplied by
- (b) the Entitlement Multiplier; multiplied by
- (c) in respect of any Underlying Reference constituted by a Basket, the relevant Weighting;

"Entitlement Units" is as defined in the applicable Final Terms;

"Entitlement Multiplier" is as defined in the applicable Final Terms;

"Leveraged Barrier" is as defined in the applicable Final Terms;

"Maximum AES Reference Rate" is the rate specified in the applicable Final Terms;

"Minimum AES Reference Rate" is the rate specified in the applicable Final Terms;

"Multiple Underlying Interest Rate Gearing" means, in respect of an Underlying Interest Rate_(i) specified in the applicable Final Terms as a Multiple Underlying Component Rate, the number specified as such in the applicable Final Terms;

"Multiple Underlying Reference Rate" means, in respect of an Underlying Interest Rate_(i) specified in the applicable Final Terms as a Multiple Underlying Component Rate, the Underlying Reference Rate determined in respect of such Underlying Interest Rate;

"Multiple Underlying Reference Rate Value" means the value calculated in accordance with the following formula:

$$\sum_{i=1}^n \text{Multiple Underlying Interest Rate Gearing}_{(i)} \times \text{Multiple Underlying Reference Rate}_{(i)}$$

"Observation Price Source" means the source specified as such in the applicable Final Terms;

"Reference Level" means the value calculated in accordance with the following formula:

$$\text{Reference Level}_0 \times (1 + \text{Participation Factor} \times (\text{Fund Level}_t - \text{Fund Level}_0) / \text{Fund Level}_0 - (\text{Participation Factor} - 1) \times \text{Fees}_t)$$

where:

"Reference Level" means the number (expressed as a percentage) specified in the Final Terms.

"**Fund Level**" means the Settlement Price of the relevant Underlying Reference(s) as of the Fixing Date.

"**Fund Level**" means, in respect of an Automatic Early Expiration Valuation Date, the Settlement Price of the relevant Underlying Reference(s) as of the Calculation Date immediately preceding such Automatic Early Expiration Valuation Date.

"**Fixing Date**" means the Calculation Date immediately preceding the First Calculation Date.

"**Calculation Date**" means each day which is a Fund Business Day.

"**First Calculation Date**" means the date specified as such in the applicable Final Terms.

"**Fees**" means the cumulative leverage fee, expressed as a percentage and calculated by the Calculation Agent as the aggregate sum of the Fees Accrued during each Fees Accrual Period.

"**Fees Accrued**" means, in respect of a Fee Accrual Period, the fees accrued during such period, expressed as a percentage and calculated by the Calculation Agent as follows:

$$(\text{Fee ISDA Rate} + \text{Fee Margin}) \times \text{Day Count Fraction}$$

"**Fee ISDA Rate**" means the floating rate determined according to the ISDA Determination under Underlying Interest Rate Security Condition 2 (*ISDA Determination*) (which shall be applicable with respect to this definition only) as indicated in the applicable Final Terms.

"**Fee Margin**" is as defined in the applicable Final Terms.

"**Fee Accrual Period(s)**" means the periods commencing on (and including) the Fee Accrual Commencing Date up to (but excluding) the first Fee Accrual Date and each subsequent period commencing on (and including) a Fee Accrual Date up to (but excluding) the next following Fee Accrual Date. For the purposes of this Security Condition 19.9 (*Automatic Early Expiration*) and in relation to an Automatic Early Expiration Valuation Date, the last Fee Accrual Period shall be deemed to end (but exclude) on the Calculation Date immediately preceding such Automatic Early Expiration Valuation Date.

"**Fee Accrual Commencing Date**" is as defined in the applicable Final Terms.

"**Fee Accrual Date(s)**" is as defined in the relevant Final Terms.

"**Participation Factor**" is as defined in the applicable Final Terms.

"**Day Count Fraction**" is as defined in the applicable Final Terms.

"**Relevant Adjustment Provisions**" means:

- (a) in the case of Index Securities, Index Security Condition 2 (*Market Disruption*) and Index Security Condition 3 (*Adjustments to an Index*);
- (b) in the case of Share Securities, Share Security Condition 2 (*Market Disruption*), Share Security Condition 3 (*Potential Adjustment Events*) and Share Security Condition 5 (*Extraordinary Events*);
- (c) in the case of ETI Securities, ETI Security Condition 2 (*Market Disruption*) and ETI Security Condition 3 (*Potential Adjustment Events*);

- (d) in the case of Currency Securities, Currency Security Condition 2 (*Disruption Events*), Currency Security Condition 3 (*Consequences of a Disruption Event*);
- (e) in the case of Fund Securities, Fund Security Condition 4 (*Consequences of an Extraordinary Fund Event*);
- (f) in the case of Futures Securities, Futures Security Condition 3 (*Adjustments to a Future*); and
- (g) in the case of Debt Securities, Debt Security Condition 3 (*Market Disruption*), Debt Security Condition 4 (*Correction of Debt Instrument Price*) and Debt Security Condition 5 (*Redemption or Cancellation of a Debt Instrument*);

"**MFP AES Value**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**MFP AES Value 1**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**MFP AES Value 2**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Underlying Reference**" means, for the purposes of this Security Condition 19.9 each Index, Share, Debt Instrument, ETI Interest, Alternative Currency, Future, Fund, Underlying Interest Rate or other basis of reference to which the relevant Securities relate. If two or more Underlying Interest Rates are specified in the applicable Final Terms as Multiple Underlying Component Rates each Underlying Interest Rate⁽ⁱ⁾ specified as such (together the "**Multiple Underlying Interest Rate**") will be calculated separately and independently but for the purposes of this Security Condition 19.9 and the Underlying Interest Rate Security Conditions shall be deemed to together constitute an Underlying Reference;

"**Underlying Reference Level**" means, in respect of any Automatic Early Expiration Valuation Date, (i) "official level", "official close", "last price", "bid price" or "asked price" of the Underlying Reference or the Italian Securities Reference Price, as specified in the applicable Final Terms published by the Observation Price Source specified in the Final Terms or (ii) if Standard Price is specified as applicable in the applicable Final Terms (a) in the case of Share Securities, ETI Securities and Futures Securities, the price of the relevant Underlying Reference, (b) in the case of Index Securities, the level of the relevant Underlying Reference, (c) in the case of Currency Securities, the spot rate of exchange for the exchange of the Alternative Currency into the Base Currency (expressed as the number of units (or part units) of such Alternative Currency for which one unit of the Base Currency can be exchanged), (d) in the case of an Inflation Index, the Relevant Level, (e) in the case of an Underlying Interest Rate, the Underlying Reference Rate, or (f) if FI Underlying Automatic Early Expiration Payout is specified as applicable in the applicable Final Terms and Multiple Underlying Interest Rate is specified as applicable, the Multiple Underlying Reference Rate Value, in each case, as determined by the Calculation Agent as of the Automatic Early Expiration Valuation Time on such Automatic Early Expiration Valuation Date or, in the case of the "official close" level, at such time on such Automatic Early Expiration Valuation Date as the "official close" level is published by the Observation Price Source;

"Underlying Reference Level 1" means, in respect of any AES 1 Expiration Valuation Date, (i) if Standard Price is specified as applicable in the applicable Final Terms, (a) in the case of Share Securities, ETI Securities and Futures Securities, the price of the relevant AES Event 1 Underlying, (b) in the case of Index Securities, the level of the relevant AES Event 1 Underlying, (c) in the case of Currency Securities, the spot rate of exchange for the exchange of the Alternative Currency into the Base Currency (expressed as the number of units (or part units) of such Alternative Currency for which one unit of the Base Currency can be exchanged), or (d) in the case of an Inflation Index, the Relevant Level, or (e) in the case of an Underlying Interest Rate, the Underlying Reference Rate, in each case, as determined by the Calculation Agent as of the Automatic Early Expiration Valuation Time on such AES 1 Expiration Valuation Date or (ii) in the case of Debt Securities or Currency Securities to which Futures Price Valuation applies, the "last price" of the relevant AES Event 1 Underlying published by the Observation Price Source specified for such AES Event 1 Underlying;

"Underlying Reference Level 2" means, in respect of any AES 2 Expiration Valuation Date, (i) if Standard Price is specified as applicable in the applicable Final Terms, (a) in the case of Share Securities, ETI Securities and Futures Securities, the price of the relevant AES Event 2 Underlying, (b) in the case of Index Securities, the level of the relevant AES Event 2 Underlying, (c) in the case of Currency Securities, the spot rate of exchange for the exchange of the Alternative Currency into the Base Currency (expressed as the number of units (or part units) of such Alternative Currency for which one unit of the Base Currency can be exchanged), or (d) in the case of an Inflation Index, the Relevant Level, or (e) in the case of an Underlying Interest Rate, the Underlying Reference Rate, in each case, as determined by the Calculation Agent as of the Automatic Early Expiration Valuation Time on such AES 2 Expiration Valuation Date or (ii) in the case of Debt Securities or Currency Securities to which Futures Price Valuation applies, the "last price" of the relevant AES Event 2 Underlying published by the Observation Price Source specified for such AES Event 2 Underlying; and

"Underlying Reference Rate" means the underlying reference rate specified in the applicable Final Terms.

(d) *AES Rate Determination*

(i) Where the applicable Final Terms specify that the AES Rate is determined by reference to a Screen Rate, the AES Rate will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate *per annum*) for the AES Reference Rate(s) which appears or appear, as the case may be, on the AES Screen Page (or such replacement page on that service which displays the information) as at the AES Specified Time indicated in the applicable Final Terms (which will be 11.00 a.m., Brussels time, in the case of EURIBOR) (the "**Screen Page AES Rate**") on the AES Reference Rate Determination Date in question plus or minus (as indicated in the applicable Final Terms) the AES Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the AES 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 offered quotations.

If the AES Screen Page is not available or if, in the case of sub-paragraph (i)(A), no offered quotation appears on the AES Screen Page (or such replacement page on that service which displays the information) or, in the case of sub-paragraph (i)(B), fewer than three offered quotations appear on the AES Screen Page (or such replacement page on that service which displays the information), in each case as at the AES Specified Time, except as provided in paragraph (iii) below, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its

offered quotation (expressed as a percentage rate *per annum*) for the AES Reference Rate at the AES Specified Time on the AES Reference Rate Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the AES Rate shall be the arithmetic mean (rounded if necessary to the nearest 0.001 with 0.0005 being rounded upwards) of the relevant quotations, eliminating - except in case only two Reference Banks provide the Calculation Agent with offered quotations - the highest quotation (or in the event that two or more quotations are identical, one of the highest) and the lowest (or in the event that two or more quotations are identical, one of the lowest) plus or minus (as appropriate) the AES Margin (if any), all as determined by the Calculation Agent.

If on any AES Reference Rate Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in the preceding paragraph, the AES Rate shall be the rate *per annum* which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest 0.001, with 0.0005 being rounded upwards) of the rates *per annum*, as communicated to the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at the AES Specified Time on the relevant AES Reference Rate Determination Date, deposits in the Settlement Currency for a period equal to that which would have been used for the AES Reference Rate by leading banks in the inter-bank market plus or minus (as appropriate) the AES Margin (if any).

If fewer than two of the Reference Banks provide the Calculation Agent with offered rates, the AES Rate shall be offered rate for deposits in the Settlement Currency for a period equal to that which would have been used for the AES Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Settlement Currency for a period equal to that which would have been used for the AES Reference Rate, at which, at the AES Specified Time on the relevant AES Reference Rate Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the inter-bank market applicable to the AES Reference Rate (which will be the Euro-zone inter-bank market, if the AES Reference Rate is EURIBOR) plus or minus (as appropriate) the AES Margin (if any) as determined by the Calculation Agent.

If the AES Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the Calculation Agent shall determine the AES Rate from such source(s) as acting in good faith and in a commercially reasonable manner may select, except that if the Calculation Agent determines that the absence of the quotation is due to the discontinuation of the Screen Page AES Rate or the occurrence of a Reference Rate Fallback Event, then the AES Reference Rate will be determined in accordance with paragraph below.

- (ii) In relation to any Screen Page Underlying Reference Rate or AES Reference Rate, as applicable, any of the following, as determined by the Calculation Agent, constitutes a **"Reference Rate Fallback Event"**:
- (1) the Screen Page Underlying Reference Rate or AES Reference Rate, as applicable, ceasing to exist or ceasing to be published for a period of at least six (6) consecutive Business Days or having been permanently or indefinitely discontinued;
 - (2) the making of a public statement or publication of information (provided that, at the time of any such event, there is no successor administrator that will provide the Screen Page Underlying Reference Rate or AES Reference Rate, as applicable) by or on behalf of (i) the administrator of the Screen Page Underlying Reference Rate or AES Reference Rate, as applicable, or (ii) the supervisor, insolvency official, resolution authority, central bank or competent court having jurisdiction over such administrator stating that (x) the administrator has ceased or will cease permanently or indefinitely to provide the Screen Page Underlying Reference Rate or AES Reference Rate, as applicable,

(y) the Screen Page Underlying Reference Rate or AES Reference Rate, as applicable, has been or will be permanently or indefinitely discontinued, or (z) the Screen Page Underlying Reference Rate or AES Reference Rate, as applicable, has been or will be prohibited from being used or that its use has been or will be subject to restrictions or adverse consequences, either generally, or in respect of the Securities, provided that, if such public statement or publication mentions that the event or circumstance referred to in (x), (y) or (z) above will occur on a date falling later than three (3) months after the relevant public statement or publication, the Reference Rate Fallback Event shall be deemed to occur on the date falling three months prior to such specified date (and not the date of the relevant public statement);

- (3) the making of a public statement or publication of information that any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Screen Page Underlying Reference Rate or AES Reference Rate, as applicable, or the administrator of the Screen Page Underlying Reference Rate or AES Reference Rate, as applicable, has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that the use of the Screen Page Underlying Reference Rate or AES Reference Rate, as applicable, is not or will not be permitted under any applicable law or regulation, such that the Calculation Agent or any other party responsible for determining the Screen Page Underlying Reference Rate or AES Reference Rate, as applicable, is unable to perform its obligations in respect of the Securities.

A change in the methodology of the Screen Page Underlying Reference Rate or AES Reference Rate, as applicable, shall not, absent the occurrence of one of the above, be deemed a Reference Rate Fallback Event.

- (iii) If the Calculation Agent determines at any time prior to any AES Reference Rate Determination Date, that the Screen Page AES Rate has been discontinued or a Reference Rate Fallback Event has occurred, the Calculation Agent will use, as a substitute for the Screen Page AES Rate, the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) in the jurisdiction or region of the currency of the relevant rate (each a "**Relevant Nominating Body**") that is consistent with industry accepted standards, provided that if two or more alternative reference rates are selected by any Relevant Nominating Body, the Issuer or the Calculation Agent, as applicable, shall determine which of those alternative reference rates is most appropriate to preserve the economic features of the relevant Securities. If the Calculation Agent notifies the Issuer that it is unable to determine such an alternative reference rate, the Calculation Agent will as soon as reasonably practicable (and in any event before the Business Day prior to the applicable AES Reference Rate Determination Date) appoint an agent (the "**Reference Rate Determination Agent**"), which will determine whether a substitute or successor rate, which is substantially comparable to the Screen Page AES Rate, is available for the purpose of determining the AES Reference Rate on each AES Reference Rate Determination Date falling on or after the date of such determination. If the Reference Rate Determination Agent determines that there is an industry accepted successor rate, the Reference Rate Determination Agent will notify the Issuer of such successor rate to be used by the Calculation Agent to determine the AES Rate.

If the Reference Rate Determination Agent or the Calculation Agent, as applicable, has determined a substitute or successor rate in accordance with the foregoing paragraph (such rate, the "**Replacement AES Reference Rate**"), for the purpose of determining the AES Reference Rate on each AES Reference Rate Determination Date falling on or after such determination:

- (A) the Reference Rate Determination Agent or the Calculation Agent, as applicable, will also determine the changes (if any) required to the applicable

Business Day Convention, the definition of Business Day, the AES Reference Rate Determination Date, the Day Count Fraction, and any method for obtaining the Replacement AES Reference Rate, including any adjustment needed to make such Replacement AES Reference Rate comparable to the Screen Page AES Rate, in each case acting in good faith and in a commercially reasonable manner that is consistent with industry-accepted practices for such Replacement AES Reference Rate;

- (B) references to the AES Reference Rate in these Conditions will be deemed to be references to the relevant Replacement AES Reference Rate, including any alternative method for determining such rate as described in above;
- (C) the Reference Rate Determination Agent or the Calculation Agent, as applicable, will notify the Issuer of the Replacement AES Reference Rate, and the details described in above, as soon as reasonably practicable; and
- (D) the Issuer will give notice to the Holders Security Condition 8 (*Notices*) and the Calculation Agent of the Replacement AES Reference Rate, and the details described in above as soon as reasonably practicable but in any event no later than 5:00 p.m. (London time) on the Business Day prior to the applicable AES Reference Rate Determination Date.

The determination of the Replacement AES Reference Rate and the other matters referred to above by the Reference Rate Determination Agent or the Calculation Agent, as applicable, will (in the absence of manifest error) be final and binding on the Issuer, the Calculation Agent and the Holders, unless the Issuer, the Calculation Agent or the Reference Rate Determination Agent determines at a later date that the Replacement AES Reference Rate is no longer substantially comparable to the AES Reference Rate or does not constitute an industry accepted successor rate, in which case the Calculation Agent shall appoint or re-appoint a Reference Rate Determination Agent, as the case may be (which may or may not be the same entity as the original Reference Rate Determination Agent or the Calculation Agent) for the purpose of confirming the Replacement AES Reference Rate or determining a substitute Replacement AES Reference Rate in an identical manner as described in this paragraph (ii). If the Reference Rate Determination Agent or the Calculation Agent, as applicable, is unable to or otherwise does not determine a substitute Replacement AES Reference Rate, then the Replacement AES Reference Rate will remain unchanged.

The Reference Rate Determination Agent may be (x) a leading bank, broker-dealer or benchmark agent in the principal financial centre of the relevant rate as appointed by the Calculation Agent, (y) the Issuer or the Guarantor (if applicable) or (z) an affiliate of the Issuer, the Guarantor (if applicable) or the Calculation Agent.

If the applicable Final Terms specifies a Minimum AES Reference Rate then, in the event that the AES Reference Rate determined in accordance with the above provisions is less than such Minimum AES Reference Rate, the AES Rate shall be such Minimum AES Reference Rate.

If the applicable Final Terms specifies a Maximum AES Reference Rate then, in the event that the AES Reference Rate determined in accordance with the above provisions is greater than such Maximum AES Reference Rate, the AES Rate shall be such Maximum AES Reference Rate.

If the relevant Reference Rate Fallback Event may also constitute an Administrator/Benchmark Event in the determination of the Calculation Agent pursuant to Security Condition 13.1, the provisions of this Condition 19.9(d) will apply.

20. MINIMUM AND MAXIMUM NUMBER OF WARRANTS EXERCISABLE

20.1 *American Style Warrants*

This Condition 20.1 applies only to American Style Warrants.

- (a) The number of Warrants exercisable by any Securityholder on any Actual Exercise Date or, in the case of automatic exercise, the number of Warrants held by any Securityholder on any Actual Exercise Date, in each case as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (b) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Securityholder or a group of Securityholders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "**Quota**"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Securityholder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

20.2 *European Style Warrants*

This Condition 20.2 applies only to European Style Warrants.

The number of Warrants exercisable by any Securityholder on the Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

21. PAYMENTS ON CANCELLATION OF WARRANTS

21.1 *Highest Value*

If "**Highest Value**" is specified as applicable in the applicable Final Terms, the greater of the fair market value or, as the case may be, Settled Amount of a Security or Unit, as the case may be, (notwithstanding any illegality (if applicable) and taking into account any Additional Disruption Event, Optional Additional Disruption Event, Index Adjustment Event, Non-Commencement or Discontinuance of an Exchange-traded Contract, Extraordinary Event, Market Disruption Event, Index Cancellation, Extraordinary Fund Event, or Futures Adjustment Event as the case may be) and the Protected Amount specified in the applicable Final Terms or, as the case may be, proportionate share of such Protected Amount, provided that, (x) no costs shall be deducted from such amount and (y) such amount shall include the reimbursement by the Issuer, *pro rata* (from the date of cancellation or, as the case may be, partial cancellation date, notified to the Securityholders until the Exercise Date or the Expiration Date, as the case may be, of the Securities), of any costs or, as the case may be, proportionate share of such costs, (including but not limited to any structuring costs) paid by Securityholders to the Issuer in the Issue Price of the Securities, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, such amount to be paid to the Securityholders on the date notified to the Securityholders in the notice of cancellation or, as the case may be, notice of partial cancellation.

21.2 *Market Value*

If "**Market Value**" is specified as applicable in the applicable Final Terms, the fair market value or, as the case may be, Settled Amount, of a Security or Unit, as the case may be, (notwithstanding any illegality

(if applicable) and taking into account any Additional Disruption Event, Optional Additional Disruption Event, Index Adjustment Event, Non-Commencement or Discontinuance of an Exchange-traded Contract, Extraordinary Event, Market Disruption Event, Index Cancellation, Extraordinary Fund Event, or Futures Adjustment Event, as applicable) calculated (x) without taking account of any costs and no costs shall be deducted from such amount, and (y) including the reimbursement by the Issuer, *pro rata* (calculated from the early cancellation date or, as the case may be, partial cancellation date notified to the Securityholders until the Exercise Date or the Expiration Date, as the case may be, of the Securities), of any costs or, as the case may be, proportionate share of such costs (including but not limited to any structuring costs) paid by Securityholders to the Issuer in the Issue Price of the Securities, such an amount to be paid to the Securityholders on the date notified in the notice of cancellation or, as the case may be, notice of partial cancellation.

22. **ACKNOWLEDGEMENT OF THE ITALIAN BAIL-IN POWER**

Notwithstanding any provision of these Conditions or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Securities each holder (which, for the purposes of this Security Condition 22, includes each holder of a beneficial interest in the Securities) acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effects of the exercise of the Italian Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the settlement amount in respect of the Securities; (ii) the conversion of all, or a portion, of the settlement amount in respect of the Securities, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of these Conditions; (iii) the cancellation of the Securities or the settlement amount in respect of the Securities; and (iv) the amendment or alteration of the exercise date or exercise period of the Securities; and
- (b) the variation of these Conditions, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Italian Bail-in Power by the Relevant Authority.

The exercise of the Italian Bail-in Power by the Relevant Authority shall not constitute an event of default and these Conditions shall remain in full force and effect save as varied by the Relevant Authority in accordance with this Security Condition 22.

23. **ACKNOWLEDGEMENT OF THE LUXEMBOURG BAIL-IN POWER**

Notwithstanding any provision of these Conditions or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD (as transposed into Luxembourg law by Article 56(1) of the Luxembourg BRRD Law), by its acquisition of the Securities each holder (which, for the purposes of this Security Condition 23, includes each holder of a beneficial interest in the Securities) acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effects of the exercise of the Luxembourg Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the settlement amount in respect of the Securities; (ii) the conversion of all, or a portion, of the settlement amount in respect of the Securities, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of these Conditions; (iii) the cancellation of the Securities or the settlement amount in respect of the Securities; and (iv) the amendment or alteration of the exercise date or exercise period of the Securities; and
- (b) the variation of these Conditions, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Luxembourg Bail-in Power by the Relevant Authority.

The exercise of the Luxembourg Bail-in Power by the Relevant Authority shall not constitute an event of default and these Conditions shall remain in full force and effect save as varied by the Relevant Authority in accordance with this Security Condition 23.

ANNEX 1

ADDITIONAL TERMS AND CONDITIONS RELATING TO FORMULAS

The following terms and conditions (the "**Formulas Conditions**"), subject to completion in the applicable Final Terms, relate to the Final Payouts, Automatic Early Expiration Payouts and Entitlements in respect of the Warrants. In particular, certain sections of the Formulas Conditions will be set out and completed in the applicable Final Terms. In the event of any inconsistency between the Security Conditions and the Formulas Conditions, the Formulas Conditions shall prevail. The descriptions of the certain final payouts and/or related provisions included in italics below do not form part of the Formulas Conditions, are included for information purposes only and are subject to the detailed terms of the relevant final payouts as applicable.

1. FINAL PAYOUTS

1.1 Final Payouts Formulas

The following final payouts (each a "**Final Payout**") shall apply to the Securities if specified in the applicable Final Terms:

- (a) **This section is intentionally left blank.**
- (b) **This section is intentionally left blank.**
- (c) **Single Final Payout - Parity and Exchange Securities**

If Single Final Payout - Parity and Exchange Securities is specified as applicable in the applicable Final Terms:

- (i) if Settlement Price Final is less than or equal to the Maximum Payout Amount:

$$\frac{\text{Settlement Price Final}}{\text{Parity} \times \text{Exchange Rate Final}}, \text{ or}$$

- (ii) if Settlement Price Final is greater than the Maximum Payout Amount:

$$\frac{\text{Maximum Payout Amount}}{\text{Parity} \times \text{Exchange Rate Final}}$$

Description of the Final Payout

If the Settlement Price of the Underlying Reference on the Valuation Date is equal to or less than the Maximum Payout Amount, the Final Payout will equal the Settlement Price on the Valuation Date (divided by the product of the Exchange Rate Final and Parity). Otherwise the Final Payout will equal the Maximum Payout Amount (divided by the product of the Exchange Rate Final and Parity).

- (d) **This section is intentionally left blank.**
- (e) **This section is intentionally left blank.**
- (f) **This section is intentionally left blank.**
- (g) **This section is intentionally left blank.**
- (h) **This section is intentionally left blank.**
- (i) **Single Final Payout - Capped Speed Securities**

If Single Final Payout - Capped Speed Securities is specified as applicable in the applicable Final Terms:

- (i) if Settlement Price Final is greater than the Strike Price:

$$\left[\frac{\text{Strike Price} + \text{Speed Factor} \times [\text{Min}(\text{Upper Level}; \text{Settlement Price Final}) - \text{Strike Price}]}{[\text{Parity} \times \text{Exchange Rate Final}]} \right]$$

- (ii) if Settlement Price Final is less than or equal to the Strike Price:

$$\frac{\text{Settlement Price Final}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

Description of the Final Payout

If the Settlement Price of the Underlying Reference on the Valuation Date is greater than the Strike Price, the Final Payout will equal the Strike Price plus the Speed Factor multiplied by the difference between (i) the lesser of the Upper Level and the Settlement Price of the Underlying Reference on the Valuation Date and (ii) the Strike Price, divided by the product of the Exchange Rate Final and Parity. Otherwise, the Final Payout will equal the Settlement Price of the Underlying Reference on the Valuation Date divided by the product of the Exchange Rate Final and Parity.

(j) Single Final Payout - Capped Bonus Parity Exchange Securities

If Single Final Payout - Capped Bonus Parity Exchange Securities is specified as applicable in the applicable Final Terms:

- (i) if Settlement Price Final is greater than the Barrier Level:

$$\frac{\text{Bonus Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ or}$$

- (ii) if Settlement Price Final is less than or equal to the Barrier Level:

$$\frac{\text{Min}[\text{Settlement Price Final}; \text{Cap Level}]}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

Description of the Final Payout

If the Settlement Price of the Underlying Reference on the Valuation Date is greater than the Barrier Level, the Final Payout will equal the Bonus Level (divided by the product of the Exchange Rate Final and Parity). Otherwise the Final Payout will be equal to the Settlement Price on the Valuation Date, subject to a cap of the Cap Level, divided by the product of the Exchange Rate Final and Parity.

- (k) This section is intentionally left blank.**

- (l) This section is intentionally left blank.**

(m) Single Final Payout - Continuous Capped Bonus Parity Exchange Securities

If Single Final Payout - Continuous Capped Bonus Parity Exchange Securities is specified as applicable in the applicable Final Terms:

- (i) if the Underlying Reference Level has never been less than or equal to the Barrier Level at any time on any Observation Date during the Observation Period:

$$\frac{\text{Bonus Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ or}$$

- (ii) otherwise:

$$\frac{\text{Min}[\text{Settlement Price Final}; \text{Cap Level}]}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

Description of the Final Payout

If the Underlying Reference Level has never been less than or equal to the Barrier Level during the Observation Period, the Final Payout will be equal to the Bonus Level (divided by the product of the Exchange Rate Final and Parity). Otherwise the Final Payout will be equal to the Settlement Price on the Valuation Date (divided by the product of the Exchange Rate Final and Parity) subject to a maximum of Cap Level (divided by the product of the Exchange Rate Final and Parity).

(n) **This section is intentionally left blank.**

(o) **Single Final Payout - Standard Express Securities**

If Single Final Payout - Standard Express Securities is specified as applicable in the applicable Final Terms:

(i) if Settlement Price Final is greater than the Barrier Level:

Express Amount; or

(ii) if Settlement Price Final is less than or equal to the Barrier Level:

$$\text{Issue Price} \times \left(\frac{\text{Settlement Price Final}}{\text{Strike Price}} \right)$$

Description of the Payout

If the Settlement Price of the Underlying Reference on the Valuation Date is greater than the Barrier Level, the Final Payout will equal the Express Amount.

Otherwise, the Final Payout will equal the Issue Price plus the performance of the Underlying Reference.

(p) **Single Final Payout – Continuous Reverse Level Parity Exchange Securities**

If Single Final Payout – Continuous Reverse Level Parity Exchange Securities is specified as applicable in the applicable Final Terms:

(i) if at all times on each Observation Date during the Observation Period the Underlying Reference Level is less than the Barrier Level:

$$\frac{\text{Reverse Level} - \text{Bonus Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ OR}$$

(ii) otherwise:

$$\text{Max} \left[0; \frac{\text{Reverse Level} - \text{Max} [\text{Settlement Price Final}; \text{Cap Level}]}{\text{Parity} \times \text{Exchange Rate Final}} \right]$$

Description of the Final Payout

If the Underlying Reference Level is at all times during the Observation Period less than the Barrier Level, the Final Payout will equal the difference between the Reverse Level and the Bonus Level (divided by the product of the Exchange Rate Final and Parity). Otherwise the Final Payout will equal the Reverse Level minus the greater of the Settlement Price on the Valuation Date and the Cap Level (divided by the product of the Exchange Rate Final and Parity), provided that, in such case, the Final Payout will not be less than zero.

- (q) **This section is intentionally left blank.**
- (r) **This section is intentionally left blank.**
- (s) **Single Final Payout - Forex DivReinvested Fees Securities**

If Single Final Payout - Forex DivReinvested Fees Securities is specified as applicable in the applicable Final Terms:

$$\text{Cert}_{(t_0)} \times \text{AF}_{(t)} \times \left[\text{UR}_{(t)} \times \text{FX}_{(t)} / (\text{UR}_{(t_0)} \times \text{FX}_{(t_0)}) \right]$$

where:

"**ACT_(i,i-1)**" means the number of calendar days between two ACT Days;

"**ACT Day**" means Scheduled Trading Days or calendar days as specified in the applicable Final Terms;

"**AF_(t)**" means fees factor_(t) × div reinvested factor_(t);

"**Applicable Withholding Tax**" means a percentage calculated by the Calculation Agent representing the amount of taxes deducted or withheld at source by or on behalf of any applicable authority having the power to tax in respect of any cash dividends ex-dividend at date_i payable in respect of the relevant Share or a constituent share in an Index pursuant to any applicable double taxation treaty or domestic law prevailing at the time of the distribution;

"**Cert_(t0)**" means the amount specified as such in the applicable Final Terms;

"**div reinvested factor_(t)**" means:

- (i) if the Underlying Reference is a Share or an Index (where in the determination of the Calculation Agent dividends on the constituent share are not reinvested in the Index),

$$\text{Product}_{(t_i=0+1) \text{ to } (t_i=0)} (1 + \text{Div Percentage} \times \text{Gross div}_{(t_i)} / \text{UR}_{(t_i-1)}); \text{ or}$$

- (ii) otherwise, 1;

"**Div Percentage**" means:

- (i) if Applicable Withholding Tax is specified as not applicable in the applicable Final Terms, the percentage specified as such in the applicable Final Terms;
- (i) if Applicable Withholding Tax is specified as applicable in the applicable Final Terms, an amount calculated by the Calculation Agent equal to 1 – Applicable Withholding Tax;

"**Exchange Rate Previous**" means Exchange Rate Initial or the Exchange Rate on the Initial Valuation Date as specified in the applicable Final Terms;

"**fees**" means the percentage specified as such in the applicable Final Terms;

"**fees factor_(t)**" means Product_{(t_i=0+1) to (t_i=0)} (1 – fees × ACT_(i,i-1)/360);

"**First Valuation Date**" means the Strike Date or the Initial Valuation Date, as specified in the Final Terms;

"**FX_(t)**" means Exchange Rate Final;

"**FX_(t0)**" means Exchange Rate Previous;

"**Gross div_(ti)**" means (i) if the Underlying Reference is a Share, any ordinary cash dividends (before deduction of any withholding or deduction of taxes at source by or on behalf of any applicable authority having the power to tax in respect of such dividend and without any tax credit refund or deduction granted by any applicable authority having the power to tax in respect of such dividend) ex-dividend at date_{ti} and effectively paid or (ii) if the Underlying Reference is an Index, any ordinary cash dividends (before deduction of any withholding or deduction of taxes at source by or on behalf of any applicable authority having the power to tax in respect of such dividend and without any tax credit refund or deduction granted by any applicable authority having the power to tax in respect of such dividend) ex-dividend at date_{ti} on any constituent share in such Index at date_{ti}, taking into account the weight of such constituent share at date_{ti-1} and effectively paid, provided that if no ordinary cash dividends are paid ex-dividend at date_{ti}, Gross div_(ti) will be zero;

"**Initial Valuation Date**" is the date specified as such in the applicable Final Terms. The Initial Valuation Date shall be deemed to be a Valuation Date and shall be subject to the provisions thereof;

"**UR_(t)**" means Settlement Price Final;

"**UR_(ti-1)**" means the Settlement Price of the Underlying Reference on the Scheduled Trading Day prior to the Dividend ex Date_(ti-1); and

"**UR_(t0)**" means the Settlement Price of the Underlying Reference on the First Valuation Date.

Description of the Final Payout

The Final Payout replicates the performance of the Underlying Reference less certain amounts (including, but not limited to, fees (including quanto fees), dividends paid (if applicable) and roll fees depending on the Underlying Reference).

(t) Single Final Payout – Continuous Bonus Floored Exchange Parity Securities

If Single Final Payout – Continuous Bonus Floored Exchange Parity Securities is specified as applicable in the applicable Final Terms:

- (i) if the Underlying Reference Level has never been less than or equal to the Barrier Level at any time on any Observation Date during the Observation Period:

$$\frac{\text{Max [Settlement Price Final; Bonus Level]}}{[\text{Parity} \times \text{Exchange Rate Final}]}, \text{ or}$$

- (ii) otherwise:

$$\frac{\text{Settlement Price Final}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

Description of the Final Payout

If the Underlying Reference Level has never been less than or equal to the Barrier Level during the Observation Period, the Final Payout will be equal to the maximum between the Bonus Level (divided by the product of the Exchange Rate Final and Parity) and the Settlement Price on the Valuation Date (divided by the product of the Exchange Rate Final and Parity). Otherwise the Final Payout will be equal to the Settlement Price on the Valuation Date (divided by the product of the Exchange Rate Final and Parity).

(u) This section is intentionally left blank.

(v) Single Final Payout – Continuous Capped Reverse Level Parity Exchange Securities

If Single Final Payout – Continuous Capped Reverse Level Parity Exchange Securities is specified as applicable in the applicable Final Terms:

- (i) if at all times on each Observation Date during the Observation Period the Underlying Reference Level has been less than the Barrier Level:

$$\frac{\text{Reverse Level} - \text{Min} [\text{Bonus Level}; \text{Settlement Price Final}]}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ or}$$

- (ii) otherwise:

$$\text{Max} \left[\frac{\text{Floor Level}}{(\text{Parity} \times \text{Exchange Rate Final})}; \frac{(\text{Reverse Level} - \text{Settlement Price Final})}{(\text{Parity} \times \text{Exchange Rate Final})} \right]$$

Where

"Floor Level" is as defined in the applicable Final Terms.

Description of the Final Payout

If the Underlying Reference Level is less than the Barrier Level at all times during the Observation Period, the Final Payout will equal the Reverse Level minus the minimum between the Bonus Level and the Settlement Price on the Valuation Date (divided by the product of the Exchange Rate Final and Parity). Otherwise the Final Payout will equal the maximum between the Reverse Level minus the Settlement Price on the Valuation Date (divided by the product of the Exchange Rate Final and Parity) and the Floor Level (divided by the product of the Exchange Rate Final and Parity).

- (w) **This section is intentionally left blank.**
- (x) **This section is intentionally left blank.**
- (y) **Single Final Payout – Continuous Bonus Barrier Securities**

If Single Final Payout – Continuous Bonus Barrier Securities is specified as applicable in the applicable Final Terms:

- (i) if at any time on any Observation Date during the Observation Period the Underlying Reference Level is less than or equal to the Barrier Level and equal to or greater than the Bonus Level:

- (A) if Settlement Price Final is less than or equal to the Bonus Level:

$$\frac{\text{Bonus Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ or}$$

- (B) if Settlement Price Final is greater than the Bonus Level:

$$\frac{\text{Settlement Price Final}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

- (ii) if at any time on any Observation Date during the Observation Period the Underlying Reference Level is less than or equal to the Barrier Level and at all times less than the Bonus Level:

$$\frac{\text{Settlement Price Final}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ or}$$

- (iii) if at all times on each Observation Date during the Observation Period the Underlying Reference Level is greater than the Barrier Level:

- (A) if Settlement Price Final is less than or equal to the Bonus Level:

$$\frac{\text{Bonus Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ or}$$

- (B) if Settlement Price Final is greater than the Bonus Level:

$$\frac{\text{Settlement Price Final}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

Description of the Final Payout

If the Underlying Reference Level has at any time been less than or equal to the Barrier Level during the Observation Period and equal to or greater than the Bonus Level, the Final Payout will be equal to the maximum between the Bonus Level (divided by the product of the Exchange Rate Final and Parity) and the Settlement Price on the Valuation Date (divided by the product of the Exchange Rate Final and Parity). If the Underlying Reference has at any time been less than or equal to the Barrier Level during the Observation Period and at all times less than the Bonus Level, the Final Payout will be equal to the Settlement Price on the Valuation Date (divided by the product of the Exchange Rate Final and Parity). If the Underlying Reference Level has at all times been greater than the Barrier Level during the Observation Period, the Final Payout will be equal to the maximum between the Bonus Level (divided by the product of the Exchange Rate Final and Parity) and the Settlement Price on the Valuation Date (divided by the product of the Exchange Rate Final and Parity).

(z) Single Final Payout – Capped Continuous Bonus Barrier Securities

If Single Final Payout – Capped Continuous Bonus Barrier Securities is specified as applicable in the applicable Final Terms:

- (i) if at any time on any Observation Date during the Observation Period the Underlying Reference Level is less than or equal to the Barrier Level and equal to or greater than the Bonus Level:

- (A) if Settlement Price Final is less than or equal to the Bonus Level:

$$\frac{\text{Bonus Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ or}$$

- (B) if Settlement Price Final is greater than the Bonus Level:

$$\text{Min } \frac{[\text{Settlement Price Final, Cap Percentage 1}]}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

- (ii) if at any time on any Observation Date during the Observation Period the Underlying Reference Level is less than or equal to the Barrier Level and at all times less than the Bonus Level:

$$\text{Min } \frac{[\text{Settlement Price Final, Cap Percentage 2}]}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

- (iii) if at all times on each Observation Date during the Observation Period the Underlying Reference Level is greater than the Barrier Level:

- (A) if Settlement Price Final is less than or equal to the Bonus Level:

$$\frac{\text{Bonus Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ or}$$

- (B) if Settlement Price Final is greater than the Bonus Level:

$$\text{Min } \frac{[\text{Settlement Price Final, Cap Percentage 3}]}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

Description of the Final Payout

If the Underlying Reference Level has at any time been less than or equal to the Barrier Level during the Observation Period and equal to or greater than the Bonus Level, the Final Payout will be equal to the maximum between the Bonus Level (divided by the product of the Exchange Rate Final and Parity) and the Settlement Price on the Valuation Date subject to a maximum of Cap Percentage 1 (divided by the product of the Exchange Rate Final and Parity).

If the Underlying Reference has at any time been less than or equal to the Barrier Level during the Observation Period and at all times less than the Bonus Level, the Final Payout will be equal to the Settlement Price on the Valuation Date subject to a Cap Percentage 2 (divided by the product of the Exchange Rate Final and Parity). If the Underlying Reference Level has at all times been greater than the Barrier Level during the Observation Period, the Final Payout will be equal to the maximum between the Bonus Level (divided by the product of the Exchange Rate Final and Parity) and the Settlement Price on the Valuation Date subject to a maximum of Cap Percentage 3 (divided by the product of the Exchange Rate Final and Parity).

(aa) Single Final Payout - Lower Collared Knock-Out Securities

If Single Final Payout - Lower Collared Knock-Out Securities is specified as applicable in the applicable Final Terms:

- (i) if the Settlement Price Final is equal to or greater than the Upper Level:

$$\frac{\text{Upper Level} - \text{Lower Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

- (ii) if the Settlement Price Final is greater than the Lower Level and less than the Upper Level:

$$\frac{\text{Settlement Price Final} - \text{Lower Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ or}$$

- (iii) if the Settlement Price Final is less than or equal to the Lower Level:

$$\frac{\text{Final Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

where:

"Final Level" is as defined in the applicable Final Terms.

Description of the Final Payout

If the Settlement Price of the Underlying Reference on the Valuation Date is greater than the Lower Level, the Final Payout will be equal to the Settlement Price of the Underlying Reference on the Valuation Date less the Lower Level (divided by the product of the Exchange Rate Final and Parity), provided that, in such case, the Final Payout will not be greater than the Upper Level less the Lower Level (divided by the product of the Exchange Rate Final and Parity). If the Settlement Price of the Underlying Reference on the Valuation Date is less than or equal to the Lower Level, the Final Payout equals to Final Level (divided by the product of the Exchange Rate Final and Parity).

(bb) Single Final Payout - Upper Collared Knock-Out Securities

If Single Final Payout - Upper Collared Knock-Out Securities is specified as applicable in the applicable Final Terms:

- (i) if the Settlement Price Final is less than or equal to the Lower Level:

$$\frac{\text{Upper Level} - \text{Lower Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

- (ii) if the Settlement Price Final is greater than the Lower Level but less than the Upper Level:

$$\frac{\text{Upper Level} - \text{Settlement Price Final}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ or}$$

- (iii) if the Settlement Price Final is equal to or greater than the Upper Level:

$$\frac{\text{Final Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

Where

"Final Level" is as defined in the applicable Final Terms.

Description of the Final Payout

If the Settlement Price of the Underlying Reference on the Valuation Date is less than the Upper Level, the Final Payout will equal the Upper Level less the Settlement Price of the Underlying Reference on the Valuation Date (divided by the product of the Exchange Rate Final and Parity), provided that the Final Payout will not be greater than the Upper Level less the Lower Level (divided by the product of the Exchange Rate Final and Parity). If the Settlement Price of the Underlying Reference on the Valuation Date is equal to or greater than the Upper Level, the Final Payout equals to Final Level (divided by the product of the Exchange Rate Final and Parity).

(cc) **Single Final Payout - Continuous Lower Knock-Out Securities**

If Single Final Payout - Continuous Lower Knock-Out Securities is specified as applicable in the applicable Final Terms:

- (i) if at all times on each Observation Date during the Observation Period the Underlying Reference Level is greater than the Lower Level:

- (A) if Settlement Price Final is greater than the Lower Level:

$$\frac{\text{Upper Level} - \text{Lower Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ or}$$

- (B) if Settlement Price Final is less than or equal to the Lower Level:

$$\frac{\text{Final Level 1}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ or}$$

- (ii) if at any time on an Observation Date during the Observation Period the Underlying Reference Level is less than or equal to the Lower Level:

- (A) if Settlement Price Final is equal to or greater than the Upper Level:

$$\frac{\text{Upper Level} - \text{Lower Level}}{[\text{Parity} \times \text{Exchange Rate Final}]};$$

- (B) if Settlement Price Final is greater than the Lower Level but less than the Upper Level:

$$\frac{\text{Settlement Price Final} - \text{Lower Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ or}$$

- (C) if the Settlement Price Final is less than or equal to the Lower Level:

$$\frac{\text{Final Level 2}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

where:

"Final Level 1" is as defined in the applicable Final Terms;

"Final Level 2" is as defined in the applicable Final Terms.

Description of the Final Payout

If the Underlying Reference Level is at all times during the Observation Period greater than the Lower Level and if the Settlement Price of the Underlying Reference on the Valuation Date is greater than the Lower Level, then the Final Payout equals the Upper Level less the Lower Level (divided by the product of the Exchange Rate Final and Parity). Otherwise, if the Settlement Price of the Underlying Reference on the Valuation Date is less than or equal to the Lower Level, then the Final Payout equals to Final Level 1 (divided by the product of the Exchange Rate Final and Parity). If the Underlying Reference Level has at any time during the Observation Period been less than or equal to the Lower Level and if the Settlement Price of the Underlying Reference on the Valuation Date is greater than the Lower Level, the Final Payout will equal the Settlement Price of the Underlying Reference on the Valuation Date less the Lower Level (divided by the product of the Exchange Rate Final and Parity), provided that, in such case, the Final Payout will not be greater than the Upper Level less the Lower Level (divided by the product of the Exchange Rate Final and Parity). Otherwise, if the Settlement Price of the Underlying Reference on the Valuation Date is less than or equal to the Lower Level, then the Final Payout equals to Final Level 2 (divided by the product of the Exchange Rate Final and Parity).

(dd) Single Final Payout - Continuous Upper Knock-Out Securities

If Single Final Payout - Continuous Upper Knock-Out Securities is specified as applicable in the applicable Final Terms:

(i) if at all times on each Observation Date during the Observation Period the Underlying Reference Level is less than the Upper Level:

(A) if Settlement Price Final is less than the Upper Level:

$$\frac{\text{Upper Level} - \text{Lower Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ OR}$$

(B) if Settlement Price Final is equal to or greater than the Upper Level:

$$\frac{\text{Final Level 1}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ OR}$$

(ii) if at any time on an Observation Date during the Observation Period the Underlying Reference Level is equal to or greater than the Upper Level:

(A) if Settlement Price Final is less than or equal to the Lower Level:

$$\frac{\text{Upper Level} - \text{Lower Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ OR}$$

(B) if Settlement Price Final is greater than the Lower Level but less than the Upper Level:

$$\frac{\text{Upper Level} - \text{Settlement Price Final}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ OR}$$

(C) if Settlement Price Final is equal to or greater than the Upper Level:

$$\frac{\text{Final Level 2}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

where:

"Final Level 1" is as defined in the applicable Final Terms.

"Final Level 2" is as defined in the applicable Final Terms.

Description of the Final Payout

If the Underlying Reference Level is at all times during the Observation Period less than the Upper Level and if the Settlement Price of the Underlying Reference on the Valuation Date is less than the Upper Level, then the Final Payout will equal the Upper Level less the Lower Level (divided by the product of the Exchange Rate Final and Parity). Otherwise, if the Settlement Price of the Underlying Reference on the Valuation Date is equal to or greater than the Upper Level, then the Final Payout equals to Final Level 1 (divided by the product of the Exchange Rate Final and Parity). If the Underlying Reference Level has been at any time during the Observation Period equal to or greater than the Upper Level, and if the Settlement Price of the Underlying Reference on the Valuation Date is less than the Upper Level, then the Final Payout will equal the Upper Level less the Settlement Price of the Underlying Reference on the Valuation Date (divided by the product of the Exchange Rate Final and Parity), provided that, in such case, the Final Payout will not be greater than the Upper Level less the Lower Level (divided by the product of the Exchange Rate Final and Parity). Otherwise, if the Settlement Price of the Underlying Reference on the Valuation Date is greater than or equal to the Upper Level, then the Final Payout equals to Final Level 2 (divided by the product of the Exchange Rate Final and Parity).

(ee) **Single Final Payout – Standard Call and Put Securities**

If Single Final Payout – Standard Call and Put Securities is specified as applicable in the applicable Final Terms:

- (i) if the Securities are specified in the applicable Final Terms as being Call Securities:

$$\frac{\text{Max}(0; \text{Settlement Price Final} - \text{Strike Price})}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ OR}$$

- (ii) if the Securities are specified in the applicable Final Terms as being Put Securities:

$$\frac{\text{Max}(0; \text{Strike Price} - \text{Settlement Price Final})}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

Description of the Final Payout

The Final Payout will be equal to (i) in the case of Call Securities, the greater of the excess (if any) of the Settlement Price on the Valuation Date over the Strike Price and zero, or (ii) in the case of Put Securities, the greater of the excess (if any) of the Strike Price over the Settlement Price on the Valuation Date and zero, in each case divided by the product of the Exchange Rate Final and Parity.

(ff) **Single Final Payout - Knock-In Call and Put Securities**

If Single Final Payout - Knock-In Call and Put Securities is specified as applicable in the applicable Final Terms:

- (i) if the Securities are specified in the applicable Final Terms as being Call Securities:

- (A) if no Knock-in Event has occurred,

$$\frac{\text{Final Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}; \text{ OR}$$

- (B) if a Knock-in Event has occurred but no Knock-out Event has occurred:

$$\frac{\text{Max}(0; \text{Settlement Price Final} - \text{Strike Price})}{[\text{Parity} \times \text{Exchange Rate Final}]} ; \text{ or}$$

(ii) if the Securities are specified in the applicable Final Terms as being Put Securities:

(A) if no Knock-in Event has occurred,

$$\frac{\text{Final Level}}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

(B) if a Knock-in Event has occurred but no Knock-out Event has occurred:

$$\frac{\text{Max}(0; \text{Strike Price} - \text{Settlement Price Final})}{[\text{Parity} \times \text{Exchange Rate Final}]}$$

where:

"Final Level" is as defined in the applicable Final Terms.

Description of the Final Payout

If no Knock-in Event has occurred, the Final Payout equals the Final Level (divided by the product of the Exchange and Parity). If a Knock-in Event has occurred then the Final Payout will be equal to (i) in the case of Call Securities, the greater of the excess (if any) of the Settlement Price on the Valuation Date over the Strike Price and zero, or (ii) in the case of Put Securities, the greater of the excess (if any) of the Strike Price over the Settlement Price on the Valuation Date and zero, in each case divided by the product of the Exchange Rate Final and Parity.

(gg) **This section is intentionally left blank.**

(hh) **Single Final Payout - Leverage Factor Securities**

If Single Final Payout - Leverage Factor Securities is specified as applicable in the applicable Final Terms:

(i) in respect of a Bull Warrant, the Bull Warrant Value on the relevant Valuation Date;
or

(ii) in respect of a Bear Warrant, the Bear Warrant Value on the relevant Valuation Date,

in each case, converted into the Settlement Currency at the Exchange Rate on the relevant Valuation Date.

Where:

"Adjusted Bear CV" or "Adjusted Bull CV" means an amount calculated by the Calculation Agent in accordance with the Bear CV_t formula or the Bull CV_t formula, as the case may be, in this Formulas Condition 1.1(hh) except that:

(i) with respect to any calculation to be made following the first Reset Event occurring during an Observation Time Period (the "**Relevant Observation Time Period**") U_t will be the Reset Price calculated following the relevant Reset Event Determination Time;

(ii) with respect to any subsequent Reset Events occurring within the Relevant Observation Time Period:

(a) Bear CV_{t-1} will be the Adjusted Bear CV and Bull CV_{t-1} will be the Adjusted Bull CV, as the case may be, last calculated prior to the relevant Reset Event Determination Time;

- (b) FC_t is equal to (0) zero;
- (c) U_t is the Reset Price calculated following the relevant Reset Event Determination Time;
- (d) U_{t-1} is the Reset Price last calculated prior to the relevant Reset Event Determination Time;
- (e) in the case of Index Securities or Share Securities, div_t^{net} and div_t^{gross} will be equal to (0) zero; and
- (f) in the case of Index Securities to which Futures Price Valuation applies, rc_{t-1} will be equal to (0) zero.

"**Bear CV₀**" means the Issue Price per Warrant converted into the Calculation Currency at the Exchange Rate on the Relevant Business Day preceding the Commencement Date (t=0);

"**Bear CV_{t-1}**" means, in respect of the calculation of Bear CV_t, the Bear Warrant Value last calculated, provided that, the Bear CV_{t-1} for the Listing Date is Bear CV₀;

"**Bear Warrant Value**" or "**Bear CV_t**" means, in respect of a Relevant Business Day, an amount calculated by the Calculation Agent in accordance with the following formula:

- (i) in the case of Index Securities or Share Securities:

$$\max [Bear CV_{t-1} \times \left(1 - L \times \left(\frac{U_t + div_t^{gross}}{U_{t-1}} - 1 \right) \right) + FC_t; 0.5\% \times Bear CV_{t-1}];$$

- (ii) in the case of Index Securities to which Futures Price Valuation applies:

$$\max [Bear CV_{t-1} \times \left(1 - L \times \left(\frac{U_t}{U_{t-1+rc_{t-1}}} - 1 \right) \right) + FC_t; 0.5\% \times Bear CV_{t-1}] ;$$

or

- (iii) in the case of Currency Securities:

$$\max [Bear CV_{t-1} \times \left(1 - L \times \left(\frac{U_t}{U_{t-1}} - 1 \right) \right) + FC_t; 0.5\% \times Bear CV_{t-1}];$$

"**Bull CV₀**" means the Issue Price per Warrant converted into the Calculation Currency at the Exchange Rate on the Relevant Business Day preceding the Commencement Date (t=0);

"**Bull Warrant Value**" or "**Bull CV_t**" means, in respect of a Relevant Business Day, an amount calculated by the Calculation Agent in accordance with the following formula:

- (i) in the case of Index Securities or Share Securities:

$$\max [Bull CV_{t-1} \times \left(1 + L \times \left(\frac{U_t + div_t^{net}}{U_{t-1}} - 1 \right) \right) + FC_t; 0.5\% \times Bull CV_{t-1}];$$

- (ii) in the case of Index Securities to which Futures Price Valuation applies:

$$\max [Bull CV_{t-1} \times \left(1 + L \times \left(\frac{U_t}{U_{t-1+rc_{t-1}}} - 1 \right) \right) + FC_t; 0.5\% \times Bull CV_{t-1}];$$

- (iii) in the case of Currency Securities:

$$\max [Bull CV_{t-1} \times \left(1 + L \times \left(\frac{U_t}{U_{t-1}} - 1 \right) \right) + FC_t; 0.5\% \times Bull CV_{t-1}]; \text{ and}$$

"**Bull CV_{t-1}**" means, in respect of the calculation of Bull CV_t, the Bull Warrant Value last calculated, provided that the Bull CV_{t-1} for the Listing Date is Bull CV₀;

"**Calculation Currency**" means the currency of the Underlying Reference (in respect of Index Securities and Share Securities) or the Alternative Currency (in respect of Currency Securities);

"**Calculation Time_t**" means, in respect of a Relevant Business Day, the Scheduled Closing Time (in respect of Index Securities and Share Securities), the time at which the official closing level of the relevant Index is published or, if First Traded Price Applicable is specified in the applicable Final Terms, the time at which the First Traded Price of the relevant Futures or Option Exchange is published (in respect of Index Securities to which Futures Price Valuation applies) or the Valuation Time (in respect of Currency Securities), in each case on such Relevant Business Day;

"**Calculation Time_{t-1}**" means, in respect of a Relevant Business Day, the Scheduled Closing Time (in respect of Index Securities and Share Securities), the time at which the official closing level of the relevant Index is published or, if First Traded Price Applicable is specified in the applicable Final Terms, the time at which the First Traded Price of the relevant Futures or Option Exchange is published (in respect of Index Securities to which Futures Price Valuation applies) or the Valuation Time (in respect of Currency Securities), in each case on the Relevant Business Day immediately preceding such day;

"**Commencement Date**" means, the Listing Date of the relevant Bear Warrant or Bull Warrant (t=1);

"**Cut-off Time**" means the time specified as such in the applicable Final Terms and (in the case of Index Securities, Share Securities or Index Securities to which Futures Price Valuation applies) if not specified, 7.00 p.m. (local time in the city in which the relevant Exchange or Futures or Options Exchange is situated), in the case of a normal trading session and 3.00 p.m. (local time in the city in which the relevant Exchange or Futures or Options Exchange is situated), in the case of a half day trading session;

"**div_t^{gross}**" means, in respect of an Ex-Dividend Date, an amount determined by the Calculation Agent equal to the sum of the gross cash dividends and/or other cash distributions payable in respect of the relevant Underlying Reference (or in the case of an Index, in respect of each Index Share (as defined below) related to such Ex-Dividend Date

"**div_t^{net}**" means, in respect of an Ex-Dividend Date, an amount determined by the Calculation Agent equal to the sum of the cash dividends and/or other cash distributions payable in respect of the relevant Underlying Reference (or in the case of an Index, in respect of each Index Share (as defined below) related to such Ex-Dividend Date less any taxes deducted or withheld at source by or on behalf of any applicable authority having the power to tax in respect of such dividends pursuant to any applicable double taxation treaty or domestic law prevailing at the time of the distribution;

"**Ex-Dividend Date**" means, with respect to a Share or share comprising an Index (an "**Index Share**"), the date on which such Share or Index Share becomes "ex-dividend" as determined by the Calculation Agent;

"**Fee**" or "**F**" means the percentage specified as such in the applicable Final Terms. The Calculation Agent, acting in good faith and in a commercially reasonable manner, may adjust the Fee within the Fee Range to reflect a change in the cost to the Issuer of issuing the Securities or providing a price in the secondary market. Where the Securities are traded on the Multilateral Trading Facility of securitised derivatives financial instruments (the "**SeDeX**"), organised and managed by Borsa Italiana, the Fee may only be adjusted downwards and on the occurrence of such adjustment, the new Fee will be notified by the Calculation Agent to Borsa Italiana and published on the website www.mediobanca.com;

"Fee Range" means the range specified as such in the applicable Final Terms;

"Financing Component_(t)" or **"FC_t"** means, in respect of a Relevant Business Day:

- (i) in the case of Bear Warrants that are Index Securities or Share Securities:
$$-CV_{t-1} \times ((-L - 1) \times (r_{t-1}^u - rm) + L \times (hc + F)) \times n(t - 1, t);$$
- (ii) in the case of Bull Warrants that are Index Securities or Share Securities:
$$-CV_{t-1} \times ((L - 1) \times (r_{t-1}^u + rm) + L \times (hc + F)) \times n(t - 1, t);$$
- (iii) in the case of Bear Warrants that are Index Securities to which Futures Price Valuation applies:
$$-CV_{t-1} \times (- (r_{t-1}^u - rm) + L \times (hc + F)) \times n(t - 1, t);$$
- (iv) in the case of Bull Warrants that are Index Securities to which Futures Price Valuation applies:
$$-CV_{t-1} \times (- (r_{t-1}^u - rm) + L \times (hc + F)) \times n(t - 1, t);$$
- (v) in the case of Bear Warrants that are Currency Securities:
$$-CV_{t-1} \times (- r_{t-1}^{ub} - L \times (r_{t-1}^{ub} - r_{t-1}^{ur} - rm) + L \times (hc + F)) \times n(t - 1, t);$$
 or
- (vi) in the case of Bull Warrants that are Currency Securities:
$$-CV_{t-1} \times (- r_{t-1}^{ub} + L \times (r_{t-1}^{ub} - r_{t-1}^{ur} + rm) + L \times (hc + F)) \times n(t - 1, t);$$

"Hedging Cost" or **"hc"** means the percentage specified as such in the applicable Final Terms. If at any time after the Listing Date the cost of hedging the Securities materially exceeds such specified percentage, the Calculation Agent acting in good faith and in a commercially reasonable manner, may adjust the Hedging Cost, to reflect this change, save that the Hedging Cost will not be less than the Minimum Hedging Cost and will not exceed the Maximum Hedging Cost. If the Securities are traded on the Multilateral Trading Facility of securitised derivatives financial instruments (the **"SeDeX"**), organised and managed by Borsa Italiana and the Hedging Cost is amended as provided above, the new Hedging Cost will be notified by the Calculation Agent to Borsa Italiana and/or any other relevant exchange, and published on the website www.medioBANCA.com;

"Interest Margin" or **"rm"** means the percentage specified as such in the applicable Final Terms. The Calculation Agent may adjust the Interest Margin, acting in good faith and in a commercially reasonable manner, to reflect any disparity between the Reference Interest Rate and the Issuer's funding rate, save that the Interest Margin will not be less than the Minimum Interest Margin and will not exceed the Maximum Interest Margin;

"Leverage Factor" or **"L"** means the positive number specified as such in the applicable Final Terms;

"Maximum Hedging Cost" means the percentage specified as such in the applicable Final Terms;

"Maximum Interest Margin" means the percentage specified as such in the applicable Final Terms;

"Minimum Hedging Cost" means the percentage specified as such in the applicable Final Terms;

"Minimum Interest Margin" means the percentage specified as such in the applicable Final Terms;

"Observation Price" means the "official level", "opening price", "official close", "closing price", "purchase price", "sale price", "last price", "bid price", "asked price", "traded price", "official settlement price", "daily settlement price", "high", "mid", "low", "bid high", "bid low", "ask high", "ask low", as specified in the applicable Final Terms, of the Underlying Reference published by the Observation Price Source;

"Observation Price Source" means the price source specified as such in the applicable Final Terms;

"Observation Time Period" means, in respect of a Relevant Business Day, the period of time from but excluding Calculation Time_{t-1} to and including Calculation Time;

"Rate Period" or **"n(t-1,t)"** means, in respect of a Relevant Business Day, (i) the number of calendar days from (and including) the Relevant Business Day immediately preceding such Relevant Business Day to (but excluding) such Relevant Business Day, divided by (ii) 360;

"Reference Floating Rate" means, in respect of a Relevant Business Day, the Reference Floating Rate Option in respect of such day appearing on the Reference Floating Rate Option Page at the Reference Floating Rate Option Calculation Time or if the relevant rate does not appear on such page at such time, the Reference Floating Rate Option for such Relevant Business Day shall be determined by the Calculation Agent at such time and from such source(s) as it may select acting in good faith and in a commercially reasonable manner;

"Reference Floating Rate Option" means the relevant rate and designated maturity specified as such in the applicable Final Terms;

"Reference Floating Rate Option Page" means the page or price source specified as such in the applicable Final Terms;

"Reference Floating Rate Option Time" means the time specified as such in the applicable Final Terms;

"Reference Interest Rate", " r_{t-1}^u ", " r_{t-1}^{ub} " or " r_{t-1}^{ur} " means, in respect of a Relevant Business Day, the fixed rate specified as such in the applicable Final Terms or the Reference Floating Rate for the Relevant Business Day immediately preceding such day as specified in the applicable Final Terms;

"Relevant Business Day" means, an Exchange Business Day (in respect of Index Securities or Share Securities) or a Scheduled Trading Day (in respect of Currency Securities), as specified in the applicable Final Terms;

"Reset Price" means the price of the relevant Underlying Reference determined by the Calculation Agent by reference to the price obtained by unwinding any underlying related hedging arrangements in respect of the relevant Security during the Unwinding Time Period immediately following the relevant Reset Event Determination Time. The Unwinding Time Period shall occur during the opening hours of the relevant Exchange (in the case of Index Securities or Share Securities), the opening hours of the relevant Futures or Options Exchange (in the case of Index Securities to which Futures Price Valuation applies) or immediately following the occurrence of the relevant Reset Event Determination Time (in respect of Currency Securities). If the period between the occurrence of the latest Reset Event Determination Time and the official closing time of the relevant Exchange (in the case of Index Securities or Share Securities) or Futures or Options Exchange (in the case of Index Securities to which Futures Price Valuation applies) or the twelve hour period immediately following the occurrence of the relevant Reset Event Determination Time (in respect of Currency Securities) would otherwise include a day that is not a Relevant Business Day, then the period for determining the Reset Price shall be extended to the following Relevant Business Day, until a full period equal to the Unwinding Time Period has passed since the most recent Reset Event Determination Time;

"Reset Threshold" means, in respect of a Relevant Business Day, an amount calculated by the Calculation Agent in accordance with the following formula:

- (i) in respect of Bear Warrants that are Index Securities or Share Securities:
$$(1 + P_{reset}) \times U_{t-1} - div_t^{gross};$$
- (ii) in respect of Bull Warrants that are Index Securities or Share Securities:
$$(1 - P_{reset}) \times U_{t-1} - div_t^{net};$$
- (iii) in respect of Bear Warrants that are Index Securities to which Futures Price Valuation applies:
$$(1 + P_{reset}) \times (U_{t-1} + rc_{t-1});$$
- (iv) in respect of Bull Warrants that are Index Securities to which Futures Price Valuation applies:
$$(1 - P_{reset}) \times (U_{t-1} + rc_{t-1});$$
- (v) in respect of Bear Warrants that are Currency Securities:
$$(1 + P_{reset}) \times U_{t-1};$$
 or
- (vi) in respect of Bull Warrants that are Currency Securities:
$$(1 - P_{reset}) \times U_{t-1};$$

provided that:

- (a) at Calculation Time, on such Relevant Business Day the "Reset Threshold" calculated pursuant to paragraphs (iii), (iv), (v) and (vi) above will be reset and calculated as provided above except that references to " U_{t-1} " will be deemed to be references to " U_t " and, in the case of paragraphs (iii) and (iv) above, references to " rc_{t-1} " will be deemed to be references to " rc_t "; and
- (b) the Reset Threshold will be reset on the occurrence of each Reset Event and will be calculated in accordance with the Reset Threshold formula, except that:
 - (i) U_{t-1} is the Reset Price last calculated before the relevant Reset Event Determination Time;
 - (ii) div_t^{net} or div_t^{gross} , as the case may be, is equal to (0) zero; and
 - (iii) rc_{t-1} is equal to (0) zero.

"Reset Threshold Percentage" or "**P_{reset}**" means the percentage specified as such in the applicable Final Terms;

"Rollover Costs_t" or "**rc_t**" means, in respect of a Relevant Business Day, (i) where the Relevant Business Day is not a Futures Rollover Date, zero, or (ii) where the Relevant Business Day is a Futures Rollover Date, an amount, which may be positive or negative, calculated by the Calculation Agent representing the cost to the Issuer and/or its Affiliates of unwinding its hedging arrangements in the Current Exchange-traded Contract or the relevant Futures Contract, as the case may be, less the cost to the Issuer and/or its Affiliates of establishing hedging arrangements in the next Current Exchange-traded Contract or Futures Contract, as the case may be, in each case in respect of the relevant Futures Rollover Date, such amount to be allocated *pro rata* amongst the Securities;

"**Rollover Costs_{t-1}**" or " **rc_{t-1}** " means, in respect of a Relevant Business Day, (i) where the immediately preceding Relevant Business Day is not a Futures Rollover Date, zero, or (ii) where the immediately preceding Relevant Business Day is a Futures Rollover Date, an amount, which may be positive or negative, calculated by the Calculation Agent representing the cost to the Issuer and/or its Affiliates of unwinding its hedging arrangements in the Current Exchange-traded Contract or the relevant Futures Contract, as the case may be, less the cost to the Issuer and/or its Affiliates of establishing hedging arrangements in the next Current Exchange-traded Contract or Futures Contract, as the case may be, in each case in respect of the relevant Futures Rollover Date, such amount to be allocated *pro rata* amongst the Securities;

"**Settlement Currency**" means the currency specified as such in the applicable Final Terms;

"**Settlement Price**" has the meaning given it in the applicable Annex to the Terms and Conditions except in the case of Currency Securities, references to "Settlement Price Date", shall in each case be deemed to be references to the "Relevant Business Day";

"**Underlying Price_(t)**" or " **$U_{(t)}$** " means, in respect of a Relevant Business Day and subject as provided in Formulas Condition 1.1(hh);

- (i) in respect of Index Securities, Share Securities or Currency Securities, the Settlement Price on such Relevant Business Day; or
- (ii) in respect of Index Securities to which Futures Price Valuation applies, (i) if the Relevant Business Day is the Valuation Date in respect of the relevant Security, the Settlement Price on such Relevant Business Day, or (ii) if the Relevant Business Day is not the Valuation Date in respect of the relevant Security, the Settlement Price or, if First Traded Price Applicable is specified in the applicable Final Terms, the First Traded Price in each case on such Relevant Business Day;

"**Underlying Price_(t-1)**" or " **$U_{(t-1)}$** " means, in respect of a Relevant Business Day, the Underlying Price_(t) for the Relevant Business Day immediately preceding such day; and

"**Unwinding Time Period**" means a period of three hours (in respect of Index Securities and Share Securities).

"**Valuation Date**" means, the earlier to occur of:

- (i) the date designated as such by the Issuer provided that such date is determined by the Issuer and notified to the Securityholders in accordance with Security Condition 8 (*Notices*) at the latest on the tenth (10th) Relevant Business Day preceding the contemplated Valuation Date; and
- (ii) the date specified in the applicable Final Terms as the Single Final Payout - Leverage Factor Securities Final Valuation Date,

provided, in each case, that if such date is not a Relevant Business Day, the Valuation Date will be the next following Relevant Business Day.

Subject as provided below, the Calculation Agent will calculate the Bear Warrant Value and the Bull Warrant Value on each Relevant Business Day. In order to make such calculation the Calculation Agent will also calculate the Underlying Price_t on each Relevant Business Day.

If, in respect of any Relevant Business Day (including the Valuation Date), the Underlying Price_t is not available before the Cut-off Time, or (x) such Relevant Business Day is a Disrupted Day (in the case of Share Securities, Currency Securities and Index Securities other than Index Securities in respect of which "Futures Price Valuation" is specified as applicable in the applicable Final Terms), the Calculation Agent will determine the Underlying Price_t for such Relevant Business Day acting in good faith and in a commercially reasonable manner by reference to such source(s) as it considers appropriate.

In the case of Index Securities in respect of which "Futures Price Valuation" is specified as applicable in the applicable Final Terms, if in respect of any Relevant Business Day (including the Valuation Date), the Underlying Price_t is not available before the Cut-off Time (other than as a result of a Non-Commencement or Discontinuance of an Exchange-traded Contract), the Calculation Agent will determine the Underlying Price_t for such Relevant Business Day acting in good faith and in a commercially reasonable manner by reference to such source(s) as it considers appropriate.

Notwithstanding the foregoing, if in the determination of the Calculation Agent the Observation Price of the Underlying Reference at one or more time(s) (each such time a "**Reset Event Determination Time**") during any Observation Time Period is (i) equal to or greater than the Reset Threshold (in the case of Bear Warrants) or (ii) equal to or less than the Reset Threshold (in the case of Bull Warrants) (each a "**Reset Event**"), the Calculation Agent will on each occasion calculate the Reset Price as provided in the "Reset Price" definition above and the Adjusted Bull CV or the Adjusted Bear CV, as the case may be, shall be the Bull Warrant Value or the Bear Warrant Value, as the case may be, for such Reset Event Determination Time on such Relevant Business Day. If one or more Reset Events occurs in an Observation Time Period, at Calculation Time_t falling at the end of such period the Calculation Agent will calculate the Bull Warrant Value or the Bear Warrant Value, as the case may be, using the formula set out above except that:

- A. FC_t is equal to (0) zero;
- B. U_{t-1} is the Reset Price last calculated prior to Calculation Time_t;
- C. in the case of Index Securities or Share Securities, div_t^{net} and div_t^{gross} will be equal to (0) zero.

Description of the Final Payout

The percentage change in value of the Securities over one day will be the Leverage Factor which is a constant factor for each Security multiplied by the daily performance of the relevant Underlying Reference measured as the percentage change of the reference price from one day to the next day adjusted by the applicable Financing Component (which includes a Fee, an Interest Margin and Hedging Cost and may be positive or negative depending on, amongst other things, prevailing interest rates). Bull Warrants aim to produce a performance equal to the Leverage Factor (as specified in the applicable Final Terms) multiplied by the performance of the relevant Underlying Reference whereas Bear Warrants aim to produce a performance equal to the Leverage Factor times the inverse performance of the relevant Underlying Reference. However, because the performance of the Securities over any period longer than one day will be derived from the compounded daily performance of the relevant Underlying Reference during that period, such Security's performance may differ significantly to the overall performance of the Underlying Reference over that same period.

(ii) **Multiple Final Payout – Constant Percentage Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Constant Percentage:

$$RV \times \text{Constant Percentage 1}$$

Description of the Final Payout

The Final Payout comprises a fixed percentage equal to the Constant Percentage 1.

(jj) **Multiple Final Payout - Normal Performance Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout - Normal Performance Securities:

$RV \times [\text{Constant Percentage} + \text{Participation Factor} \times \text{Final Settlement Value}]$; or

$RV \times [\text{Constant Percentage} + \text{Participation Factor} \times \text{Max} (\text{Floor Percentage}, \text{Gearing} \times \text{Final Settlement Value})]$; or

$RV \times [\text{Constant Percentage} + \text{Participation Factor} \times \text{Min} (\text{Floor Percentage}, \text{Gearing} \times \text{Final Settlement Value})]$; or

$RV \times \{ \text{Constant Percentage} + \text{Participation Factor 1} \times \text{Min} [(\text{Cap Percentage}; \text{Participation Factor 2} \times \text{Max} (\text{Floor Percentage}; \text{Gearing} \times \text{Final Settlement Value}))] \}$

where:

"**Participation Factor 1**" is as defined in the relevant Final Terms;

"**Participation Factor 2**" is as defined in the relevant Final Terms.

Description of the Final Payout

The Final Payout comprises (i) a Constant Percentage or a Protection Level and (ii) a participation factor augmented of the performance of the Underlying Reference. Such performance may be subject to a floor of the Floor Percentage, a Gearing, a cap of the Cap Percentage.

(kk) **Multiple Final Payout - Performance Differential Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout - Performance Differential Securities:

$RV \times [\text{Constant Percentage} + \text{Participation Factor} \times (\text{Beta 1} \times \text{Final Settlement Value 1} - \text{Beta 2} \times \text{Final Settlement Value 2})]$;

where

"**Beta 1**" is as defined in the relevant Final Terms;

"**Beta 2**" is as defined in the relevant Final Terms.

Description of the Final Payout

The Final Payout consists in the differential in performance between two Underlying References and in a Constant Percentage. Such differential in performance is subject to certain participation factors.

(ll) **Multiple Final Payout – 1-Way Floor Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – 1-Way Floor Securities:

$RV \times [\text{Constant Percentage 1} + \text{Max} (\text{Constant Percentage 2} + \text{Gearing} \times \text{Option}; \text{Constant Percentage 3})]$

where:

"**Option**" means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

"**EDS**" means $\text{Max} (\text{EDS Percentage}, \text{Min} (\text{Constant Percentage 4} - \text{nEDS} \times \text{Loss Percentage}, \text{Constant Percentage 5}))$;

"**nEDS**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"**EDS Percentage**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage**" is as defined in the relevant Final Terms;

"**Forward**" means Final Settlement Value – Strike Percentage;

"**Put**" means Max (Strike Percentage – Final Settlement Value; Constant Percentage 4);

"**Put Spread**" means Min (Max (Strike Percentage – Final Settlement Value; Constant Percentage 4); Spread Percentage); and

"**Spread Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Call**" means Max (Final Settlement Value - Strike Percentage; Constant Percentage 4);

"**Call Spread**" means Min (Max (Final Settlement Value - Strike Percentage; Constant Percentage 4); Spread Percentage);

provided that if Physical Delivery Option 1 is specified as applicable in the applicable Final Terms no Cash Settlement Amount, will be payable and Physical Delivery will apply.

Description of the Final Payout

The Final Payout is subject to a minimum and comprises:

- *a fixed percentage and if Option is Put, Put Spread, Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *a fixed percentage and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *a fixed percentage and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage; subject to Gearing.*
- *Physical Delivery may also apply.*

(mm) **Multiple Final Payout – 1 -Way Cap Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – 1 -Way Cap Securities:

$RV \times [\text{Constant Percentage 1} + \text{Min} (\text{Constant Percentage 2} + \text{Gearing} \times \text{Option}; \text{Constant Percentage 3})]$

where:

"**Option**" means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

"**EDS**" means Max (EDS Percentage, Min (Constant Percentage 4 – nEDS × Loss Percentage, Constant Percentage 5));

"**nEDS**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"EDS Percentage" is as defined in the relevant Final Terms;

"EDS Barrier Percentage" is as defined in the relevant Final Terms;

"Forward" means Final Settlement Value – Strike Percentage;

"Put" means Max (Strike Percentage – Final Settlement Value; Constant Percentage 4);

"Put Spread" means Min (Max (Strike Percentage – Final Settlement Value; Constant Percentage 4); Spread Percentage);

"Spread Percentage" means the percentage specified as such in the applicable Final Terms;

"Call" means Max (Final Settlement Value - Strike Percentage; Constant Percentage 4);

"Call Spread" means Min (Max (Final Settlement Value - Strike Percentage; Constant Percentage 4); Spread Percentage);

provided that if Physical Delivery Option 1 is specified as applicable in the applicable Final Terms no Cash Settlement Amount, will be payable and Physical Delivery will apply.

Description of the Final Payout

- *The Final Payout is subject to a maximum and comprises:*
- *a fixed percentage and if Option is Put, Put Spread, Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *a fixed percentage and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *a fixed percentage and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage; subject to Gearing.*
- *Physical Delivery may also apply.*

(nn) **Multiple Final Payout – 2-Way Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – 2-Way Securities:

$RV \times [2\text{-Way Percentage} + \text{Participation Factor 1} \times \text{Max} (\text{Constant Percentage 1} + \text{Gearing 1} \times \text{Option 1; Constant Percentage 2}) + \text{Participation Factor 2} \times \text{Min} (\text{Constant Percentage 3} + \text{Gearing 2} \times \text{Option 2; Constant Percentage 4})]$

where:

"2-Way Percentage" is as defined in the relevant Final Terms;

"Participation Factor 1" is as defined in the relevant Final Terms;

"Participation Factor 2" is as defined in the relevant Final Terms;

"Gearing 1" is as defined in the relevant Final Terms;

"Gearing 2" is as defined in the relevant Final Terms;

"Option 1" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

"Option 2" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

Option 1

"EDS 1" means $\text{Max (EDS Percentage 1, Min (Constant Percentage 5 - nEDS 1} \times \text{Loss Percentage 1, Constant Percentage 6))}$;

"nEDS 1" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"EDS Percentage 1" is as defined in the relevant Final Terms;

"EDS Barrier Percentage 1" is as defined in the relevant Final Terms;

"Forward 1" means Final Settlement Value 1 – Strike Percentage 1;

"Put 1" means $\text{Max (Strike Percentage 1 - Final Settlement Value 1; Constant Percentage 7)}$;

"Put Spread 1" means $\text{Min (Max (Strike Percentage 1 - Final Settlement Value 1; Constant Percentage 8); Spread Percentage 1)}$;

"Spread Percentage 1" means the percentage specified as such in the applicable Final Terms;

"Call 1" means $\text{Max (Final Settlement Value 1 - Strike Percentage 1; Constant Percentage 9)}$;

"Call Spread 1" means $\text{Min (Max (Final Settlement Value 1 - Strike Percentage 1; Constant Percentage 10); Spread Percentage 1)}$;

"Strike Percentage 1" means the percentage specified as such in the applicable Final Terms;

Option 2

"EDS 2" means $\text{Max (EDS Percentage 2, Min (Constant Percentage 11 - nEDS 2} \times \text{Loss Percentage 2, Constant Percentage 12))}$;

"nEDS 2" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;

"EDS Percentage 2" is as defined in the relevant Final Terms;

"EDS Barrier Percentage 2" is as defined in the relevant Final Terms;

"Forward 2" means Final Settlement Value 2 – Strike Percentage 2;

"Put 2" means $\text{Max (Strike Percentage 2 - Final Settlement Value 2; Constant Percentage 13)}$;

"Put Spread 2" means $\text{Min (Max (Strike Percentage 2 - Final Settlement Value 2; Constant Percentage 14); Spread Percentage 2)}$;

"Spread Percentage 2" means the percentage specified as such in the applicable Final Terms;

"Call 2" means $\text{Max (Final Settlement Value 2 - Strike Percentage 2; Constant Percentage 15)}$;

"Call Spread 2" means $\text{Min (Max (Final Settlement Value 2 - Strike Percentage 2; Constant Percentage 16); Spread Percentage 2)}$;

"Strike Percentage 2" means the percentage specified as such in the applicable Final Terms;

provided that if Physical Delivery Option 1 is specified as applicable in the applicable Final Terms, no Cash Settlement Amount, will be payable and Physical Delivery will apply.

Description of the Final Payout

The Final Payout comprises:

- a fixed percentage and if Option is Put, Put Spread, Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) with a minimum and a maximum; or
- a fixed percentage and if Option is Forward, indexation (subject to Gearing) to the value of the Underlying Reference(s) with a minimum and a maximum; or
- a fixed percentage and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage, with a minimum and a maximum and subject to Gearing;
- Physical Delivery may also apply.

(oo) **Multiple Final Payout – Reverse Convertible Securities**

(i) **Multiple Final Payout – KI – Reverse Convertible Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – KI – Reverse Convertible Securities:

(A) if no Knock-in Event has occurred:

$RV \times \text{Constant Percentage 1}$; or

(B) if a Knock-in Event has occurred:

$RV \times \text{Max (Constant Percentage 2 + Gearing} \times \text{Option; Floor Percentage)}$

Or

$RV \times \text{Min (Constant Percentage 2 + Gearing} \times \text{Option; Cap Percentage)}$

where:

"**Option**" means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

"**EDS**" means $\text{Max (EDS Percentage, Min (Constant Percentage 3 – nEDS} \times \text{Loss Percentage, Constant Percentage 4))}$;

"**EDS Percentage**" means the amount or percentage specified as such in the applicable Final Terms;

"**nEDS**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"**Forward**" means $\text{Final Settlement Value – Strike Percentage}$;

"**Put**" means $\text{Max (Strike Percentage – Final Settlement Value; Constant Percentage 3)}$;

"Put Spread" means $\text{Min} (\text{Max} (\text{Strike Percentage} - \text{Final Settlement Value}; \text{Constant Percentage 3}); \text{Spread Percentage});$

"Call" means $\text{Max} (\text{Final Settlement Value} - \text{Strike Percentage}; \text{Constant Percentage 4});$

"Call Spread" means $\text{Min} (\text{Max} (\text{Final Settlement Value} - \text{Strike Percentage}; \text{Constant Percentage 4}); \text{Spread Percentage});$

"Spread Percentage" means the percentage specified as such in the applicable Final Terms;

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1(oo)(i) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1(oo)(i) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, no Cash Settlement Amount, will be payable and Physical Delivery will apply.

Description of the Final Payout

If no Knock-in Event has occurred, the Final Payout comprises a fixed percentage equal to the Constant Percentage 1.

If a Knock-in Event has occurred, the Final Payout is subject to a minimum or a maximum and comprises:

- *if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage;*
- *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing. When Gearing is positive the higher the number of Underlying References with a value above this barrier the higher the percentage.*

Physical Delivery may also apply.

(ii) **Multiple Final Payout – KI – Extended Reverse Convertible Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – KI – Extended Reverse Convertible Securities:

(A) if no Knock-in Event has occurred:

$\text{RV} \times \text{Constant Percentage 1};$

Or

$\text{RV} \times \text{Gearing 1} \times \text{Max} (\text{Constant Percentage 2} + \text{Gearing 2} \times \text{Option 1}; \text{Floor Percentage 1})$

Or

$\text{RV} \times \text{Gearing 1} \times \text{Min} (\text{Constant Percentage 2} + \text{Gearing 2} \times \text{Option 1}; \text{Cap Percentage 1})$

(B) if a Knock-in Event has occurred:

$RV \times \text{Constant Percentage 3};$

Or

$RV \times \text{Gearing 3} \times \text{Max} (\text{Constant Percentage 4} + \text{Gearing 4} \times \text{Option 2}; \text{Floor Percentage 2})$

Or

$RV \times \text{Gearing 3} \times \text{Min} (\text{Constant Percentage 4} + \text{Gearing 4} \times \text{Option 2}; \text{Cap Percentage 2})$

where:

"**Option 1**" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

"**Option 2**" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

Option 1

"**EDS 1**" means $\text{Max} (\text{EDS Percentage 1}, \text{Min} (\text{Constant Percentage 4} - \text{nEDS 1} \times \text{Loss Percentage 1}, \text{Constant Percentage 5}))$;

"**nEDS 1**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"**EDS Percentage 1**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 1**" is as defined in the relevant Final Terms;

"**Forward 1**" means $\text{Final Settlement Value 1} - \text{Strike Percentage 1}$;

"**Put 1**" means $\text{Max} (\text{Strike Percentage 1} - \text{Final Settlement Value 1}; \text{Constant Percentage 6})$;

"**Put Spread 1**" means $\text{Min} (\text{Max} (\text{Strike Percentage 1} - \text{Final Settlement Value 1}; \text{Constant Percentage 7}); \text{Spread Percentage 1})$;

"**Spread Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Call 1**" means $\text{Max} (\text{Final Settlement Value 1} - \text{Strike Percentage 1}; \text{Constant Percentage 8})$;

"**Call Spread 1**" means $\text{Min} (\text{Max} (\text{Final Settlement Value 1} - \text{Strike Percentage 1}; \text{Constant Percentage 9}); \text{Spread Percentage 1})$;

"**Strike Percentage 1**" means the percentage specified as such in the applicable Final Terms;

Option 2

"**EDS 2**" means $\text{Max} (\text{EDS Percentage 2}, \text{Min} (\text{Constant Percentage 10} - \text{nEDS 2} \times \text{Loss Percentage 2}, \text{Constant Percentage 11}))$;

"**nEDS 2**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;

"**EDS Percentage 2**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 2**" is as defined in the relevant Final Terms;

"**Forward 2**" means Final Settlement Value 2 – Strike Percentage 2;

"**Put 2**" means Max (Strike Percentage 2 – Final Settlement Value 2; Constant Percentage 12);

"**Put Spread 2**" means Min (Max (Strike Percentage 2 – Final Settlement Value 2; Constant Percentage 13); Spread Percentage 2);

"**Spread Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**Call 2**" means Max (Final Settlement Value 2 - Strike Percentage 2; Constant Percentage 14); and

"**Call Spread 2**" means Min (Max (Final Settlement Value 2 - Strike Percentage 2; Constant Percentage 15); Spread Percentage 2);

"**Strike Percentage 2**" means the percentage specified as such in the applicable Final Terms;

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1(oo)(ii) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1(oo)(ii) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, no Cash Settlement Amount, will be payable and Physical Delivery will apply.

Description of the Final Payout

If no Knock-in Event has occurred, the Final Payout comprises a fixed percentage equal to the Constant Percentage 1 or, the Final Payout is subject to gearing and a minimum or a maximum and comprises:

- *if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage;*
- *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing. When Gearing is positive the higher the number of Underlying References with a value above this barrier the higher the percentage.*

If no Knock-in Event has occurred, the Final Payout comprises a fixed percentage equal to the Constant Percentage 3 or, the Final Payout is subject to gearing and a minimum or a maximum and comprises:

- *if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage;*
- *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing. When Gearing is positive the higher the number of Underlying References with a value above this barrier the higher the percentage.*

Physical Delivery may also apply.

(iii) **Multiple Final Payout – KO – Extended Reverse Convertible Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – KO – Extended Reverse Convertible Securities:

(A) if no Knock-out Event has occurred:

$RV \times \text{Constant Percentage 1};$

Or

$RV \times \text{Gearing 1} \times \text{Max (Constant Percentage 2 + Gearing 2} \times \text{Option 1; Floor Percentage 1)}$

Or

$RV \times \text{Gearing 1} \times \text{Min (Constant Percentage 2 + Gearing 2} \times \text{Option 1; Cap Percentage 1)}$

(B) if a Knock-out Event has occurred:

$RV \times \text{Constant Percentage 3};$

Or

$RV \times \text{Gearing 3} \times \text{Max (Constant Percentage 4 + Gearing 4} \times \text{Option 2; Floor Percentage 2)}$

Or

$RV \times \text{Gearing 3} \times \text{Min (Constant Percentage 4 + Gearing 4} \times \text{Option 2; Cap Percentage 2)}$

where:

"**Option 1**" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

"**Option 2**" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

Option 1

"**EDS 1**" means $\text{Max (EDS Percentage 1, Min (Constant Percentage 4} - \text{nEDS 1} \times \text{Loss Percentage 1, Constant Percentage 5))}$;

"**nEDS 1**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"**EDS Percentage 1**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 1**" is as defined in the relevant Final Terms;

"**Forward 1**" means Final Settlement Value 1 – Strike Percentage 1;

"**Put 1**" means Max (Strike Percentage 1 – Final Settlement Value 1; Constant Percentage 6);

"**Put Spread 1**" means Min (Max (Strike Percentage 1 – Final Settlement Value 1; Constant Percentage 7); Spread Percentage 1);

"**Spread Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Call 1**" means Max (Final Settlement Value 1 - Strike Percentage 1; Constant Percentage 8); and

"**Call Spread 1**" means Min (Max (Final Settlement Value 1 - Strike Percentage 1; Constant Percentage 9); Spread Percentage 1);

"**Strike Percentage 1**" means the percentage specified as such in the applicable Final Terms;

Option 2

"**EDS 2**" means Max (EDS Percentage 2, Min (Constant Percentage 10 – nEDS 2 × Loss Percentage 2, Constant Percentage 11));

"**nEDS 2**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;

"**EDS Percentage 2**" is as defined in the relevant Final Terms;

"**EDS Barrier Percentage 2**" is as defined in the relevant Final Terms;

"**Forward 2**" means Final Settlement Value 2 – Strike Percentage 2;

"**Put 2**" means Max (Strike Percentage 2 – Final Settlement Value 2; Constant Percentage 12);

"**Put Spread 2**" means Min (Max (Strike Percentage 2 – Final Settlement Value 2; Constant Percentage 13); Spread Percentage 2);

"**Spread Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**Call 2**" means Max (Final Settlement Value 2 - Strike Percentage 2; Constant Percentage 14); and

"**Call Spread 2**" means Min (Max (Final Settlement Value 2 - Strike Percentage 2; Constant Percentage 15); Spread Percentage 2);

"Strike Percentage 2" means the percentage specified as such in the applicable Final Terms;

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1(oo)(iii) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1(oo)(iii) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms no Cash Settlement Amount, will be payable and Physical Delivery will apply.

Description of the Final Payout

If no Knock-out Event has occurred, the Final Payout comprises a fixed percentage equal to the Constant Percentage 1 or, the Final Payout is subject to gearing and a minimum or a maximum and comprises:

- *if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage;*
- *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing. When Gearing is positive the higher the number of Underlying References with a value above this barrier the higher the percentage.*

If no Knock-out Event has occurred, the Final Payout comprises a fixed percentage equal to the Constant Percentage 3 or, the Final Payout is subject to gearing and a minimum or a maximum and comprises:

- *if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage;*
- *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing. When Gearing is positive the higher the number of Underlying References with a value above this barrier the higher the percentage.*

(iv) **Multiple Final Payout - KO Reverse Convertible Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout - KO Reverse Convertible Securities:

(A) if no Knock-out Event has occurred:

$RV \times \text{Constant Percentage 1}$; or

(B) if a Knock-out Event has occurred:

$RV \times \text{Max (Constant Percentage 2 + Gearing} \times \text{Option; Floor Percentage)}$

Or

$RV \times \text{Min} (\text{Constant Percentage } 2 + \text{Gearing} \times \text{Option}; \text{Cap Percentage})$

where:

"**Option**" means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

"**EDS**" means $\text{Max} (\text{EDS Percentage}, \text{Min} (\text{Constant Percentage } 3 - n\text{EDS} \times \text{Loss Percentage}, \text{Constant Percentage } 4))$;

"**nEDS**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"**EDS Percentage**" means the amount or percentage specified as such in the applicable Final Terms;

"**Forward**" means Final Settlement Value – Strike Percentage;

"**Put**" means $\text{Max} (\text{Strike Percentage} - \text{Final Settlement Value}; \text{Constant Percentage } 3)$;

"**Put Spread**" means $\text{Min} (\text{Max} (\text{Strike Percentage} - \text{Final Settlement Value}; \text{Constant Percentage } 3); \text{Spread Percentage})$;

"**Call**" means $\text{Max} (\text{Final Settlement Value} - \text{Strike Percentage}; \text{Constant Percentage } 3)$;

"**Call Spread**" means $\text{Min} (\text{Max} (\text{Final Settlement Value} - \text{Strike Percentage}; \text{Constant Percentage } 3); \text{Spread Percentage})$;

"**Spread Percentage**" means the percentage specified as such in the applicable Final Terms;

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1(oo)(iv) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1(oo)(iv) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, no Cash Settlement Amount, as applicable, will be payable and Physical Delivery will apply.

Description of the Final Payout

If no Knock-out Event has occurred, the Final Payout comprises a fixed percentage equal to the Constant Percentage 1.

If a Knock-out Event has occurred, the Final Payout is subject to a minimum and comprises:

- *if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Final Settlement Value;*
- *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing. When Gearing is positive the higher the*

number of Underlying References with a value above this barrier the higher the percentage.

Physical Delivery may also apply.

(v) **Multiple Final Payout – Vanilla KI Reverse Convertible Securities**

If the Securities are specified in the applicable Final Terms as Multiple Final Payout – Vanilla KI Reverse Convertible Securities:

(A) if no Knock-in Event has occurred:

$RV \times \text{Constant Percentage 1}$; or

(B) if a Knock-in Event has occurred:

$RV \times \text{Min (Cap Percentage, Gearing} \times \text{Final Settlement Value} + \text{Constant Percentage 2)}$;

or

$RV \times \text{Max (Floor Percentage, Gearing} \times \text{Final Settlement Value} + \text{Constant Percentage 2)}$.

Description of the Final Payout

The Final Payout comprises:

- *if no Knock-in Event has occurred, a fixed percentage equal to the Constant Percentage 1; or*
- *if a Knock-in Event has occurred, (A) the minimum of (i) Cap Percentage and (ii) indexation to the value of the Underlying Reference(s) multiplied for the relevant Gearing and increased by a fixed percentage equal to the Constant Percentage 2 or (B) the maximum of (i) Floor Percentage and (ii) indexation to the value of the Underlying Reference(s) multiplied for the relevant Gearing and increased by a fixed percentage equal to the Constant Percentage 2.*

(vi) **Multiple Final Payout – Vanilla KO Reverse Convertible Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Vanilla KO Reverse Convertible Securities:

(A) if no Knock-out Event has occurred:

$RV \times \text{Constant Percentage 1}$; or

(B) if a Knock-out Event has occurred:

$RV \times \text{Max (Floor Percentage, Gearing} \times \text{Final Settlement Value} + \text{Constant Percentage 2)}$;

or

$RV \times \text{Min (Cap Percentage, Gearing} \times \text{Final Settlement Value} + \text{Constant Percentage 2)}$.

Description of the Final Payout

The Final Payout comprises:

- if no Knock-out Event has occurred, a fixed percentage equal to the Constant Percentage 1; or
- if a Knock-out Event has occurred, (A) the maximum of (i) Floor Percentage and (ii) indexation to the value of the Underlying Reference(s) multiplied for the relevant Gearing and increased by a fixed percentage equal to the Constant Percentage 2 or (B) the minimum of (i) Cap Percentage and (ii) indexation to the value of the Underlying Reference(s) multiplied for the relevant Gearing and increased by a fixed percentage equal to the Constant Percentage 2.

(vii) **Multiple Final Payout – KIKO Reverse Convertible Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – KIKO Reverse Convertible Securities:

(A) if a Knock-out Event has occurred:

$RV \times \text{Max (Constant Percentage 1 + Gearing 1} \times \text{Option 1; Constant Percentage 2); or}$

$RV \times \text{Min (Constant Percentage 1 + Gearing 1} \times \text{Option 1; Constant Percentage 2);}$

(B) if no Knock-in Event and no Knock-out Event has occurred:

$RV \times \text{Constant Percentage 3; or}$

(C) if a Knock-in Event has occurred:

$RV \times \text{Max (Constant Percentage 4 + Gearing 2} \times \text{Option 2; Constant Percentage 5); or}$

$RV \times \text{Min (Constant Percentage 4 + Gearing 2} \times \text{Option 2; Constant Percentage 5);}$

where:

"**Gearing 1**" is as defined in the relevant Final Terms;

"**Gearing 2**" is as defined in the relevant Final Terms;

"**Option 1**" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

"**Option 2**" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

Option 1

"**EDS 1**" means $\text{Max (EDS Percentage 1, Min (Constant Percentage 6 – nEDS 1} \times \text{Loss Percentage 1, Constant Percentage 7))};$

"**nEDS 1**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"EDS Percentage 1" is as defined in the relevant Final Terms;

"EDS Barrier Percentage 1" is as defined in the relevant Final Terms;

"Forward 1" means Final Settlement Value 1 – Strike Percentage 1;

"Put 1" means Max (Strike Percentage 1 – Final Settlement Value 1; Constant Percentage 8);

"Put Spread 1" means Min (Max (Strike Percentage 1 – Final Settlement Value 1; Constant Percentage 9); Spread Percentage 1);

"Spread Percentage 1" means the percentage specified as such in the applicable Final Terms;

"Call 1" means Max (Final Settlement Value 1 - Strike Percentage 1; Constant Percentage 10); and

"Call Spread 1" means Min (Max (Final Settlement Value 1 - Strike Percentage 1; Constant Percentage 11); Spread Percentage 1);

"Strike Percentage 1" means the percentage specified as such in the applicable Final Terms;

Option 2

"EDS 2" means Max (EDS Percentage 2, Min (Constant Percentage 12 – nEDS 2 × Loss Percentage 2, Constant Percentage 13));

"nEDS 2" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;

"EDS Percentage 2" is as defined in the relevant Final Terms;

"EDS Barrier Percentage 2" is as defined in the relevant Final Terms;

"Forward 2" means Final Settlement Value 2 – Strike Percentage 2;

"Put 2" means Max (Strike Percentage 2 – Final Settlement Value 2; Constant Percentage 14);

"Put Spread 2" means Min (Max (Strike Percentage 2 – Final Settlement Value 2; Constant Percentage 15); Spread Percentage 2);

"Spread Percentage 2" means the percentage specified as such in the applicable Final Terms;

"Call 2" means Max (Final Settlement Value 2 - Strike Percentage 2; Constant Percentage 16); and

"Call Spread 2" means Min (Max (Final Settlement Value 2 - Strike Percentage 2; Constant Percentage 17); Spread Percentage 2);

"Strike Percentage 2" means the percentage specified as such in the applicable Final Terms;

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1(o)(vii) apply and Physical Delivery Option 1 is specified as applicable in the

applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1(oo)(vii) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, or (cc) if the provisions of sub-paragraph (C) of this Formulas Condition 1.1(oo)(vii) apply and Physical Delivery Option 3 is specified as applicable in the applicable Final Terms no Cash Settlement Amount, will be payable and Physical Delivery will apply.

Description of the Final Payout

If no Knock-in Event and no Knock-out Event has occurred, the Final Payout comprises a fixed percentage equal to the Constant Percentage.

If a Knock-in Event or a Knock-out Event has occurred, the Final Payout is subject to a minimum or a maximum and comprises:

- *if Option is Put, Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage; or*
- *if Option is Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Final Settlement Value; or*
- *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage, subject to Gearing.*

Physical Delivery may also apply.

(pp) **Multiple Final Payout – Plain Vanilla Securities**

(i) **Multiple Final Payout – Plain Vanilla Call Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Plain Vanilla Call Securities:

$$RV \times [\text{Constant Percentage 1} + \text{Gearing 1} \times \text{Max} (\text{Gearing 2} \times (\text{Final Settlement Value} - \text{Strike Percentage}), \text{Floor Percentage})]$$

Description of the Final Payout

The Final Payout comprises a Constant Percentage 1 and indexed (subject to Gearing) to the geared value of the Underlying Reference(s) above the Strike Percentage, subject to a Floor Percentage.

(ii) **Multiple Final Payout – Plain Vanilla Call Spread Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Plain Vanilla Call Spread Securities:

$$RV \times \{ \text{Constant Percentage 1} + \text{Gearing 1} \times \text{Min} [\text{Max} (\text{Gearing 2} \times (\text{Final Settlement Value} - \text{Strike Percentage}), \text{Floor Percentage}), \text{Cap Percentage}] \}$$

Description of the Final Payout

The Final Payout comprises a Constant Percentage 1 and indexed (subject to Gearing) to the geared value of the Underlying Reference(s) above the Strike Percentage, subject to a Floor Percentage. This indexation cannot be higher than a Cap Percentage.

(iii) **Multiple Final Payout – Plain Vanilla Put Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Plain Vanilla Put Securities:

$RV \times [\text{Constant Percentage 1} + \text{Gearing 1} \times \text{Max} (\text{Gearing 2} \times (\text{Strike Percentage} - \text{Final Settlement Value}); \text{Floor Percentage})]$

Description of the Final Payout

The Final Payout comprises a Constant Percentage 1 and indexed (subject to Gearing) to the geared value of the Underlying Reference(s) below the Strike Percentage, subject to a Floor Percentage.

(iv) **Multiple Final Payout – Plain Vanilla Put Spread Securities**

If the Securities are specified in the applicable Final Terms as Multiple Final Payout – Plain Vanilla Put Spread Securities:

$RV \times \{ \text{Constant Percentage 1} + \text{Gearing 1} \times \text{Min} [\text{Max} (\text{Gearing 2} \times (\text{Strike Percentage} - \text{Final Settlement Value}); \text{Floor Percentage}); \text{Cap Percentage}] \}$

Description of the Final Payout

The Final Payout comprises a Constant Percentage 1 and indexed (subject to Gearing) to the value of the Underlying Reference(s) below the Strike Percentage, subject to a Floor Percentage. This indexation cannot be higher than a Cap Percentage.

(v) **Multiple Final Payout – Plain Vanilla KI Digital Securities**

If the Securities are specified in the applicable Final Terms as Multiple Final Payout – Plain Vanilla KI Digital Securities:

(A) if a Knock-in Event has occurred:

$RV \times (\text{Constant Percentage 1} + \text{Bonus Coupon});$ or

(B) if no Knock-in Event has occurred:

$RV \times \text{Constant Percentage 2}.$

Description of the Final Payout

The Final Payout comprises:

- *if a Knock-in event has occurred, a fixed percentage and a Bonus Coupon.*
- *if a Knock-in event has not occurred: a different fixed percentage.*

(vi) **Multiple Final Payout – Plain Vanilla KO Digital Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Plain Vanilla KO Digital Securities:

(A) if a Knock-out Event has occurred:

$RV \times (\text{Constant Percentage 1} + \text{Bonus Coupon});$ or

(B) if no Knock-out Event has occurred:

$RV \times \text{Constant Percentage 2.}$

Description of the Final Payout

The Final Payout comprises:

- *if a Knock-out event has occurred, a fixed percentage and a Bonus Coupon.*
- *if a Knock-out event has not occurred: a different fixed percentage.*

(vii) **Multiple Final Payout – Geared Knock-in Vanilla Call Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Geared Knock-in Vanilla Call Securities:

(A) if a Knock-in Event has occurred:

$RV \times (\text{Constant Percentage 1} + \text{Gearing 1} \times \text{Max} (\text{Gearing 2} \times (\text{Final Settlement Value} - \text{Strike Percentage}), \text{Floor Percentage}));$ or

(B) if no Knock-in Event has occurred:

$RV \times \text{Constant Percentage 2}$

Description of the Final Payout

The Final Payout comprises:

- *a fixed percentage; and*
- *if a Knock-in Event has occurred, an indexation (subject to Gearing) to the geared value of the Underlying Reference(s) above the Strike Percentage, subject to a Floor Percentage.*

(viii) **Multiple Final Payout – Geared Knock-out Vanilla Call Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Geared Knock-out Vanilla Call Securities:

(A) if no Knock-out Event has occurred:

$RV \times (\text{Constant Percentage 1} + \text{Gearing 1} \times \text{Max} (\text{Gearing 2} \times (\text{Final Settlement Value} - \text{Strike Percentage}), \text{Floor Percentage}));$ or

(B) if a Knock-out Event has occurred:

$RV \times \text{Constant Percentage 2}$

Description of the Final Payout

The Final Payout comprises:

- *a fixed percentage; and*
- *if no Knock-out Event has occurred, an indexation (subject to Gearing) to the geared value of the Underlying Reference(s) above the Strike Percentage, subject to a Floor Percentage.*

(qq) **Multiple Final Payout – Standard Asian Securities**

(i) **Multiple Final Payout – Standard Asian Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Standard Asian Securities:

(A) If Standard Asian Call Local Cap is specified as applicable then:

$$RV \times (\text{Constant Percentage } 1 + \text{Gearing} \times \text{Max} (\text{Sum} (i = 1, 2, \dots, M) W_{(i)} \times (\text{Min} (\text{Max} (\text{Final Settlement Value}_{(i)} - \text{Strike Percentage}_{(i)}, \text{Local Floor Percentage}_{(i)}, \text{Local Cap Percentage}_{(i)})); \text{Floor Percentage}))$$

(B) If Standard Asian Call Local Cap is specified as not applicable:

$$RV \times (\text{Constant Percentage } 1 + \text{Gearing} \times \text{Max} (\text{Sum} (i = 1, 2, \dots, M) W_{(i)} \times \text{Max} (\text{Final Settlement Value}_{(i)} - \text{Strike Percentage}_{(i)}, \text{Local Floor Percentage}_{(i)}); \text{Floor Percentage}))$$

(C) If Standard Asian Put Local Cap is specified as applicable, then:

$$RV \times (\text{Constant Percentage } 1 + \text{Gearing} \times \text{Max} (\text{Sum} (i = 1, 2, \dots, M) W_{(i)} \times (\text{Min} (\text{Max} (\text{Strike Percentage}_{(i)} - \text{Final Settlement Value}_{(i)}, \text{Local Floor Percentage}_{(i)}, \text{Local Cap Percentage}_{(i)})); \text{Floor Percentage}))$$

(D) If Standard Asian Put Local Cap is specified as not applicable:

$$RV \times (\text{Constant Percentage } 1 + \text{Gearing} \times \text{Max} (\text{Sum} (i = 1, 2, \dots, M) W_{(i)} \times \text{Max} (\text{Strike Percentage}_{(i)} - \text{Final Settlement Value}_{(i)}, \text{Local Floor Percentage}_{(i)}); \text{Floor Percentage}))$$

where:

"**Final Settlement Value_(i)**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Local Floor Percentage_(i)**" as defined in the applicable Final Terms;

"**Local Cap Percentage_(i)**" is as defined in the applicable Final Terms;

"**M**" is as defined in the applicable Final Terms;

"**W_(i)**" is as defined in the applicable Final Terms;

"**Strike Percentage_(i)**" is as defined in the applicable Final Terms;

"**Standard Asian Call Local Cap**" is as defined in the applicable Final Terms;

"**Standard Asian Put Local Cap**" is as defined in the applicable Final Terms.

Description of the Final Payout

The Final Payout comprises a fixed percentage equal to Constant Percentage 1, an indexation (subject to Gearing) to the value of the Underlying Reference(s) when the average value is above or below the Strike Percentage subject to a Local Floor

Percentage and, possibly, a Local Cap Percentage on each observation and a Floor Percentage.

(ii) **Multiple Final Payout – Standard Collared Asian Spread Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Standard Collared Asian Spread Securities:

(A) If Standard Collared Asian Call Local Cap is specified as applicable then:

$$RV \times (\text{Constant Percentage } 1 + \text{Gearing} \times \text{Min} (\text{Max} (\text{Sum} (i = 1, 2, \dots, M) W_{(i)} \times (\text{Min} (\text{Max} (\text{Final Settlement Value}_{(i)} - \text{Strike Percentage}_{(i)}, \text{Local Floor Percentage}_{(i)}), \text{Local Cap Percentage}_{(i)})); \text{Floor Percentage})); \text{Cap Percentage})$$

(B) If Standard Collared Asian Call Local Cap is specified as not applicable:

$$RV \times (\text{Constant Percentage } 1 + \text{Gearing} \times \text{Min} (\text{Max} (\text{Sum} (i = 1, 2, \dots, M) W_{(i)} \times \text{Max} (\text{Final Settlement Value}_{(i)} - \text{Strike Percentage}_{(i)}, \text{Local Floor Percentage}_{(i)}); \text{Floor Percentage})); \text{Cap Percentage})$$

(C) If Standard Collared Asian Put Local Cap is specified as applicable then:

$$RV \times (\text{Constant Percentage } 1 + \text{Gearing} \times \text{Min} (\text{Max} (\text{Sum} (i = 1, 2, \dots, M) W_{(i)} \times (\text{Min} (\text{Max} (\text{Strike Percentage}_{(i)} - \text{Final Settlement Value}_{(i)}, \text{Local Floor Percentage}_{(i)}), \text{Local Cap Percentage}_{(i)})); \text{Floor Percentage})); \text{Cap Percentage})$$

(D) If Standard Collared Asian Put Local Cap is specified as not applicable:

$$RV \times (\text{Constant Percentage } 1 + \text{Gearing} \times \text{Min} [\text{Max} (\text{Sum} (i = 1, 2, \dots, M) W_{(i)} \times \text{Max} (\text{Strike Percentage}_{(i)} - \text{Final Settlement Value}_{(i)}, \text{Local Floor Percentage}_{(i)}); \text{Floor Percentage}]); \text{Cap Percentage}]$$

where:

"**Final Settlement Value_(i)**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Local Floor Percentage_(i)**" as defined in the applicable Final Terms;

"**Local Cap Percentage_(i)**" is as defined in the applicable Final Terms;

"**M**" is as defined in the applicable Final Terms;

"**W_(i)**" is as defined in the applicable Final Terms;

"**Strike Percentage_(i)**" is as defined in the applicable Final Terms;

"**Standard Collared Asian Call Local Cap**" is as defined in the applicable Final Terms;

"**Standard Collared Asian Put Local Cap**" is as defined in the applicable Final Terms.

Description of the Final Payout

The Final Payout comprises a fixed percentage equal to Constant Percentage 1 and an indexation (subject to Gearing) to the value of the Underlying Reference(s) when the average value is above the Strike Percentage subject to a Local Floor Percentage and, possibly, a Local Cap Percentage on each observation and a Floor Percentage and a Cap Percentage.

(rr) **Multiple Final Payout Standard Himalaya Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout Standard Himalaya Securities:

$$RV \times (\text{Constant Percentage 1} + \text{Gearing} \times \text{Max} (\text{Sum} (i = 1, 2, \dots, M) W_{(i)} \times \text{Max} (\text{Best Lock Value}_{(i)} - \text{Strike Percentage}_{(i)}; \text{Local Floor Percentage}_{(i)}; \text{Floor Percentage})))$$

where:

"**Local Floor Percentage_(i)**" is as defined in the applicable Final Terms;

"**M**" is as defined in the applicable Final Terms;

"**W_(i)**" is as defined in the applicable Final Terms; and

"**BestLockValue_(i)**" means the highest Underlying Reference Value on MFP Valuation Date_(i) of the Underlying Reference(s) in Relevant Basket_(i); and

"**Relevant Basket_(i)**" means, in respect of MFP Valuation Date_(i), a Basket comprising each Underlying Reference in Relevant Basket_(i-1) but excluding the Underlying Reference in relation to BestLockValue_(i-1). Relevant Basket_(i-1) will be set out in the applicable Final Terms.

"**Strike Percentage_(i)**" is as defined in the applicable Final Terms;

Description of the Final Payout

The Final Payout comprises a fixed percentage equal to Constant Percentage 1 and an indexation (subject to Gearing) to the Underlying References above the Strike Percentage in accordance with certain selection criteria on each MFP Valuation Date. In particular, the value of the best performing Underlying Reference in the basket is calculated and then removed from such basket for the following MFP Valuation Dates, therefore providing an indexation to the average of those calculated values (the BestLockValues) above the Strike Percentage. The minimum level is equal to Floor Percentage.

(ss) **Multiple Final Payout – Dispersion Securities**

If the Securities are specified in the applicable Final Terms as being Dispersion Securities:

$$RV \times [\text{Constant Percentage 1} + \text{Max} (\text{Global Floor Percentage}; (1/K) \times \text{Sum} (k=1, 2, \dots, K) \text{Dispersion Value}_{(k)} - \text{Strike Percentage})]$$

where:

"**Dispersion Value_(k)**" means, in respect of the relevant Underlying Reference(k), the absolute value of: [Final Settlement Value_(k) – Basket Value.]

Description of the Payout

The Payout comprises indexation to the average value of the Underlying Reference(s) when the average value is above the Strike Percentage subject to a minimum level of the Global Floor Percentage.

(tt) **Multiple Final Payout - Step Securities**

(i) **Multiple Final Payout - 3-Step Knock-in Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout - 3-Step Knock-in Securities:

(A) if the Final Settlement Condition is satisfied:

$$RV \times (\text{Constant Percentage 1} + \text{FS Exit Rate}); \text{ or}$$

(B) if the Final Settlement Condition is not satisfied and no Knock-in Event has occurred:

$$RV \times (\text{Constant Percentage 2} + \text{Coupon Airbag Percentage})$$

(C) if the Final Settlement Condition is not satisfied and a Knock-in Event has occurred:

$$RV \times \text{Max} (\text{Constant Percentage 3} + \text{Gearing} \times \text{Option}; \text{Floor Percentage})$$

where:

"Option" means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

"EDS" means $\text{Max} (\text{Floor Percentage}, \text{Min} (\text{Constant Percentage 4} - n\text{EDS} \times \text{Loss Percentage}, \text{Constant Percentage 5}))$;

"Forward" means $\text{Final Settlement Value} - \text{Strike Percentage}$;

"nEDS" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"Call" means $\text{Max} (\text{Final Settlement Value} - \text{Strike Percentage}; \text{Constant Percentage 4})$;

"Call Spread" means $\text{Min} (\text{Max} (\text{Final Settlement Value} - \text{Strike Percentage}; \text{Constant Percentage 4}); \text{Spread Percentage})$;

"Put" means $\text{Max} (\text{Strike Percentage} - \text{Final Settlement Value}; \text{Constant Percentage 4})$;

"Put Spread" means $\text{Min} (\text{Max} (\text{Strike Percentage} - \text{Final Settlement Value}; \text{Constant Percentage 4}); \text{Spread Percentage})$,

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1(tt)(i) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1(tt)(i) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms or (cc) if the provisions of sub-paragraph (C) of this Formulas Condition 1.1(tt)(i) apply and Physical Delivery Option 3 is specified as applicable in the applicable Final Terms, no Cash Settlement Amount will be payable and Physical Delivery will apply.

Description of the Final Payout

The Final Payout comprises:

- *if the Final Settlement Condition is satisfied, a fixed percentage plus a final exit rate (equal to the FS Exit Rate);*
- *if the Final Settlement Condition is not satisfied and no Knock-in Event has occurred, a fixed percentage (that may differ from the above fixed percentage) plus the Coupon Airbag Percentage;*
- *if the Final Settlement Condition is not satisfied, a Knock-in Event has occurred and if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum; or*
- *if the Final Settlement Condition is not satisfied, a Knock-in Event has occurred and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum; or*
- *if the Final Settlement Condition is not satisfied, a Knock-in Event has occurred and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage.*
- *Physical Delivery may also apply.*

(ii) **Multiple Final Payout - 3-Step Plus Knock-in Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout - 3-Step Plus Knock-in Securities:

(A) if the Final Settlement Condition is satisfied:

$RV \times \text{Max} (\text{Constant Percentage 1} + \text{Gearing 1} \times \text{Option 1}; \text{Floor Percentage})$

Or

$RV \times \text{Min} (\text{Constant Percentage 1} + \text{Gearing 1} \times \text{Option 1}; \text{Cap Percentage});$
or

(B) if the Final Settlement Condition is not satisfied and no Knock-in Event has occurred:

$RV \times (\text{Constant Percentage 2} + \text{Coupon Airbag Percentage})$

(C) if the Final Settlement Condition is not satisfied and a Knock-in Event has occurred:

$RV \times \text{Max} (\text{Constant Percentage 3} + \text{Gearing 2} \times \text{Option 2}; \text{Floor Percentage})$

Or

$RV \times \text{Min} (\text{Constant Percentage 3} + \text{Gearing 2} \times \text{Option 2}; \text{Cap Percentage})$

where:

"Option 1" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

"Option 2" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

Option 1

"EDS 1" means $\text{Max (EDS Percentage 1, Min (Constant Percentage 4 - nEDS 1 \times \text{Loss Percentage 1, Constant Percentage 5}))}$;

"nEDS 1" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"EDS Percentage 1" is as defined in the relevant Final Terms;

"EDS Barrier Percentage 1" is as defined in the relevant Final Terms;

"Forward 1" means Final Settlement Value 1 - Strike Percentage 1;

"Put 1" means $\text{Max (Strike Percentage 1 - Final Settlement Value 1; Constant Percentage 6)}$;

"Put Spread 1" means $\text{Min (Max (Strike Percentage 1 - Final Settlement Value 1; Constant Percentage 7); Spread Percentage 1)}$;

"Spread Percentage 1" means the percentage specified as such in the applicable Final Terms;

"Call 1" means $\text{Max (Final Settlement Value 1 - Strike Percentage 1; Constant Percentage 8)}$; and

"Call Spread 1" means $\text{Min (Max (Final Settlement Value 1 - Strike Percentage 1; Constant Percentage 9); Spread Percentage 1)}$;

"Strike Percentage 1" means the percentage specified as such in the applicable Final Terms;

Option 2

"EDS 2" means $\text{Max (EDS Percentage 2, Min (Constant Percentage 10 - nEDS 2 \times \text{Loss Percentage 2, Constant Percentage 11}))}$;

"nEDS 2" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;

"EDS Percentage 2" is as defined in the relevant Final Terms;

"EDS Barrier Percentage 2" is as defined in the relevant Final Terms;

"Forward 2" means Final Settlement Value 2 - Strike Percentage 2;

"Put 2" means $\text{Max (Strike Percentage 2 - Final Settlement Value 2; Constant Percentage 12)}$;

"Put Spread 2" means $\text{Min (Max (Strike Percentage 2 - Final Settlement Value 2; Constant Percentage 13); Spread Percentage 2)}$;

"Spread Percentage 2" means the percentage specified as such in the applicable Final Terms;

"**Call 2**" means Max (Final Settlement Value 2 - Strike Percentage 2; Constant Percentage 14); and

"**Call Spread 2**" means Min (Max (Final Settlement Value 2 - Strike Percentage 2; Constant Percentage 15); Spread Percentage 2);

"**Strike Percentage 2**" means the percentage specified as such in the applicable Final Terms;

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1(tt)(ii) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1(tt)(ii) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, or (cc) if the provisions of sub- paragraph (C) of this Formulas Condition 1.1(tt)(ii) apply and Physical Delivery Option 3 is specified as applicable in the applicable Final Terms no Cash Settlement Amount, will be payable and Physical Delivery will apply.

Description of the Final Payout

The Final Payout comprises:

- *if the Final Settlement Condition is satisfied, and if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum or a maximum; or*
- *if the Final Settlement Condition is satisfied, and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum or a maximum; or*
- *if the Final Settlement Condition is satisfied, and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage.*
- *if the Final Settlement Condition is not satisfied and no Knock-in Event has occurred, a fixed percentage (that may differ from the above fixed percentage) plus the Coupon Airbag Percentage;*
- *if the Final Settlement Condition is not satisfied, a Knock-in Event has occurred and if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum or a maximum; or*
- *if the Final Settlement Condition is not satisfied, a Knock-in Event has occurred and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum or a maximum; or*
- *if the Final Settlement Condition is not satisfied, a Knock-in Event has occurred and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage.*
- *Physical Delivery may also apply.*

(iii) **Multiple Final Payout - 3-Step Knock-out Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout - 3-Step Knock-out Securities:

(A) if the Final Settlement Condition is satisfied:

$$RV \times (\text{Constant Percentage 1} + \text{FS Exit Rate}); \text{ or}$$

(B) if the Final Settlement Condition is not satisfied and no Knock-out Event has occurred:

$$RV \times (\text{Constant Percentage 2} + \text{Coupon Airbag Percentage})$$

(C) if the Final Settlement Condition is not satisfied and a Knock-out Event has occurred:

$$RV \times \text{Max} (\text{Constant Percentage 3} + \text{Gearing} \times \text{Option}; \text{Floor Percentage})$$

where:

"Option" means Call, Call Spread, Put, Put Spread, EDS or Forward as specified in the applicable Final Terms;

"EDS" means $\text{Max} (\text{Cap Percentage}, \text{Min} (\text{Constant Percentage 4} - n\text{EDS} \times \text{Loss Percentage}, \text{Constant Percentage 5}))$;

"Forward" means $\text{Final Settlement Value} - \text{Strike Percentage}$;

"nEDS" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"Call" means $\text{Max} (\text{Final Settlement Value} - \text{Strike Percentage}; \text{Constant Percentage 4})$;

"Call Spread" means $\text{Min} (\text{Max} (\text{Final Settlement Value} - \text{Strike Percentage}; \text{Constant Percentage 4}); \text{Spread Percentage})$,

"Put" means $\text{Max} (\text{Strike Percentage} - \text{Final Settlement Value}; \text{Constant Percentage 4})$; and

"Put Spread" means $\text{Min} (\text{Max} (\text{Strike Percentage} - \text{Final Settlement Value}; \text{Constant Percentage 4}); \text{Spread Percentage})$,

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1(tt)(iii) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1(tt)(iii) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms or (cc) if the provisions of sub-paragraph (C) of this Formulas Condition 1.1(tt)(iii) apply and Physical Delivery Option 3 is specified as applicable in the applicable Final Terms, no Cash Settlement Amount will be payable and Physical Delivery will apply.

Description of the Final Payout

The Final Payout comprises:

- *if the Final Settlement Condition is satisfied, a fixed percentage plus a final exit rate (equal to the FS Exit Rate);*
- *if the Final Settlement Condition is not satisfied and no Knock-out Event has occurred, a fixed percentage (that may differ from the above fixed percentage);*
- *if the Final Settlement Condition is not satisfied, a Knock- out Event has occurred and if Option is Put, Put Spread, Call or Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) below or above the Strike Percentage, subject to a minimum; or*
- *if the Final Settlement Condition is not satisfied, a Knock- out Event has occurred and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum; or*
- *if the Final Settlement Condition is not satisfied, a Knock- out Event has occurred and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value lower than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value below this barrier the higher the percentage.*
- *Physical Delivery may also apply.*

(iv) **Multiple Final Payout - 3-Step Plus Knock-out Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout - 3-Step Plus Knock-out Securities:

(A) if the Final Settlement Condition is satisfied:

$RV \times \text{Max (Constant Percentage 1 + Gearing 1} \times \text{Option 1; Floor Percentage)}$

Or

$RV \times \text{Min (Constant Percentage 1 + Gearing 1} \times \text{Option 1; Cap Percentage);}$
or

(B) if the Final Settlement Condition is not satisfied and no Knock-out Event has occurred:

$RV \times (\text{Constant Percentage 2} + \text{Coupon Airbag Percentage})$

(C) if the Final Settlement Condition is not satisfied and a Knock-out Event has occurred:

$RV \times \text{Max (Constant Percentage 3} + \text{Gearing 2} \times \text{Option 2; Floor Percentage)}$

Or

$RV \times \text{Min (Constant Percentage 3} + \text{Gearing 2} \times \text{Option 2; Cap Percentage)}$

where:

"Option 1" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

"Option 2" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

Option 1

"EDS 1" means $\text{Max (EDS Percentage 1, Min (Constant Percentage 4 - nEDS 1} \times \text{Loss Percentage 1, Constant Percentage 5))}$;

"nEDS 1" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"EDS Percentage 1" is as defined in the relevant Final Terms;

"EDS Barrier Percentage 1" is as defined in the relevant Final Terms;

"Forward 1" means Final Settlement Value 1 – Strike Percentage 1;

"Put 1" means $\text{Max (Strike Percentage 1 - Final Settlement Value 1; Constant Percentage 6)}$;

"Put Spread 1" means $\text{Min (Max (Strike Percentage 1 - Final Settlement Value 1; Constant Percentage 7); Spread Percentage 1)}$;

"Spread Percentage 1" means the percentage specified as such in the applicable Final Terms;

"Call 1" means $\text{Max (Final Settlement Value 1 - Strike Percentage 1; Constant Percentage 8)}$; and

"Call Spread 1" means $\text{Min (Max (Final Settlement Value 1 - Strike Percentage 1; Constant Percentage 9); Spread Percentage 1)}$;

"Strike Percentage 1" means the percentage specified as such in the applicable Final Terms;

Option 2

"EDS 2" means $\text{Max (EDS Percentage 2, Min (Constant Percentage 10 - nEDS 2} \times \text{Loss Percentage 2, Constant Percentage 11))}$;

"nEDS 2" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;

"EDS Percentage 2" is as defined in the relevant Final Terms;

"EDS Barrier Percentage 2" is as defined in the relevant Final Terms;

"Forward 2" means Final Settlement Value 2 – Strike Percentage 2;

"Put 2" means $\text{Max (Strike Percentage 2 - Final Settlement Value 2; Constant Percentage 12)}$;

"Put Spread 2" means $\text{Min (Max (Strike Percentage 2 - Final Settlement Value 2; Constant Percentage 13); Spread Percentage 2)}$;

"Spread Percentage 2" means the percentage specified as such in the applicable Final Terms;

"**Call 2**" means Max (Final Settlement Value 2 - Strike Percentage 2; Constant Percentage 14); and

"**Call Spread 2**" means Min (Max (Final Settlement Value 2 - Strike Percentage 2; Constant Percentage 15); Spread Percentage 2);

"**Strike Percentage 2**" means the percentage specified as such in the applicable Final Terms;

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1(tt)(iv) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1(tt)(iv) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, or (cc) if the provisions of sub-paragraph (C) of this Formulas Condition 1.1(tt)(iv) apply and Physical Delivery Option 3 is specified as applicable in the applicable Final Terms no Cash Settlement Amount, will be payable and Physical Delivery will apply.

Description of the Final Payout

The Final Payout comprises:

- *if the Final Settlement Condition is satisfied, and if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum or a maximum; or*
- *if the Final Settlement Condition is satisfied, and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum or a maximum; or*
- *if the Final Settlement Condition is satisfied, and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage.*
- *if the Final Settlement Condition is not satisfied and no Knock-out Event has occurred, a fixed percentage (that may differ from the above fixed percentage) plus the Coupon Airbag Percentage;*
- *if the Final Settlement Condition is not satisfied, a Knock-out Event has occurred and if Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum or a maximum; or*
- *if the Final Settlement Condition is not satisfied, a Knock-out Event has occurred and if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum or a maximum; or*
- *if the Final Settlement Condition is not satisfied, a Knock-out Event has occurred and if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage.*
- *Physical Delivery may also apply.*

(v) **Multiple Final Payout – 4-Step Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – 4 Step Securities:

(A) if the Final Settlement Condition is satisfied:

$$RV \times (\text{Constant Percentage 1} + \text{FS Exit Rate})$$

(B) if the Final Settlement Condition is not satisfied, a Knock-out Event has occurred and no Knock-In Event has occurred:

$$RV \times (\text{Constant Percentage 2} + \text{Coupon Airbag Percentage 1}); \text{ or}$$

(C) if the Final Settlement Condition is not satisfied, no Knock-out Event has occurred and no Knock-in Event has occurred:

$$RV \times (\text{Constant Percentage 3} + \text{Coupon Airbag Percentage 2}); \text{ or}$$

(D) if the Final Settlement Condition is not satisfied and if no Knock-out Event has occurred but a Knock-in Event has occurred:

$$RV \times \text{Max} (\text{Constant Percentage 4} + \text{Gearing} \times \text{Option}; \text{Floor Percentage})$$

where:

"**Option**" means Put, Put Spread, Call, Call Spread or Forward as specified in the applicable Final Terms;

"**Forward**" means Final Settlement Value – Strike Percentage;

"**Call**" means Max (Final Settlement Value - Strike Percentage; Constant Percentage 5); and

"**Call Spread**" means Min (Max (Final Settlement Value - Strike Percentage; Constant Percentage 5); Spread Percentage),

"**Put**" means Max (Strike Percentage – Final Settlement Value; Constant Percentage 5); and

"**Put Spread**" means Min (Max (Strike Percentage – Final Settlement Value; Constant Percentage 5); Cap Percentage).

Description of the Final Payout

The Final Payout comprises:

- *if the Final Settlement Condition is satisfied, a fixed percentage plus a final exit rate (equal to the FS Exit Rate);*
- *if the Final Settlement Condition is not satisfied, a Knock-out Event has occurred and no Knock-in Event has occurred a fixed percentage (that may differ from the above fixed percentage);*
- *if the Final Settlement Condition is not satisfied and no Knock-out Event and no Knock-in Event has occurred, a fixed percentage (that may differ from the above fixed percentages); or*
- *if the Final Settlement Condition is not satisfied and no Knock-out Event has occurred but a Knock-in Event has occurred, if Option is Call, Call Spread,*

Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum; or if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum.

(vi) **Multiple Final Payout - Standard 3-Step Knock-in Securities**

If the Securities are specified in the applicable Final Terms as Multiple Final Payout – Standard 3 Step Knock-in Securities

- (A) If FS Barrier Value is greater than the Final Settlement Condition Level:
 $RV \times (\text{Fixed Percentage 1} + \text{FS Exit Rate});$ or
- (B) If FS Barrier Value is less than or equal to the Final Settlement Condition Level and no Knock-in Event has occurred:
 $RV \times (\text{Fixed Percentage 2} + \text{Coupon Airbag Percentage});$ or
- (C) If FS Barrier Value is less than or equal to the Final Settlement Condition Level and a Knock-in Event has occurred:
 $RV \times \text{Min} (\text{Fixed Percentage 3}, \text{Gearing} \times \text{Final Settlement Value})$

where:

"Fixed Percentage 1" is as defined in the applicable Final Terms;

"Fixed Percentage 2" is as defined in the applicable Final Terms;

"Fixed Percentage 3" is as defined in the applicable Final Terms.

Description of the Final Payout

The Final Payout comprises:

- *if the FS Barrier Value on the MFP FS Barrier Valuation Date is greater than the Final Settlement Condition Level, Fixed Percentage 1 plus a final exit rate (equal to the FS Exit Rate);*
- *if the FS Barrier Value on the MFP FS Barrier Valuation Date is equal to or less than the Final Settlement Condition Level and no Knock-in Event has occurred, Fixed Percentage 2 plus a fixed percentage; or*
- *if the FS Barrier Value on the MFP FS Barrier Valuation Date is equal to or less than the Final Settlement Condition Level and a Knock-in Event has occurred, the minimum of a Fixed Percentage 3 and indexation (subject to Gearing) to the value of the Underlying Reference(s).*

(vii) **Multiple Final Payout - Standard 3-Step Knock-out Securities**

If the Securities are specified in the applicable Final Terms as Multiple Final Payout - Standard 3-Step Knock-out Securities:

- (A) If FS Barrier Value is lower than the Final Settlement Condition Level:
 $RV \times (\text{Fixed Percentage 1} + \text{FS Exit Rate});$ or
- (B) If FS Barrier Value is greater than or equal to the Final Settlement Condition Level and no Knock-out Event has occurred:

$RV \times (\text{Fixed Percentage 2} + \text{Coupon Airbag Percentage})$; or

- (C) If FS Barrier Value is greater than or equal to the Final Settlement Condition Level and a Knock-out Event has occurred:

$RV \times \text{Min}(\text{Fixed Percentage 3}, \text{Gearing} \times \text{Final Settlement Value})$

where:

"Fixed Percentage 1" is as defined in the applicable Final Terms;

"Fixed Percentage 2" is as defined in the applicable Final Terms;

"Fixed Percentage 3" is as defined in the applicable Final Terms.

Description of the Final Payout

The Final Payout comprises:

- *if the FS Barrier Value on the MFP FS Barrier Valuation Date is lower than the Final Settlement Condition Level, a Fixed Percentage 1 plus a final exit rate (equal to the FS Exit Rate);*
- *if the FS Barrier Value on the MFP FS Barrier Valuation Date is equal to or greater than the Final Settlement Condition Level and no Knock-out Event has occurred, a Fixed Percentage 2 plus a fixed percentage; or*
- *if the FS Barrier Value on the MFP FS Barrier Valuation Date is equal to or greater than the Final Settlement Condition Level and a Knock-out Event has occurred, the minimum of a Fixed Percentage 3 and indexation (subject to Gearing) to the value of the Underlying Reference(s).*

(viii) **Multiple Final Payout - Standard 2 -Step Barrier Down Securities**

If the Securities are specified in the applicable Final Terms as Multiple Final Payout - Standard 2 -Step Barrier Down Securities:

- (A) If FS Barrier Value is greater than the Final Settlement Condition Level:

$RV \times (\text{Fixed Percentage 1} + \text{FS Exit Rate})$; or

- (B) If FS Barrier Value is less than or equal to the Final Settlement Condition Level:

$RV \times \text{Min}(\text{Fixed Percentage 2}, \text{Final Settlement Value})$

where:

"Fixed Percentage 1" is as defined in the applicable Final Terms;

"Fixed Percentage 2" is as defined in the applicable Final Terms.

Description of the Final Payout

The Final Payout comprises:

- *if the FS Barrier Value on the MFP FS Barrier Valuation Date is greater than the Final Settlement Condition Level, Fixed Percentage 1 plus a final exit rate (equal to the FS Exit Rate);*

- *if the FS Barrier Value on the MFP FS Barrier Valuation Date is equal to or less than the Final Settlement Condition Level, the minimum of Fixed Percentage 2 and indexation to the value of the Underlying Reference(s).*

(ix) **Multiple Final Payout - Standard 2 -Step Barrier Up Securities**

If the Securities are specified in the applicable Final Terms as Multiple Final Payout - Standard 2 -Step Barrier Up Securities:

- (A) If FS Barrier Value is less than the Final Settlement Condition Level:
- $$RV \times (\text{Fixed Percentage 1} + \text{FS Exit Rate}); \text{ or}$$
- (B) If FS Barrier Value is greater than or equal to the Final Settlement Condition Level:
- $$RV \times \text{Min} (\text{Fixed Percentage 2}, \text{Final Settlement Value})$$

where:

"**Fixed Percentage 1**" is as defined in the applicable Final Terms;

"**Fixed Percentage 2**" is as defined in the applicable Final Terms.

Description of the Final Payout

The Final Payout comprises:

- *if the FS Barrier Value on the MFP FS Barrier Valuation Date is less than the Final Settlement Condition Level, Fixed Percentage 1 plus a final exit rate (equal to the FS Exit Rate);*
- *if the FS Barrier Value on the MFP FS Barrier Valuation Date is equal to or greater than the Final Settlement Condition Level, the minimum of Fixed Percentage 2 and indexation to the value of the Underlying Reference(s).*

(x) **Multiple Final Payout - 2 -Step Knock-in Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout - 2 -Step Knock-in Securities:

- (A) if the Knock-in Event has not occurred:
- $$RV \times (\text{Constant Percentage 1} + \text{FS Exit Rate}); \text{ or}$$
- (B) if a Knock-in Event has occurred:
- $$RV \times \text{Max} (\text{Constant Percentage 2} + \text{Gearing} \times \text{Option}; \text{Floor Percentage})$$

where:

"**Option**" means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

"**EDS**" means $\text{Max} (\text{Floor Percentage}, \text{Min} (\text{Constant Percentage 3} - \text{nEDS} \times \text{Loss Percentage}, \text{Constant Percentage 4}))$;

"**Forward**" means $\text{Final Settlement Value} - \text{Strike Percentage}$;

"**nEDS**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"**Call**" means $\text{Max}(\text{Final Settlement Value} - \text{Strike Percentage}; \text{Constant Percentage } 3)$);

"**Call Spread**" means $\text{Min}(\text{Max}(\text{Final Settlement Value} - \text{Strike Percentage}; \text{Constant Percentage } 3); \text{Spread Percentage})$);

"**Put**" means $\text{Max}(\text{Strike Percentage} - \text{Final Settlement Value}; \text{Constant Percentage } 3)$); and

"**Put Spread**" means $\text{Min}(\text{Max}(\text{Strike Percentage} - \text{Final Settlement Value}; \text{Constant Percentage } 3); \text{Spread Percentage})$,

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1(tt)(x) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1(tt)(x) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, no Cash Settlement Amount will be payable and Physical Delivery will apply.

Description of the Final Payout

The Final Payout comprises:

- *if a Knock-in Event has not occurred, a fixed percentage plus a final exit rate (equal to the FS Exit Rate);*
- *if a Knock-in Event has occurred and Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum; or*
- *if a Knock-in Event has occurred and Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum; or*
- *if a Knock-in Event has occurred and Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage, subject to Gearing and a minimum.*
- *Physical Delivery may also apply.*

(xi) **Multiple Final Payout - 2 -Step Knock-out Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout - 2 -Step Knock-out Securities:

(A) if the Knock-out Event has not occurred:

$\text{RV} \times (\text{Constant Percentage } 1 + \text{FS Exit Rate})$; or

(B) if a Knock-out Event has occurred:

$\text{RV} \times \text{Max}(\text{Constant Percentage } 2 + \text{Gearing} \times \text{Option}; \text{Floor Percentage})$

where:

"**Option**" means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

"**EDS**" means $\text{Max}(\text{Floor Percentage}, \text{Min}(\text{Constant Percentage 3} - n\text{EDS} \times \text{Loss Percentage}, \text{Constant Percentage 4}))$;

"**Forward**" means $\text{Final Settlement Value} - \text{Strike Percentage}$;

"**nEDS**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"**Call**" means $\text{Max}(\text{Final Settlement Value} - \text{Strike Percentage}; \text{Constant Percentage 3})$;

"**Call Spread**" means $\text{Min}(\text{Max}(\text{Final Settlement Value} - \text{Strike Percentage}; \text{Constant Percentage 3}); \text{Spread Percentage})$;

"**Put**" means $\text{Max}(\text{Strike Percentage} - \text{Final Settlement Value}; \text{Constant Percentage 3})$;

"**Put Spread**" means $\text{Min}(\text{Max}(\text{Strike Percentage} - \text{Final Settlement Value}; \text{Constant Percentage 3}); \text{Spread Percentage})$;

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1(tt)(xi) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1(tt)(xi) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, no Cash Settlement Amount will be payable and Physical Delivery will apply.

Description of the Final Payout

The Final Payout comprises:

- *if a Knock-out Event has not occurred, a fixed percentage plus a final exit rate (equal to the FS Exit Rate);*
- *if a Knock-out Event has occurred and Option is Call, Call Spread, Put or Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) above or below the Strike Percentage, subject to a minimum; or*
- *if a Knock-out Event has occurred and Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s), subject to a minimum; or*
- *if a Knock-out Event has occurred and Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to Gearing and a minimum. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage.*
- *Physical Delivery may also apply.*

(uu) **Multiple Final Payout - Performance Securities**

(i) **Multiple Final Payout - Geared Call Performance Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout - Geared Call Performance Securities

- i. if Cap is specified as not applicable in the applicable Final Terms:

$$RV \times \{ \text{Constant Percentage } 1 + [\text{Final Settlement Value} + \text{Additional Gearing} \times \text{Max} (\text{Final Settlement Value} - \text{Strike Percentage}, \text{Floor Percentage})] \}$$
- ii. if Cap is specified as applicable in the applicable Final Terms:

$$RV \times \{ \text{Constant Percentage } 1 + \text{Min} [\text{Final Settlement Value} + \text{Additional Gearing} \times \text{Max} (\text{Final Settlement Value} - \text{Strike Percentage}, \text{Floor Percentage}), \text{Cap Percentage}] \}$$

Description of the Final Payout

- *If Cap is specified as not applicable, the Final Payout comprises an indexation to the value of the Underlying Reference(s) and an additional indexation (subject to Gearing) to the value of the Underlying Reference(s) above the Strike Percentage. (subject to a minimum of the Floor Percentage);*
- *If Cap is specified as applicable, the Final Payout provides a limited maximum upside and comprises an indexation to the value of the Underlying Reference(s) and an additional indexation (subject to Gearing) to the value of the Underlying Reference(s) above the Strike Percentage (subject to a minimum of the Floor Percentage), subject to a cap of the Cap Percentage.*

(ii) **Multiple Final Payout - Multi Performance Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout - Multi Performance Securities:

- i. if Cap and Floor are specified as not applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage} + [\text{Sum} (n = 1, 2, \dots, N) W_{(n)} \times (\text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)})] \}$$
- ii. if Cap is specified as applicable and Floor is specified as not applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage} + \text{Min} [\text{Sum} (n = 1, 2, \dots, N) W_{(n)} \times (\text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)}), \text{Global Cap}] \}$$
- iii. if Cap is specified as not applicable and Floor is specified as applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage} + \text{Max} [\text{Sum} (n = 1, 2, \dots, N) W_{(n)} \times (\text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)}), \text{Global Floor}] \}$$
- iv. if Cap and Floor are specified as applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage} + \text{Min} [\text{Max} [\text{Sum} (n = 1, 2, \dots, N) W_{(n)} \times (\text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)}), \text{Global Floor}], \text{Global Cap}] \}$$

where:

"Constant Percentage_n" means the percentage specified as such in the applicable Final Terms;

"Gearing_n" is as defined in the applicable Final Terms;

"**Generic Percentage_(n,1)**" is as defined in the applicable Final Terms;

"**Generic Percentage_(n,2)**" is as defined in the applicable Final Terms;

"**Floor Percentage_(n)**" is as defined in the applicable Final Terms;

"**Loss Percentage_(n)**" is as defined in the applicable Final Terms;

"**Final Settlement Value_(n)**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Strike Percentage_(n)**" is as defined in the applicable Final Terms;

"**Spread Percentage_(n)**" is as defined in the applicable Final Terms;

"**W_(n)**" is as defined in the applicable Final Terms;

"**n**" is as defined in the applicable Final Terms;

"**Global Cap**" is as defined in the applicable Final Terms;

"**Global Floor**" is as defined in the applicable Final Terms;

"**Option_n**" means Put_(n), Put Spread_(n), Call_(n), Call Spread_(n), EDS_(n) or Forward_(n) as specified in the applicable Final Terms;

"**EDS_(n)**" means $\text{Max}(\text{Floor Percentage}_{(n)}, \text{Min}(\text{Generic Percentage}_{(n,1)} - n\text{EDS}_{(n)} \times \text{Loss Percentage}_{(n)}, \text{Generic Percentage}_{(n,2)}))$;

"**Forward_(n)**" means $\text{Final Settlement Value}_{(n)} - \text{Strike Percentage}_{(n)}$;

"**nEDS_(n)**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage_(n);

"**EDS Barrier Percentage_(n)**" is as defined in the applicable Final Terms;

"**Call_(n)**" means $\text{Max}(\text{Final Settlement Value}_{(n)} - \text{Strike Percentage}_{(n)}; \text{Generic Percentage}_{(n,1)})$;

"**Call Spread_(n)**" means $\text{Min}(\text{Max}(\text{Final Settlement Value}_{(n)} - \text{Strike Percentage}_{(n)}; \text{Generic Percentage}_{(n,1)}); \text{Spread Percentage}_{(n)})$;

"**Put_(n)**" means $\text{Max}(\text{Strike Percentage}_{(n)} - \text{Final Settlement Value}_{(n)}; \text{Generic Percentage}_{(n,1)})$;

"**Put Spread_(n)**" means $\text{Min}(\text{Max}(\text{Strike Percentage}_{(n)} - \text{Final Settlement Value}_{(n)}; \text{Generic Percentage}_{(n,1)}); \text{Spread Percentage}_{(n)})$.

Description of the Final Payout

The Final Payout comprises:

- *a fixed percentage and if Option is Forward, Call, Call Spread, Put or Put Spread the weighted sum of a constant percentage and an indexation (subject*

to Gearing) to the Underlying Reference(s) above or below the Strike Percentage; or

- a fixed percentage and Option is EDS, the weighted sum of a constant percentage and a percentage that depends on how many Underlying Reference(s) in the basket(s) have a value greater than the EDS Barrier Percentage, subject to Gearing. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage.
- The Final Payout may be subject to a Global Cap and/or Global Floor.
- Physical Delivery may also apply.

(iii) **Multiple Final Payout – (Capped) Multi Knock-Out Bonus Performance Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – (Capped) Knock- Out Bonus Performance Securities:

- (A) if Cap is specified as not applicable in the applicable Final Terms:
- (x) if a Knock-out Event has occurred:
 $RV \times (\text{Constant Percentage 1} + \text{Final Settlement Value 1})$; or
 - (y) if no Knock-out Event has occurred:
 $RV \times (\text{Constant Percentage 1} + \text{Max (Bonus Percentage, Final Settlement Value 2)})$
- (B) if Cap is specified as applicable in the applicable Final Terms:
- (x) if a Knock-out Event has occurred:
 $RV \times [\text{Constant Percentage 1} + \text{Final Settlement Value 1} - \text{Max (Final Settlement Value 2} - \text{Cap Percentage 1, Floor Percentage)}]$; or
 - (y) if no Knock-out Event has occurred:
 $RV \times [\text{Constant Percentage 1} + \text{Max (Bonus Percentage, Final Settlement Value 3)} - \text{Max (Final Settlement Value 4} - \text{Cap Percentage 2, Floor Percentage)}]$

Description of the Final Payout

If Cap is specified as not applicable the Final Payout comprises:

- if no Knock-out Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage; or
- if a Knock-out Event has occurred, a minimum percentage and an indexation to the value of the Underlying Reference(s) (this value may differ from the above value).

If Cap is specified as applicable the Final Payout provides limited maximum upside and comprises:

- *if no Knock-out Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage, up to a maximum level and subject to a minimum level; or*
- *if a Knock-out Event has occurred, a minimum percentage and an indexation to the value of the Underlying Reference(s) (this value may differ from the above value), up to a maximum level and subject to a minimum level.*

(iv) **Multiple Final Payout – (Capped) Multi Knock-In Bonus Performance Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – (Capped) Knock-In Bonus Performance Securities:

- (A) if Cap is specified as not applicable in the applicable Final Terms:
- (x) if a Knock-in Event has occurred:
 $RV \times (\text{Constant Percentage 1} + \text{Final Settlement Value 1})$; or
- (y) if no Knock-in Event has occurred:
 $RV \times (\text{Constant Percentage 1} + \text{Max} (\text{Bonus Percentage, Final Settlement Value 2}))$.
- (B) if Cap is specified as applicable in the applicable Final Terms:
- (x) if a Knock-in Event has occurred:
 $RV \times [\text{Constant Percentage 1} + \text{Final Settlement Value 1} - \text{Max} (\text{Final Settlement Value 2} - \text{Cap Percentage 1, Floor Percentage 1})]$;
or
- (y) if no Knock-in Event has occurred:
 $RV \times [\text{Constant Percentage 1} + \text{Max} (\text{Bonus Percentage, Final Settlement Value 3}) - \text{Max} (\text{Final Settlement Value 4} - \text{Cap Percentage 2, Floor Percentage 2})]$

Description of the Final Payout

If Cap is specified as not applicable the Final Payout comprises:

- *if no Knock-in Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage; or*
- *if a Knock-in Event has occurred, a minimum percentage and an indexation to the value of the Underlying Reference(s) (this value may differ from the above value).*

If Cap is specified as applicable the Final Payout provides limited maximum upside and comprises:

- *if no Knock-in Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage, up to a maximum level and subject to a minimum level; or*
- *if a Knock-in Event has occurred, a minimum percentage and an indexation to the value of the Underlying Reference(s) (this value may differ from the above value), up to a maximum level and subject to a minimum level.*

(v) **Multiple Final Payout – 2 -Step KI Multi Bonus Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – 2 -Step KI Multi Bonus Securities:

(A) if the Knock-in Event has not occurred:

$RV \times \text{Gearing 1} \times (\text{Constant Percentage 1} + \text{Bonus Percentage 1} + \text{Gearing 2} \times \text{Option} - \text{Bonus Percentage 2});$ or

(B) if a Knock-in Event has occurred:

$RV \times \text{Gearing 3} \times \text{Max} (\text{Constant Percentage 2} + \text{Gearing 4} \times \text{Option}; \text{Floor Percentage})$

where:

"Option" means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

"EDS" means $\text{Max} (\text{Floor Percentage}, \text{Min} (\text{Constant Percentage 3} - n\text{EDS} \times \text{Loss Percentage}, \text{Constant Percentage 4}));$

"Forward" means Final Settlement Value – Strike Percentage;

"nEDS" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"Call" means $\text{Max} (\text{Final Settlement Value} - \text{Strike Percentage}; \text{Constant Percentage 3});$

"Call Spread" means $\text{Min} (\text{Max} (\text{Final Settlement Value} - \text{Strike Percentage}; \text{Constant Percentage 3}); \text{Spread Percentage});$

"Put" means $\text{Max} (\text{Strike Percentage} - \text{Final Settlement Value}; \text{Constant Percentage 3});$ and

"Put Spread" means $\text{Min} (\text{Max} (\text{Strike Percentage} - \text{Final Settlement Value}; \text{Constant Percentage 3}); \text{Spread Percentage});$

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1(uu)(v) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms or (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1(uu)(v) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, no Cash Settlement Amount will be payable and Physical Delivery will apply.

Description of the Final Payout

The Final Payout comprises:

- *If a Knock-in Event has not occurred:*
 - i. *if Option is Put, Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage; or*

- ii. *if Option is Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Final Settlement Value; or*
- iii. *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- iv. *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage, subject to Gearing.*

- *If a Knock-in Event has occurred:*

- i. *if Option is Put, Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage; or*
- ii. *if Option is Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Final Settlement Value; or*
- iii. *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
- iv. *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage, subject to Gearing.*

All of the above (i) to (iv) are subject to a Floor.

- *Physical Delivery may also apply.*

(vi) **Multiple Final Payout – 3-Step Multi Bonus Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – 3-Step Multi Bonus Securities:

- (A) if the Final Settlement Condition is satisfied and no Knock-in Event has occurred:

$$RV \times \text{Gearing 1} \times (\text{Constant Percentage 1} + \text{Bonus Percentage 1} + \text{Gearing 2} \times \text{Option} - \text{Bonus Percentage 2})$$

- (B) if the Final Settlement Condition is not satisfied and no Knock-in Event has occurred:

$$RV \times \text{Gearing 3} \times (\text{Constant Percentage 2} + \text{Bonus Percentage 3} + \text{Gearing 4} \times \text{Option} - \text{Bonus Percentage 4})$$

- (C) if the Final Settlement Condition is not satisfied and a Knock-in Event has occurred:

$$RV \times \text{Gearing 5} \times \text{Max} (\text{Constant Percentage 3} + \text{Gearing 6} \times \text{Option}; \text{Bonus Floor Percentage})$$

where:

"Option" means Put, Put Spread, Call, Call Spread, EDS or Forward as specified in the applicable Final Terms;

"EDS" means $\text{Max}(\text{Floor Percentage}, \text{Min}(\text{Constant Percentage 4} - \text{nEDS} \times \text{Loss Percentage}, \text{Constant Percentage 5}))$;

"Forward" means $\text{Final Settlement Value} - \text{Strike Percentage}$;

"nEDS" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage;

"Call" means $\text{Max}(\text{Final Settlement Value} - \text{Strike Percentage}; \text{Constant Percentage 4})$;

"Call Spread" means $\text{Min}(\text{Max}(\text{Final Settlement Value} - \text{Strike Percentage}; \text{Constant Percentage 4}); \text{Spread Percentage})$;

"Put" means $\text{Max}(\text{Strike Percentage} - \text{Final Settlement Value}; \text{Constant Percentage 4})$; and

"Put Spread" means $\text{Min}(\text{Max}(\text{Strike Percentage} - \text{Final Settlement Value}; \text{Constant Percentage 4}); \text{Spread Percentage})$,

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1(uu)(vi) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms, (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1(uu)(vi) or (cc) if the provisions of sub-paragraph (C) of this Formulas Condition 1.1(uu)(vi) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, no Cash Settlement Amount will be payable and Physical Delivery will apply.

Description of the Final Payout

The Final Payout comprises:

- *If the Final Settlement Condition is satisfied and no Knock-in Event has occurred:*
 - i. *if Option is Put, Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage; or*
 - ii. *if Option is Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Final Settlement Value; or*
 - iii. *if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
 - iv. *if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage, subject to Gearing.*
- *If the Final Settlement Condition is not satisfied and no Knock-in Event has occurred:*
 - i. *if Option is Put, Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage; or*
 - ii. *if Option is Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Final Settlement Value; or*

iii. if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or

iv. if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage, subject to Gearing.

• If a Knock-in Event has occurred:

i. if Option is Put, Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage; or

ii. if Option is Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Final Settlement Value; or

iii. if Option is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or

iv. if Option is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage, subject to Gearing.

All of the above (i) to (iv) are subject to a Floor.

• Physical Delivery may also apply.

(vii) **Multiple Final Payout – 3-Step Flexi Bonus Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – 3-Step Flexi Bonus Securities:

(A) if the Final Settlement Condition is satisfied and no Knock-in Event has occurred:

$RV \times \text{Gearing 1} \times (\text{Constant Percentage 1} + \text{Bonus Percentage 1} + \text{Gearing 2} \times \text{Option 1} - \text{Bonus Percentage 2})$

(B) if the Final Settlement Condition is not satisfied and no Knock-in Event has occurred:

$RV \times \text{Gearing 3} \times (\text{Constant Percentage 2} + \text{Bonus Percentage 3} + \text{Gearing 4} \times \text{Option 2} - \text{Bonus Percentage 4})$

(C) if the Final Settlement Condition is not satisfied and a Knock-in Event has occurred:

$RV \times \text{Gearing 5} \times \text{Max}(\text{Constant Percentage 3} + \text{Gearing 6} \times \text{Option 3}; \text{Bonus Floor Percentage})$

Option 1

"Option 1" means Put 1, Put Spread 1, Call 1, Call Spread 1, EDS 1 or Forward 1 as specified in the applicable Final Terms;

"EDS 1" means $\text{Max}(\text{Floor Percentage 1}, \text{Min}(\text{Constant Percentage 4} - n\text{EDS 1} \times \text{Loss Percentage 1}, \text{Constant Percentage 5}))$;

"Forward 1" means $\text{Final Settlement Value 1} - \text{Strike Percentage 1}$;

"**nEDS 1**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value 1 is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 1;

"**EDS Barrier Percentage 1**" is as defined in the relevant Final Terms;

"**Call 1**" means $\text{Max}(\text{Final Settlement Value 1} - \text{Strike Percentage 1}; \text{Constant Percentage 4})$;

"**Call Spread 1**" means $\text{Min}(\text{Max}(\text{Final Settlement Value 1} - \text{Strike Percentage 1}; \text{Constant Percentage 4}); \text{Spread Percentage 1})$;

"**Put 1**" means $\text{Max}(\text{Strike Percentage 1} - \text{Final Settlement Value 1}; \text{Constant Percentage 4})$; and

"**Put Spread 1**" means $\text{Min}(\text{Max}(\text{Strike Percentage 1} - \text{Final Settlement Value 1}; \text{Constant Percentage 4}); \text{Spread Percentage 1})$,

Option 2

"**Option 2**" means Put 2, Put Spread 2, Call 2, Call Spread 2, EDS 2 or Forward 2 as specified in the applicable Final Terms;

"**EDS 2**" means $\text{Max}(\text{Floor Percentage 2}, \text{Min}(\text{Constant Percentage 6} - \text{nEDS 2} \times \text{Loss Percentage 2}, \text{Constant Percentage 7}))$;

"**Forward 2**" means $\text{Final Settlement Value 2} - \text{Strike Percentage 2}$;

"**nEDS 2**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value 2 is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 2;

"**EDS Barrier Percentage 2**" is as defined in the relevant Final Terms;

"**Call 2**" means $\text{Max}(\text{Final Settlement Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 6})$;

"**Call Spread 2**" means $\text{Min}(\text{Max}(\text{Final Settlement Value 2} - \text{Strike Percentage 2}; \text{Constant Percentage 6}); \text{Spread Percentage 2})$;

"**Put 2**" means $\text{Max}(\text{Strike Percentage 2} - \text{Final Settlement Value 2}; \text{Constant Percentage 6})$; and

"**Put Spread 2**" means $\text{Min}(\text{Max}(\text{Strike Percentage 2} - \text{Final Settlement Value 2}; \text{Constant Percentage 6}); \text{Spread Percentage 2})$,

Option 3

"**Option 3**" means Put 3, Put Spread 3, Call 3, Call Spread 3, EDS 3 or Forward 3 as specified in the applicable Final Terms;

"**EDS 3**" means $\text{Max}(\text{Floor Percentage 3}, \text{Min}(\text{Constant Percentage 8} - \text{nEDS 3} \times \text{Loss Percentage 3}, \text{Constant Percentage 9}))$;

"**Forward 3**" means $\text{Final Settlement Value 3} - \text{Strike Percentage 3}$;

"**nEDS 3**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value 3 is (i) less than or equal to or (ii) less than or (iii)

greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage 3;

"**EDS Barrier Percentage 3**" is as defined in the relevant Final Terms;

"**Call 3**" means $\text{Max}(\text{Final Settlement Value 3} - \text{Strike Percentage 3}; \text{Constant Percentage 8})$;

"**Call Spread 3**" means $\text{Min}(\text{Max}(\text{Final Settlement Value 3} - \text{Strike Percentage 3}; \text{Constant Percentage 8}); \text{Spread Percentage 3})$;

"**Put 3**" means $\text{Max}(\text{Strike Percentage 3} - \text{Final Settlement Value 3}; \text{Constant Percentage 8})$; and

"**Put Spread 3**" means $\text{Min}(\text{Max}(\text{Strike Percentage 3} - \text{Final Settlement Value 3}; \text{Constant Percentage 8}); \text{Spread Percentage 3})$,

provided that (aa) if the provisions of sub-paragraph (A) of this Formulas Condition 1.1(uu)(vii) apply and Physical Delivery Option 1 is specified as applicable in the applicable Final Terms, (bb) if the provisions of sub-paragraph (B) of this Formulas Condition 1.1(uu)(vii) or (cc) if the provisions of sub-paragraph (C) of this Formulas Condition 1.1(uu)(vii) apply and Physical Delivery Option 2 is specified as applicable in the applicable Final Terms, no Cash Settlement Amount will be payable and Physical Delivery will apply.

Description of the Final Payout

The Final Payout comprises:

- *If the Final Settlement Condition is satisfied and no Knock-in Event has occurred:*
 - i. *if Option 1 is Put, Put Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Strike Percentage; or*
 - ii. *if Option 1 is Call and Call Spread, an indexation (subject to Gearing) to the value of the Underlying Reference(s) up to the Final Settlement Value; or*
 - iii. *if Option 1 is Forward, an indexation (subject to Gearing) to the value of the Underlying Reference(s); or*
 - iv. *if Option 1 is EDS, a percentage that depends on how many Underlying Reference(s) in the basket have a value greater or lower than the EDS Barrier Percentage, subject to Gearing.*
- *If the Final Settlement Condition is not satisfied and no Knock-in Event has occurred, an indexation similar to (i) to (iv) but, possibly, with a different Option, i.e. Option 2*
- *If a Knock-in Event has occurred an indexation similar to (i) to (iv) but, possibly, with a different Option, i.e. Option 3 subject to a Floor*
- *Physical Delivery may also apply.*

(viii) **Multiple Final Payout – (Capped) Knock-Out Bonus Performance Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – (Capped) Knock-Out Bonus Performance Securities:

- (A) if Cap is specified as not applicable in the applicable Final Terms:
- (x) if a Knock-out Event has occurred:
 $RV \times (\text{Constant Percentage 1} + \text{Final Settlement Value 2})$; or
- (y) if no Knock-out Event has occurred:
 $RV \times (\text{Constant Percentage 2} + \text{Max (Bonus Percentage, Final Settlement Value 1)})$
- (B) if Cap is specified as applicable in the applicable Final Terms:
- (x) if a Knock-out Event has occurred:
 $RV \times (\text{Constant Percentage 1} + \text{Final Settlement Value 2} - \text{Max (Final Settlement Value 2} - \text{Cap Percentage 1, Floor Percentage 1)})$;
or
- (y) if no Knock-out Event has occurred:
 $RV \times [\text{Constant Percentage 2} + \text{Max (Bonus Percentage, Final Settlement Value 1)} - \text{Max (Final Settlement Value 1} - \text{Cap Percentage 2, Floor Percentage 2)}]$

Description of the Final Payout

If Cap is specified as not applicable the Final Payout comprises:

- *if no Knock-out Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage; or*
- *if a Knock-out Event has occurred, indexation to the value of the Underlying Reference(s) (this value may differ from the above value).*
- *If Cap is specified as applicable the Final Payout provides limited maximum upside and comprises:*
- *if no Knock-out Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage, up to a maximum level and subject to a minimum level; or*
- *if a Knock-out Event has occurred, indexation to the value of the Underlying Reference(s) (this value may differ from the above value), up to a maximum level and subject to a minimum level.*

(ix) **Multiple Final Payout – (Capped) Knock – In Bonus Performance Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – (Capped) Multi Knock – In Bonus Performance Securities:

- (A) if Cap is specified as not applicable in the applicable Final Terms:
- (x) if a Knock-in Event has occurred:
 $RV \times (\text{Constant Percentage 1} + \text{Final Settlement Value 2})$; or
- (y) if no Knock-in Event has occurred:

$RV \times (\text{Constant Percentage 2} + \text{Max} (\text{Bonus Percentage, Final Settlement Value 1}))$

(B) if Cap is specified as applicable in the applicable Final Terms:

(x) if a Knock-in Event has occurred:

$RV \times (\text{Constant Percentage 1} + \text{Final Settlement Value 2} - \text{Max} (\text{Final Settlement Value 2} - \text{Cap Percentage 1, Floor Percentage 1}));$
or

(y) if no Knock-in Event has occurred:

$RV \times [\text{Constant Percentage 2} + \text{Max} (\text{Bonus Percentage, Final Settlement Value 1}) - \text{Max} (\text{Final Settlement Value 1} - \text{Cap Percentage 2, Floor Percentage 2})]$

Description of the Final Payout

If Cap is specified as not applicable the Final Payout comprises:

- *if no Knock-in Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage; or*
- *if a Knock-in Event has occurred, indexation to the value of the Underlying Reference(s) (this value may differ from the above value).*
- *If Cap is specified as applicable the Final Payout provides limited maximum upside and comprises:*
- *if no Knock- in Event has occurred, a minimum percentage and indexation to the value of the Underlying Reference(s) above the Bonus Percentage, up to a maximum level and subject to a minimum level; or*
- *if a Knock- in Event has occurred, indexation to the value of the Underlying Reference(s) (this value may differ from the above value), up to a maximum level and subject to a minimum level.*

(x) **Multiple Final Payout – Leveraged Performance Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Leveraged Performance Securities:

(A) if Cap is specified as not applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

$RV \times \{ \text{Constant Percentage 1} + \text{Constant Percentage 2} + [\text{Final Settlement Value} + \text{Gearing 1} \times \text{Max} (\text{Final Settlement Value} - \text{Strike Percentage, Floor Percentage})] \};$ or

(y) if no Knock-out Event has occurred:

$RV \times \{ \text{Constant Percentage 3} + \text{Constant Percentage 4} + [\text{Max} (\text{Fixed Percentage 1, Fixed Percentage 2} + \text{Gearing 2} \times (\text{Final Settlement Value} - \text{Strike Percentage}))] \}$

(B) if Cap is specified as applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

$RV \times (\text{Constant Percentage 1} + \text{Constant Percentage 2} + \text{Min} [\text{Cap Percentage 1}, [\text{Final Settlement Value} + \text{Gearing 1} \times \text{Max} (\text{Final Settlement Value} - \text{Strike Percentage}, \text{Floor Percentage})]]]);$ or

(y) if no Knock-out Event has occurred:

$RV \times (\text{Constant Percentage 3} + \text{Constant Percentage 4} + \text{Min} [\text{Cap Percentage 2}, [\text{Max} (\text{Fixed Percentage 1}, \text{Fixed Percentage 2} + \text{Gearing 2} \times (\text{Final Settlement Value} - \text{Strike Percentage}))]]])$

where:

"**Gearing 1**" is as defined in the applicable Final Terms;

"**Gearing 2**" is as defined in the applicable Final Terms;

"**Fixed Percentage 1**" is as defined in the applicable Final Terms;

"**Fixed Percentage 2**" is as defined in the applicable Final Terms.

Description of the Final Payout

If Cap is specified as not applicable the Final Payout comprises:

- *if no Knock-out Event has occurred, a minimum percentage and leveraged indexation to the value of the Underlying Reference(s) above the Strike Percentage, subject to a minimum of the Fixed Percentage 1; or*
- *if a Knock-out Event has occurred, a minimum percentage and leveraged indexation to the value of the Underlying Reference(s) plus additional indexation to the value of the Underlying Reference(s) above the Strike Percentage, subject to a minimum of the Floor Percentage.*

If Cap is specified as applicable the Final Payout provides limited maximum upside and comprises:

- *if no Knock-out Event has occurred, a minimum percentage and leveraged indexation to the value of the Underlying Reference(s) above the Strike Percentage, subject to a minimum of the Fixed Percentage 1 and up to a maximum level equal to the Cap Percentage; or*
- *if a Knock-out Event has occurred, indexation to the value of the Underlying Reference(s) plus additional indexation to the value of the Underlying Reference(s) above the Strike Percentage, subject to a minimum of the Floor Percentage. The aggregate indexation is limited to a maximum level equal to the Cap Percentage.*

(vv) **Multiple Final Payout – Twin-Win Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Twin-Win Securities:

(A) if Cap is specified as not applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

$RV \times (\text{Constant Percentage 1} + \text{Max} [\text{Floor Percentage 1}, \text{Gearing 1} \times \text{Final Settlement Value}]);$ or

(y) if no Knock-out Event has occurred:

$RV \times (\text{Constant Percentage 2} + \text{Max} [\text{Max} (\text{Gearing 2} \times (\text{Strike Percentage} - \text{Final Settlement Value}), \text{Gearing 3} \times (\text{Final Settlement Value} - \text{Strike Percentage})), \text{Floor Percentage 2}])$

(B) if Cap is specified as applicable in the applicable Final Terms:

(x) if a Knock-out Event has occurred:

$RV \times (\text{Constant Percentage 1} + [\text{Min} (\text{Cap Percentage 1}, \text{Gearing 1} \times \text{Final Settlement Value})]);$ or

(y) if no Knock-out Event has occurred:

$RV \times \{ \text{Constant Percentage 2} + \text{Max} \{ \text{Max} [\text{Gearing 2} \times (\text{Strike Percentage} - \text{Final Settlement Value}), \text{Min} (\text{Cap Percentage 2} - \text{Strike Percentage}, \text{Gearing 3} \times (\text{Final Settlement Value} - \text{Strike Percentage}))], \text{Floor Percentage} \} \}$

where:

"**Gearing 1**" is as defined in the applicable Final Terms;

"**Gearing 2**" is as defined in the applicable Final Terms;

"**Gearing 3**" is as defined in the applicable Final Terms.

Description of the Final Payout

If Cap is specified as not applicable the Final Payout comprises:

- *if no Knock-out Event has occurred, a minimum percentage, an indexation (subject to Gearing 3) to the value of the Underlying Reference(s) above the Strike Percentage or an indexation (subject to Gearing 2) to the value of the Underlying Reference(s) below the Strike Percentage in absolute terms, subject to a floor of the Floor Percentage 2; or*
- *if a Knock-out Event has occurred, a minimum percentage and an indexation (subject to Gearing 1) to the value of the Underlying Reference(s), subject to a floor of the Floor Percentage 1.*

If Cap is specified as applicable the Final Payout comprises:

- *if no Knock-out Event has occurred, a minimum percentage, an indexation (subject to Gearing 3) to the value of the Underlying Reference(s) above the Strike Percentage and up to a maximum level equal to the Cap Percentage or an indexation (subject to Gearing 3) to the value of the Underlying Reference(s) below the Strike Percentage in absolute terms, subject to a Floor Percentage; or*
- *if a Knock-out Event has occurred, a minimum percentage and an indexation (subject to Gearing 1) to the value of the Underlying Reference(s) up to a maximum level equal to the Cap Percentage.*

(ww) Multiple Final Payout – Knock-In Outperformance Securities

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Knock-In Outperformance Securities:

(A) if Cap is specified as not applicable in the applicable Final Terms:

(x) if a Knock-in Event has occurred:

$RV \times (\text{Constant Percentage 1} + \text{Final Settlement Value} + \text{Additional Gearing} \times \text{Max}(\text{Final Settlement Value} - \text{Strike Percentage}, \text{Floor Percentage}))$;

or

(y) if no Knock-in Event has occurred:

$RV \times (\text{Constant Percentage 2} + \text{Final Settlement Value})$

(B) if Cap is specified as applicable in the applicable Final Terms:

(x) if a Knock-in Event has occurred:

$RV \times (\text{Constant Percentage 1} + [\text{Min}(\text{Cap Percentage 1}, \text{Final Settlement Value} + \text{Additional Gearing} \times \text{Max}(\text{Final Settlement Value} - \text{Strike Percentage}, \text{Floor Percentage}))])$; or

(y) if no Knock-in Event has occurred:

$RV \times (\text{Constant Percentage 2} + [\text{Min}(\text{Cap Percentage 2}, \text{Final Settlement Value})])$.

Description of the Final Payout

If Cap is specified as not applicable the Final Payout comprises:

- *a minimum percentage and an indexation to the value of the Underlying Reference(s); and*
- *if a Knock-in Event has occurred, additional indexation (subject to gearing) to the value of the Underlying Reference(s) above the Strike Percentage subject to a minimum of a Floor Percentage.*

If Cap is specified as applicable the Final Payout provides a limited maximum upside and comprises:

- *a minimum percentage and an indexation to the value of the Underlying Reference(s) up to a maximum of the Cap Percentage 2; and*
- *if a Knock-in Event has occurred, additional indexation (subject to gearing) to the value of the Underlying Reference(s) above the Strike Percentage subject to a minimum of a Floor Percentage and up to a maximum of the Cap Percentage 1.*

(xx) Multiple Final Payout – Flexi Performance Securities

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Flexi Performance Securities:

$RV \times (\text{Constant Percentage 1} + \text{Gearing Up} \times \text{Option Up} + \text{Gearing Down} \times \text{Option Down})$

where:

"**Down Call**" means $\text{Max}(\text{Down Final Settlement Value} - \text{Down Strike Percentage}; \text{Down Floor Percentage})$;

"**Down Call Spread**" means $\text{Min}(\text{Max}(\text{Down Final Settlement Value} - \text{Down Strike Percentage}; \text{Down Floor Percentage}); \text{Down Cap Percentage})$;

"**Down Forward**" means $\text{Down Final Settlement Value} - \text{Down Strike Percentage}$;

"**Down Put**" means Max (Down Strike Percentage – Down Final Settlement Value; Down Floor Percentage);

"**Down Put Spread**" means Min (Max (Down Strike Percentage – Down Final Settlement Value; Down Floor Percentage); Down Cap Percentage);

"**Option Down**" means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

"**Option Up**" means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

"**Up Call**" means Max (Up Final Settlement Value – Up Strike Percentage; Up Floor Percentage);

"**Up Call Spread**" means Min (Max (Up Final Settlement Value – Up Strike Percentage; Up Floor Percentage); Up Cap Percentage);

"**Up Forward**" means Up Final Settlement Value – Up Strike Percentage;

"**Up Put**" means Max (Up Strike Percentage – Up Final Settlement Value; Up Floor Percentage);

"**Up Put Spread**" means Min (Max (Up Strike Percentage – Up Final Settlement Value; Up Floor Percentage); Up Cap Percentage).

Description of the Final Payout

The Final Payout comprises a minimum percentage and an indexation (subject to Gearing Up) to the value of the Underlying Reference(s) through the Option Up which may be subject to a maximum level and an indexation (subject to Gearing Down) to the value (this value may differ from the value above) of the Underlying Reference(s) through the Option Down which may be subject to a maximum level (which may differ from the maximum level above).

(yy) **Multiple Final Payout – Hyper-Flexi Performance Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Hyper Flexi Performance Securities:

$$RV \times (\text{Constant Percentage } 1 + \text{Gearing } 1 \times \text{Option Up} + \text{Gearing } 2 \times \text{Option Down} + \text{Gearing } 3 \times \text{Option Down} + \text{Gearing } 4 \times \text{Option Up})$$

where:

"**Gearing 1**" means the percentage specified as such in the applicable Final Terms;

"**Gearing 2**" means the percentage specified as such in the applicable Final Terms;

"**Gearing 3**" means the percentage specified as such in the applicable Final Terms;

"**Gearing 4**" means the percentage specified as such in the applicable Final Terms;

"**Down Call**" means Max (Down Final Settlement Value – Down Strike Percentage; Down Floor Percentage);

"**Down Call Spread**" means Min (Max (Down Final Settlement Value – Down Strike Percentage; Down Floor Percentage); Down Cap Percentage);

"**Down Forward**" means Down Final Settlement Value – Down Strike Percentage;

"**Down Put**" means Max (Down Strike Percentage – Down Final Settlement Value; Down Floor Percentage);

"**Down Put Spread**" means Min (Max (Down Strike Percentage – Down Final Settlement Value; Down Floor Percentage); Down Cap Percentage);

"**Option Down**" means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

"**Option Up**" means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

"**Up Call**" means Max (Up Final Settlement Value – Up Strike Percentage; Up Floor Percentage);

"**Up Call Spread**" means Min (Max (Up Final Settlement Value – Up Strike Percentage; Up Floor Percentage); Up Cap Percentage);

"**Up Forward**" means Up Final Settlement Value – Up Strike Percentage;

"**Up Put**" means Max (Up Strike Percentage – Up Final Settlement Value; Up Floor Percentage);

"**Up Put Spread**" means Min (Max (Up Strike Percentage – Up Final Settlement Value; Up Floor Percentage); Up Cap Percentage).

Description of the Final Payout

The Final Payout comprises a minimum percentage and an indexation (subject to the relevant gearing) to the value of the Underlying Reference(s) through the Option Up which may be subject to a maximum level and an indexation (subject to the relevant gearing) to the value (this value may differ from the value above) of the Underlying Reference(s) through the Option Down which may be subject to a maximum level (which may differ from the maximum level above).

(zz) **Multiple Final Payout – Flexi Knock-In Performance Securities**

If the Securities are specified in the applicable Final Terms as Multiple Final Payout – Flexi Knock-In Performance Securities:

(A) if no Knock-in Event has occurred:

$RV \times (\text{Constant Percentage 1} + \text{Gearing Up} \times \text{Option Up})$; or

(B) if a Knock-in Event has occurred:

$RV \times (\text{Constant Percentage 2} + \text{Gearing Down} \times \text{Option Down})$

where:

"**Down Call**" means Max (Down Final Settlement Value – Down Strike Percentage; Down Floor Percentage);

"**Down Call Spread**" means Min (Max (Down Final Settlement Value – Down Strike Percentage; Down Floor Percentage); Down Cap Percentage);

"**Down Forward**" means Down Final Settlement Value – Down Strike Percentage;

"**Down Put**" means Max (Down Strike Percentage – Down Final Settlement Value; Down Floor Percentage);

"Down Put Spread" means $\text{Min} (\text{Max} (\text{Down Strike Percentage} - \text{Down Final Settlement Value}; \text{Down Floor Percentage}); \text{Down Cap Percentage});$

"Option Down" means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

"Option Up" means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

"Up Call" means $\text{Max} (\text{Up Final Settlement Value} - \text{Up Strike Percentage}; \text{Up Floor Percentage});$

"Up Call Spread" means $\text{Min} (\text{Max} (\text{Up Final Settlement Value} - \text{Up Strike Percentage}; \text{Up Floor Percentage}); \text{Up Cap Percentage});$

"Up Forward" means $\text{Up Final Settlement Value} - \text{Up Strike Percentage};$

"Up Put" means $\text{Max} (\text{Up Strike Percentage} - \text{Up Final Settlement Value}; \text{Up Floor Percentage});$

"Up Put Spread" means $\text{Min} (\text{Max} (\text{Up Strike Percentage} - \text{Up Final Settlement Value}; \text{Up Floor Percentage}); \text{Up Cap Percentage}).$

Description of the Final Payout

The Final Payout comprises:

- *if no Knock-in Event has occurred, a fixed percentage and an indexation (subject to Gearing Up) to the value of the Underlying Reference(s) through the Option Up which may be subject to a maximum level; or*
- *if a Knock-in Event has occurred, a fixed percentage and an indexation (subject to Gearing Down) to the value of the Underlying Reference(s) (this value may differ from the value above) through the Option Down which may be subject to a maximum level (which may differ from the maximum level above).*

(aaa) **Multiple Final Payout – Flexi Knock-Out Performance Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Flexi Knock-Out Performance:

(A) if no Knock-out Event has occurred:

$\text{RV} \times (\text{Constant Percentage 1} + \text{Gearing Down} \times \text{Option Down});$ or

(B) if a Knock-out Event has occurred:

$\text{RV} \times (\text{Constant Percentage 2} + \text{Gearing Up} \times \text{Option Up}),$

where:

"Down Call" means $\text{Max} (\text{Down Final Settlement Value} - \text{Down Strike Percentage}; \text{Down Floor Percentage});$

"Down Call Spread" means $\text{Min} (\text{Max} (\text{Down Final Settlement Value} - \text{Down Strike Percentage}; \text{Down Floor Percentage}); \text{Down Cap Percentage});$

"Down Forward" means $\text{Down Final Settlement Value} - \text{Down Strike Percentage};$

"**Down Put**" means Max (Down Strike Percentage – Down Final Settlement Value; Down Floor Percentage);

"**Down Put Spread**" means Min (Max (Down Strike Percentage – Down Final Settlement Value; Down Floor Percentage); Down Cap Percentage);

"**Option Down**" means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

"**Option Up**" means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

"**Up Call**" means Max (Up Final Settlement Value – Up Strike Percentage; Up Floor Percentage);

"**Up Call Spread**" means Min (Max (Up Final Settlement Value – Up Strike Percentage; Up Floor Percentage); Up Cap Percentage);

"**Up Forward**" means Up Final Settlement Value – Up Strike Percentage;

"**Up Put**" means Max (Up Strike Percentage – Up Final Settlement Value; Up Floor Percentage); and

"**Up Put Spread**" means Min (Max (Up Strike Percentage – Up Final Settlement Value; Up Floor Percentage); Up Cap Percentage).

Description of the Final Payout

The Final Payout comprises:

- *if no Knock-out Event has occurred, a fixed percentage and an indexation (subject to Gearing Down) to the value of the Underlying Reference(s) through the Option Down which may be subject to a maximum level; or*
- *if a Knock-out Event has occurred, a fixed percentage and an indexation (subject to Gearing Up) to the value of the Underlying Reference(s) (this value may differ from the value above) through the Option Up which may be subject to a maximum level (which may differ from the maximum level above).*

(bbb) **Multiple Final Payout – Hyper-Flexi Knock-In Performance Securities**

If the Securities are specified in the applicable Final Terms as Multiple Final Payout – Hyper-Flexi Knock-In Performance Securities:

(A) if no Knock-in Event has occurred:

$RV \times (\text{Constant Percentage 1} + \text{Gearing Up 1} \times \text{Option Up 1} + \text{Gearing Down 1} \times \text{Option Down 1})$; or

(B) if a Knock-in Event has occurred:

$RV \times (\text{Constant Percentage 2} + \text{Gearing Up 2} \times \text{Option Up 2} + \text{Gearing Down 2} \times \text{Option Down 2})$

where:

"**Gearing Up 1**" means the percentage specified as such in the applicable Final Terms;

"**Gearing Up 2**" means the percentage specified as such in the applicable Final Terms;

"Gearing Down 1" means the percentage specified as such in the applicable Final Terms;

"Gearing Down 2" means the percentage specified as such in the applicable Final Terms;

"Down Call" means $\text{Max (Down Final Settlement Value – Down Strike Percentage; Down Floor Percentage)}$;

"Down Call Spread" means $\text{Min (Max (Down Final Settlement Value – Down Strike Percentage; Down Floor Percentage); Down Cap Percentage)}$;

"Down Forward" means $\text{Down Final Settlement Value – Down Strike Percentage}$;

"Down Put" means $\text{Max (Down Strike Percentage – Down Final Settlement Value; Down Floor Percentage)}$;

"Down Put Spread" means $\text{Min (Max (Down Strike Percentage – Down Final Settlement Value; Down Floor Percentage); Down Cap Percentage)}$;

"Option Down 1" means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

"Option Down 2" means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

"Option Up 1" means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

"Option Up 2" means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

"Up Call" means $\text{Max (Up Final Settlement Value – Up Strike Percentage; Up Floor Percentage)}$;

"Up Call Spread" means $\text{Min (Max (Up Final Settlement Value – Up Strike Percentage; Up Floor Percentage); Up Cap Percentage)}$;

"Up Forward" means $\text{Up Final Settlement Value – Up Strike Percentage}$;

"Up Put" means $\text{Max (Up Strike Percentage – Up Final Settlement Value; Up Floor Percentage)}$;

"Up Put Spread" means $\text{Min (Max (Up Strike Percentage – Up Final Settlement Value; Up Floor Percentage); Up Cap Percentage)}$.

Description of the Final Payout

The Final Payout comprises:

- *if no Knock-in Event has occurred, a fixed percentage and an indexation (subject to the relevant gearing) to the value of the Underlying Reference(s) through (1) the Option Up 1 which may be subject to a maximum or a minimum level and (2) through the Option Down 1 which may be subject to a maximum or a minimum level; or*
- *if a Knock-in Event has occurred, a fixed percentage (which may differ from the fixed percentage above) and an indexation (subject to the relevant gearing) to the value of the Underlying Reference(s) (this value may differ from the value above) through (1) the Option Down 2 which may be subject to a maximum or a minimum level (which may differ from the maximum level above) and (2) the Option Up 2 which may be subject to a maximum or a minimum level.*

(ccc) **Multiple Final Payout – Hyper-Flexi Knock-Out Performance Securities**

If the Securities are specified in the applicable Final Terms as Multiple Final Payout – Hyper-Flexi Knock-out Performance Securities:

(A) if no Knock-out Event has occurred:

$RV \times (\text{Constant Percentage 1} + \text{Gearing Up 1} \times \text{Option Up 1} + \text{Gearing Down 1} \times \text{Option Down 1})$; or

(B) if a Knock-out Event has occurred:

$RV \times (\text{Constant Percentage 2} + \text{Gearing Up 2} \times \text{Option Up 2} + \text{Gearing Down 2} \times \text{Option Down 2})$

where:

"**Gearing Up 1**" means the percentage specified as such in the applicable Final Terms;

"**Gearing Up 2**" means the percentage specified as such in the applicable Final Terms;

"**Gearing Down 1**" means the percentage specified as such in the applicable Final Terms;

"**Gearing Down 2**" means the percentage specified as such in the applicable Final Terms;

"**Down Call**" means $\text{Max} (\text{Down Final Settlement Value} - \text{Down Strike Percentage}; \text{Down Floor Percentage})$;

"**Down Call Spread**" means $\text{Min} (\text{Max} (\text{Down Final Settlement Value} - \text{Down Strike Percentage}; \text{Down Floor Percentage}); \text{Down Cap Percentage})$;

"**Down Forward**" means $\text{Down Final Settlement Value} - \text{Down Strike Percentage}$;

"**Down Put**" means $\text{Max} (\text{Down Strike Percentage} - \text{Down Final Settlement Value}; \text{Down Floor Percentage})$;

"**Down Put Spread**" means $\text{Min} (\text{Max} (\text{Down Strike Percentage} - \text{Down Final Settlement Value}; \text{Down Floor Percentage}); \text{Down Cap Percentage})$;

"**Option Down 1**" means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

"**Option Down 2**" means Down Put, Down Put Spread, Down Forward, Down Call or Down Call Spread as specified in the applicable Final Terms;

"**Option Up 1**" means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

"**Option Up 2**" means Up Call, Up Call Spread, Up Forward, Up Put or Up Put Spread as specified in the applicable Final Terms;

"**Up Call**" means $\text{Max} (\text{Up Final Settlement Value} - \text{Up Strike Percentage}; \text{Up Floor Percentage})$;

"**Up Call Spread**" means $\text{Min} (\text{Max} (\text{Up Final Settlement Value} - \text{Up Strike Percentage}; \text{Up Floor Percentage}); \text{Up Cap Percentage})$;

"**Up Forward**" means $\text{Up Final Settlement Value} - \text{Up Strike Percentage}$;

"**Up Put**" means Max (Up Strike Percentage – Up Final Settlement Value; Up Floor Percentage);

"**Up Put Spread**" means Min (Max (Up Strike Percentage – Up Final Settlement Value; Up Floor Percentage); Up Cap Percentage).

Description of the Final Payout

The Final Payout comprises:

- if no Knock-out Event has occurred, a fixed percentage and an indexation (subject to the relevant gearing) to the value of the Underlying Reference(s) through (1) the Option Up 1 which may be subject to a maximum or a minimum level and (2) through the Option Down 1 which may be subject to a maximum or a minimum level; or
- if a Knock-out Event has occurred, a fixed percentage (which may differ from the fixed percentage above) and an indexation (subject to the relevant gearing) to the value of the Underlying Reference(s) (this value may differ from the value above) through (1) the Option Down 2 which may be subject to a maximum or a minimum level (which may differ from the maximum level above) and (2) the Option Up 2 which may be subject to a maximum or a minimum level.

(ddd) **Multiple Final Payout – Hyper-Flexi Multi Knock-In Performance Securities**

If the Securities are specified in the applicable Final Terms as Multiple Final Payout – Hyper-Flexi Multi Knock-In Performance Securities:

(A) if no Knock-In Event has occurred:

- i. if Global Cap 1 and Global Floor 1 are specified as not applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage 1} + [\text{Sum } (n = 1, 2, \dots, N) W_{(n)} \times (\text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)})] \}$$

- ii. if Global Cap 1 is specified as applicable and Global Floor 1 is specified as not applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage 1} + \text{Min} [\text{Sum } (n = 1, 2, \dots, N) W_{(n)} \times (\text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)})]; \text{Global Cap 1}] \}$$

- iii. if Global Cap 1 is specified as not applicable and Global Floor 1 is specified as applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage 1} + \text{Max} [\text{Sum } (n = 1, 2, \dots, N) W_{(n)} \times (\text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)})]; \text{Global Floor 1}] \}$$

- iv. if Global Cap 1 and Global Floor 1 are specified as applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage 1} + \text{Min} [\text{Max} [\text{Sum } (n = 1, 2, \dots, N) W_{(n)} \times (\text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)})]; \text{Global Floor 1}]; \text{Global Cap 1}] \}$$

(B) if a Knock-In Event has occurred:

- i. if Global Cap 2 and Global Floor 2 are specified as not applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage 2} + [\text{Sum } (j = 1, 2, \dots, J) W_{(j)} \times (\text{Constant Percentage}_{(j)} + \text{Gearing}_{(j)} \times \text{Option}_{(j)})] \}$$

- ii. if Global Cap 2 is specified as applicable and Global Floor 2 is specified as not applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage 2} + \text{Min} [\text{Sum } (j = 1, 2, \dots, J) W_{(j)} \times (\text{Constant Percentage}_{(j)} + \text{Gearing}_{(j)} \times \text{Option}_{(j)})], \text{Global Cap 2}] \}$$

- iii. if Global Cap 2 is specified as not applicable and Global Floor 2 is specified as applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage 2} + \text{Max} [\text{Sum } (j = 1, 2, \dots, J) W_{(j)} \times (\text{Constant Percentage}_{(j)} + \text{Gearing}_{(j)} \times \text{Option}_{(j)})], \text{Global Floor 2}] \}$$

- iv. if Global Cap 2 and Global Floor 2 are specified as applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage 2} + \text{Min} [\text{Max} [\text{Sum } (j = 1, 2, \dots, J) W_{(j)} \times (\text{Constant Percentage}_{(j)} + \text{Gearing}_{(j)} \times \text{Option}_{(j)})], \text{Global Floor 2}]; \text{Global Cap 2}] \}$$

where:

"**Fixed Percentage 1**" is as defined in the applicable Final Terms;

"**Fixed Percentage 2**" is as defined in the applicable Final Terms;

"**Global Cap 1**" is as defined in the applicable Final Terms;

"**Global Floor 1**" is as defined in the applicable Final Terms;

"**Global Cap 2**" is as defined in the applicable Final Terms;

"**Global Floor 2**" is as defined in the applicable Final Terms;

"**J**" is as defined in the applicable Final Terms;

"**N**" is as defined in the applicable Final Terms;

"**n**" is as defined in the applicable Final Terms;

"**Constant Percentage_n**" means the percentage specified as such in the applicable Final Terms;

"**Gearing_n**" is as defined in the applicable Final Terms;

"**Generic Percentage_(n,1)**" is as defined in the applicable Final Terms;

"**Generic Percentage_(n,2)**" is as defined in the applicable Final Terms;

"**Floor Percentage_(n)**" is as defined in the applicable Final Terms;

"**Loss Percentage_(n)**" is as defined in the applicable Final Terms;

"**Final Settlement Value_(n)**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms

"**Strike Percentage_(n)**" is as defined in the applicable Final Terms;

"**Spread Percentage_(n)**" is as defined in the applicable Final Terms;

"**Option_n**" means Put_(n), Put Spread_(n), Call_(n), Call Spread_(n), EDS_(n) or Forward_(n) as specified in the applicable Final Terms;

"**EDS_(n)**" means Max (Floor Percentage_(n), Min (Generic Percentage_(n,1) – nEDS_(n) × Loss Percentage_(n), Generic Percentage_(n,2)));

"**Forward_(n)**" means Final Settlement Value_(n) – Strike Percentage_(n);

"**nEDS_(n)**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage_(n);

"**EDS Barrier Percentage_(n)**" is as defined in the applicable Final Terms;

"**Call_(n)**" means Max (Final Settlement Value_(n) - Strike Percentage_(n); Generic Percentage_(n,1));

"**Call Spread_(n)**" means Min (Max (Final Settlement Value_(n) – Strike Percentage_(n); Generic Percentage_(n,1)); Spread Percentage_(n));

"**Put_(n)**" means Max (Strike Percentage_(n) – Final Settlement Value_(n); Generic Percentage_(n,1));

"**Put Spread_(n)**" means Min (Max (Strike Percentage_(n) – Final Settlement Value_(n); Generic Percentage_(n,1)); Spread Percentage_(n));

"**Constant Percentage_j**" is as defined in the applicable Final Terms;

"**Gearing_j**" is as defined in the applicable Final Terms;

"**Generic Percentage_(j,1)**" is as defined in the applicable Final Terms;

"**Generic Percentage_(j,2)**" is as defined in the applicable Final Terms;

"**Floor Percentage_(j)**" is as defined in the applicable Final Terms;

"**Loss Percentage_(j)**" is as defined in the applicable Final Terms;

"**Final Settlement Value_(j)**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Strike Percentage_(j)**" is as defined in the applicable Final Terms;

"**Spread Percentage_(j)**" is as defined in the applicable Final Terms;

"**Option_j**" means Put_(j), Put Spread_(j), Call_(j), Call Spread_(j), EDS_(j) or Forward_(j) as specified in the applicable Final Terms;

"**EDS_(j)**" means Max (Floor Percentage_(j), Min (Generic Percentage_(j,1) – nEDS_(j) × Loss Percentage_(j), Generic Percentage_(j,2)));

"**Forward_(j)**" means Final Settlement Value_(j) – Strike Percentage_(j);

"**nEDS_(j)**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage_(j);

"**EDS Barrier Percentage_(j)**" is as defined in the applicable Final Terms;

"**Call_(j)**" means Max (Final Settlement Value_(j) - Strike Percentage_(j); Generic Percentage_(j,1));

"**Call Spread_(j)**" means Min (Max (Final Settlement Value_(j) – Strike Percentage_(j); Generic Percentage_(j,1)); Spread Percentage_(j));

"**Put_(j)**" means Max (Strike Percentage_(j) – Final Settlement Value_(j); Generic Percentage_(j,1)); and

"**Put Spread_(j)**" means Min (Max (Strike Percentage_(j) – Final Settlement Value_(j); Generic Percentage_(j,1)); Spread Percentage_(j));

Description of the Final Payout

The Final Payout comprises:

- if a Knock-in Event has not occurred, a fixed percentage and, if Option is Call, Call Spread, Put, Put Spread, or Forward, a weighted sum of another fixed percentage and an indexation (subject to gearing) to the value of the Underlying Reference(s); or
- if a Knock-in Event has not occurred a fixed percentage and, if Option is EDS, a weighted sum of another percentage and a further percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to gearing. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage.
- If a Knock-in Event has occurred, the Final Payout will have the same features described above and, possibly, different fixed percentages, constant percentages, gearing, Options and/or Underlying Reference(s).
- The Final Payout may be subject to a Global Cap and/or a Global Floor.
- Physical Delivery may also apply.

(eee) **Multiple Final Payout – Hyper-Flexi Multi Knock-out Performance Securities**

If the Securities are specified in the applicable Final Terms as Multiple Final Payout – Hyper-Flexi Multi Knock-Out Performance Securities:

- (A) if no Knock-Out Event has occurred:
- i. if Global Cap 1 and Global Floor 1 are specified as not applicable in the applicable Final Terms:
$$RV \times \{ \text{Fixed Percentage 1} + [\text{Sum } (n = 1, 2, \dots, N) W_{(n)} \times (\text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)})] \}$$
 - ii. if Global Cap 1 is specified as applicable and Global Floor 1 is specified as not applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage 1} + \text{Min} [\text{Sum} (n = 1, 2, \dots, N) W_{(n)} \times (\text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)})]; \text{Global Cap 1}] \}$$

- iii. if Global Cap 1 is specified as not applicable and Global Floor 1 is specified as applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage 1} + \text{Max} [\text{Sum} (n = 1, 2, \dots, N) W_{(n)} \times (\text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)})]; \text{Global Floor 1}] \}$$

- iv. if Global Cap 1 and Global Floor 1 are specified as applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage 1} + \text{Min} [\text{Max} [\text{Sum} (n = 1, 2, \dots, N) W_{(n)} \times (\text{Constant Percentage}_{(n)} + \text{Gearing}_{(n)} \times \text{Option}_{(n)})]; \text{Global Floor 1}]; \text{Global Cap 1}] \}$$

- (B) if a Knock-Out Event has occurred:

- i. if Global Cap 2 and Global Floor 2 are specified as not applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage 2} + [\text{Sum} (j = 1, 2, \dots, J) W_{(j)} \times (\text{Constant Percentage}_{(j)} + \text{Gearing}_{(j)} \times \text{Option}_{(j)})] \}$$

- ii. if Global Cap 2 is specified as applicable and Global Floor 2 is specified as not applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage 2} + \text{Min} [\text{Sum} (j = 1, 2, \dots, J) W_{(j)} \times (\text{Constant Percentage}_{(j)} + \text{Gearing}_{(j)} \times \text{Option}_{(j)}), \text{Global Cap 2}] \}$$

- iii. if Global Cap 2 is specified as not applicable and Global Floor 2 is specified as applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage 2} + \text{Max} [\text{Sum} (j = 1, 2, \dots, J) W_{(j)} \times (\text{Constant Percentage}_{(j)} + \text{Gearing}_{(j)} \times \text{Option}_{(j)}), \text{Global Floor 2}] \}$$

- iv. if Global Cap 2 and Global Floor 2 are specified as applicable in the applicable Final Terms:

$$RV \times \{ \text{Fixed Percentage 2} + \text{Min} [\text{Max} [\text{Sum} (j = 1, 2, \dots, J) W_{(j)} \times (\text{Constant Percentage}_{(j)} + \text{Gearing}_{(j)} \times \text{Option}_{(j)}), \text{Global Floor 2}]; \text{Global Cap 2}] \}$$

where:

"Fixed Percentage 1" is as defined in the applicable Final Terms;

"Fixed Percentage 2" is as defined in the applicable Final Terms;

"Global Cap 1" is as defined in the applicable Final Terms;

"Global Floor 1" is as defined in the applicable Final Terms;

"Global Cap 2" is as defined in the applicable Final Terms;

"Global Floor 2" is as defined in the applicable Final Terms;

"N" is as defined in the applicable Final Terms;

"n" is as defined in the applicable Final Terms;

"**J**" is as defined in the applicable Final Terms;

"**Constant Percentage_n**" means the percentage specified as such in the applicable Final Terms;

"**Gearing_n**" is as defined in the applicable Final Terms;

"**Generic Percentage_(n,1)**" is as defined in the applicable Final Terms;

"**Generic Percentage_(n,2)**" is as defined in the applicable Final Terms;

"**Floor Percentage_(n)**" is as defined in the applicable Final Terms;

"**Loss Percentage_(n)**" is as defined in the applicable Final Terms;

"**Final Settlement Value_(n)**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms

"**Strike Percentage_(n)**" is as defined in the applicable Final Terms;

"**Spread Percentage_(n)**" is as defined in the applicable Final Terms;

"**Option_n**" means Put_(n), Put Spread_(n), Call_(n), Call Spread_(n), EDS_(n) or Forward_(n) as specified in the applicable Final Terms;

"**EDS_(n)**" means $\text{Max}(\text{Floor Percentage}_{(n)}, \text{Min}(\text{Generic Percentage}_{(n,1)} - n\text{EDS}_{(n)} \times \text{Loss Percentage}_{(n)}, \text{Generic Percentage}_{(n,2)}))$;

"**Forward_(n)**" means $\text{Final Settlement Value}_{(n)} - \text{Strike Percentage}_{(n)}$;

"**nEDS_(n)**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage_(n);

"**EDS Barrier Percentage_(n)**" is as defined in the applicable Final Terms;

"**Call_(n)**" means $\text{Max}(\text{Final Settlement Value}_{(n)} - \text{Strike Percentage}_{(n)}; \text{Generic Percentage}_{(n,1)})$;

"**Call Spread_(n)**" means $\text{Min}(\text{Max}(\text{Final Settlement Value}_{(n)} - \text{Strike Percentage}_{(n)}; \text{Generic Percentage}_{(n,1)}); \text{Spread Percentage}_{(n)})$;

"**Put_(n)**" means $\text{Max}(\text{Strike Percentage}_{(n)} - \text{Final Settlement Value}_{(n)}; \text{Generic Percentage}_{(n,1)})$;

"**Put Spread_(n)**" means $\text{Min}(\text{Max}(\text{Strike Percentage}_{(n)} - \text{Final Settlement Value}_{(n)}; \text{Generic Percentage}_{(n,1)}); \text{Spread Percentage}_{(n)})$;

"**Constant Percentage_j**" is as defined in the applicable Final Terms;

"**Gearing_j**" is as defined in the applicable Final Terms;

"**Generic Percentage_(j,1)**" is as defined in the applicable Final Terms;

"**Generic Percentage_(j,2)**" is as defined in the applicable Final Terms;

"**Floor Percentage_(j)**" is as defined in the applicable Final Terms;

"**Loss Percentage_(j)**" is as defined in the applicable Final Terms;

"**Final Settlement Value_(j)**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Strike Percentage_(j)**" is as defined in the applicable Final Terms;

"**Spread Percentage_(j)**" is as defined in the applicable Final Terms;

"**Option_j**" means Put_(j), Put Spread_(j), Call_(j), Call Spread_(j), EDS_(j) or Forward_(j) as specified in the applicable Final Terms;

"**EDS_(j)**" means $\text{Max}(\text{Floor Percentage}_{(j)}, \text{Min}(\text{Generic Percentage}_{(j,1)} - n\text{EDS}_{(j)} \times \text{Loss Percentage}_{(j)}, \text{Generic Percentage}_{(j,2)}))$;

"**Forward_(j)**" means $\text{Final Settlement Value}_{(j)} - \text{Strike Percentage}_{(j)}$;

"**nEDS_(j)**" means the number of Underlying Reference(s) in the Basket in respect of which the Final Settlement Value is (i) less than or equal to or (ii) less than or (iii) greater than or equal to or (iv) greater than, as specified in the applicable Final Terms, EDS Barrier Percentage_(j);

"**EDS Barrier Percentage_(j)**" is as defined in the applicable Final Terms;

"**Call_(j)**" means $\text{Max}(\text{Final Settlement Value}_{(j)} - \text{Strike Percentage}_{(j)}; \text{Generic Percentage}_{(j,1)})$;

"**Call Spread_(j)**" means $\text{Min}(\text{Max}(\text{Final Settlement Value}_{(j)} - \text{Strike Percentage}_{(j)}; \text{Generic Percentage}_{(j,1)}); \text{Spread Percentage}_{(j)})$;

"**Put_(j)**" means $\text{Max}(\text{Strike Percentage}_{(j)} - \text{Final Settlement Value}_{(j)}; \text{Generic Percentage}_{(j,1)})$; and

"**Put Spread_(j)**" means $\text{Min}(\text{Max}(\text{Strike Percentage}_{(j)} - \text{Final Settlement Value}_{(j)}; \text{Generic Percentage}_{(j,1)}); \text{Spread Percentage}_{(j)})$

Description of the Final Payout

The Final Payout comprises:

- *if a Knock-out Event has not occurred, a fixed percentage and, if Option is Call, Call Spread, Put, Put Spread, or Forward, a weighted sum of another fixed percentage and an indexation (subject to gearing) to the value of the Underlying Reference(s); or*
- *if a Knock-out Event has not occurred a fixed percentage and, if Option is EDS, a weighted sum of another percentage and a further percentage that depends on how many Underlying Reference(s) in the basket have a value greater than the EDS Barrier Percentage, subject to gearing. When Gearing is positive the higher the number of Underlying Reference(s) with a value above this barrier the higher the percentage.*

- *If a Knock-out Event has occurred, the Final Payout will have the same features described above and, possibly, different fixed percentages, constant percentages, gearing, Options and/or Underlying Reference(s).*
- *The Final Payout may be subject to a Global Cap and/or a Global Floor.*
- *Physical Delivery may also apply.*

(fff) **Multiple Final Payout – Capped and Floored Ratchet Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Capped and Floored Ratchet Securities:

- (i) if Local Cap is specified as not applicable in the applicable Final Terms:

$$RV \times (\text{Max} (\text{Sum} (q = 1, 2, \dots, Q) \text{Max} ((\text{Constant Percentage 1} + \text{Final Settlement Value}_{(q)} - \text{Strike Percentage}), \text{Local Floor Percentage}), \text{Global Floor Percentage}));$$

Or

$$RV \times (\text{Max} (\text{Sum} (i = 1, 2, \dots, I) \text{Sum} (q = 1, 2, \dots, Q) \text{Max} ((\text{Constant Percentage 1} + \text{Final Settlement Value}_{(i,q)} - \text{Strike Percentage}_{(i,q)}), \text{Local Floor Percentage}_{(i,q)}), \text{Global Floor Percentage}));$$

- (ii) if Local Cap is specified as applicable in the applicable Final Terms:

$$RV \times (\text{Max} (\text{Sum} (q = 1, 2, \dots, Q) \text{Max} (\text{Min} (\text{Constant Percentage 1} + \text{Final Settlement Value}_{(q)} - \text{Strike Percentage}), \text{Local Cap Percentage}), \text{Local Floor Percentage}), \text{Global Floor Percentage}));$$

Or

$$RV \times (\text{Max} (\text{Sum} (q = 1, 2, \dots, Q) \text{Max} (\text{Min} (\text{Constant Percentage 1} + \text{Final Settlement Value}_{(i,q)} - \text{Strike Percentage}_{(i,q)}), \text{Local Cap Percentage}_{(i,q)}), \text{Local Floor Percentage}), \text{Global Floor Percentage}));$$

Where

"I" is as defined in the relevant Final Terms;

"Q" is as defined in the relevant Final Terms.

Description of the Final Payout

The Final Payout provides a fixed percentage and an amount equal to the sum of the Final Settlement Values above the Strike Percentage with a Local Floor Percentage and possibly a Local Cap Percentage, subject to a floor of the Global Floor Percentage. The Final Settlement Values are calculated on each MFP Valuation Date during the MFP Valuation Period and each may be subject to a cap and/or a floor.

(ggg) **Multiple Final Payout – Weighted Mixed Payouts Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Weighted Mixed Payouts Securities:

$$RV \times (\text{Constant Mixed Percentage} + \text{Sum} (a = 1, 2, \dots, A) \text{PW}_{(a)} \text{Prod} (b = 1, 2, \dots, B) \text{Additional Final Payout}_{(a,b)})$$

where:

"**Constant Mixed Percentage**" is as defined in the relevant Final Terms;

"**PW**" is the relevant Additional Final Payout Weighting;

"**A**" is the number specified as such in the applicable Final Terms;

"**a**" is as defined in the applicable Final Terms;

"**B**" is the number specified as such in the applicable Final Terms.

"**b**" is as defined in the applicable Final Terms.

Description of the Final Payout

The Final Payout comprises a constant percentage and a weighted sum of two or more Final Payouts provided in the Conditions and specified in the applicable Final Terms.

(hhh) **Multiple Final Payout – Knock-In Mixed Payouts Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Knock-In Mixed Payouts Securities:

(A) if no Knock-in Event has occurred:

$RV \times (\text{Mixed Constant 1} + \text{Mixed Gearing 1} \times \text{Additional Final Payout 1})$; or

(B) if a Knock-in Event has occurred:

$RV \times (\text{Mixed Constant 2} + \text{Mixed Gearing 2} \times \text{Additional Final Payout 2})$;

where:

"**Mixed Constant 1**" is as defined in the relevant Final Terms;

"**Mixed Constant 2**" is as defined in the relevant Final Terms;

"**Mixed Gearing 1**" is as defined in the relevant Final Terms;

"**Mixed Gearing 2**" is as defined in the relevant Final Terms.

Description of the Final Payout

The Final Payout comprises

- *if no Knock-in Event occurs, a fixed percentage and geared indexation to the value of the Underlying Reference(s) through a Final Payout provided in the Conditions and specified in the applicable Final Terms*
- *if a Knock-in Event has occurred, a fixed percentage and geared indexation to the value of the Underlying Reference(s) through a possibly different Final Payout provided in the Conditions and specified in the applicable Final Terms*

(iii) **Multiple Final Payout – Knock-out Mixed Payouts Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Knock-out Mixed Payouts Securities:

(A) if no Knock-out Event has occurred:

$RV \times (\text{Mixed Constant 1} + \text{Mixed Gearing 1} \times \text{Additional Final Payout 1})$; or

(B) if a Knock-out Event has occurred:

$$RV \times (\text{Mixed Constant 2} + \text{Mixed Gearing 2} \times \text{Additional Final Payout 2});$$

where:

"Mixed Constant 1" is as defined in the relevant Final Terms;

"Mixed Constant 2" is as defined in the relevant Final Terms;

"Mixed Gearing 1" is as defined in the relevant Final Terms;

"Mixed Gearing 2" is as defined in the relevant Final Terms.

Description of the Final Payout

The Final Payout comprises:

- *if no Knock-out Event occurs, a fixed percentage and geared indexation to the value of the Underlying Reference(s) through a Final Payout provided in the Conditions and specified in the applicable Final Terms*
- *if a Knock-out Event has occurred, a fixed percentage and geared indexation to the value of the Underlying Reference(s) through a possibly different Final Payout provided in the Conditions and specified in the applicable Final Terms*

(jjj) **Multiple Final Payout – Max Mixed Payouts Securities**

If the Securities are specified in the applicable Final Terms as being Multiple Final Payout – Max Mixed Payouts Securities:

$$RV \times (\text{Constant Mixed Percentage} + \text{Max } (a = 1, 2, \dots, A) \text{ Additional Final Payout}_{(a)})$$

where:

"a" is as defined in the applicable Final Terms;

"A" is the number specified as such in the applicable Final Terms;

"Constant Mixed Percentage" is as defined in the relevant Final Terms.

Description of the Final Payout

The Final Payout comprises a maximum of two or more Final Payouts provided in the Conditions and specified in the applicable Final Terms.

(kkk) **Multiple Final Payout – Leveraged Securities**

If the Securities are Fund Securities and are specified in the applicable Final Terms as being Leveraged Warrants:

$$RV \times (\text{Reference Level} - \text{Fixed Percentage})$$

where:

"Reference Level" means:

$$\text{Reference Level}_0 \times (1 + \text{Participation Factor} \times (\text{Fund Level}_t - \text{Fund Level}_0) / \text{Fund Level}_0 - (\text{Participation Factor}-1) \times \text{Fees}_t)$$

"**Reference Level**" means the number (expressed as a percentage) specified in the Final Terms;

"**Fund Level₀**" means the Settlement Price of the relevant Underlying Reference(s) as of the Fixing Date;

"**Fund Level_t**" means the Settlement Price of the relevant Underlying Reference(s) as of the MFP Settlement Valuation Date;

"**Fixing Date**" means the Calculation Date immediately preceding the First Calculation Date;

"**Calculation Date**" means each day which is a Fund Business Day;

"**Day Count Fraction**" is as defined in the applicable Final Terms;

"**First Calculation Date**" means the date specified as such in the applicable Final Terms;

"**Fees_t**" means the cumulative leverage fee, expressed as a percentage and calculated by the Calculation Agent as the aggregate sum of the Fees Accrued during each Fees Accrual Period;

"**Fees Accrued**" means, in respect of a Fee Accrual Period, the fees accrued during such period, expressed as a percentage and calculated by the Calculation Agent as follows:

$$(\text{Fee ISDA Rate} + \text{Fee Margin}) \times \text{Day Count Fraction}$$

"**Fee ISDA Rate**" means the floating rate determined according to the Underlying Interest Rate Security Condition 2 (*ISDA Determination*) (which shall be applicable with respect to this definition only) as indicated in the applicable Final Terms;

"**Fee Margin**" is as defined in the applicable Final Terms;

"**Fee Accrual Period(s)**" means the periods commencing on (and including) the Fee Accrual Commencing Date up to (but excluding) the first Fee Accrual Date and each subsequent period commencing on (and including) a Fee Accrual Date up to (but excluding) the next following Fee Accrual Date;

"**Fee Accrual Commencing Date**" is as defined in the applicable Final Terms;

"**Fee Accrual Date(s)**" is as defined in the relevant Final Terms;

"**Fixed Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Participation Factor**" is as defined in the applicable Final Terms.

Description of the Final Payout

The Final Payout comprises a leveraged indexation to the performance of the Underlying Reference(s) above the Fixed Percentage and net of any fees accrued, as calculated on each Fee Accrual Date(s) during the Fee Accrual Period(s).

(III) **Single FI FX Vanilla Securities**

If the Securities are specified in the applicable Final Terms as being Single FI FX Vanilla Securities:

(i) if Knock-in Event is specified as applicable in the applicable Final Terms:

(A) if no Knock-in Event has occurred:

$RV \times \text{FI Constant Percentage 1}$; or

(B) if a Knock-in Event has occurred:

$$RV \times (\text{FI Constant Percentage } 1 + (\text{Gearing} \times \text{Option}));$$

(ii) if Knock-in Event is specified as not applicable in the applicable Final Terms:

$$RV \times (\text{FI Constant Percentage } 1 + (\text{Gearing} \times \text{Option}));$$

(iii) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:

(A) if a Knock-in Event has occurred but a Knock-out Event has not occurred:

$$RV \times (\text{FI Constant Percentage } 1 + (\text{Gearing} \times \text{Option}));$$

(B) in all other cases:

$$RV \times (\text{FI Constant Percentage } 1)$$

where:

"Option" means Max (Performance Value, Floor).

Description of the Final Payout

The Final Payout comprises:

- *if Knock-in Event is specified as applicable in the applicable Final Terms:*
 - *if no Knock-in event has occurred, a fixed percentage; or*
 - *if a Knock-in event has occurred, a fixed percentage plus an indexation (subject to Gearing) to the Underlying Reference(s), subject to a floor;*
- *if Knock-in Event is specified as not applicable in the applicable Final Terms, a fixed percentage plus an indexation (subject to Gearing) to the Underlying Reference(s), subject to a floor*
- *if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:*
 - *if a Knock-in event has occurred but no Knock-out Event has occurred, a fixed percentage plus an indexation (subject to Gearing) to the Underlying Reference(s), subject to a floor; or*
 - *if a Knock-out Event has occurred, a fixed percentage.*

(mmm) Single FI Digital Floor Securities

If the Securities are specified in the applicable Final Terms as being Single FI Digital Floor Securities:

(i) if Knock-in Event is specified as applicable in the applicable Final Terms:

(A) if no Knock-in Event has occurred:

$$RV \times \text{FI Constant Percentage } 1;$$

(B) if a Knock-in Event has occurred and the FI Digital Floor Condition is satisfied in respect of the relevant FI Settlement Valuation Date:

- $RV \times (\text{FI Constant Percentage 1} + \text{Digital Floor Percentage 1})$; or
- (C) if a Knock-in Event has occurred and the FI Digital Floor Condition is not satisfied in respect of the relevant FI Settlement Valuation Date:
- $RV \times (\text{FI Constant Percentage 1} + \text{Digital Floor Percentage 2})$
- (ii) if Knock-in Event is specified as not applicable in the applicable Final Terms:
- (A) if the FI Digital Floor Condition is satisfied in respect of the relevant FI Settlement Valuation Date:
- $RV \times (\text{FI Constant Percentage 1} + \text{Digital Floor Percentage 1})$
- (B) if the FI Digital Floor Condition is not satisfied in respect of the relevant FI Settlement Valuation Date:
- $RV \times (\text{FI Constant Percentage 1} + \text{Digital Floor Percentage 2})$
- (iii) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:
- (A) if no Knock-in Event has occurred:
- $RV \times \text{FI Constant Percentage 1}$; or
- (B) if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Floor Condition is satisfied in respect of the relevant FI Settlement Valuation Date:
- $RV \times (\text{FI Constant Percentage 1} + \text{Digital Floor Percentage 1})$; or
- (C) in all other cases:
- $RV \times (\text{FI Constant Percentage 1} + \text{Digital Floor Percentage 2})$

Description of the Final Payout

The Final Payout comprises:

- *if Knock-in Event is specified as applicable in the applicable Final Terms:*
 - *if no Knock-in event has occurred, a fixed percentage;*
 - *if a Knock-in event has occurred and the FI Digital Floor Condition is satisfied, a fixed percentage plus the Digital Floor Percentage 1; or*
- *if a Knock-in event has occurred and the FI Digital Floor Condition is not satisfied, a fixed percentage plus the Digital Floor Percentage 2;*
- *if Knock-in Event is specified as not applicable in the applicable Final Terms:*
 - *if the FI Digital Floor Condition is satisfied, a fixed percentage plus the Digital Floor Percentage 1; or*
 - *if the FI Digital Floor Condition is not satisfied, a fixed percentage plus the Digital Floor Percentage 2;*
- *if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:*

- *if no Knock-in event has occurred, a fixed percentage;*
- *if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Floor Condition is satisfied, a fixed percentage plus the Digital Floor Percentage 1; or*
- *otherwise, a fixed percentage plus the Digital Floor Percentage 2.*

(nnn) **Single FI Digital Cap Securities**

If the Securities are specified in the applicable Final Terms as being Single FI Digital Cap Securities:

- (i) if Knock-in Event is specified as applicable in the applicable Final Terms:
 - (A) if no Knock-in Event has occurred:

$RV \times \text{FI Constant Percentage 1};$
 - (B) if a Knock-in Event has occurred and the FI Digital Cap Condition is satisfied in respect of the relevant FI Settlement Valuation Date:

$RV \times (\text{FI Constant Percentage 1} + \text{Digital Cap Percentage 1});$ or
 - (C) if a Knock-in Event has occurred and the FI Digital Cap Condition is not satisfied in respect of the relevant FI Settlement Valuation Date:

$RV \times (\text{FI Constant Percentage 1} + \text{Digital Cap Percentage 2});$ or
- (ii) if Knock-in Event is specified as not applicable in the applicable Final Terms:
 - (A) if the FI Digital Cap Condition is satisfied in respect of the relevant FI Settlement Valuation Date:

$RV \times (\text{FI Constant Percentage 1} + \text{Digital Cap Percentage 1});$ or
 - (B) if Knock if the FI Digital Cap Condition is not satisfied in respect of the relevant FI Settlement Valuation Date:

$RV \times (\text{FI Constant Percentage 1} + \text{Digital Cap Percentage 2});$ or
- (iii) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:
 - (A) if no Knock-in Event has occurred:

$RV \times \text{FI Constant Percentage 1};$ or
 - (B) if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Cap Condition is satisfied in respect of the relevant FI Settlement Valuation Date:

$RV \times (\text{FI Constant Percentage 1} + \text{Digital Cap Percentage 1});$ or
 - (C) in all other cases:

$RV \times (\text{FI Constant Percentage 1} + \text{Digital Cap Percentage 2}).$

Description of the Final Payout

The Final Payout comprises:

- *if Knock-in Event is specified as applicable in the applicable Final Terms:*
 - *if no Knock-in event has occurred, a fixed percentage;*
 - *if a Knock-in event has occurred and the FI Digital Cap Condition is satisfied, a fixed percentage plus the Digital Cap Percentage 1; or*
 - *if a Knock-in event has occurred and the FI Digital Cap Condition is not satisfied, a fixed percentage plus the Digital Cap Percentage 2;*
- *if Knock-in Event is specified as not applicable in the applicable Final Terms:*
 - *if the FI Digital Cap Condition is satisfied, a fixed percentage plus the Digital Cap Percentage 1; or*
 - *if the FI Digital Cap Condition is not satisfied, a fixed percentage plus the Digital Cap Percentage 2;*
- *if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:*
 - *if no Knock-in event has occurred, a fixed percentage;*
 - *if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Cap Condition is satisfied, a fixed percentage plus the Digital Cap Percentage 1; or*
 - *otherwise, a fixed percentage plus the Digital Cap Percentage 2.*

(ooo) **Single FI Digital Plus Securities**

If the Securities are specified in the applicable Final Terms as being Single FI Digital Plus Securities:

- (i) *if Knock-in Event is specified as applicable in the applicable Final Terms:*
 - (A) *if, irrespective of whether a Knock-in Event has or has not occurred, the FI Digital Plus Condition is satisfied in respect of the relevant FI Settlement Valuation Date:*
$$RV \times (FI \text{ Constant Percentage } 1 + \text{Max} (\text{Digital Plus Percentage } 1, (\text{Gearing } A \times FI \text{ Digital Value}))); \text{ or}$$
 - (B) *if no Knock-in Event has occurred and the FI Digital Plus Condition is not satisfied in respect of the relevant FI Settlement Valuation Date:*
$$RV \times FI \text{ Constant Percentage } 1; \text{ or}$$
 - (C) *if a Knock-in Event has occurred and the FI Digital Plus Condition is not satisfied in respect of the relevant FI Settlement Valuation Date:*
$$RV \times (FI \text{ Constant Percentage } 1 + \text{Min} (\text{Digital Plus Percentage } 2, \text{Max} ((\text{Gearing } B \times FI \text{ Digital Value}), FI \text{ Digital Floor Percentage})));$$
- (ii) *if Knock-in Event is specified as not applicable in the applicable Final Terms:*
 - (A) *if the FI Digital Plus Condition is satisfied in respect of the relevant FI Settlement Valuation Date:*

- $RV \times (FI \text{ Constant Percentage } 1 + \text{Max} (\text{Digital Plus Percentage } 1, (\text{Gearing } A \times FI \text{ Digital Value}))); \text{ or}$
- (B) if the FI Digital Plus Condition is not satisfied in respect of the relevant FI Settlement Valuation Date:
- $RV \times (FI \text{ Constant Percentage } 1 + \text{Min} (\text{Digital Plus Percentage } 2, \text{Max} ((\text{Gearing } B \times FI \text{ Digital Value}), FI \text{ Digital Floor Percentage})));$
- (iii) if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:
- (A) irrespective of whether a Knock-in Event and/or Knock-out Event has occurred, if the FI Digital Plus Condition is satisfied in respect of the relevant FI Settlement Valuation Date:
- $RV \times (FI \text{ Constant Percentage } 1 + \text{Max} (\text{Digital Plus Percentage } 1, (\text{Gearing } A \times FI \text{ Digital Value}))); \text{ or}$
- (B) if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Plus Condition is not satisfied in respect of the relevant FI Settlement Valuation Date:
- $RV \times (FI \text{ Constant Percentage } 1 + \text{Max} (\text{Digital Plus Percentage } 2, \text{Max} ((\text{Gearing } B \times FI \text{ Digital Value}), FI \text{ Digital Floor Percentage}))); \text{ or}$
- (C) in all other cases:
- $RV \times FI \text{ Constant Percentage } 1.$

Description of the Final Payout

The Final Payout comprises:

- *if Knock-in Event is specified as applicable in the applicable Final Terms:*
 - *if the FI Digital Plus Condition is satisfied (irrespective of whether a Knock-in Event has or has not occurred), a fixed percentage plus an indexation (subject to Gearing A) to the Underlying Reference, subject to a floor of the Digital Plus Percentage 1;*
 - *if no Knock-in event has occurred and the FI Digital Plus Condition is not satisfied, a fixed percentage plus the FI Constant Percentage 1; or*
 - *if a Knock-in event has occurred and the FI Digital Cap Condition is not satisfied, a fixed percentage plus the minimum between the Digital Plus Percentage 2 and the indexation (subject to Gearing B) to the Underlying Reference, subject to a floor of the FI Digital Floor Percentage;*
- *if Knock-in Event is specified as not applicable in the applicable Final Terms:*
 - *if the FI Digital Plus Condition is satisfied, a fixed percentage plus an indexation (subject to Gearing A) to the Underlying Reference, subject to a floor of the Digital Plus Percentage 1; or*
 - *if the FI Digital Plus Condition is not satisfied, a fixed percentage plus the minimum between the Digital Plus Percentage 2 and the indexation (subject to Gearing B) to the Underlying Reference, subject to a floor of the FI Digital Floor Percentage;*

- *if Knock-in Event and Knock-out Event are specified as applicable in the applicable Final Terms:*
 - *if the FI Digital Plus Condition is satisfied (irrespective of whether a Knock-in Event has or has not occurred), a fixed percentage plus an indexation (subject to Gearing A) to the Underlying Reference, subject to a floor of the Digital Plus Percentage 1;*
 - *if a Knock-in Event has occurred but a Knock-out Event has not occurred and the FI Digital Plus Condition is not satisfied, a fixed percentage plus the maximum between the Digital Plus Percentage 2 and the indexation (subject to Gearing B) to the Underlying Reference, subject to a floor of the FI Digital Floor Percentage; or*
 - *otherwise, a fixed percentage plus the FI Constant Percentage 1.*

(ppp) **Continuous FX Wedding Cake Securities**

If the Securities are specified in the applicable Final Terms as being Continuous FX Wedding Cake Securities:

- (A) If, at all times on each Observation Date during the Observation Period the Underlying Reference Level remains within Range 1:

$$RV \times FXR_1$$

- (B) If Range 2 is specified as applicable in the relevant Final Terms and, at all times on each Observation Date during the Observation Period, the Underlying Reference Level has, at least once, moved outside Range 1 but has remained within Range 2:

$$RV \times FXR_2$$

- (C) If Range nth is specified as applicable in the relevant Final Terms and, at all times on each Observation Date during the Observation Period, the Underlying Reference Level has, at least once, moved outside Range 1, Range 2 and any other wider range (other than Range nth) specified as applicable in the relevant Final Terms, but has remained within Range nth:

$$RV \times FXR_n$$

- (D) If none of the previous conditions has been met:

$$RV$$

where:

"Range 1" is as defined in the applicable Final Terms;

"Range 2" is as defined in the applicable Final Terms;

"Range nth" is as defined in the applicable Final Terms;

"FXR_1" means the percentage or the value specified in the applicable Final Terms;

"FXR_2" means the percentage or the value specified in the applicable Final Terms;

"FXR_n" means the percentage or the value specified in the applicable Final Terms.

Description of the Final Payout

The Final Payout comprises fixed percentages which vary in accordance with the fluctuation of the Underlying Reference Level. In particular, on each Observation Date during the Observation Period, the Underlying Reference Level may remain in or move outside of certain ranges (Range 1, Range 2 and any other wider range (Range nth)), thus determining the applicable fixed percentage (respectively, FXR_1, FXR_2, FXR_n). If the Underlying Reference Level has at least once moved outside all the applicable ranges (therefore not satisfying any applicable condition) the Final Payout will be equal to the Reference Value.

(qqq) **Single FI Inflation Securities**

If the Securities are specified in the applicable Final Terms as being Single FI Inflation Securities:

$RV \times \text{Max} [\text{Constant Percentage 1}; \text{Gearing} \times \text{Inflation Rate}]$

Or

$RV \times \text{Min} [\text{Constant Percentage 1}; \text{Max} [\text{Constant Percentage 2}; \text{Gearing} \times \text{Inflation Rate}]$

Description of the Final Payout

The Final Payout comprises the greater of the relevant Constant Percentage and the (geared) Inflation Rate, subject to a maximum level if specified.

1.2 **This section is intentionally left blank.**

2. AUTOMATIC EARLY EXPIRATION PAYOUTS

2.1 Automatic Early Expiration Payouts Formulas

If Automatic Early Expiration is specified as applicable in the applicable Final Terms and an Automatic Early Expiration Event occurs, the following Automatic Early Expiration payouts (each an "**Automatic Early Expiration Payout**") shall apply to the Securities if specified in the applicable Final Terms:

(a) **This section is intentionally left blank.**

(b) **Automatic Early Expiration Payout Capitalised Call and Put Securities 2.**

If Automatic Early Expiration Payout Capitalised Call and Put Securities 2 is specified as applicable in the applicable Final Terms, 0 (zero).

(c) **SFP Automatic Early Expiration Payout**

If SFP Automatic Early Expiration Payout is specified as applicable in the applicable Final Terms:

$$RV \times [\text{Constant AES Percentage} + \text{Premium Percentage} \times i].$$

Where "**Constant AES Percentage**" has the meaning given the applicable Final Terms

(d) **MFP Automatic Early Expiration Payout**

If MFP Automatic Early Expiration Payout is specified in the applicable Final Terms, the Automatic Early Expiration Payout shall be:

$$RV \times (\text{AES Expiration Percentage} + \text{AES Exit Rate})$$

Or

$$RV \times \{[\text{Max} (\text{AES Expiration Percentage 1} + \text{Gearing} \times \text{Max} (\text{AES Expiration Percentage 2} - \text{MFP AES Value}; \text{Floor Percentage 1})); \text{Floor Percentage 2}] + \text{Premium Percentage} \times \text{DCF}\}$$

"**DCF**" is (i) the number of calendar days between the MFP Valuation Date indicated in the applicable Final Terms (included) and the Automatic Early Expiration Valuation Date on which the Automatic Early Expiration Event occurs (excluded), multiplied by the Day Count Fraction or (ii) as defined in the applicable Final Terms.

provided that if specified in the applicable Final Terms the MFP Automatic Early Expiration Payout will be subject to a cap of the Maximum MFP Automatic Early Expiration Payout and/or a floor of the Minimum MFP Automatic Early Expiration Payout, in each case specified in the applicable Final Terms.

Where:

"**AES up Rate**" means:

(a) if Cap is specified as applicable in the applicable Final Terms:

$$\text{Min} (\text{Max} (\text{ES Floor Percentage}_{(i)}, \text{ES Gearing}_{(i)} \times (\text{ES Value}_{(i)} - \text{ES Strike Percentage}_{(i)} + \text{ES Spread}_{(i)}), \text{ES Cap Percentage}_{(i)}) + \text{ES Constant Percentage}_{(i)})$$

or

$$\text{Min} (\text{ES Gearing}_{(i)} \times (\text{ES Value}_{(i)} - \text{ES Strike Percentage}_{(i)}) + \text{ES Spread}_{(i)}, \text{ES Cap Percentage}_{(i)}) + \text{ES Constant Percentage}_{(i)}$$

(b) if Cap is specified as not applicable in the applicable Final Terms:

$\text{Max (ES Floor Percentage}_{(i)}\text{, ES Gearing}_{(i)} \times (\text{ES Value}_{(i)} - \text{ES Strike Percentage}_{(i)}) + \text{ES Spread}_{(i)}) + \text{ES Constant Percentage}_{(i)}$,

or

$\text{ES Gearing}_{(i)} \times (\text{ES Value}_{(i)} - \text{ES Strike Percentage}_{(i)}) + \text{ES Spread}_{(i)} + \text{ES Constant Percentage}_{(i)}$

"**AES Exit Rate**" means, in respect of a MFP ES Valuation Date or MFP ES Valuation Period, any of AES Rate or AES up Rate as specified in the applicable Final Terms;

"**AES Rate(s)**" is as defined in Security Condition 19.9(c);

"**AES Settlement Percentage**" means the percentage specified as such in the applicable Final Terms;

"**AES Settlement Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**AES Settlement Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**AES Reference Rate**" means the floating rate specified as such in the applicable Final Terms;

"**ES Cap Percentage**" means, in respect of a MFP ES Valuation Date or MFP ES Valuation Period, the percentage specified as such in the applicable Final Terms;

"**ES Constant Percentage**" means, in respect of a MFP ES Valuation Date or MFP ES Valuation Period, the percentage specified as such in the applicable Final Terms;

"**ES Floor Percentage**" means, in respect of a MFP ES Valuation Date or MFP ES Valuation Period, the percentage specified as such in the applicable Final Terms;

"**ES Gearing**" means, in respect of a MFP ES Valuation Date or MFP ES Valuation Period, the percentage specified as such in the applicable Final Terms;

"**ES Spread**" means, in respect of a MFP ES Valuation Date or MFP ES Valuation Period, the percentage specified as such in the applicable Final Terms;

"**ES Strike Percentage**" means, in respect of a MFP ES Valuation Date or MFP ES Valuation Period, the percentage specified as such in the applicable Final Terms;

"**ES Value**" means, in respect of a MFP ES Valuation Date or MFP ES Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms

"**MFP ES Valuation Date**" means each Averaging Date, Valuation Date, Pricing Date and/or Settlement Price Date Underlying Interest Determination Date and/or each day, all specified as such in the applicable Final Terms; and

"**MFP ES Valuation Period**" means each period specified as such in the applicable Final Terms.

(e) **Leveraged Warrants Automatic Early Expiration Payout**

If Leveraged Warrants Automatic Early Expiration Payout is specified in the applicable Final Terms, the Automatic Early Expiration Payout in relation to each relevant Warrant shall be:

$$\frac{\text{Net Proceeds}}{\text{Number of Warrants issued}}$$

If the Automatic Early Expiration Amount is not an amount in the Settlement Currency if specified in the applicable Final Terms, it will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms

Unless "Rounding" is specified in the relevant Final Terms as not applicable, the Leveraged Warrants Automatic Early Expiration Payout shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

provided that if specified in the applicable Final Terms the Leveraged Warrants Automatic Early Expiration Payout will be subject to a cap of the Maximum Leveraged Warrants Automatic Early Expiration Payout and/or a floor of the Minimum Leveraged Warrants Automatic Early Expiration Payout, in each case specified in the applicable Final Terms.

Where:

"**Net Proceeds**" means the proceeds which the Issuer has actually received from the sale of all the shares or quotas held by it in the Underlying Reference, net of any costs, expenses or taxes incurred by the Issuer in connection with such sale.

(f) **This section is intentionally left blank.**

(g) **FI Underlying Automatic Early Expiration Payout**

If FI Underlying Automatic Early Expiration Payout is specified as applicable in the applicable Final Terms,

RV

3. **This section is intentionally left blank.**

4. **This section is intentionally left blank.**

5. **This section is intentionally left blank.**

6. MFP ENTITLEMENT AMOUNTS

6.1 Entitlement Amount Formulas

The following Entitlement Amounts (each an "**Entitlement Amount**") will apply to the Securities if specified in the applicable Final Terms, subject as provided in Formulas Condition 6.1(d) below:

(a) Delivery of Worst-Performing Underlying

If Delivery of Worst-Performing Underlying is specified as applicable in the applicable Final Terms:

$$RV \times \text{Settlement Payout} / (\text{Worst Performing Underlying Reference Closing Price Value}_{(i)} \times FX_{(i)})$$

where:

"**Worst Performing Underlying Reference Closing Price Value_(i)**" is the Underlying Reference Closing Price Value_(i) on the relevant MFP Valuation Date in respect of the Underlying Reference with the Worst Value on such date; and

"**FX_(i)**" is the relevant Underlying Reference FX Level on the relevant MFP Valuation Date or if that is not a Business Day the immediately succeeding Business Day.

(b) Delivery of Best-Performing Underlying

If Delivery of Best-Performing Underlying is specified as applicable in the applicable Final Terms:

$$RV \times \text{Settlement Payout} / (\text{Best Performing Underlying Reference Closing Price Value}_{(i)} \times FX_{(i)})$$

where:

"**Best-Performing Underlying Reference Closing Price Value_(i)**" is the Underlying Reference Closing Price Value_(i) on the relevant MFP Valuation Date in respect of the Underlying Reference with the Best Value on such date; and

"**FX_(i)**" is the relevant Underlying Reference FX Level on the relevant MFP Valuation Date or if that is not a Business Day the immediately succeeding Business Day.

(c) Delivery of the Underlying

If Delivery of the Underlying is specified as applicable in the applicable Final Terms:

$$RV \times \text{Settlement Payout} / (\text{Underlying Reference Closing Price Value} \times FX_{(i)})$$

where:

"**Underlying Reference Closing Price Value**" is the Underlying Reference Closing Price Value on the relevant MFP Valuation Date; and

"**FX_(i)**" is the Underlying Reference FX Level on the relevant MFP Valuation Date or if that is not a Business Day the immediately succeeding Business Day.

(d) Rounding and Residual Amount

The Entitlement Amount will be rounded down to the nearest unit of each Relevant Asset capable of being delivered and *in lieu* thereof the Issuer will pay an amount equal to:

$$RV \times \text{Settlement Payout} - \sum_{k=1}^K \text{Number}_{(k,i)} * FX_{(k,i)} * \text{Underlying Reference Closing Price Value}_{(k,i)}$$

where:

"**Number_(k,i)**" is equal to the Entitlement Amount for the relevant Underlying Reference_(k) and MFP Valuation Date_(i);

"**Underlying Reference Closing Price Value_(k,i)**" is the Underlying Reference Closing Price Value_(i) on the relevant MFP Valuation Date in respect of the relevant Underlying Reference_(k); and

"**FX_(k,i)**" is the relevant Underlying Reference FX Level on the relevant MFP Valuation Date or if that is not a Business Day the immediately succeeding Business Day.

7. GENERAL FORMULAS DEFINITIONS

"**AC Barrier Value**" means, in respect of a MFP Coupon Valuation Date or MFP Coupon Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Additional Final Payout**" means each Final Payout specified as such in the applicable Final Terms for the relevant Weighted Mixed Payouts Securities or Max Mixed Payouts Securities and if Payout FX Conversion is specified as applicable in the applicable Final Terms, converted into the Payout Currency at the Payout FX Value, in each case specified in the applicable Final Terms;

"**Additional Final Payout 1**" means each Final Payout specified as such in the applicable Final Terms for the relevant Knock-In Mixed Payouts Securities and for the relevant Knock-out Mixed Payouts Securities if Payout FX Conversion is specified as applicable in the applicable Final Terms, converted into the Payout Currency at the Payout FX Value, in each case specified in the applicable Final Terms;

"**Additional Final Payout 2**" means each Final Payout specified as such in the applicable Final Terms for the relevant Knock-In Mixed Payouts Securities and for the relevant Knock-out Mixed Payouts Securities if Payout FX Conversion is specified as applicable in the applicable Final Terms, converted into the Payout Currency at the Payout FX Value, in each case specified in the applicable Final Terms;

"**Additional Final Payout Weighting**" is the number, amount or percentage specified as such in the applicable Final Terms;

"**Additional Gearing**" means the percentage specified as such in the applicable Final Terms;

"**Barrier Condition**" means that Coupon Value for the relevant Underlying Reference for the relevant MFP Valuation Date is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Barrier Level;

"**Barrier Level**" means the percentage, number or amount specified as such in the applicable Final Terms or, if specified in the applicable Final Terms, the product of the Barrier Percentage and the Strike Level rounded upwards or downwards as determined by the Calculation Agent acting in good faith and a commercially reasonable manner;

"**Barrier Percentage Strike Price**" means the percentage specified as such in the applicable Final Terms;

"**Barrier Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Barrier Range Level**" means the range of levels, amounts, numbers or percentages specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"**Bonus Coupon**" means the percentage specified as such in the applicable Final Terms;

"**Bonus Level**" means the number or amount specified as such in the applicable Final Terms or, if specified in the applicable Final Terms, the product of the Bonus Percentage and the Strike Level rounded upwards or downwards as determined by the Calculation Agent acting in good faith and a commercially reasonable manner;

"**Bonus Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Bonus Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Bonus Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**Bonus Percentage 3**" means the percentage specified as such in the applicable Final Terms;

"Bonus Percentage 4" means the percentage specified as such in the applicable Final Terms;

"Bonus Floor Percentage" means the percentage specified as such in the applicable Final Terms;

"Cap Level" means the number or amount specified as such in the applicable Final Terms or, if specified in the applicable Final Terms, the product of the Cap Percentage and the Strike Level rounded upwards or downwards as determined by the Calculation Agent acting in good faith and a commercially reasonable manner;

"Cap Percentage" is as defined in the relevant Final Terms;

"Cap Percentage 1" is as defined in the relevant Final Terms;

"Cap Percentage 2" is as defined in the relevant Final Terms;

"Cap Percentage 3" is as defined in the relevant Final Terms;

"Cap" means the percentage specified as such in the applicable Final Terms;

"Constant A" means the percentage specified as such in the applicable Final Terms;

"Constant B" means the percentage specified as such in the applicable Final Terms;

"Constant Mixed Percentage" is as defined in the relevant Final Terms;

"Constant Percentage" means the percentage specified as such in the applicable Final Terms;

"Constant Percentage 1" means the percentage specified as such in the applicable Final Terms;

"Constant Percentage 2" means the percentage specified as such in the applicable Final Terms;

"Constant Percentage 3" means the percentage specified as such in the applicable Final Terms;

"Constant Percentage 4" means the percentage specified as such in the applicable Final Terms;

"Constant Percentage 5" means the percentage specified as such in the applicable Final Terms;

"Constant Percentage 6" means the percentage specified as such in the applicable Final Terms;

"Constant Percentage 7" means the percentage specified as such in the applicable Final Terms;

"Constant Percentage 8" means the percentage specified as such in the applicable Final Terms;

"Constant Percentage 9" means the percentage specified as such in the applicable Final Terms;

"Constant Percentage 10" means the percentage specified as such in the applicable Final Terms;

"Constant Percentage 11" means the percentage specified as such in the applicable Final Terms;

"Constant Percentage 12" means the percentage specified as such in the applicable Final Terms;

"Constant Percentage 13" means the percentage specified as such in the applicable Final Terms;

"Constant Percentage 14" means the percentage specified as such in the applicable Final Terms;

"Constant Percentage 15" means the percentage specified as such in the applicable Final Terms;

"Constant Percentage 16" means the percentage specified as such in the applicable Final Terms;

"Constant Percentage 17" means the percentage specified as such in the applicable Final Terms;

"**Conversion Rate Final**" means the Conversion Rate on the Valuation Date;

"**Coupon Airbag Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Coupon Airbag Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**Coupon Airbag Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Coupon Value**" means, in respect of a MFP Coupon Valuation Date or MFP Coupon Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Coupon Weighting**" means the number, amount or percentage specified as such in the applicable Final Terms;

"**Cumulative Inflation Rate**" means $\text{Inflation Index}_{(i)} / \text{Inflation Index}_{(\text{base})} - 1$;

"**DC Barrier Value**" means, in respect of a MFP Coupon Valuation Date or MFP Coupon Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Digital Cap Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Digital Cap Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**Digital Floor Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Digital Floor Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**Digital Plus Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**Digital Plus Percentage 2**" means the percentage specified as such in the applicable Final Terms;

"**Down Cap Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Down Final Settlement Value**" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"**Down Floor Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Down Strike Percentage**" means the percentage specified as such in the applicable Final Terms;

"**EDS Barrier Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Exchange Rate Final**" means the Exchange Rate on the Valuation Date;

"**Exchange Rate Initial**" means the Exchange Rate on the Strike Date;

"**Exchange Rate**" means, in respect of a day, the rate of exchange (including any rates of exchange pursuant to which the relevant rate of exchange is derived), between the currencies and from the source(s) and at the time in each case specified in the applicable Final Terms on such day;

"**Express Amount**" means the amount specified as such in the applicable Final Terms;

"**FI Basket 1**" means the basket of Alternative Currencies specified as such in the applicable Final Terms;

"**FI Basket 2**" means the basket of Alternative Currencies specified as such in the applicable Final Terms;

"**FI Constant Percentage**" means the percentage specified as such in the applicable Final Terms;

"**FI Constant Percentage 1**" means the percentage specified as such in the applicable Final Terms;

"**FI DC Barrier Value**" means, in respect of a FI Remuneration Valuation Date and an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference;

"**FI Digital Cap Condition**" means the FI Digital Value for the relevant FI Valuation Date is greater than or equal to the FI Digital Cap Level;

"**FI Digital Cap Level**" means (a) the FX Digital Level or (b) the level specified as such, in each case, as specified in the applicable Final Terms;

"**FI Digital Floor Condition**" means the FI Digital Value for the relevant FI Valuation Date is less than or equal to the FI Digital Floor Level;

"**FI Digital Floor Level**" means (a) the FX Digital Level or (b) the level specified as such, in each case, as specified in the applicable Final Terms;

"**FI Digital Floor Percentage**" means the percentage specified as such in the applicable Final Terms;

"**FI Digital Plus Condition**" means the FI Digital Value for the relevant FI Valuation Date is greater than the FI Digital Plus Level;

"**FI Digital Plus Level**" means (a) the FX Digital Level or (b) the level specified as such, in each case, as specified in the applicable Final Terms;

"**FI Digital Value**" means, in respect of a FI Valuation Date, the Performance Value as specified in the applicable Final Terms;

"**FI Lower Barrier Level 2**" means the number, level or percentage specified as such in the applicable Final Terms;

"**FI Lower Barrier Level**" means the number, level or percentage specified as such in the applicable Final Terms;

"**FI Rate A**" means the Rate or Inflation Rate as specified in the applicable Final Terms;

"**FI Rate B**" means the Rate or Inflation Rate as specified in the applicable Final Terms;

"**FI Rate**" means the Rate or Inflation Rate as specified in the applicable Final Terms;

"**FI Remuneration Valuation Date**" means each Underlying Interest Determination Date, Remuneration Determination Date, Pricing Date, Averaging Date, Valuation Date, Remuneration Valuation Date and/or Settlement Price Date specified as such in the applicable Final Terms or each Range Accrual Day;

"**FI Settlement Valuation Date**" means each Settlement Price Date or Pricing Date specified as such in the applicable Final Terms;

"**FI Upper Barrier Level 2**" means the number, level or percentage specified as such in the applicable Final Terms;

"FI Upper Barrier Level" means the number, level or percentage specified as such in the applicable Final Terms;

"FI Valuation Date" means each FI Settlement Valuation Date or an FI Remuneration Valuation Date specified in the applicable Final Terms;

"Final Reference Level" means:

- (a) if Averaging is not specified as being applicable in the applicable Final Terms, the Settlement Price on the Valuation Date; or
- (b) if Averaging is specified as being applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices determined on each of the Averaging Dates;

"Final Settlement Condition" means that:

- (a) the FS Barrier Value for the relevant MFP FS Barrier Valuation Date or MFP FS Barrier Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than (d) less than or equal to, as specified in the applicable Final Terms, the Final Settlement Condition Level, or (e) "within" the Final Settlement Range Level, or (f) "outside" the Final Settlement Range Level, all as specified in the applicable Final Terms, (the **"Final Settlement Condition 1"**); and/or (as specified in the applicable Final Terms)
- (b) the FS Barrier Value 2 for the relevant MFP FS Barrier Valuation Date or MFP FS Barrier Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than (d) less than or equal to, the Final Settlement Condition Level 2 or (e) "within" the Final Settlement Range Level, or (f) "outside" the Final Settlement Range Level, all as specified in the applicable Final Terms (the **"Final Settlement Condition 2"**);

"Final Settlement Condition Level" means the percentage, amount or number specified as such in the applicable Final Terms;

"Final Settlement Condition Level 2" means the percentage, amount or number specified as such in the applicable Final Terms;

"Final Settlement Price" means, in respect of a Alternative/Base Currency, (i) if Averaging is specified as not applicable in the applicable Final Terms, the Settlement Price on the relevant FI Valuation Date, (ii) if Averaging is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for all Averaging Dates, (iii) if Highest Look Back is specified as applicable in the applicable Final Terms, the highest Settlement Price for such Alternative/Base Currency for all Averaging Dates or (iv) if Lowest Look Back is specified as applicable in the applicable Final Terms, the lowest Settlement Price for such Alternative/Base Currency for all Averaging Dates;

"Final Settlement Range Level": means the range of levels, amounts, numbers or percentages specified as such in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions, as applicable;

"Final Settlement Value" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"Final Settlement Value 1" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"Final Settlement Value 2" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for*

MFP Payouts and Entitlement Amounts), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"Final Settlement Value 3" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"Final Settlement Value 4" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"Fixed Income Automatic Early Expiration Payouts" means the Automatic Early Expiration Payouts contained in the Automatic Early Expiration Payouts Formulas Conditions 2.1(g);

"Fixed Income Final Payouts" means the Final Payouts contained in the Formulas Conditions from (and including) 1.1(III) to (and including) 1.1(qqq);

"Fixed Income Payouts" means the Fixed Income Final Payouts and the Fixed Income Automatic Early Expiration Payouts;

"Fixed Percentage" is as defined in the relevant Final Terms;

"Floor Percentage" is as defined in the relevant Final Terms;

"Floor Percentage 1" is as defined in the relevant Final Terms;

"Floor Percentage 2" is as defined in the relevant Final Terms;

"Floor" means the amount or percentage specified as such in the applicable Final Terms;

"FS Barrier Value" means, in respect of a MFP FS Barrier Valuation Date or MFP FS Barrier Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"FS Barrier Value 2" means, in respect of a MFP FS Barrier Valuation Date or MFP FS Barrier Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"FS Cap Percentage" means the percentage specified as such in the applicable Final Terms;

"FS Constant Percentage" means the percentage specified as such in the applicable Final Terms;

"FS CSN Rate" means a percentage calculated as the product of the FS Rate and the applicable FS Day Count Fraction;

"FS Day Count Fraction" means the Day Count Fraction specified as such in the applicable Final Terms;

"FS Exit Rate" means any of FS Rate, FS up Rate or FS CSN Rate as specified in the applicable Final Terms;

"FS Floor Percentage" means the percentage specified as such in the applicable Final Terms;

"FS Gearing" means the percentage specified as such in the applicable Final Terms;

"FS Rate" means the rate specified as such or determined in the manner set out in, the applicable Final Terms. If the applicable Final Terms specify that the FS Rate is to be determined by reference to a Screen Rate, the FS Rate shall be calculated pursuant to Security Condition 19.9(d) (*AES Rate Determination*), as applicable, save that references therein to "AES" shall be deemed to be references to "FS";

"FS Spread" means the percentage specified as such in the applicable Final Terms;

"FS Strike Percentage" means the percentage specified as such in the applicable Final Terms;

"FS Up Rate" means:

(a) if Cap is specified as applicable in the applicable Final Terms:

Min (Max (FS Floor Percentage, FS Gearing × (FS Value - FS Strike Percentage) + FS Spread), FS Cap Percentage) + FS Constant Percentage

(b) if Cap is specified as not applicable in the applicable Final Terms:

Max (FS Floor Percentage, FS Gearing × (FS Value - FS Strike Percentage) + FS Spread) + FS Constant Percentage

"FS Value" means, in respect of a MFP FS Valuation Date or MFP FS Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"FX Coupon Performance" means, in respect of an FI Remuneration Valuation Date:

(i) in the case of Securities relating to a single Alternative Currency, the FX Coupon Performance Value;

(ii) if Weighted Basket is specified as applicable in the applicable Final Terms, the sum of the values calculated for each Alternative Currency in the Relevant Basket as (a) the FX Coupon Performance Value for the relevant Alternative Currency for such FI Remuneration Valuation Date (b) multiplied by the relevant FX Weighting;

(iii) if Best Of Weighted Basket is specified as applicable in the applicable Final Terms, the highest FX Coupon Performance Value of any Alternative Currency in the Relevant Basket in respect of such FI Remuneration Valuation Date;

(iv) if Worst Of Weighted Basket is specified as applicable in the applicable Final Terms, the lowest FX Coupon Performance Value of any Alternative Currency in the Relevant Basket in respect of such FI Remuneration Valuation Date;

(v) if Multi Basket is specified as applicable in the Final Terms:

$$\sum_{j=1}^m \sum_{i=1}^n G_j \times (W_i \times \text{FX Coupon Performance Value})$$

where:

"G_j" means, in respect of a basket of Alternative Currencies, the percentage specified as such for such basket of Alternative Currencies in the applicable Final Terms;

" W_i " means, in respect of an Alternative Currency, the FX Weighting for such Alternative Currency; or

- (vi) if Ranked Basket is specified as applicable in the applicable Final Terms, the sum of the values calculated for each Alternative/Base Currency in the Relevant Basket as (a) the FX Coupon Ranked Value for the relevant Alternative Currency for such FI Remuneration Valuation Date multiplied by (b) the relevant FX Weighting;

"**FX Coupon Performance Value**" means, in respect of an FI Remuneration Valuation Date and an Alternative Currency:

- (a) if FX Performance Coupon 1 is specified in the applicable Final Terms,

$$\text{FX Final Remuneration Settlement Price} - \text{FX Initial Remuneration Settlement Price}$$
- (b) if FX Performance Coupon 2 is specified in the applicable Final Terms,

$$\text{FX Initial Remuneration Settlement Price} - \text{FX Final Remuneration Settlement Price}$$
- (c) if FX Performance Coupon 3 is specified in the applicable Final Terms,

$$\left(\frac{\text{FX Final Remuneration Settlement Price} - \text{FX Initial Remuneration Settlement Price}}{\text{FX Final Remuneration Settlement Price}} \right)$$
- (d) if FX Performance Coupon 4 is specified in the applicable Final Terms,

$$\left(\frac{\text{FX Initial Remuneration Settlement Price} - \text{FX Final Remuneration Settlement Price}}{\text{FX Final Remuneration Settlement Price}} \right)$$
- (e) if FX Performance Coupon 5 is specified in the applicable Final Terms,

$$\left(\frac{1}{\text{FX Initial Remuneration Settlement Price}} \right) - \left(\frac{1}{\text{FX Final Remuneration Settlement Price}} \right)$$
- (f) if FX Performance Coupon 6 is specified in the applicable Final Terms,

$$\left(\frac{1}{\text{FX Final Remuneration Settlement Price}} \right) - \left(\frac{1}{\text{FX Initial Remuneration Settlement Price}} \right)$$
- (g) if FX Performance Coupon 7 is specified in the applicable Final Terms,

$$\left(\frac{\text{FX Final Remuneration Settlement Price} - \text{FX Initial Remuneration Settlement Price}}{\text{FX Initial Remuneration Settlement Price}} \right)$$
- (h) if FX Performance Coupon 8 is specified in the applicable Final Terms,

$$\left(\frac{\text{FX Initial Remuneration Settlement Price} - \text{FX Final Remuneration Settlement Price}}{\text{FX Initial Remuneration Settlement Price}} \right)$$
- (i) if FX Performance Coupon 9 is specified in the applicable Final Terms,

$$\frac{\text{FX Final Remuneration Settlement Price}}{\text{FX Initial Remuneration Settlement Price}}$$
- (j) if FX Performance Coupon 10 is specified in the applicable Final Terms,

$$\frac{\text{FX Initial Remuneration Settlement Price}}{\text{FX Final Remuneration Settlement Price}}$$

"**FX Coupon Ranked Value**" means, in respect of an FI Remuneration Valuation Date, the FX Coupon Performance Value in respect of the Alternative/Base Currency with the FX Coupon Ranking in respect of such FI Remuneration Valuation Date set out in the applicable Final Terms;

"FX Coupon Ranking" means, in respect of an FI Remuneration Valuation Date, the ordinal positioning of each Alternative/Base Currency by FX Coupon Performance Value from lowest FX Coupon Performance Value to greatest FX Coupon Performance Value in respect of such FI Remuneration Valuation Date

"FX Final Remuneration Settlement Price" means, in respect of an Alternative/Base Currency, (i) if Averaging is specified as not applicable in the applicable Final Terms, the Settlement Price on the relevant FI Remuneration Valuation Date, (ii) if Averaging is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for all Averaging Dates in respect of the relevant FI Remuneration Valuation Date, (iii) if Highest Look Back is specified as applicable in the applicable Final Terms, the highest Settlement Price for such Alternative/Base Currency for all Averaging Dates in respect of the relevant FI Remuneration Valuation Date or (iv) if Lowest Look Back is specified as applicable in the applicable Final Terms, the lowest Settlement Price for such Alternative/Base Currency for all Averaging Dates in respect of the relevant FI Remuneration Valuation Date;

"FX Initial Remuneration Settlement Price" means, in respect of an Alternative Currency:

- (a) the amount specified as such in the applicable Final Terms; or
- (b) if Initial Closing Value is specified as applicable in the applicable Final Terms, the Settlement Price for such Alternative Currency on the Strike Date; or
- (c) if Initial Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for such Alternative Currency for all the Strike Days in the Strike Period; or
- (d) if Highest Look Back Value is specified as applicable in the applicable Final Terms, the highest Settlement Price for such Alternative Currency for all the Strike Days in the Strike Period; or
- (e) if Lowest Look Back Value is specified as applicable in the applicable Final Terms, the lowest Settlement Price for such Alternative Currency for all the Strike Days in the Strike Period.

"FX Performance Value" means, in respect of an FI Valuation Date:

- (a) if Performance Value 1 is specified in the applicable Final Terms,
Final Settlement Price - Initial Settlement Price;
- (b) if Performance Value 2 is specified in the applicable Final Terms,
Initial Settlement Price - Final Settlement Price;
- (c) if Performance Value 3 is specified in the applicable Final Terms,
$$\left(\frac{\text{Final Settlement Price} - \text{Initial Settlement Price}}{\text{Final Settlement Price}} \right);$$
- (d) if Performance Value 4 is specified in the applicable Final Terms,
$$\left(\frac{\text{Initial Settlement Price} - \text{Final Settlement Price}}{\text{Final Settlement Price}} \right);$$
- (e) if Performance Value 5 is specified in the applicable Final Terms,
$$\left(\frac{1}{\text{Initial Settlement Price}} \right) - \left(\frac{1}{\text{Final Settlement Price}} \right);$$
- (f) if Performance Value 6 is specified in the applicable Final Terms,
$$\left(\frac{1}{\text{Final Settlement Price}} \right) - \left(\frac{1}{\text{Initial Settlement Price}} \right);$$

(g) if Performance Value 7 is specified in the applicable Final Terms,

$$\left(\frac{\text{Final Settlement Price} - \text{Initial Settlement Price}}{\text{Initial Settlement Price}} \right);$$

(h) if Performance Value 8 is specified in the applicable Final Terms,

$$\left(\frac{\text{Initial Settlement Price} - \text{Final Settlement Price}}{\text{Initial Settlement Price}} \right);$$

(i) if Performance Value 9 is specified in the applicable Final Terms,

$$\frac{\text{Final Settlement Price}}{\text{Initial Settlement Price}};$$

(j) if Performance Value 10 is specified in the applicable Final Terms,

$$\frac{\text{Initial Settlement Price}}{\text{Final Settlement Price}};$$

"FX Ranking" means, in respect of an FI Valuation Date, the ordinal positioning of each Alternative/Base Currency by FX Performance Value from lowest FX Performance Value to greatest FX Performance Value in respect of such FI Valuation Date;

"FX Weighting" means, in respect of an Alternative Currency, the number, amount or percentage specified as such for such Alternative Currency in the applicable Final Terms;

"Gearing" means the number specified as such in the applicable Final Terms;

"Gearing A" means the number specified as such in the applicable Final Terms;

"Gearing B" means the number specified as such in the applicable Final Terms;

"Gearing Down" means the percentage specified as such in the applicable Final Terms;

"Gearing Up" means the percentage specified as such in the applicable Final Terms;

"Global Cap" means the percentage specified as such in the applicable Final Terms;

"Global Cap A" means the percentage specified as such in the applicable Final Terms;

"Global Cap B" means the percentage specified as such in the applicable Final Terms;

"Global Floor" means the percentage specified as such in the applicable Final Terms;

"Global Floor A" means the percentage specified as such in the applicable Final Terms;

"Global Floor B" means the percentage specified as such in the applicable Final Terms;

"Global Floor Percentage" means the percentage specified as such in the applicable Final Terms;

"Global Margin" means the percentage specified as such in the applicable Final Terms;

"i" means the number specified as such in the applicable Final Terms;

"i" means the relevant MFP Valuation Date, MFP Valuation Period, or any Valuation Date or Valuation Period as indicated in the applicable Final Terms;

"Inflation Index_(base)" means, in respect of an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference on the Strike Date;

"Inflation Index_(i)" means, in respect of an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference in respect of the relevant FI Valuation Date;

"Inflation Index_(i-1)" means, in respect of an Underlying Reference, the Underlying Reference Closing Value for such Underlying Reference on the immediately preceding FI Valuation Date (or, if none, the Strike Date);

"Inflation Rate" means, in respect of a FI Valuation Date, YoY Inflation Rate or Cumulative Inflation Rate, as specified in the applicable Final Terms;

"Initial Reference Level" is as defined in the Final Terms;

"Initial Settlement Price" means, in respect of an Alternative Currency:

- (a) the amount specified as such in the applicable Final Terms; or
- (b) if Initial Closing Value is specified as applicable in the applicable Final Terms, the Settlement Price for such Alternative Currency on the Strike Date; or
- (c) if Initial Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for such Alternative Currency for all the Strike Days in the Strike Period; or
- (d) if Highest Look Back Value is specified as applicable in the applicable Final Terms, the highest Settlement Price for such Alternative Currency for all the Strike Days in the Strike Period; or
- (e) if Lowest Look Back Value is specified as applicable in the applicable Final Terms, the lowest Settlement Price for such Alternative Currency for all the Strike Days in the Strike Period.

"j" means the relevant Strike Date;

"k" means the relevant Underlying Reference;

"K" means the total number of Underlying References in the Basket;

"L" means the percentage specified as such in the applicable Final Terms;

"Listing Date" means, in respect of any Securities, the date on which such Securities are first admitted to trading on any stock exchange or other trading or quotation system;

"Local Cap" means the percentage specified as such in the applicable Final Terms;

"Local Cap Percentage" means the percentage specified as such in the applicable Final Terms;

"Local Cap Percentage_(i)" means the percentage specified as such in the applicable Final Terms;

"Local Floor" means the percentage specified as such in the applicable Final Terms;

"Local Floor Percentage" means the percentage specified as such in the applicable Final Terms;

"Local Floor Percentage_(i)" means the percentage specified as such in the applicable Final Terms;

"Loss Percentage" means the percentage specified as such in the applicable Final Terms;

"Loss Percentage 1" means the percentage specified as such in the applicable Final Terms;

"Loss Percentage 2" means the percentage specified as such in the applicable Final Terms;

"Lower Level" means the number or amount specified as such in the applicable Final Terms;

"**M**" means a series of MFP Valuation Dates or MFP Valuation Periods;

"**m**" means the relevant MFP Valuation Date or MFP Valuation Period;

"**Maximum Payout Amount**" means the amount specified as such in the applicable Final Terms;

"**MFP Automatic Early Expiration Payout**" means the Automatic Early Expiration Payout contained in the Automatic Early Expiration Payouts Formulas Condition 2.1(d);

"**MFP Coupon Valuation Date**" means each MFP Range Accrual Day, Averaging Date, Valuation Date, Pricing Date, Settlement Price Date and/or Underlying Interest Determination Date specified as such in the applicable Final Terms;

"**MFP Coupon Valuation Period**" means the period specified as such in the applicable Final Terms;

"**MFP Coupon Valuation Period⁽ⁱ⁾**" means the period specified as such in the applicable Final Terms;

"**MFP Date Weighting**" means, in respect of a MFP Valuation Date, the number, amount or percentage specified as such for such date in the applicable Final Terms;

"**MFP Double Digital Mixed Coupon Condition 1**" means that the Mixed Barrier Value for the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Mixed Barrier Level; or (e) "within" the Mixed Barrier Range Level, in each case as specified in the applicable Final Terms; or (f) "outside" the Mixed Barrier Range Level, in each case as specified in the applicable Final Terms;

"**MFP Double Digital Mixed Coupon Condition 2**" means that the Mixed Barrier Value for the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Mixed Barrier Level; or (e) "within" the Mixed Barrier Range Level, in each case as specified in the applicable Final Terms; or (f) "outside" the Mixed Barrier Range Level, in each case as specified in the applicable Final Terms;

"**MFP Entitlement Amounts**" means the Entitlement Amounts contained in the Entitlement Amount Formulas Condition 6 (*MFP Entitlement Amount*);

"**MFP Final Payout**" means the Final Payouts contained in the Formulas Conditions from (and including) 1.1(ii) to (and including) 1.1(hhh);

"**MFP FS Barrier Valuation Date**" means each Averaging Date, Valuation Date, Pricing Date, Underlying Interest Determination Date, Settlement Price Date and/or each day, all specified as such in the applicable Final Terms;

"**MFP FS Barrier Valuation Period**" means each period specified as such in the applicable Final Terms;

"**MFP FS Valuation Date**" means each Averaging Date, Valuation Date, Pricing Date, Underlying Interest Determination Date, Settlement Price Date and/or each day, all specified as such in the applicable Final Terms;

"**MFP FS Valuation Period**" means each period specified as such in the applicable Final Terms;

"**MFP Digital Mixed Coupon Condition**" means that the Mixed Barrier Value for the relevant MFP Coupon Valuation Date or MFP Coupon Valuation Period is (a) greater than, (b) less than, (c) equal to or greater than or (d) less than or equal to, as specified in the applicable Final Terms, the Mixed Barrier Level; or (e) "within" the Mixed Barrier Range Level, in each case as specified in the applicable Final Terms; or (f) "outside" the Mixed Barrier Range Level, in each case as specified in the applicable Final Terms;

"**MFP Payouts**" means the MFP Final Payout and the MFP Automatic Early Expiration Payouts.

"MFP Range Accrual Coupon Barrier Level Down" means the percentage, amount or number specified as such in the applicable Final Terms;

"MFP Range Accrual Coupon Barrier Level Up" means the percentage, amount or number specified as such in the applicable Final Terms;

"MFP Range Accrual Coupon Condition" means:

- (a) if Barrier Up is specified as applicable in the applicable Final Terms, that the AC Barrier Value for the relevant MFP Coupon Valuation Date is (i) (a) greater than or (b) equal to or greater than the relevant MFP Range Accrual Coupon Barrier Level Down and (ii) (a) less than or (b) less than or equal to the relevant MFP Range Accrual Coupon Barrier Level Up; or
- (b) if Barrier Up is specified as not applicable in the applicable Final Terms, that the AC Barrier Value for the relevant MFP Coupon Valuation Date is equal to or greater than MFP Range Accrual Coupon Barrier Level Down;

"MFP Range Accrual Day" means a calendar day, Business Day, Exchange Business Day, Hybrid Business Day, Scheduled Trading Day, MFP Coupon Valuation Date or other day specified as such in the applicable Final Terms;

"MFP Settlement Valuation Date" means each Underlying Interest Determination Date, Averaging Date, Valuation Date, Pricing Date and/or Settlement Price Date specified as such in the applicable Final Terms;

"MFP Settlement Valuation Period" means each period specified as such in the applicable Final Terms;

"MFP Valuation Date" means each MFP Coupon Valuation Date, MFP Settlement Valuation Date, MFP ES Valuation Date, MFP FS Valuation Date, MFP FS Barrier Valuation Date, Knock-in Determination Day, Knock-out Determination Day, MFP EndDay Valuation Date, MFP StartDay Valuation Date, MFP Call Valuation Date, MFP ACS Valuation Date, Automatic Early Expiration Valuation Date, Strike Day or Strike Date specified as such in the applicable Final Terms;

"MFP Valuation Period" means each MFP ES Valuation Period, MFP Coupon Valuation Period, MFP FS Barrier Valuation Period, MFP Call Valuation Period, Automatic Early Expiration Valuation Period, Automatic Early Expiration Valuation Period, MFP FS Valuation Period, MFP Settlement Valuation Period, Knock-in Determination Period, Knock-out Determination Period or MFP ACS Valuation Period, specified in the applicable Final Terms;

"Mixed Barrier Level" means the number, amount or percentage specified as such in the applicable Final Terms; or if specified in the applicable Final Terms, the product of the Barrier Percentage and the Strike Level rounded upwards or downwards as determined by the Calculation Agent acting in good faith and a commercially reasonable manner;

"Mixed Barrier Range Level" means the range of levels specified as such or otherwise determined in the applicable Final Terms, subject to adjustment from time to time in accordance with the provisions set forth in the Relevant Adjustment Provisions;

"Mixed Barrier Value" means, in respect of a MFP Coupon Valuation Date or MFP Coupon Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"Multiple Underlying Interest Rate Gearing" means, in respect of an Underlying Interest Rate⁽ⁱ⁾ specified in the applicable Final Terms as a Multiple Underlying Component Rate, the number specified as such in the applicable Final Terms;

"Multiple Underlying Reference Rate" means, in respect of an Underlying Interest Rate⁽ⁱ⁾ specified in the applicable Final Terms as a Multiple Underlying Component Rate, the Underlying Reference Rate determined in respect of such Underlying Interest Rate.

"n" means the number specified as such in the applicable Final Terms;

"N" is as defined in the applicable Final Terms;

"nEnd days" has the meaning given it in the applicable Final Terms;

"nStart days" has the meaning given it in the applicable Final Terms;

"Observation Price Source" means the source specified as such in the applicable Final Terms;

"Parity" means the number specified as such in the applicable Final Terms;

"Participation Factor" means the percentage specified as such in the applicable Final Terms;

"Payout Currency" means the currency specified as such in the applicable Final Terms;

"Payout FX Closing Price Value" means the rate of exchange between the currencies (including any rates of exchange pursuant to which the relevant rate of exchange is derived) and determined from the source(s) and at the time, in each case specified in the applicable Final Terms for such Payout Currency on the Payout FX Rate Date

"Payout FX Rate Date" means the date specified as such in the applicable Final Terms;

"Payout FX Rate Strike Date" means the date specified as such in the applicable Final Terms;

"Payout FX Strike Closing Price Value" means (i) the rate of exchange between the currencies (including any rates of exchange pursuant to which the relevant rate of exchange is derived) and determined from the source(s) and at the time, in each case specified in the applicable Final Terms on the Payout FX Rate Strike Date or (ii) the rate of exchange specified in the applicable Final Terms, as specified in the applicable Final Terms.

"Payout FX Value" means, in respect of a Payout Currency (a) the Payout FX Closing Price Value divided by (b) the Payout FX Strike Closing Price Value;

"Performance of Components" means an amount calculated by the Calculation Agent in respect of the Component in accordance with the following formula:

$$\left[\frac{\text{Final Reference Level}}{\text{Initial Reference Level}} \right] - 1$$

"Performance of Underlying 1" means an amount calculated by the Calculation Agent in respect of the Underlying Reference identified as Underlying Reference 1 in the Final Terms in accordance with the following formula:

$$\left[\frac{\text{Final Reference Level}}{\text{Initial Reference Level}} \right] - 1$$

"Performance of Underlying 2" means an amount calculated by the Calculation Agent in respect of the Underlying Reference identified as Underlying Reference 2 in the Final Terms in accordance with the following formula:

$$\left[\frac{\text{Final Reference Level}}{\text{Initial Reference Level}} \right] - 1$$

"Performance Value" means, in respect of an FI Valuation Date:

- (i) in the case of Securities relating to a single Alternative Currency, the FX Performance Value;
- (ii) if Weighted Basket is specified as applicable in the applicable Final Terms, the sum of the values calculated for each Alternative Currency in the Basket as (a) the FX Performance Value for the relevant Alternative Currency for such FI Valuation Date (b) multiplied by the relevant FX Weighting;
- (iii) if Best Of Weighted Basket is specified as applicable in the applicable Final Terms, the highest FX Performance Value of any Alternative Currency in the Relevant Basket in respect of such FI Valuation Date;
- (iv) if Worst Of Weighted Basket is specified as applicable in the applicable Final Terms, the lowest FX Performance Value of any Alternative Currency in the Relevant Basket in respect of such FI Valuation Date;
- (v) if Multi Basket is specified as applicable in the Final Terms:

$$\sum_{j=1}^m \sum_{i=1}^n G_j \times (W_i \times \text{FX Performance Value})$$

where:

"G" means, in respect of a basket of Alternative Currencies, the percentage specified as such for such basket of Alternative Currencies in the applicable Final Terms;

"W_i" means, in respect of an Alternative Currency, the FX Weighting for such Alternative Currency; or

- (vi) if Ranked Basket is specified as applicable in the applicable Final Terms, the sum of the values calculated for each Alternative/Base Currency in the Relevant Basket as (a) the Ranked Value for the relevant Alternative Currency for such FI Valuation Date multiplied by (b) the relevant FX Weighting;

"Premium" means, the amount in the Settlement Currency or the percentage indicated as such indicated as such in the relevant Final Terms;

"Premium Percentage" means the percentage specified as such in the applicable Final Terms;

"Protection Level" means the number specified as such in the applicable Final Terms;

"Q" is a series of MFP Valuation Dates in MFP Valuation Period_(i) or Calculation Period_(i);

"q" means the relevant Observation Date or MFP Valuation Date;

"Range Accrual Coupon Barrier Level Down" means the number, level or percentage specified as such in the applicable Final Terms;

"Range Accrual Coupon Barrier Level Down 2" means the number, level or percentage specified as such in the applicable Final Terms;

"Range Accrual Coupon Barrier Level Up" means the number, level or percentage specified as such in the applicable Final Terms;

"Range Accrual Coupon Barrier Level Up 2" means the number, level or percentage specified as such in the applicable Final Terms;

"Range Accrual Coupon Condition" means:

- (a) (A) if FI Basket 1 is specified as not applicable in the applicable Final Terms, that the FI DC Barrier Value for Underlying Reference 1 for the relevant Range Accrual Day is or (B) if FI Basket 1 is specified as applicable in the applicable Final Terms, the FX Coupon Performance for FI Basket 1 for the relevant FI Remuneration Valuation Date is (a) (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Down and (b) if a Range Accrual Coupon Barrier Level Up is specified in the applicable Final Terms, (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Up; and/or
- (b) if Range Accrual Coupon Condition 2 is specified as applicable in the applicable Final Terms (A) if FI Basket 2 is specified as not applicable in the applicable Final Terms, that the FI DC Barrier Value for Underlying Reference 2 for the relevant Range Accrual Day is or (B) if FI Basket 2 is specified as applicable in the applicable Final Terms, the FX Coupon Performance for FI Basket 2 for the relevant FI Remuneration Valuation Date is (a) (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Down 2 and (b) if a Range Accrual Coupon Barrier Level Up 2 is specified in the applicable Final Terms, (i) greater than, (ii) less than, (iii) equal to or greater than or (iv) less than or equal to, as specified in the applicable Final Terms, the relevant Range Accrual Coupon Barrier Level Up 2;

"Range Accrual Day" means a Scheduled Trading Day, Business Day, Underlying Interest Determination Date, Hybrid Business Day or calendar day, as specified in the applicable Final Terms;

"Range Cut-off Date" means the date specified as such in the applicable Final Terms;

"Range Period End Date" means the date specified as such in the applicable Final Terms;

"Range Period" means the period specified as such in the applicable Final Terms;

"Ranked Value" means, in respect of an FI Valuation Date, the FX Performance Value in respect of the Alternative/Base Currency with the FX Ranking in respect of such FI Valuation Date set out in the applicable Final Terms;

"Rate" means, in respect of a FI Remuneration Valuation Date, the fixed rate specified in or the floating rate calculated as provided in, the applicable Final Terms;

"Rate_(i)" means, in respect of a MFP Coupon Valuation Date or MFP Coupon Valuation Period:

- (i) the fixed rate specified in or the floating rate calculated as provided in the applicable Final Terms; or
- (ii) the Vanilla Call Rate or Vanilla Call Spread Rate specified in the applicable Final Terms.

"Rate 1_(i)" means, in respect of a MFP Coupon Valuation Date or MFP Coupon Valuation Period:

- (i) the fixed rate specified in or the floating rate calculated as provided in the applicable Final Terms; or
- (ii) the Vanilla Call Rate or Vanilla Call Spread Rate specified in the applicable Final Terms.

"Rate 2_(i)" means, in respect of a MFP Coupon Valuation Date or MFP Coupon Valuation Period:

- (i) the fixed rate specified in or the floating rate calculated as provided in the applicable Final Terms; or
- (ii) the Vanilla Call Rate or Vanilla Call Spread Rate specified in the applicable Final Terms.

"Relevant Basket" means FI Basket 1 or FI Basket 2, as applicable;

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

"Reverse Level" means the number or amount specified as such in the applicable Final Terms or, if not so specified in the applicable Final Terms, the product of the Reverse Percentage and the Strike Level rounded upwards or downwards as determined by the Calculation Agent acting in good faith and a commercially reasonable manner;

"Reverse Percentage" means the percentage specified as such in the applicable Final Terms;

"RV" means the Reference Value specified in the applicable Final Terms;

"Settlement Payout" means the Final Payout specified in the applicable Final Terms;

"Settlement Price Final" means the Settlement Price on the Valuation Date;

"SFP Automatic Early Expiration Payout" means the Automatic Early Expiration Payout contained in the Automatic Early Expiration Payouts Formulas Condition 2.1(c);

"SFP Final Payout" means the Final Payouts contained in the Formulas Conditions from (and including) 1.1(a) to (and including) 1.1(hh);

"SFP Payouts" means the SFP Final Payout and the SFP Automatic Early Expiration Payouts;

"Snowball Barrier Value" means, in respect of a MFP Coupon Valuation Date or MFP Coupon Valuation Period, the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"Snowball Level" means the number, amount or percentage specified as such in the applicable Final Terms;

"Speed Factor" means the number specified as such in the applicable Final Terms;

"Spread" means the percentage specified as such in the applicable Final Terms;

"Spread_(i)" means the percentage specified as such in the applicable Final Terms;

"Strike Level" means:

- (i) if the relevant Underlying Reference is an Index, the Closing Level;
- (ii) if the relevant Underlying Reference is a Share, the Closing Price or the Italian Securities Reference Price, as specified in the applicable Final Terms;
- (iii) if the relevant Underlying Reference is an ETI, the Closing Price;
- (iv) if the relevant Underlying Reference is a Currency or Future, the Settlement Price; or
- (v) if the relevant Underlying Reference is a Debt Instrument, the Settlement Price,
- (vi) if the relevant Underlying Reference is a Fund, the NAV per Fund Share.

in each case on the Strike Date;

"Strike Percentage" means the percentage specified as such in the applicable Final Terms;

"Strike Price" means the price, level or amount specified as such in the applicable Final Terms;

"T" means the relevant Observation Date or MFP Valuation Date;

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

"Underlying Reference 1" means the Underlying Reference specified as such in the applicable Final Terms;

"Underlying Reference 2" means the Underlying Reference specified as such in the applicable Final Terms;

"Underlying Reference Closing Value" means, in respect of a FI Valuation Date:

- (a) if the relevant Underlying Reference is an Inflation Index, the Relevant Level (as defined in the Inflation Security Conditions); or
- (b) if the relevant Underlying Reference is a rate of interest, the Underlying Reference Rate or, if Multiple Underlying Interest Rate is specified as applicable, the value calculated in accordance with the following formula:
$$\sum_{i=1}^n \text{Multiple Underlying Interest Rate Gearing}_{(i)} \times \text{Multiple Underlying Reference Rate}_{(i)}$$
- (c) if the relevant Underlying Reference is an Alternative Currency, the Settlement Price or FX Coupon Performance Value, as specified in the applicable Final Terms,

in each case in respect of such day.

"Underlying Reference Level" means, in respect of a time and a day (i) "official level", "opening price", "official close", "closing price", "purchase price", "sale price", "last price", "bid price", "asked price", "traded price", "official settlement price", "daily settlement price", "high", "mid", "low", "bid high", "bid low", "ask high", "ask low" of the Underlying Reference as specified in the applicable Final Terms published by the Observation Price Source or (ii) if Standard Underlying Reference Level is specified as applicable in the applicable Final Terms (a) in the case of Share Securities and Futures Securities the price of the relevant Underlying Reference, (b) in the case of Index Securities, the level of the relevant Underlying Reference, (c) in the case of Currency Securities, the spot rate of exchange for the exchange of the Alternative Currency into the Base Currency (expressed as the number of units (or part units) of such Alternative Currency for which one unit of the Base Currency can be exchanged) or (d) in the case of Debt Securities, the bid price of the relevant Underlying Reference as determined by the Calculation Agent by reference to the bid price for such Underlying Reference appearing on the Relevant Screen Page, (e) in the case of a Fund NAV per Fund Share, in each case for such time on such day;

"Underlying Reference Weighting" means, in respect of an Underlying Reference, the number, amount or percentage specified as such for such Underlying Reference in the applicable Final Terms.

"Underlying Reference" means:

- (a) for the purposes of the SFP Payouts, each Index, Share, Alternative Currency, Future, Debt Instrument or other basis of reference to which the relevant Securities relate;
- (b) for the purposes of the Fixed Income Payouts, each Inflation Index, Alternative Currency, Underlying Interest Rate, Index, Share or other basis of reference to which the relevant Securities relate. If two or more Underlying Interest Rates are specified in the applicable Final Terms as Multiple Underlying Component Rates each Underlying Interest Rate_(i) specified as such (together the "**Multiple Underlying Interest Rate**") will be calculated separately and independently but for the purposes of these Formulas Conditions and the Underlying Interest Rate Security Conditions shall be deemed to together constitute an Underlying Reference;
- (c) for the purposes of the MFP Payouts and MFP Entitlement Amounts, each Index, Share, ETI, Debt Instrument, Fund, Underlying Interest Rate, Inflation Index or Future or other basis of reference to which the relevant Securities relate;

"Up Cap Percentage" means the percentage specified as such in the applicable Final Terms;

"Up Final Settlement Value" means the value from Formulas Conditions 8.1 (*Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts*), 8.2 (*Greatest Period Values for MFP Payouts and Entitlement Amounts*), 8.3 (*Lowest Period Values for MFP Payouts and Entitlement Amounts*), 8.4 (*Average Values for MFP Payouts and Entitlement Amounts*) or 8.5 (*Weighted Average Values for MFP Payouts and Entitlement Amounts*) specified as such in the applicable Final Terms;

"Up Floor Percentage" means the percentage specified as such in the applicable Final Terms;

"Up Strike Percentage" means the percentage specified as such in the applicable Final Terms;

"Upper Level" means the number or amount specified as such in the applicable Final Terms;

"Upside Participation Factor" means the percentage specified as such in the applicable Final Terms.

"Vanilla Call Rate" means:

$\text{Constant Percentage}_{(i)} + \text{Gearing}_{(i)} \times \text{Max}(\text{Coupon Value}_{(i)} - \text{Strike Percentage}_{(i)} + \text{Spread}_{(i)}, \text{Floor Percentage}_{(i)})$; and

"Vanilla Call Spread Rate" means:

$\text{Constant Percentage}_{(i)} + \text{Gearing}_{(i)} \times \text{Min}(\text{Max}(\text{Coupon Value}_{(i)} - \text{Strike Percentage}_{(i)} + \text{Spread}_{(i)}, \text{Floor Percentage}_{(i)}); \text{Cap Percentage}_{(i)})$.

"YoY Inflation Rate" means $\text{Inflation Index}_{(i)} / \text{Inflation Index}_{(i-1)} - 1$.

8. VALUES AND PERFORMANCE DEFINITIONS

8.1 Simple Value and Performance Definitions for MFP Payouts and Entitlement Amounts

(a) Basic Value Definitions

"FX Value" means, in respect of an Underlying Reference and a day:

- (a) Underlying Reference FX Level for such day divided by Underlying Reference FX Strike Level; or
- (b) if Underlying Reference FX Hedged Value is specified in the applicable Final Terms, Underlying Reference FX Hedged Value for such day divided by Underlying Reference FX Strike Level;

"Underlying Reference Closing Price Value" means, in respect of a MFP Valuation Date, the product of the Underlying Reference Closing Price Value Percentage and:

- (a) if the relevant Underlying Reference is an Index, the Closing Level;
- (b) if the relevant Underlying Reference is a Share, the Closing Price or the Italian Securities Reference Price or the Settlement Price, as specified in the applicable Final Terms;
- (c) if the relevant Underlying Reference is an ETI, the Closing Price or the Settlement Price, as specified in the applicable Final Terms;
- (d) if the relevant Underlying Reference is a Fund, the NAV per Fund Share;
- (e) if the relevant Underlying Reference is a Currency or Future, the Settlement Price;
- (f) if the relevant Underlying Reference is an Underlying Interest Rate, the Underlying Reference Rate;
- (g) if the relevant Underlying Reference is an Inflation Index, the Relevant Level; or
- (h) if the relevant Underlying Reference is a Debt Instrument, the Settlement Price,

in each case in respect of such day;

"Underlying Reference Closing Price Value Percentage" means 100% unless otherwise specified in the applicable Final Terms;

"Underlying Reference FX Level" means, in respect of an Underlying Reference and a day, the rate of exchange between the currencies (including any rates of exchange pursuant to which the relevant rate of exchange is derived) and determined from the source(s) and at the time, in each case specified in the applicable Final Terms for such Underlying Reference on such day;

"Underlying Reference FX Strike Level" means in respect of an Underlying Reference:

- (a) the rate specified as such in the applicable Final Terms; or
- (b) if FX Closing Level is specified as applicable in the applicable Final Terms, the Underlying Reference FX Level for such Underlying Reference on the Strike Date; or
- (c) if FX Maximum Level is specified as applicable in the applicable Final Terms, the greatest Underlying Reference FX Level for such Underlying Reference for all the Strike Days in the Strike Period; or

- (d) if FX Minimum Level is specified as applicable in the applicable Final Terms, the lowest Underlying Reference FX Level for such Underlying Reference for all the Strike Days in the Strike Period; or
- (e) if FX Average Level is specified as applicable in the applicable Final Terms, the arithmetic average of the Underlying Reference FX Levels for such Underlying Reference for all the Strike Days in the Strike Period; and

"Underlying Reference Strike Price" means, in respect of an Underlying Reference:

- (i) the amount specified as such in the applicable Final Terms; or
- (ii) if Strike Price Closing Value is specified as applicable in the applicable Final Terms, the Underlying Reference Closing Price Value for such Underlying Reference on the Strike Date; or
- (iii) if the Securities are Share Securities and if "Punctual Underlying Reference Strike Price" is indicated as applicable in the applicable Final Terms, the official closing price of such Share on the Strike Date as determined by the Calculation Agent, subject as provided in Share Security Condition 3 (*Potential Adjustment Events*) and Share Security Condition 5 (*Extraordinary Events*) (as amended where "GDR/ADR" is specified as applicable); or
- (iv) if Strike Price Maximum Value is specified as applicable in the applicable Final Terms, the greatest Underlying Reference Closing Price Value for such Underlying Reference for all the Strike Days in the Strike Period; or
- (v) if Strike Price Minimum Value is specified as applicable in the applicable Final Terms, the lowest Underlying Reference Closing Price Value for such Underlying Reference for all the Strike Days in the Strike Period; or
- (vi) if Strike Price Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Underlying Reference Closing Price Values for such Underlying Reference for all the Strike Days in the Strike Period; or
- (vii) if Barrier Strike Price Closing Value is specified as applicable in the applicable Final Terms, an amount equal to the product of (x) the Underlying Reference Closing Price Value for such Underlying Reference on the Strike Date and (y) the Barrier Percentage Strike Price; or
- (viii) if Barrier Strike Price Maximum Value is specified as applicable in the applicable Final Terms, an amount equal to the product of (x) the greatest Underlying Reference Closing Price Value for such Underlying Reference for all the Strike Days in the Strike Period and (y) the Barrier Percentage Strike Price; or
- (ix) if Barrier Strike Price Minimum Value is specified as applicable in the applicable Final Terms, an amount equal to the product of (x) the lowest Underlying Reference Closing Price Value for such Underlying Reference for all the Strike Days in the Strike Period and (y) the Barrier Percentage Strike Price; or
- (x) if Barrier Strike Price Average Value is specified as applicable in the applicable Final Terms, an amount equal to the product of (x) the arithmetic average of the Underlying Reference Closing Price Values for such Underlying Reference for all the Strike Days in the Strike Period and (y) the Barrier Percentage Strike Price.

(b) **Mono Underlying Reference Value Definitions**

"Underlying Reference Performance" means, in respect of an Underlying Reference and a MFP Valuation Date, (a) the Underlying Reference Value for such Underlying Reference in respect of such day minus (b) Underlying Reference Performance Percentage or (c) Underlying

Reference Performance Percentage minus (d) the Underlying Reference Value for such Underlying Reference in respect of such day;

"Underlying Reference Performance Percentage" means the percentage specified as such in the applicable Final Terms;

"Underlying Reference Restrike Performance" means, in respect of an Underlying Reference and a MFP Valuation Date (a) (i) the Underlying Reference Closing Price Value for such Underlying Reference in respect of such day (ii) divided by the Underlying Reference Closing Price Value for such Underlying Reference in respect of the N-th immediately preceding MFP Valuation Date (b) less Underlying Reference Restrike Performance Percentage or (c) Underlying Reference Restrike Performance Percentage minus (d) (i) the Underlying Reference Closing Price Value for such Underlying Reference in respect of such day (ii) divided by the Underlying Reference Closing Price Value for such Underlying Reference in respect of the N-th immediately preceding MFP Valuation Date. Provided that in each case, the Underlying Reference Restrike Performance will be determined starting from the N-th MFP Valuation Date immediately following the first occurring MFP Valuation Date.

"Underlying Reference Restrike Performance Percentage" means the percentage specified as such in the applicable Final Terms;

"Underlying Reference EndDay Closing Price Value" means, in respect of an Underlying Reference and a MFP Valuation Date, the Underlying Reference Closing Price Value for such Underlying Reference on the date (the **"MFP EndDay Valuation Date"**) falling nEnd days after such MFP Valuation Date;

"Underlying Reference Intraday Price Value" means:

- (a) if the relevant Underlying Reference is an Index, the Intraday Level; or
- (b) if the relevant Underlying Reference is a Share or an ETI, the Intraday Price;

"Underlying Reference Intraday Value" means, in respect of an Underlying Reference and a MFP Valuation Date, (a) (i) the Underlying Reference Intraday Price Value for such Underlying Reference in respect of such MFP Valuation Date (ii) divided by the relevant Underlying Reference Strike Price, and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value;

"Underlying Reference Intraday Performance" means, in respect of an Underlying Reference and a MFP Valuation Date, (a) (i) the Underlying Reference Intraday Price Value for such Underlying Reference in respect of such MFP Valuation Date (ii) divided by the relevant Underlying Reference Strike Price, minus the Underlying Reference Intraday Performance Percentage and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value; or (a) the Underlying Reference Intraday Performance Percentage minus (i) the Underlying Reference Intraday Price Value for such Underlying Reference in respect of such MFP Valuation Date (ii) divided by the relevant Underlying Reference Strike Price and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value;

"Underlying Reference Intraday Performance Percentage" means the percentage specified as such in the applicable Final Terms;

"Underlying Reference Restrike Value" means, in respect of an Underlying Reference and a MFP Valuation Date (a) the Underlying Reference Closing Price Value for such Underlying Reference in respect of such day divided by (b) the Underlying Reference Closing Price Value for such Underlying Reference in respect of the N-th immediately preceding MFP Valuation Date. Provided that the Underlying Reference Restrike Value will be determined starting from the N-th MFP Valuation Date immediately following the first occurring MFP Valuation Date.

"Underlying Reference Extended Restrike Value" means, in respect of an Underlying Reference and MFP Valuation Period (a) the Underlying Reference Closing Price Value for

such Underlying Reference in respect of a MFP Valuation Date within such MFP Valuation Period divided by (b) the Underlying Reference Closing Price Value for such Underlying Reference in respect of the N-th immediately preceding MFP Valuation Date within such MFP Valuation Period. Provided that the Underlying Reference Extended Restrike Value will be determined starting from the N-th MFP Valuation Date within such MFP Valuation Period immediately following the first occurring MFP Valuation Date within such MFP Valuation Period.

"Underlying Reference Intraday Restrike Value" means, in respect of an Underlying Reference and a MFP Valuation Date, (a) (i) the Underlying Reference Intraday Price Value for such Underlying Reference in respect of such MFP Valuation Date (ii) divided by the Underlying Reference Intraday Price Value for such Underlying Reference in respect of the N-th immediately preceding MFP Valuation Date and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value. Provided that the Underlying Reference Intraday Restrike Value will be determined starting from the N-th MFP Valuation Date immediately following the first occurring MFP Valuation Date.

"Underlying Reference Extended Intraday Restrike Value" means, in respect of an Underlying Reference and MFP Valuation Period (a) the Underlying Reference Intraday Price Value for such Underlying Reference in respect of a MFP Valuation Date within such MFP Valuation Period divided by (b) the Underlying Reference Intraday Price Value for such Underlying Reference in respect of the N-th immediately preceding MFP Valuation Date within such MFP Valuation Period. Provided that the Underlying Reference Extended Intraday Restrike Value will be determined starting from the N-th MFP Valuation Date within such MFP Valuation Period immediately following the first occurring MFP Valuation Date within such MFP Valuation Period.

"N-th" means the ordinal number specified as such in the applicable Final Terms

"Lowest Underlying Reference Restrike Value" means, in respect of an Underlying Reference and a MFP Valuation Period, the lowest (a) Underlying Reference Restrike Value or (b) Underlying Reference Extended Restrike Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period.

"Lowest Underlying Reference Restrike Intraday Value" means, in respect of an Underlying Reference and a MFP Valuation Period, the lowest (a) Underlying Reference Restrike Intraday Value or (b) Underlying Reference Extended Restrike Intraday Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period;

"Greatest Underlying Reference Restrike Value" means, in respect of an Underlying Reference and a MFP Valuation Period, the highest (a) Underlying Reference Restrike Value or (b) Underlying Reference Extended Restrike Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period.

"Greatest Underlying Reference Restrike Intraday Value" means, in respect of an Underlying Reference and a MFP Valuation Period, the highest (a) Underlying Reference Restrike Intraday Value or (b) Underlying Reference Extended Restrike Intraday Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period;

"Underlying Reference StartDay Closing Price Value" means, in respect of an Underlying Reference and a MFP Valuation Date, the Underlying Reference Closing Price Value for such Underlying Reference on the date (the **"MFP StartDay Valuation Date"**) falling nStart days prior to such MFP Valuation Date;

"Underlying Reference TOM Restrike Value" means, in respect of an Underlying Reference and a MFP Valuation Date (a) the Underlying Reference EndDay Closing Price Value for such Underlying Reference in respect of such day divided by (b) Underlying Reference StartDay Closing Price Value for such Underlying Reference in respect of such day;

"Underlying Reference TOM Value" means, in respect of an Underlying Reference and a MFP Valuation Date, the product of all Underlying Reference TOM Restrike Values for all

MFP Valuation Dates prior to and including such MFP Valuation Date in respect of an Underlying Reference; and

"Underlying Reference Value" means, in respect of an Underlying Reference and a MFP Valuation Date, (a) (i) the Underlying Reference Closing Price Value for such Underlying Reference in respect of such MFP Valuation Date (ii) divided by the relevant Underlying Reference Strike Price (expressed as a percentage) and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value (expressed as a percentage) and (c) if Fund Securities is specified as applicable in the applicable Final Terms, less, if Fund Securities Fees Provisions are specified as applicable in the relevant Final Terms, the Aggregate Fund Securities Fees Percentage multiplied by the Fund Securities Fees Factor.

If Underlying Reference Inverse Value is specified as applicable in the applicable Final Terms, Underlying Reference Value shall mean, in respect of an Underlying Reference and a MFP Valuation Date, (a) (i) the relevant Underlying Reference Strike Price (ii) divided by the Underlying Reference Closing Price Value for such Underlying Reference in respect of such MFP Valuation Date (expressed as a percentage) and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value (expressed as a percentage) and (c) if Fund Securities is specified as applicable in the applicable Final Terms, less, if Fund Securities Fees Provisions are specified as applicable in the relevant Final Terms, the Aggregate Fund Securities Fees Percentage multiplied by the Fund Securities Fees Factor.

If Generic Underlying Reference Value is specified as applicable in the applicable Final Terms, Underlying Reference Value shall mean, in respect of an Underlying Reference and a MFP Valuation Date, Underlying Reference Value Percentage minus or plus (a) (i) the Underlying Reference Closing Price Value for such Underlying Reference in respect of such MFP Valuation Date (ii) divided by the relevant Underlying Reference Strike Price (expressed as a percentage) and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value (expressed as a percentage) and (c) if Fund Securities is specified as applicable in the applicable Final Terms, less, if Fund Securities Fees Provisions are specified as applicable in the relevant Final Terms, the Aggregate Fund Securities Fees Percentage multiplied by the Fund Securities Fees Factor. If Generic Inverse Underlying Reference Value is specified as applicable in the applicable Final Terms, Underlying Reference Value shall mean, in respect of an Underlying Reference and a MFP Valuation Date, Underlying Reference Value Percentage minus or plus (a) (i) the relevant Underlying Reference Strike Price (ii) divided by the Underlying Reference Closing Price Value for such Underlying Reference in respect of such MFP Valuation Date (expressed as a percentage) and (b) if FX Conversion is specified as applicable in the applicable Final Terms, multiplied by FX Value (expressed as a percentage) and (c) if Fund Securities is specified as applicable in the applicable Final Terms, less, if Fund Securities Fees Provisions are specified as applicable in the relevant Final Terms, the Aggregate Fund Securities Fees Percentage multiplied by the Fund Securities Fees Factor.

"Aggregate Fund Securities Fees Percentage" means the sum of the Fund Securities Fees Percentages calculated in respect of all Calculation Periods;

"Fund Securities Fees Percentage" means the rate (expressed as a percentage) calculated by the Calculation Agent in accordance with the following formula and being equal to the rate of interest that would accrue during each Calculation Period falling during the period specified in the applicable Final Terms calculated on the basis that such rate would apply to and be payable by the Floating Rate Payer under an interest rate swap transaction incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.:

$$\text{Fund Fees Securities Percentage} = [\text{Floating Rate} + \text{Spread}] \times \text{Day Count Fraction}$$

For these purposes:

- A) the "Effective Date" is as specified in the applicable Final Terms;
- B) the "Termination Date" is as specified in the applicable Final Terms;
- C) the "Floating Rate Payer Payment Date" is as specified in the applicable Final Terms;

- D) the "Floating Rate Option" is as specified in the applicable Final Terms;
- E) the "Spread" is as specified in the applicable Final Terms, or if not so specified minus 0.125 per cent.;
- F) the "Floating Rate Day Count Fraction" is as specified in the applicable Final Terms, or if not so specified Actual/360;
- G) the "Business Day Convention" is as specified in the applicable Final Terms, or if not so specified Modified Following;
- H) the "Reset Date" means each Floating Rate Payer Payment Date or as specified in the applicable Final Terms;
- I) "Calculation Period" means each consecutive period each commencing on and including a Floating Rate Payer Payment Date to but excluding the following Floating Rate Payer Payment Date except that the first Calculation Period shall start on the Effective Date and the last Calculation Period shall end on the Termination Date or as otherwise specified in the Final Terms.

"**Underlying Reference Value Percentage**" means the percentage specified as such in the applicable Final Terms

"**Fund Securities Fees Factor**" is as defined in the relevant Final Terms.

(c) **Multi Underlying Reference Value Definitions**

"**Basket Value**" means, in respect of a MFP Valuation Date or a Fixing Date, the sum of the values calculated for each Underlying Reference in the Basket as (a) the Underlying Reference Value for such Underlying Reference in respect of such MFP Valuation Date or Fixing Date multiplied by (b) the relevant Underlying Reference Weighting;

"**Basket Performance**" means, in respect of a MFP Valuation Date or a Fixing Date, the sum of the values calculated for each Underlying Reference in the Basket as (i) (a) the Underlying Reference Value for such Underlying Reference in respect of such MFP Valuation Date or Fixing Date multiplied by (b) the relevant Underlying Reference Weighting minus the Basket Performance Percentage or (ii) the Basket Performance Percentage minus (a) the Underlying Reference Value for such Underlying Reference in respect of such MFP Valuation Date or Fixing Date multiplied by (b) the relevant Underlying Reference Weighting;

"**Basket Performance Percentage**" means the percentage specified as such in the applicable Final Terms;

"**Best Intraday Value**" means, in respect of a MFP Valuation Date, the highest Underlying Reference Intraday Value for any Underlying Reference in the Basket in respect of such MFP Valuation Date;

"**Best Value**" means, in respect of a MFP Valuation Date, the highest Underlying Reference Value for any Underlying Reference in the Basket in respect of such MFP Valuation Date;

"**Rainbow Value**" means, in respect of a MFP Valuation Date, the sum of the values calculated for each Underlying Reference in the Basket as (a) the Ranked Value for such Underlying Reference in respect of such MFP Valuation Date multiplied by (b) the relevant Underlying Reference Weighting;

"**Ranked Value**" means, in respect of a MFP Valuation Date, the Underlying Reference Value in respect of the Underlying Reference with the Ranking in respect of such MFP Valuation Date set out in the applicable Final Terms;

"Ranking" means, in respect of a MFP Valuation Date, the ordinal positioning of each Underlying Reference by Underlying Reference Value from lowest Underlying Reference Value to greatest Underlying Reference Value in respect of such MFP Valuation Date;

"Worst Intraday Value" means, in respect of a MFP Valuation Date, the lowest Underlying Reference Intraday Value for any Underlying Reference in respect of such MFP Valuation Date; and

"Worst Value" means, in respect of a MFP Valuation Date, the lowest Underlying Reference Value for any Underlying Reference in the Basket in respect of such MFP Valuation Date.

(d) **Underlying Reference Volatility Hedged Value**

"Underlying Reference Volatility Hedged Value" means, in respect of an ACT Day, the rate determined by the Calculation Agent in accordance with the following formula:

$$\begin{aligned} & \text{Underlying Reference Volatility Hedged Value}_t \\ &= \text{Underlying Reference Volatility Hedged Value}_{t-1} \times \left[1 + W_{t-1} \left(\frac{\text{BasketER}_t}{\text{BasketER}_{t-1}} - 1 \right) \right. \\ & \left. + (1 - W_{t-1}) \times \left(\text{Leverage Rate}_{t-1} \times \frac{\text{Act}_{(t-1,t)}}{360} \right) \right] \times \left[1 - AF \times \frac{\text{Act}_{(t-1,t)}}{360} \right] \end{aligned}$$

provided that the Underlying Reference Volatility Hedged Value on the Strike Date is Underlying Reference Volatility Hedged Value₀.

(e) **Underlying Reference Volatility Hedged Value Definitions**

"ACT Day" or **"t"** means each day that is an Underlying Reference Valuation Day and a Strategy Business Day.

"Act_(t-1,t)" means, in respect of an ACT Day, the number of calendar days from (but excluding) the ACT Day immediately preceding such ACT Day to (and including) such ACT Day.

"AF" means the percentage specified as such in the applicable Final Terms.

"Basket_{t-s}^{*}" means a hypothetical basket of Underlying References, which the Calculation Agent will use to determine the volatility of the Basket over the preceding x ACT Days where Vol20_t applies or the preceding x ACT Days where Vol60_t applies and is calculated in accordance with the following formula:

$$\text{Basket}_{t-s}^{t*} = \sum_{k=1}^n NS_k^t \times \text{Level}_{k,t-s}$$

"BasketES₀" means 1.

"BasketES_t" means, in respect of an ACT Day, the level determined by the Calculation Agent in accordance with the following formula:

$$\text{BasketER}_t = \text{BasketER}_{t-1} \times \left[\frac{\text{Basket}_t}{\text{Basket}_{t-1}} - \text{Reference Rate}_{t-1} \times \frac{\text{Act}_{(t-1,t)}}{360} \right]$$

provided that BasketES_t for the Initial ACT Day will be BasketES₀.

"BasketES_{t-1}" means, in respect of an ACT Day, the BasketES_t for the ACT Day immediately preceding such day.

"Basket_t" means, in respect of an ACT Day, the level determined by the Calculation Agent in accordance with the following formula:

$$Basket_t = Basket_{t-1} \times \left[1 + \sum_{k=1}^n P_k \left(\frac{Level_{k,t}}{Level_{k,t-1}} - 1 \right) \right]$$

provided that $Basket_t$ for the Initial ACT Day will be $Basket_{Level_0}$.

"**Basket_{t-1}**" means, in respect of an ACT Day, $Basket_t$ for the ACT Day immediately preceding such day.

"**Basket Level₀**" means 1.

"**Initial ACT Day**" means the day falling y ACT Days immediately preceding the Strike Date or if that is not an ACT Day and (i) if Preceding ACT Day is specified in the applicable Final Terms, the immediately preceding ACT Day or (ii) if Succeeding ACT Day is specified in the applicable Final Terms, the immediately succeeding ACT Day.

"**Level_{k,t}**" means, in respect of an Underlying Reference and an ACT Day, the Underlying Reference Closing Price Value in respect of such day, provided that, if there is no Underlying Reference Closing Price Value in respect of such day or such day is a Disrupted Day (in the case of Index Securities, Share Securities, ETI Securities, Debt Securities, Currency Securities or Futures Securities) (such day a "**Disrupted Level Day**"); and:

- (i) if "Following ACT Day" is specified in the applicable Final Terms, $Level_{k,t}$ will be the Underlying Reference Closing Price Value for the next succeeding ACT Day which is not a Disrupted Level Day; or
- (ii) if "Preceding ACT Day" is specified in the applicable Final Terms, $Level_{k,t}$ will be the Underlying Reference Closing Price Value for the immediately preceding ACT Day which is not a Disrupted Level Day.

"**Level_{k,t-1}**" means, in respect of an Underlying Reference and an ACT Day, the Underlying Reference Closing Price Value on the immediately preceding ACT Day.

"**Leverage Floating Rate**" means, in respect of an ACT Day, the Leverage Floating Rate Option in respect of the Rate Calculation Date for such day appearing on the Leverage Floating Rate Option Page at the Leverage Floating Rate Option Calculation Time or if the relevant rate does not appear on such page at such time, the Leverage Floating Rate Option for such ACT Day shall be determined by the Calculation Agent at such time and from such source(s) as it may select acting in good faith and in a commercially reasonable manner.

"**Leverage Floating Rate Option**" means the relevant rate and designated maturity specified as such in the applicable Final Terms.

"**Leverage Floating Rate Option Page**" means the page or price source specified as such in the applicable Final Terms.

"**Leverage Floating Rate Option Time**" means the time specified as such in the applicable Final Terms.

"**Leverage Rate_{t-1}**" means, in respect of an ACT Day, the fixed rate specified in the applicable Final Terms or the Leverage Floating Rate for such day as specified in the applicable Final Terms.

"**ln**" means natural logarithm.

"**Max Exposure**" means the percentage specified as such in the applicable Final Terms.

"**Min Exposure**" means the percentage specified as such in the applicable Final Terms.

"**n**" means the number of Underlying References in the Basket.

"**NSk_t**" means, in respect of an Underlying Reference and an ACT Day, the amount determined by the Calculation Agent in accordance with the following formula:

$$NS_k^t = P_k \times \frac{Basket_t}{Level_{k,t}}$$

"**P_k**" means the relevant Underlying Reference Weighting.

"**Rate Calculation Date**" means, in respect of an ACT Day, the first, second or third ACT Day preceding such day, as specified in the applicable Final Terms.

"**Reference Floating Rate**" means, in respect of an ACT Day, the Reference Floating Rate Option in respect of the Rate Calculation Date for such day appearing on the Reference Floating Rate Option Page at the Reference Floating Rate Option Calculation Time or if the relevant rate does not appear on such page at such time, the Reference Floating Rate Option for such ACT Day shall be determined by the Calculation Agent at such time and from such source(s) as it may select acting in good faith and in a commercially reasonable manner.

"**Reference Floating Rate Option**" means the relevant rate and designated maturity specified as such in the applicable Final Terms.

"**Reference Floating Rate Option Page**" means the page or price source specified as such in the applicable Final Terms.

"**Reference Floating Rate Option Time**" means the time specified as such in the applicable Final Terms.

"**Reference Rate_{t-1}**" means, in respect of an ACT Day, the fixed rate specified in the applicable Final Terms or the Reference Floating Rate for such day as specified in the applicable Final Terms.

"**Strategy Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Strategy Business Day Centre(s).

"**Strategy Business Day Centre(s)**" means the place(s) specified as such in the applicable Final Terms.

"**Target Volatility**" means the percentage specified as such in the applicable Final Terms.

"**Tolerance**" means the percentage specified as such in the applicable Final Terms.

"**Underlying Reference Valuation Date**" means a calendar day, Business Day, Exchange Business Day, Hybrid Business Day, Scheduled Trading Day, Fund Business Day, Settlement Price Date, MFP Valuation Date or other day specified as such in the applicable Final Terms.

"**Underlying Reference Volatility Hedged Value₀**" means 1.

"**Underlying Reference Volatility Hedged Value_{t-1}**" means, in respect of an ACT Day, the Underlying Reference Volatility Hedged Value on the ACT Day immediately preceding such day.

"**W₀**" means the percentage specified as such in the applicable Final Terms.

"**W_t**" means, in respect of an ACT Day, the percentage determined by the Calculation Agent in accordance with the following formula:

$$W_t = \text{Min}(\text{Max Exposure}; W_t^*)$$

provided that W_t on the Strike Date is W₀.

" W_t^{Target} " means, in respect of an ACT Day, the percentage determined by the Calculation Agent in accordance with the following formula:

$$W_t^{Target} = \text{Max} \left[\frac{\text{Target Volatility}}{\text{Max}(Vol_{20,t}; Vol_{60,t})}; \text{Min Exposure} \right]$$

provided that W_t^{Target} on the Strike Date is W_{Target_0} .

" W_{t-1}^{Target} " means, in respect of an ACT Day, W_t^{Target} on the ACT Day immediately preceding such day.

" W_{t-1} " means, in respect of an ACT Day, W_t on the ACT Day immediately preceding such day.

If Lag 1 is specified in the applicable Final Terms and:

- (i) $W_t > (1 + \text{Tolerance}) \times W_t^{Target}$ then " W_{t+1}^* " means W_t^{Target} ;
- (ii) $W_t < (1 - \text{Tolerance}) \times W_t^{Target}$ then " W_{t+1}^* " means W_t^{Target} ; or
- (iii) Otherwise, " W_{t+1}^* " means W_t .

If Lag 2 is specified in the applicable Final Terms then " $W_{t+1}^* = W_t = W_0$ " means the percentage specified as such in the applicable Final Terms.

If the weighting on the immediately following day (" W_{t+1} ") is equal to W_t and:

- $W_t > (1 + \text{Tolerance}) \times W_t^{Target}$ then " W_{t+2}^* " means W_t^{Target} ;
- $W_t < (1 - \text{Tolerance}) \times W_t^{Target}$ then " W_{t+2}^* " means W_t^{Target} ; or
- Otherwise, " W_{t+2}^* " means W_{t+1} .

If $W_{t+1} \neq W_t$ and:

- (i) $W_t > (1 + \text{Tolerance}) \times W_{t-1}^{Target}$ then " W_{t+2}^* " means W_t^{Target} ;
- (ii) $W_t < (1 - \text{Tolerance}) \times W_{t-1}^{Target}$ then " W_{t+2}^* " means W_t^{Target} ; or
- (iii) Otherwise, " W_{t+2}^* " means W_{t+1} .

" W_{Target_0} " means the percentage specified as such in the applicable Final Terms.

8.2 Greatest Period Values for MFP Payouts and Entitlement Amounts

(a) Mono Underlying Reference Value Definitions

"**Greatest Underlying Reference Intraday Value**" means, in respect of an Underlying Reference and a MFP Valuation Period, the highest Underlying Reference Intraday Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period; and

"**Greatest Underlying Reference Value**" means, in respect of an Underlying Reference and a MFP Valuation Period, the highest Underlying Reference Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period.

(b) Multi Underlying Reference Value Definitions

"**Greatest Basket Value**" means, in respect of a MFP Valuation Period, the highest Basket Value for all the MFP Valuation Dates in such MFP Valuation Period;

"Greatest Best Intraday Value" means, in respect of a MFP Valuation Period, the highest Best Intraday Value for all the MFP Valuation Dates in such MFP Valuation Period;

"Greatest Best Value" means, in respect of a MFP Valuation Period, the highest Best Value for all the MFP Valuation Dates in such MFP Valuation Period;

"Greatest Rainbow Value" means, in respect of a MFP Valuation Period, the highest for all MFP Valuation Dates in such MFP Valuation Period of the relevant Rainbow Values;

"Greatest Underlying Reference Value (Basket)" means, in respect of an Underlying Reference in the Basket and a MFP Valuation Period, the highest Underlying Reference Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period;

"Greatest Worst Value" means, in respect of a MFP Valuation Period, the highest Worst Value for all the MFP Valuation Dates in such MFP Valuation Period; and

"Worst Greatest Value" means, in respect of a MFP Valuation Period, the lowest Greatest Underlying Reference Value (Basket) for any Underlying Reference in the Basket in respect of such MFP Valuation Period.

8.3 **Lowest Period Values for MFP Payouts and Entitlement Amounts**

(a) **Mono Underlying Reference Value Definitions**

"Lowest Underlying Reference Intraday Value" means, in respect of an Underlying Reference and a MFP Valuation Period, the lowest Underlying Reference Intraday Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period; and

"Lowest Underlying Reference Value" means, in respect of an Underlying Reference and a MFP Valuation Period, the lowest Underlying Reference Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period.

(b) **Multi Underlying Reference Value Definitions**

"Lowest Basket Value" means, in respect of a MFP Valuation Period, the lowest Basket Value for all the MFP Valuation Dates in such MFP Valuation Period;

"Lowest Best Value" means, in respect of a MFP Valuation Period, the lowest Best Value for all the MFP Valuation Dates in such MFP Valuation Period;

"Lowest Rainbow Value" means, in respect of a MFP Valuation Period, the lowest for all MFP Valuation Dates in such MFP Valuation Period of the relevant Rainbow Values;

"Lowest Worst Intraday Value" means, in respect of a MFP Valuation Period, the lowest Worst Intraday Value for all the MFP Valuation Dates in such MFP Valuation Period; and

"Lowest Worst Value" means, in respect of a MFP Valuation Period, the lowest Worst Value for all the MFP Valuation Dates in such MFP Valuation Period.

8.4 **Average Values for MFP Payouts and Entitlement Amounts**

(a) **Mono Underlying Reference Value Definitions**

"Average Underlying Reference TOM Value" means, in respect of an Underlying Reference and a MFP Valuation Period, the arithmetic average of the Underlying Reference TOM Values for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period; and

"Average Underlying Reference Value" means, in respect of an Underlying Reference and a MFP Valuation Period, the arithmetic average of the Underlying Reference Value for such Underlying Reference for all the MFP Valuation Dates in such MFP Valuation Period;

(b) **Multi Underlying Reference Value Definitions**

"Average Basket Value" means, in respect of a MFP Valuation Period, the arithmetic average of the Basket Values for all the MFP Valuation Dates in such MFP Valuation Period;

"Average Best Value" means, in respect of a MFP Valuation Period, the arithmetic average of the Best Values for all the MFP Valuation Dates in such MFP Valuation Period;

"Average Rainbow Value" means, in respect of a MFP Valuation Period, the arithmetic average for all MFP Valuation Dates in such MFP Valuation Period of the relevant Rainbow Values; and

"Average Worst Value" means, in respect of a MFP Valuation Period, the arithmetic average of the Worst Values for all the MFP Valuation Dates in such MFP Valuation Period.

8.5 **Weighted Average Values for MFP Payouts and Entitlement Amounts**

(a) **Mono Underlying Reference Value Definitions**

"Weighted Average Underlying Reference Value" means, in respect of an Underlying Reference and a MFP Valuation Period, the sum of the values calculated for all the MFP Valuation Dates in such MFP Valuation Period as (a) the Underlying Reference Value for such Underlying Reference for such MFP Valuation Date (b) multiplied by the relevant MFP Date Weighting.

(b) **Multi Underlying Reference Value Definitions**

"Weighted Average Basket Value" means, in respect of a MFP Valuation Period, the sum of the values calculated for all the MFP Valuation Dates in such MFP Valuation Period as (a) the Basket Value for such MFP Valuation Date (b) multiplied by the relevant MFP Date Weighting;

"Weighted Average Best Value" means, in respect of a MFP Valuation Period, the sum of the values calculated for all the MFP Valuation Dates in such MFP Valuation Period as (a) the Best Value for such MFP Valuation Date (b) multiplied by the relevant MFP Date Weighting;

"Weighted Average Rainbow Value" means, in respect of a MFP Valuation Period, the sum of the values calculated for all MFP Valuation Dates in such MFP Valuation Period as (a) the relevant Rainbow Values (b) multiplied by the relevant MFP Date Weighting; and

"Weighted Average Worst Value" means, in respect of a MFP Valuation Period, the sum of the values calculated for all the MFP Valuation Dates in such MFP Valuation Period as (a) the Worst Value for such MFP Valuation Date (b) multiplied by the relevant MFP Date Weighting.

9. **VALUES**

Any value specified in the applicable Final Terms and used in the calculation of Payout and/or Entitlement Amount or related provision may be subject to a cap of the Maximum Value and/or a floor of the Minimum Value, in each case specified in the applicable Final Terms.

10. **FORMULAS CONSTITUENTS AND COMPLETION**

The constituent parts (each a "**Formula Constituent**") of any formula (each a "**Formula**") used in the Formulas Conditions and which are to be specified in the applicable Final Terms may be replaced in the applicable Final Terms by the prescribed amount, level, percentage or other value, as applicable for such Formula Constituent.

If a Formula Constituent has a value of either 0 (zero) or 1 (one), or is not applicable in respect of the relevant Securities, then the related Formula may be simplified in the applicable Final Terms by deleting such Formula Constituent.

Any number or percentage to be specified in the applicable Final Terms for the purposes of these Formulas Conditions may be a positive or negative, as specified in the applicable Final Terms.

11. **CALCULATION AGENT**

Unless otherwise specified, the calculation or determination of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion required or permitted to be determined, formed or exercised pursuant to these Formula Conditions will be calculated, determined, formed or exercised by the Calculation Agent.

Any calculation, determination, formation of any opinion or exercise of any discretion by the Calculation Agent pursuant to the Securities shall (in the absence of manifest error) be final and binding on the Issuer, the Guarantor and the Securityholders. Whenever the Calculation Agent is required to make any determination it may, to the extent permitted by any applicable law, *inter alia*, decide issues of construction and legal interpretation. In performing its duties pursuant to the Securities, the Calculation Agent shall, unless otherwise specified, act in good faith and in a commercially reasonable manner. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or making any determination under the Securities shall not affect the validity or binding nature of any later performance or exercise of such obligation or determination, and none of the Calculation Agent, the Issuer or the Guarantor shall, in the absence of wilful misconduct and gross negligence, bear any liability (to the extent permitted by any applicable law) in respect of, or consequent upon, any such delay, deferral or forbearance.

ANNEX 2

ADDITIONAL TERMS AND CONDITIONS FOR INDEX SECURITIES

If specified as applicable in the applicable Final Terms the terms and conditions applicable to Securities specified in the applicable Final Terms as Index Securities shall comprise the Security Conditions and the additional Terms and Conditions for Index Securities set out below (the "**Index Security Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Security Conditions and (ii) the Index Security Conditions, the Index Security provisions shall prevail.

1. Definitions

"Basket of Indices" means a basket composed of each Index specified in the applicable Final Terms in the weightings specified in the applicable Final Terms;

"Clearance System" means the principal domestic clearance system customarily used for settling trades in the relevant securities;

"Clearance System Days" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

"Closing Level" means, in respect of an Index and a Scheduled Trading Day, either (i) the official closing level of such Index or (ii) the exchange delivery settlement price or its equivalent from exchange to exchange, on such day, as indicated in the Final Terms and as determined by the Calculation Agent, subject as provided in Index Security Condition 3 (*Adjustments to an Index*);

"Component Security" means, in respect of a Composite Index, each component security of such Index;

"Component Security Index" means any Index specified as such in the applicable Final Terms or, if not so specified, any Index which the Calculation Agent determines to be such an Index;

"Composite Index" means any Index which is either a Component Security Index or a Multi-Exchange Index;

"Disrupted Day" means:

- (a) in respect of any Composite Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of such Index, (ii) the Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred; and
- (b) in respect of an Index that is not a Composite Index, any Scheduled Trading Day on which (i) the relevant Exchange and/or any Related Exchange fails to open for trading during its regular trading session or (ii) a Market Disruption Event has occurred;

"Early Closure" means:

- (a) in respect of a Composite Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day; and
- (b) in the case of an Index which is not a Composite Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the

level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

"Exchange" means:

- (a) in the case of a Composite Index, in respect of each Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent; and
- (b) in the case of any Index which is not a Composite Index, in respect of such Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means either (a) in the case of a single Index, Exchange Business Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Exchange Business Day (All Indices Basis) or (ii) Exchange Business Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Exchange Business Day (All Indices Basis) shall apply;

"Exchange Business Day (All Indices Basis)" means any Scheduled Trading Day on which

- (a) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, in respect of such Indices are open for trading during their respective regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time; or
- (b) in respect of any Composite Indices:
 - (i) the Index Sponsor publishes the level of such Composite Indices and
 - (ii) either:
 - (A) unless Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Related Exchange in respect of such Composite Indices is open for trading during its regular trading session; or
 - (B) if Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Exchange and each Related Exchange, if any, in respect of such Composite Indices is open for trading during its regular trading session

in each case, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time;

"Exchange Business Day (Per Index Basis)" means, in respect of an Index, any Scheduled Trading Day on which:

- (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are open for trading during their regular trading session(s), notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; or
- (b) in respect of a Composite Index:

- (i) the relevant Index Sponsor publishes the level of such Composite Index; and
- (ii) either:
 - (A) unless Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Related Exchange in respect of such Composite Index is open for trading during its regular trading session; or
 - (B) if Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Exchange and each Related Exchange, if any, in respect of such Composite Index is open for trading during its regular trading session.

in each case, notwithstanding such Exchange(s) or Related Exchange(s) closing prior to its Scheduled Closing Time;

"Exchange Business Day (Single Index Basis)" means any Scheduled Trading Day on which:

- (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are open for trading during their regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to its Scheduled Closing Time; or
- (b) in respect of a Composite Index:
 - (i) the relevant Index Sponsor publishes the level of such Composite Index; and
 - (ii) either:
 - (A) unless Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Related Exchange in respect of such Composite Index is open for trading during its regular trading session; or
 - (B) if Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Exchange and each Related Exchange, if any, in respect of such Composite Index is open for trading during its regular trading session.

in each case, notwithstanding such Exchange(s) or Related Exchange(s) closing prior to its Scheduled Closing Time;

"Exchange Disruption" means:

- (a) in respect of a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component Security on the Exchange in respect of such Component Security or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, on any relevant Exchange(s) in securities that comprise 20 per cent. or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange;

"Index" and **"Indices"** mean, subject to adjustment in accordance with this Annex 2, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly;

"Index Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

"Index Sponsor" means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms;

"Intraday Level" means, in respect of an Index and any time on a Scheduled Trading Day, the level of such Index at such time on such day as determined by the Calculation Agent, subject as provided in Index Security Condition 3 (*Adjustments to an Index*);

"Multi-Exchange Index" means any Index specified as such in the applicable Final Terms, or if not so specified, any Index which the Calculation Agent determines to be such an Index;

"Related Exchange" means, in relation to an Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index;

"Scheduled Trading Day" means either (a) in the case of a single Index, Scheduled Trading Day (Single Index Basis) or (b) in the case of a Basket of Indices, (i) Scheduled Trading Day (All Indices Basis) or (ii) Scheduled Trading Day (Per Index Basis), in each case as specified in the applicable Final Terms, provided that if no such specification is made in the applicable Final Terms, Scheduled Trading Day (All Indices Basis) shall apply;

"Scheduled Trading Day (All Indices Basis)" means any day on which:

- (a) in respect of any Indices other than Composite Indices, each Exchange and each Related Exchange, if any, in respect of such Indices are scheduled to be open for trading during their respective regular trading session(s); or
- (b) in respect of any Composite Indices:
 - (i) the Index Sponsor is scheduled to publish the level of such Composite Indices; and
 - (ii) either:
 - (A) unless Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Related Exchange in respect of such Composite Indices is open for trading during its regular trading session; or
 - (B) if Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Exchange and each Related Exchange, if any, in respect of such Composite Indices is scheduled to be open for trading during its regular trading session;

"Scheduled Trading Day (Per Index Basis)" means, in respect of an Index, any day on which:

- (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are scheduled to be open for trading during their respective regular trading session(s); or
- (b) in respect of a Composite Index:
 - (i) the relevant Index Sponsor is scheduled to publish the level of such Composite Index; and

- (ii) either:
 - (A) unless Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Related Exchange in respect of such Composite Index is open for trading during its regular trading session; or
 - (B) if Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Exchange and each Related Exchange, if any, in respect of such Composite Index is scheduled to be open for trading during its regular trading session;

"Scheduled Trading Day (Single Index Basis)" means any day on which:

- (a) in respect of an Index other than a Composite Index, the relevant Exchange and the relevant Related Exchange, if any, in respect of such Index are scheduled to be open for trading during their respective regular trading session(s); or
- (b) in respect of a Composite Index:
 - (i) the relevant Index Sponsor is scheduled to publish the level of such Composite Index; and
 - (ii) either:
 - (A) unless Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Related Exchange in respect of such Composite Index is open for trading during its regular trading session; or
 - (B) if Exchange/Related Exchange is specified as applicable in the applicable Final Terms, each Exchange and each Related Exchange, if any, in respect of such Composite Index is scheduled to be open for trading during its regular trading session;

"Settlement Cycle" means, in respect of an Index, the period of Clearance System Days following a trade in the security comprising such Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Security, or if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 2 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date", as the case may be:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the official closing level or official opening level, as specified in the applicable Final Terms, for such Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of such Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the official closing level or official opening level, as specified in the applicable Final Terms, of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Valuation Time on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date, as the case may be, or if the Securities are Single Final Payout - Leverage Factor Securities, an Exchange Business Day and the Valuation Date; and

"Trading Disruption" means:

- (a) in respect of a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to such Index on the Related Exchange; and
- (b) in the case of an Index which is not a Composite Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index; or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

2. **Market Disruption**

"Market Disruption Event" means:

- (a) in respect of a Composite Index either:
 - (i) A. the occurrence or existence, in respect of any Component Security, of:
 - (A) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
 - (B) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or
 - (C) an Early Closure in respect of such Component Security; and
 - B. in respect of a Multi-Exchange Index only, the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of such Index; or
- (ii) the occurrence or existence, in respect of futures or options contracts relating to such Index, of: (A) a Trading Disruption; (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the Valuation Time in respect of the Related Exchange; or (C) an Early Closure, in each case in respect of such futures or options contracts.

In the case of a Multi-Exchange Index, for the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component Security to the level of such Index shall be based on a comparison of (x) the portion of the level of such Index attributable to that Component Security to (y) the overall level of such Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data"; and

- (b) in the case of Indices other than Composite Indices, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of such Index exists at any time, if a Market Disruption Event occurs in respect of a security included in such Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (A) the portion of the level of such Index attributable to that security and (B) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Security Condition 8 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Expiration Valuation Date or a Valuation Date, as the case may be.

3. Adjustments to an Index

3.1 Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the "**Successor Index Sponsor**") acceptable to the Calculation Agent, or (b) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

3.2 Modification and Cessation of Calculation of an Index

If (a) on or prior to the Strike Date, the last Averaging Date, the last Observation Date or the last Valuation Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**"), or permanently cancels a relevant Index and no Successor Index exists (an "**Index Cancellation**"), or (b) on the Strike Date, an Averaging Date, an Observation Date or a Valuation Date, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**") and, together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then:

- (a) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant value, level or price using, *in lieu* of a published level for that Index, the level for that Index as at the Valuation Time on that Strike Date, that Valuation Date, that Observation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event; or
- (b) the Calculation Agent may replace the relevant Index with a new similar index, multiplied, if need be by a linking coefficient to ensure continuity in the condition of the underlying of the Securities; or
- (c) the Issuer may cancel the Warrants by giving notice to Securityholders in accordance with Security Condition 8. If the Warrants are so cancelled, the Issuer will:
 - (i) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each Securityholder an amount in respect of each Security or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.1;

- (ii) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each Securityholder an amount in respect of each Security or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.2;
- (iii) if the Calculation Agent determines that such Index Adjustment Event constitutes a *force majeure*, and if Index Security Condition 3.2(c)(iii) is specified in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each Securityholder an amount in respect of each Security or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder, which amount shall be equal to the fair market value of a Warrant or Unit, as the case may be, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Securityholders on the date notified to the Securityholders in the notice of cancellation; or
- (iv) otherwise, pay an amount to each Securityholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, being cancelled at an amount equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Index Adjustment Event less, unless Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8 (*Notices*).

Notwithstanding the foregoing, the Calculation Agent will adjust any relevant terms of the Securities as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Securities.

3.3 Notice

The Calculation Agent shall, as soon as practicable, notify the Fiscal Agent of any determination made by it pursuant to paragraph 3.2 above and the action proposed to be taken in relation thereto and such the Fiscal Agent, shall make available for inspection by Securityholders copies of any such determinations.

4. Correction of Index

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Securities, if the Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor, (a) in respect of a Composite Index, no later than five Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

5. Futures Price Valuation

- 5.1 If "Futures Price Valuation" is specified as applicable in relation to an Index in the applicable Final Terms, in respect of such Index, the following provisions shall apply to these Index Security Conditions:

"First Traded Price" means, in relation to each Cash Settled Security or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 2:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price) equal to the Actual First Traded Price of the relevant Current Exchange-traded Contract in respect of such Index as determined by the Calculation Agent on the relevant Settlement Price Date, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price) equal to the Actual First Traded Price of the relevant Current Exchange-traded Contract in respect of the Index as determined by the Calculation Agent on the relevant Settlement Price Date.

"Settlement Price" means, in relation to each Security or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 2:

- (a) in the case of Index Securities relating to a Basket of Indices and in respect of each Index comprising the Basket of Indices, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of such Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Index Securities relating to a single Index, an amount (which shall be deemed to be a monetary value in the same currency as the Exercise Price) equal to the Official Settlement Price of the relevant Current Exchange-traded Contract in respect of the Index as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date.

For the purposes of determining whether a day is a Scheduled Trading Day where Futures Price Valuation applies in relation to any Index or (in the case of a Basket of Indices) any constituent Index any reference to such Index or constituent Index in the definition of Scheduled Trading Day will be deemed not to apply and instead a Scheduled Trading Day must be a day on which the Official Settlement Price or, if First Traded Price Applicable is specified in the applicable Final Terms, the Actual First Traded Price, as applicable, is scheduled to be published by the relevant Futures or Options Exchange in relation to each such Index to which Futures Price Valuation applies.

Where Futures Price Valuation applies in relation to any Index or (in the case of a Basket of Indices) any constituent Index, an Exchange Business Day must be a day on which the relevant Futures or Options Exchange in relation to each such Index is open for trading during their regular trading session(s), notwithstanding any such Futures or Options Exchange closing prior to its scheduled weekday closing time on such Exchange Business Day, without regard to after hours or any other trading outside of the regular trading session hours.

The Disrupted Day provisions in the Security Conditions and/or these Index Security Conditions will not apply in relation to any Index or (in the case of a Basket of Indices, any Index comprising the Basket of Indices) in respect of which Futures Price Valuation applies, unless (other than in the case Single Final Payout - Leverage Factor Securities) there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, in which case the Disrupted Day provisions will apply to the relevant Index or constituent Index.

For these purposes:

"Actual First Traded Price" means the price at which the relevant Exchange-traded Contract is first traded on the relevant Futures or Options Exchange or its clearing house after 5:29:59 p.m. (Central European Time) as appearing first on the list of prices for such time published on the Relevant Futures or Options Exchange Website (as specified in the applicable Final Terms) or the Relevant FTP Screen Page (as specified in the applicable Final Terms), as applicable, or, if such Relevant Futures or Options Exchange Website or Relevant FTP Screen Page is not available, such replacement website or page as the Calculation Agent shall select or, subject to Index Security Condition 5.4 (*Non-Commencement or Discontinuance of an Exchange-traded Contract*), if the Relevant Futures or Options Exchange Website

or Relevant FTP Screen Page is not available and the Calculation Agent determines that no replacement website or page exists or no such price is published after such time, the price determined by the Calculation Agent in good faith and in a commercially reasonable manner by reference to such sources as it considers appropriate.

"Current Exchange-traded Contract" means (a) if the Securities are not Rolling Futures Contract Securities, the Exchange-traded Contract and (b) if the Securities are Rolling Futures Contract Securities, the futures contract determined pursuant to Index Security Condition 5.2 (*Rolling Futures Contract Securities*) below.

"Exchange-traded Contract" means, in relation to an Index, the futures or options contract(s) specified as such for the Index in the applicable Final Terms, in each case, identified by reference to (a) the Index to which it relates, (b) the Futures or Options Exchange on which each such contract is traded and (c) (i) if the Securities are not Rolling Futures Contract Securities, the delivery or expiry month of such contract or (ii) if the Securities are Rolling Futures Contract Securities, the specified period of each such contract and the Futures Rollover Date.

"Futures or Options Exchange" means, in respect of an Index, the relevant exchange specified in the description of the Exchange-traded Contract for such Index in the applicable Final Terms.

"Futures Rollover Date" means either:

- (a) the date specified as such in the applicable Final Terms; or
- (b) the date selected by the Calculation Agent acting in good faith and a commercially reasonable manner within the period ("**Futures Rollover Period**") specified in the applicable Final Terms.

"Non-Commencement or Discontinuance of an Exchange-traded Contract" means there is no Official Settlement Price or, if First Traded Price Applicable is specified in the applicable Final Terms, the Actual First Traded Price, as applicable, as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to Valuation Date, Observation Date, Averaging Date or other date for valuation or observation or other relevant date, as the case may be, of the relevant Index.

"Official Settlement Price" means the official settlement price (howsoever described under the rules of the relevant Futures or Options Exchange or its clearing house) of the relevant Exchange-traded Contract published by the relevant Futures or Options Exchange or its clearing house and as determined by the Calculation Agent.

5.2 **Rolling Futures Contract Securities**

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Securities will be valued by reference to futures contracts relating to the Index that have delivery or expiry months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select an Exchange-traded Contract and for each following day until the Futures Rollover Date such futures contract will be the Current Exchange-traded Contract. On each Futures Rollover Date the Calculation Agent will select another Exchange-traded Contract and such contract shall be the Current Exchange-traded Contract until the next occurring Futures Rollover Date. Notwithstanding the provisions of 5.3 (*Adjustments to an Exchange-traded Contract*) or 5.4 (*Non-Commencement or Discontinuance of an Exchange-traded Contract*) if on a Futures Rollover Date a Non-Commencement or Discontinuance of an Exchange-traded Contract occurs and it is impossible or materially impracticable for the Calculation Agent to select an Exchange-traded Contract and/or, unless Related Hedging is specified as not applicable in the applicable Final Terms, at such time hedge the Issuer's obligations in respect of the Securities, then the Issuer may cancel the Warrants by giving notice to Securityholders in accordance with Security Condition 8. If the Warrants are so cancelled, the Issuer will:

- (i) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each Securityholder an amount in respect of each Security or if Units are specified as applicable in

the applicable Final Terms, each Unit, as the case may be, held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.1;

- (ii) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each Securityholder an amount in respect of each Security or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.2; or
- (iii) if the Calculation Agent determines that such Non-Commencement or Discontinuance of an Exchange-traded Contract constitutes a *force majeure*, and if Index Security Condition 5.2(iii) is specified in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), cancel all but not some only of the Securities and pay to each Securityholder an amount in respect of each Security held by such Securityholder, which amount shall be equal to the fair market value of a Warrant or Unit, as the case may be, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Securityholders on the date notified to the Securityholders in the notice of cancellation;
- (iv) otherwise, pay an amount to each Securityholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract less, unless Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8 (*Notices*).

5.3 Adjustments to an Exchange-traded Contract

Without duplication of Index Security Condition 3 (*Adjustments to an Index*) or Index Security Condition 4 (*Correction of Index*) (which shall govern in the event of a conflict), in the event that the terms of an Exchange-traded Contract are changed or modified by the Futures or Options Exchange, the Calculation Agent shall make the appropriate adjustment, if any, to any of the Conditions and/or the applicable Final Terms to account for such change or modification.

5.4 Non-Commencement or Discontinuance of an Exchange-traded Contract

Where there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, the Official Settlement Price or Actual First Traded Price, as applicable, for any Valuation Date, Observation Date, Averaging Date or any other relevant date for valuation or observation, as the case may be, of the relevant Index shall be deemed to be the level of the relevant Index at the close of the regular trading session on the relevant Exchange or, in the case of a Composite Index, the time at which the official closing level of the Index is calculated and published by the Index Sponsor, in each case on the Valuation Date, Observation Date, Averaging Date or other relevant date.

Notwithstanding the foregoing, if in respect of Single Final Payout - Leverage Factor Securities, if on any Exchange Business Day a Non-Commencement or Discontinuance of an Exchange-traded Contract occurs, then the Issuer may cancel the Warrants by giving notice to Securityholders in accordance with Security Condition 8. If the Warrants are so cancelled, the Issuer will:

- (i) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each Securityholder an amount in respect of each Security or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.1;
- (ii) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each

Securityholder an amount in respect of each Security or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.2;

- (iii) if the Calculation Agent determines that such Non-Commencement or Discontinuance of an Exchange-traded Contract constitutes a *force majeure*, and if Index Security Condition 5.4(iii) is specified in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), cancel all, but not some only of the Warrants and pay to each Securityholder an amount in respect of each Security or, if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder, which amount shall be equal to the fair market value of a Warrant or Unit, as the case may be, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Securityholders on the date notified to the Securityholders in the notice of cancellation; or
- (iv) otherwise, pay an amount to each Securityholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, being cancelled at an amount equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract less, unless Unwind Costs is specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8 (*Notices*).

5.5 **Correction of the Official Settlement Price or Actual First Traded Price**

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Securities, if the Official Settlement Price or Actual First Traded Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Futures or Options Exchange, (a) in respect of a Composite Index, no later than five Business Days following the date of the original publication, or (b) in respect of an Index which is not a Composite Index, within the number of days equal to the Index Correction Period of the original publication, the Official Settlement Price or Actual First Traded Price, as applicable, to be used shall be the Official Settlement Price or Actual First Traded Price, as applicable, as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

ANNEX 3

ADDITIONAL TERMS AND CONDITIONS FOR SHARE SECURITIES

If specified as applicable in the applicable Final Terms the terms and conditions applicable to Securities specified in the applicable Final Terms as Share Securities shall comprise the Security Conditions and the additional Terms and Conditions for Share Securities set out below (the "**Share Security Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Security Conditions and (ii) the Share Security Conditions, the Share Security Conditions shall prevail.

1. Definitions

"**Basket Company**" means each company specified as such in the applicable Final Terms and "**Basket Companies**" means all such companies;

"**Basket of Shares**" means (a) a basket composed of Shares of each Basket Company specified in the applicable Final Terms in the weightings or numbers of Shares of each Basket Company specified in the applicable Final Terms or (b) a Relative Performance Basket;

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades in the relevant Share;

"**Clearance System Days**" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

"**Closing Price**" means, in respect of a Share and a Scheduled Trading Day:

- (i) if AQR is not specified as applicable in the applicable Final Terms, the official closing price of such Share on such day as determined by the Calculation Agent, subject as provided in Share Security Condition 3 (*Potential Adjustment Events*) and Share Security Condition 5 (*Extraordinary Events*) (as amended where "GDR/ADR" is specified as applicable); or
- (ii) If AQR is specified as applicable in the applicable final terms and (a) if Averaging is not specified in the applicable Final Terms, the volume-weighted average price of the Share on the Exchange on such day as displayed on the appropriate Bloomberg screen using function "AQR", subject to custom condition "Automatic Trade" on the Bloomberg information system (or any future successor screen page or information system) on the relevant Settlement Price Date at the Valuation Time indicated in the applicable Final Terms, or (b) if Averaging is specified as applicable in the applicable Final Terms, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the volume-weighted average price of the Share on the Exchange as displayed on the appropriate Bloomberg screen using function "AQR", subject to custom condition "Automatic Trade" on the Bloomberg information system (or any future successor screen page or information system) on each of the Averaging Dates at the Valuation Time indicated in the applicable Final Terms (in both cases under (a) and (b), the "**VWA Closing Price**"), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Closing Price, all as determined by or on behalf of the Calculation Agent acting in good faith and in a commercially reasonable manner.

"**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

"**Early Closure**" means the closure on any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (b) the submission deadline for orders to be entered

into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

"Exchange" means, in respect of a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means either (a) in the case of a single Share, Exchange Business Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Exchange Business Day (All Shares Basis) or (ii) Exchange Business Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Share Basis) shall apply;

"Exchange Business Day (All Shares Basis)" means, in respect of a Basket of Shares, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, are open for trading in respect of all Shares comprised in the Basket of Shares during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Per Share Basis)" means, in respect of a Share, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such Share are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Single Share Basis)" means any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, the Share(s) on the Exchange or (b) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Share(s) on any relevant Related Exchange;

"Extraordinary Event Effective Date" means, in respect of an Extraordinary Event, the date on which such Extraordinary Event occurs, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner;

"Intraday Price" means, in respect of a Share and any time on a Scheduled Trading Day, the published or quoted price of such Share at such time on such day as determined by the Calculation Agent, subject as provided in Share Security Condition 3 (*Potential Adjustment Events*) and Share Security Condition 5 (*Extraordinary Events*) (as amended where "GDR/ADR" is specified as applicable);

"Italian Securities Reference Price" means the *Prezzo di Riferimento*, which means, in relation to a Share and a Scheduled Trading Day, the price for such Share published by the Italian Stock Exchange at the close of trading for such day and having the meaning ascribed thereto in the Rules of the Market organised and managed by the Italian Stock Exchange, as such Rules may be amended by the Borsa Italiana S.p.A. from time to time;

"Related Exchange" means, in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share;

"Relative Performance Basket" means a basket composed of Shares of each Basket Company specified in the applicable Final Terms where no weighting shall be applicable and where the Cash Settlement Amount shall be determined by reference to the Share which is either (a) the best performing, or (b) the worst performing, in each case as specified in the applicable Final Terms;

"Scheduled Trading Day" means either (a) in the case of a single Share, Scheduled Trading Day (Single Share Basis) or (b) in the case of a Basket of Shares, (i) Scheduled Trading Day (All Shares Basis) or (ii) Scheduled Trading Day (Per Share Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Scheduled Trading Day (Per Share Basis) shall apply;

"Scheduled Trading Day (All Shares Basis)" means, in respect of a Basket of Shares, any day on which each Exchange and each Related Exchange are scheduled to be open for trading in respect of all Shares comprised in the Basket of Shares during their respective regular trading session(s);

"Scheduled Trading Day (Per Share Basis)" means, in respect of a Share, any day on which the relevant Exchange and the relevant Related Exchange in respect of such Share are scheduled to be open for trading during their respective regular trading session(s);

"Scheduled Trading Day (Single Share Basis)" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"Settlement Cycle" means in respect of a Share, the period of Clearance System Days following a trade in the Share on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, in relation to each Security, or if Units are specified in the applicable Final Terms, each Unit, as the case may be, subject to the provisions of this Annex 3 and as referred to in "Strike Date", "Averaging Date", "Observation Date" or "Valuation Date", as the case may be:

- (a) in the case of Share Securities relating to a Basket of Shares and in respect of each Share comprising the Basket of Shares, an amount equal to the official closing price or the Italian Securities Reference Price, as specified in the applicable Final Terms, (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or, other than in the case of Single Final Payout - Leverage Factor Securities, if in the opinion of the Calculation Agent, any such official closing price or Italian Securities Reference Price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such Share whose official closing price or Italian Securities Reference Price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined by the Calculation Agent, acting in good faith and a commercially reasonable manner, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Share (or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Weighting, such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent acting in good faith and in a commercially reasonable manner; and

- (b) in the case of Share Securities relating to a single Share, an amount equal to, as specified in the applicable Final Terms:
- (i) if AQR is not specified as applicable in the applicable Final Terms, the official closing price or the Italian Securities Reference Price, as specified in the applicable Final Terms, (or the price at the Valuation Time on the relevant Settlement Price Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (i) if Averaging is not specified in the applicable Final Terms, the relevant Settlement Price Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date, or, other than in the case of Single Final Payout - Leverage Factor Securities, if, in the opinion of the Calculation Agent, any such official closing price or Italian Securities Reference Price (or the price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the relevant Settlement Price Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the relevant Settlement Price Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share (or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent acting in good faith and in a commercially reasonable manner; or
- (ii) If AQR is specified as applicable in the applicable final terms and (a) if Averaging is not specified as applicable in the applicable Final Terms, the volume-weighted average price of the Share on the Exchange as displayed on the appropriate Bloomberg screen using function "AQR", subject to custom condition "Automatic Trade" on the Bloomberg information system (or any future successor screen page or information system) on the relevant Settlement Price Date at the Valuation Time indicated in the applicable Final Terms, or (b) if Averaging is specified as applicable in the applicable Final Terms, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the volume-weighted average price of the Share on the Exchange as displayed on the appropriate Bloomberg screen using function "AQR", subject to custom condition "Automatic Trade" on the Bloomberg information system (or any future successor screen page or information system) on each of the Averaging Dates at the Valuation Time indicated in the applicable Final Terms (in both cases under (a) and (b), the "**VWA Settlement Price**"), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent acting in good faith and in a commercially reasonable manner.

"Settlement Price Date" means the Strike Date, an Observation Date or the Valuation Date, as the case may be, or if the Securities are Single Final Payout - Leverage Factor Securities, an Exchange Business Day and the Valuation Date;

"Shares" and **"Share"** mean, subject to adjustment in accordance with this Annex 3, in the case of an issue of Securities relating to a Basket of Shares, each share and, in the case of an issue of Securities relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly;

"Share Company" means, in the case of an issue of Securities relating to a single Share, the company that has issued such Share;

"Share Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle; and

"Trading Disruption" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (a) relating to the Share on the Exchange; or (b) in futures or options contracts relating to the Share on any relevant Related Exchange.

2. **Market Disruption**

"Market Disruption Event" means, in relation to Securities relating to a single Share or a Basket of Shares, in respect of a Share, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Security Condition 8 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Strike Date, an Averaging Date, an Observation Date, the Automatic Early Expiration Valuation Date or a Valuation Date as the case may be.

3. **Potential Adjustments Events**

"Potential Adjustment Event" means any of the following:

- (a) a subdivision, consolidation or reclassification of the relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Shares of (i) such Shares or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an extraordinary dividend as determined by the Calculation Agent;
- (d) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (e) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (f) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, certificates, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (g) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

"Potential Adjustment Event Effective Date" means, in respect of a Potential Adjustment Event, the date on which such Potential Adjustment Event is announced by the relevant Basket Company or Share Company, as the case may be, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

Following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, acting in good faith and in a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (b) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Notwithstanding the foregoing, the Calculation Agent will adjust any relevant terms of the Securities as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Securities.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Security Condition 8 (*Notices*), stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. **Dividend Event**

If "Dividend Protection" is specified as being applicable in the applicable Final Terms, upon the occurrence of a Dividend Event during the period from, but excluding, the Issue Date, to, and including, the Exercise Date as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, the Calculation Agent may, acting in good faith and in a commercially reasonable manner, and unless otherwise provided in the Final Terms, adjust the values and level indicated in the applicable Final Terms by multiplying such levels by the Adjustment Factor K (rounded to the fourth decimal digit).

Upon the making of any such adjustments, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Security Condition 8 (*Notices*) stating the occurrence of the Dividend Event and providing details of the relevant adjustments, provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such adjustment.

Where:

"Actual Dividend" means, in respect of any Business Day (i) if the distribution is made in cash, 100% of the gross cash dividend per Share declared by the Share Company, as the case may be, to holders of record of a Share and for which the Ex-Dividend Date falls on such Business Day; and (ii) if the distribution is made otherwise, a dividend amount per share as determined by the Calculation Agent as equal to the fair market value of the distributed assets on the relevant Ex-Dividend Date and for which the Ex-Dividend Date falls on such day; and (iii) if no distribution is made for which the Ex-Dividend Date falls on such Business Day, zero.

Where a distribution is announced which may, at the election of the relevant shareholder, be satisfied by a payment of cash or a distribution of shares, the distribution shall be treated as a cash dividend in an amount equal to such cash amount.

"Adjustment Factor K" means the factor calculated in accordance with the following formula and rounded to the eight decimal digit:

$$\text{Adjustment Factor K} = \frac{\text{Cum Reference Price} - \text{Actual Dividend}}{\text{Cum Reference Price} - \text{Scheduled Dividend}}$$

"**Cap Level**" is as defined in the applicable Final Terms.

"**Cum Reference Price**" means the official closing price of the Shares on the Exchange Business Day preceding the Ex-Dividend Date.

"**Dividend Event**" means that on any Business Day either:

- (i) the Actual Dividend declared by the Share Company, in respect of the Share in relation to which the Ex-Dividend Date falls on such Business Day differs from the amount of the Scheduled Dividend for such Business Day; or
- (ii) the Scheduled Dividend for such Business Day is greater than zero, but there is no Actual Dividend declared by the Share Company, in relation to which the Ex-Dividend Date falls on such Business Day.

"**Ex-Dividend Date**" means either (i) the first Business Day following the declaration of a distribution on which a holder of a Share on such Business Day is not entitled to receive such distribution or (ii) each Scheduled Ex-Date.

"**Scheduled Dividend**" is as defined in the applicable Final Terms.

"**Scheduled Ex-Date**" is as defined in the applicable Final Terms.

5. **Extraordinary Events**

- 5.1 The occurrence of any of De-Listing, Insolvency, Merger Event, Nationalisation, Tender Offer (unless Tender Offer is specified as not applicable in the applicable Final Terms), or, if specified as applicable in the applicable Final Terms, Illiquidity, Listing Change, Listing Suspension or CSR Event, as the case may be, shall be deemed to be an "**Extraordinary Event**", the consequences of which are set forth in Share Security Condition 5.2 (*Consequences of the occurrence of an Extraordinary Event*):

"**CSR Event**" means, in respect of Share Securities relating to a Basket of Shares, any negative change in any Non-Financial Rating of a Basket Company when compared to such Non-Financial Rating as at the Issue Date of the first tranche of the Series, if such change is material, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

"**De-Listing**" means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on (a) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or (b) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

"**Illiquidity**" means, in respect of Share Securities relating to a Basket of Shares, that, in the determination of the Calculation Agent, during any period of five consecutive Scheduled Trading Days falling after the Issue Date (the "**Relevant Period**"), (a) the difference between the bid prices and the ask prices in respect of a Share during the Relevant Period is greater than 1 per cent. (on average), and/or (b) the average purchase price or the average selling price, determined by the Calculation Agent from the order book of the relevant Share on the relevant Exchange during the Relevant Period, in relation to the purchase or sale of Shares with a value equal to or greater than EUR 10,000.00, is greater than MID plus 1 per cent. (in relation to a purchase of Shares) or lower than the MID minus 1 per cent. (in relation to a sale of Shares). For these purposes, "**MID**" means an amount equal to (i) the sum of the bid price and the ask price, in each case for the relevant Share at the relevant time, (ii) divided by two.

"**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share

Company, as the case may be, (a) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (b) holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

"Listing Change" means, in respect of any relevant Shares, that such Shares cease (or will cease) to be listed, traded or publicly quoted on the listing compartment or the relevant market of the Exchange on which such Shares were listed, traded or publicly quoted on the Issue Date of the relevant Securities, for any reason (other than a Merger Event or Tender Offer).

"Listing Suspension" means, in respect of any relevant Shares, that the listing of such Shares on the Exchange has been suspended.

"Merger Event" means, in respect of any relevant Shares, any:

- (a) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person,
- (b) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding),
- (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or
- (d) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event,

in each case if the relevant Extraordinary Event Effective Date is on or before (i) in the case of Cash Settled Securities, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Security or (ii) in the case of Physical Delivery Securities, the relevant Settlement Date.

"Nationalisation" means that all the Shares or all or substantially all the assets of the Basket Company or Share Company, as the case may be, are nationalised, expropriated or are otherwise transferred to any governmental agency, authority, entity or instrumentality thereof.

"Non-Financial Rating" means the rating assigned to the Basket Company by the relevant non-financial rating agency being an entity assigning ratings based on corporate social responsibility including corporate governance and ethical business conduct, social and human resources policy, environmental protection policy and social initiatives (each such agency, a **"Non-Financial Rating Agency"**).

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares of the Basket Company or Share Company, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

5.2 Consequences of the occurrence of an Extraordinary Event:

If an Extraordinary Event occurs in relation to a Share, the Issuer may take any of the relevant actions described in (a), (c) or (d) (in the case of Securities relating to either a single Share or a Basket of Shares), or (b) or (e) (in the case of Securities relating to a Basket of Shares) as it deems appropriate:

- (a) require the Calculation Agent to determine acting in good faith and in a commercially reasonable manner the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary Event made by any options exchange to options on the Shares traded on that options exchange. In addition, in relation to a Basket of Shares, the Calculation Agent may adjust the Basket of Shares in accordance with the provisions of sub-paragraph 5.2(e) below;
- (b) in the case of Share Securities relating to a Basket of Shares, cancel the Warrants in part by giving notice to Securityholders in accordance with Security Condition 8 (*Notices*). If the Securities are so cancelled in part the portion (the "**Settled Amount**") of each Security, or if Units are specified in the applicable Final Terms, each Unit, as the case may be, representing the affected Share(s) shall be settled and the Issuer will:
 - (i) if Highest Value is specified as applicable in the applicable Final Terms, pay to each Securityholder the Settled Amount in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.1;
 - (ii) if Market Value is specified as applicable in the applicable Final Terms, pay to each Securityholder the Settled Amount in respect of each Security held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.2; or
 - (iii) if the Calculation Agent determines that such Extraordinary Event constitutes a *force majeure*, and if Share Security Condition 5.2(b)(iii) is specified in the applicable Final Terms, pay to each Securityholder the Settled Amount in respect of each Security, or if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder, which amount shall be equal to the fair market value of a Warrant or Unit, as the case may be, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Warrants at their fair market value) and no such costs shall be deducted), such amount to be paid to the Securityholders on the date notified to the Securityholders in the notice of cancellation; or
 - (iv) otherwise, pay to each Securityholder in respect of each Security or Unit, as the case may be, held by him an amount equal to the fair market value of the Settled Amount taking into account the relevant Extraordinary Event, less, unless if Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner; and
 - (v) require the Calculation Agent to determine acting in good faith and in a commercially reasonable manner the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price and/or the Weighting and/or

any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such cancellation in part.

For the avoidance of doubt the remaining part of each Security or Unit, as the case may be, after such cancellation and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8 (*Notices*);

- (c) on giving notice to Securityholders in accordance with Security Condition 8, cancel all but not some only of the Warrants, or if Units are specified in the applicable Final Terms, Units, as the case may be, and:
- (i) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each Securityholder an amount in respect of each Security or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.1;
 - (ii) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each Securityholder an amount in respect of each Security or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.2;
 - (iii) if the Calculation Agent determines that such Extraordinary Event constitutes a *force majeure*, and if Share Security Condition 5.2(c)(iii) is specified in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each Securityholder an amount in respect of each Security or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder, which amount shall be equal to the fair market value of a Warrant or Unit, as the case may be, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Securityholders on the date notified to the Securityholders in the notice of cancellation; or
 - (iv) otherwise, by payment of an amount equal to the fair market value of a Warrant or Unit, as the case may be, taking into account the relevant Extraordinary Event, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, plus if already paid, the Exercise Price, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Holders in accordance with Security Condition 8 (*Notices*); or
- (d) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary Event,

that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded; or

- (e) on or after the relevant Extraordinary Event Effective Date, the Calculation Agent may adjust the Basket of Shares to include a Share selected by it in accordance with the criteria for Share selection set out below (each, a "**Substitute Share**") for each Share (each, an "**Affected Share**") of each Basket Company (each, an "**Affected Basket Company**") which is affected by such Extraordinary Event and the Substitute Share will be deemed to be a "**Share**" and the relevant issuer of such shares a "**Basket Company**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, provided that the Exercise Price will be determined by the Calculation Agent in accordance with the following formula:

$$\text{Exercise Price} = A \times (B/C)$$

where:

"A" is the official closing price of the relevant Substitute Share on the relevant Exchange on the Substitution Date;

"B" is the Exercise Price of the relevant Affected Share; and

"C" is the official closing price of the relevant Affected Share on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the Basket of Shares will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") acting in good faith and in a commercially reasonable manner and specified in the notice referred to below which may, but need not, be the relevant Extraordinary Event Effective Date.

The Weighting of each Substitute Share in the Basket of Shares will be equal to the Weighting of the relevant Affected Share.

In order to be selected as a Substitute Share, the relevant share must satisfy the following criteria, in the determination of the Calculation Agent, acting in good faith and in a commercially reasonable manner:

- (i) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and the relevant share is not already included in the Basket of Shares, the relevant share shall be an ordinary share of the entity or person (other than the Affected Basket Company) involved in the Merger Event or the making of the Tender Offer that is, or that as of the relevant Extraordinary Event Effective Date is promptly scheduled to be, (A) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (B) not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (ii) where the relevant Extraordinary Event is a Merger Event or a Tender Offer and a share would otherwise satisfy the criteria set out in paragraph (i) above, but such share is already included in the Basket of Shares or such Share does not satisfy the criteria set out in paragraph (i) above, or in the case of an Extraordinary Event other than a Merger Event or a Tender Offer:
- (A) the relevant issuer of the share shall belong to the same economic sector as the Affected Basket Company;
- (B) the relevant issuer of the share shall have a comparable market capitalisation, international standing and exposure as the Affected Basket Company; and

- (C) in the case of the occurrence of a CSR Event only, the relevant issuer of the share shall have a comparable Non-Financial Rating to the Affected Basket Company.

If the Calculation Agent determines that more than one Extraordinary Event occurs in respect of a Share Company or a Basket Company, which are not connected and have different consequences pursuant to this Share Security Condition 5.2, the Calculation Agent will determine which such Extraordinary Event and related consequences shall apply acting in good faith and in a commercially reasonable manner.

Upon the occurrence of an Extraordinary Event, if the Calculation Agent determines that an adjustment in accordance with the above provisions is necessary it shall notify the Issuer thereof as soon as practicable, and the Issuer shall give notice as soon as practicable to the Securityholders in accordance with Security Condition 8 (*Notices*) stating the occurrence of the Extraordinary Event, giving details thereof and the action proposed to be taken in relation thereto including, in the case of a Share Substitution, the identity of the Substitute Shares and the Substitution Date.

5.3 Hedging Liquidity Event

- (a) "**Hedging Liquidity Event**" means that, at any time after the Listing Date of the Securities, the volume of Shares held by the Issuer and/or any of its Affiliates in relation to any hedging arrangements in respect of the Securities is above the Maximum Hedging Liquidity Level;

"**Maximum Hedging Liquidity Level**" means the percentage specified as such in the applicable Final Terms or, if not so specified, 50 per cent. of the daily average volume of the transactions on the Shares on the Exchange over the last 6 month time period appearing on the relevant Screen Page.

- (b) Consequences of a Hedging Liquidity Event

If Hedging Liquidity Event is specified as applicable in the applicable Final Terms and in the determination of the Calculation Agent a Hedging Liquidity Event occurs in relation to a Share, the Issuer may immediately cancel all but not some only of the Warrants or, if Units are specified in the applicable Final Terms, Units, at an amount equal to the fair market value of a Warrant or Unit, as the case may be, taking into account the relevant Hedging Liquidity Event, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Notice of cancellation will be given to Securityholders in accordance with Security Condition 8 (*Notices*) as soon as practicable following determination of the occurrence of the Hedging Liquidity Event and payments will be made in such manner as shall be notified to the Securityholders.

6. Correction of Share Price

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment or delivery under the Securities, if the price of the relevant Share published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Exchange within the number of days equal to the Share Correction Period of the original publication, the price to be used shall be the price of the relevant Share as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment or delivery under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

7. Dividend Payment

If "Dividend Payment" is specified as being applicable in the applicable Final Terms, the following provisions shall apply to the Securities:

- (a) In the event that on or after the Issue Date a Cash Dividend is paid by the Share Company or Basket Company, as the case may be, notwithstanding any provisions in these Terms and

Conditions to the contrary, the Calculation Agent shall calculate (i) the relevant Distributed Amount and (ii) the relevant Dividend Date.

- (b) As soon as practicable following the Dividend Date, the Issuer shall give notice (a "**Cash Dividend Notice**") to the Securityholders in accordance with Security Condition 8 (*Notices*) of the Cash Dividend and the relevant Cash Dividend Payment Date and the Issuer, or failing which the Guarantor, if applicable, shall pay to each Securityholder on the Cash Dividend Payment Date an amount equal to the Cash Dividend Amount in respect of each Security held by him on the Cash Dividend Payment Date, provided that if the relevant Dividend Date has not occurred prior to the Actual Exercise Date, the Issuer shall not be obliged to pay such Cash Dividend Amount and the Issuer and/or the Guarantor, if applicable, shall have no further obligation in respect thereof.
- (c) The Cash Dividend Notice shall specify the manner in which the Cash Dividend Amount shall be paid to each Securityholder.

For the purposes of this Share Security Condition 7 the following definitions shall apply:

"Cash Dividend" means any cash dividend paid by the Share Company or Basket Company in respect of a Share;

"Cash Dividend Amount" means, in respect of a Security, an amount calculated by the Calculation Agent equal to the Distributed Amount less a *pro rata* share of Dividend Expenses, such amount to be converted into the Settlement Currency at an exchange rate determined by the Calculation Agent acting in good faith and in a commercially reasonable manner on or as soon as practicable after the Dividend Date;

"Cash Dividend Payment Date" means, in respect of a Cash Dividend, the date specified as such in the relevant Cash Dividend Notice;

"Distributed Amount" means, in respect of a Cash Dividend, the amount of such dividend paid by the Share Company in respect of a Share, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner;

"Dividend Date" means, in respect of a Cash Dividend, the date on which such Cash Dividend would be received by a holder of the Share as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner; and

"Dividend Expenses" means all present, future or contingent withholding, capital gain, profit, transactional or business tax or other similar tax or duty (including stamp duty) and/or expenses (including any applicable depositary charges, transaction charges, issue, registration, transfer and/or other expenses) which the Calculation Agent determines have been or may be deducted and/or may arise or may have arisen in respect of the Cash Dividend and/or any payment of the Cash Dividend Amount in respect of the Securities.

8. **GDR/ADR**

Share Security Conditions 9 (*Definitions relating to GDR/ADR*) to 13 (*Extraordinary Events*) (inclusive) apply where "GDR/ADR" is specified as applicable in the applicable Final Terms.

9. **Definitions relating to GDR/ADR**

"ADR" means an American Depositary Receipt;

"Conversion Event" means any event which in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner results (or will result) in the GDRs and/or ADRs being converted into Underlying Shares or any other listed Securities of the issuer of the Underlying Shares;

"GDR" means a Global Depositary Receipt; and

"Underlying Shares" means the shares underlying an ADR or GDR, as the case may be.

10. **General**

Save where specifically provided under the Final Terms, all references in the Security Conditions, and the Share Security Conditions to the "Shares" shall be deemed to be to the GDRs or ADRs, as applicable, and/or the Underlying Shares, references to the "Share Company" or "Basket Company", as applicable, shall be deemed to be to the issuer of the GDRs or ADRs, as the case may be, and the issuer of the Underlying Shares, and references to the "Exchange" shall be deemed to be to the exchange or quotation system on which the GDRs or ADRs, as the case may be, are listed and the exchange or quotation system on which the Underlying Shares are listed, and with such additional or alternative modifications as the Calculation Agent may consider necessary or otherwise desirable provided that any such amendment is not materially prejudicial to the Securityholders of Securities.

11. **Share Event**

Upon the occurrence of a Share Event, the Issuer may take the action described in paragraphs (a), (b), (c), (d) or (e), as applicable, of Share Security Condition 5.2 (*Consequences of the occurrence of an Extraordinary Event*) The Issuer shall give notice as soon as practicable to the Securityholders in accordance with Security Condition 8 (*Notices*) stating the occurrence of the Share Event, giving details thereof and the action proposed to be taken in relation thereto.

"Share Event" means each of the following events:

- (a) written instructions have been given by the Issuer or a Qualified Investor to the depository of the Underlying Shares to withdraw or surrender the Underlying Shares;
- (b) the termination of the deposit agreement in respect of the Underlying Shares.

If an event constitutes both a Share Event and an Additional Disruption Event, the Calculation Agent shall, acting in good faith and in a commercially reasonable manner, determine which of these events such event constitutes.

12. **Potential Adjustment Event**

The following additional event shall be deemed added to paragraph (b) of the definition of Potential Adjustment Event in Share Security Condition 3 (*Potential Adjustments Events*):

"and/or a distribution in respect of the Underlying Shares of property other than cash, shares or rights relating to any Underlying Shares to the holder of the Underlying Shares".

13. **Extraordinary Events**

The following additional events shall be deemed added to the first paragraph of Share Security Condition 5.1 after the words "*as not applicable in the applicable Final Terms*)":

"Conversion Event".

ANNEX 4

ADDITIONAL TERMS AND CONDITIONS FOR ETI SECURITIES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Securities specified in the applicable Final Terms as ETI Securities shall comprise the Security Conditions and the additional Terms and Conditions for ETI Securities set out below (the "**ETI Security Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Security Conditions and (ii) the ETI Security Conditions, the ETI Security Conditions shall prevail.

1. Definitions

"Basket Trigger Event" means that an Extraordinary ETI Event occurs in respect of one or more ETI Interests or the related ETI comprising the ETI Basket which has or, in the event that an Extraordinary ETI Event has occurred in respect of more than one ETI, together have, a Weighting in the ETI Basket equal to or greater than the Basket Trigger Level;

"Basket Trigger Level" has the meaning given to it in the applicable Final Terms or if not so specified, 50 per cent;

"Calculation Date" means each day(s) specified in the applicable Final Terms, or if not so specified, each day which is an Exchange Business Day;

"Clearance System" means the applicable domestic clearance system customarily used for settling trades in the relevant ETI Interest;

"Clearance System Days" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

"Closing Price" means, in respect of an ETI and a Scheduled Trading Day, the official closing price (or if Value per ETI Interest is specified as applicable in the applicable Final Terms, the Value per ETI Interest) in respect of the relevant ETI Interest in relation to such day as determined by the Calculation Agent, subject as provided in ETI Security Condition 3 (*Potential Adjustment Events*) or ETI Security Condition 4 (*Extraordinary ETI Events*);

"Disrupted Day" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

"Dividend Event" means that with reference to the later of (i) the two financial years prior to the Trade Date, and (ii) the two financial years prior to the relevant observation date, the ETI has implemented a material change to its practice with respect to the payment of dividends;

"Early Closure" means the closure on any Exchange Business Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;

"ETI" means (i) any exchange traded fund, (ii) the issuer of (A) an exchange traded note, (B) exchange traded commodity or (C) any other exchange traded product or (iii) any other exchange traded entity specified as an ETI in the applicable Final Terms;

"ETI Basket" means, where the ETI Securities are linked to the performance of ETI Interests of more than one ETI, a basket comprising such ETI Interests;

"ETI Documents" means with respect to any ETI Interest, the offering document of the relevant ETI in effect on the Hedging Date specifying, among other matters, the terms and conditions relating to such ETI Interests and, for the avoidance of doubt, any other documents or agreements in respect of the ETI, as may be further described in any ETI Document;

"ETI Interest(s)" means (i) in respect of an exchange traded fund, an ownership interest issued to or held by an investor in such ETI, (ii) in respect of an exchange traded note or an exchange traded commodity, a unit or note, as the case may be, issued by such ETI, or (iii) in respect of any other exchange traded product, any other interest specified as an ETI Interest in the applicable Final Terms;

"ETI Interest Correction Period" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

"ETI Related Party" means, in respect of any ETI, any person who is appointed to provide services (howsoever described in any ETI Documents), directly or indirectly, in respect of such ETI, whether or not specified in the ETI Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in the applicable Final Terms and in the case of an exchange traded note or exchange traded commodity, the calculation agent;

"Exchange" means in relation to an ETI Interest, each exchange or quotation system specified as such for the relevant ETI in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such ETI Interest on such temporary substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means either (i) in the case of a single ETI Interest, Exchange Business Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Exchange Business Day (All ETI Interests Basis) or Exchange Business Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"Exchange Business Day (All ETI Interests Basis)" means, in respect of an ETI Basket, any Scheduled Trading Day on which each Exchange and each Related Exchange, if any, are open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s) notwithstanding any such Exchange or Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Per ETI Interest Basis)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange, if any, in respect of such ETI Interest are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Business Day (Single ETI Interest Basis)" means, in respect of an ETI Interest, any Scheduled Trading Day on which the relevant Exchange and the relevant Related Exchange (if any) are open for trading during their respective regular trading session(s), notwithstanding any such relevant Exchange or relevant Related Exchange closing prior to their Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the ETI Interest on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the ETI Interest on any relevant Related Exchange;

"Extraordinary ETI Event Effective Date" means, in respect of an Extraordinary ETI Event, the date on which such Extraordinary ETI Event occurs, or has occurred, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner;

"Final Calculation Date" means the date specified as such in the applicable Final Terms;

"Hedge Provider" means the party (being, *inter alios*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Securities or where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of ETI Interests, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of ETI Interests as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Securities;

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

"Hedging Shares" means the number of ETI Interests that the Issuer and/or any of its Affiliates deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Securities;

"Hypothetical Investor" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in an ETI Interest which is deemed to have the benefits and obligations, as provided in the relevant ETI Documents, of an investor holding an ETI Interest at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Guarantor (if applicable), the Calculation Agent or any of their Affiliates (as determined by the Calculation Agent in the context of the relevant situation);

"Implied Embedded Option Value" means, an amount (which may never be less than zero) equal to the present value as of the Implied Embedded Option Value Determination Date, of any scheduled but unpaid payments under the Securities in respect of the period from (and including) the Extraordinary ETI Event Effective Date to (and including) the Settlement Date, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner but, notwithstanding anything to the contrary contained herein, taking into account, without limitation, such factors as the net proceeds actually received from the redemption or sale of any ETI Interests by the Hedge Provider, the volatility of the ETI Interests and any transaction costs;

"Implied Embedded Option Value Determination Date" means the date determined by the Calculation Agent to be the first date on which it is possible to determine the Implied Embedded Option Value following the occurrence of an Extraordinary ETI Event;

"Initial Calculation Date" means the date specified as such in the applicable Final Terms, or if not so specified, the Hedging Date;

"Intraday Price" means, in respect of an ETI and any time on a Scheduled Trading Day, the published or quoted price (or if Value per ETI Interest is specified as applicable in the applicable Final Terms, the Value per ETI Interest) in respect of the relevant ETI Interest in relation to such time on such day as determined by the Calculation Agent, subject as provided in ETI Security Condition 3 (*Potential Adjustment Events*) or ETI Security Condition 4 (*Extraordinary ETI Events*);

"Investment/AUM Level" has the meaning given to it in the applicable Final Terms, or if not so specified, EUR 50,000,000 or the equivalent in any other currency;

"Loss of Stock Borrow" means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any ETI Interest in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate;

"Maximum Stock Loan Rate" means in respect of an ETI Interest, the Maximum Stock Loan Rate specified in the applicable Final Terms;

"Merger Event" means, in respect of any relevant Interests and Entity, any:

- (i) reclassification or change of such ETI Interests that results in a transfer of or an irrevocable commitment to transfer all of such ETI Interests outstanding to another entity or person,

- (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such ETI, is the continuing entity and which does not result in a reclassification or change of all of such ETI Interests outstanding),
- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding ETI Interests of an ETI that results in a transfer of or an irrevocable commitment to transfer all such ETI Interests (other than such ETI Interests owned or controlled by such other entity or person), or
- (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an ETI or its subsidiaries with or into another entity in which the ETI is the continuing entity and which does not result in a reclassification or change of all such ETI Interests outstanding but results in the outstanding ETI Interests (other than ETI Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding ETI Interests immediately following such event,

in each case if the relevant Extraordinary ETI Event Effective Date is on or before (a) in the case of Cash Settled Securities, the last occurring Valuation Date or (b) in the case of Physical Delivery Securities, the Settlement Date. For the purposes of this definition only, "**Interests**" shall mean the applicable ETI Interests or the shares of any applicable ETI Related Party, as the context may require, and "**Entity**" shall mean the applicable ETI or any applicable ETI Related Party, as the context may require;

"**Number of Value Publication Days**" means the number of calendar days or Value Business Days specified in the applicable Final Terms, being the maximum number of days after the due date for publication or reporting of the Value per ETI Interest after which the ETI Related Party or any entity fulfilling such role, howsoever described in the ETI Documents, or any other party acting on behalf of the ETI, may remedy any failure to publish or report the Value per ETI Interest before the Calculation Agent may determine that an Extraordinary ETI Event has occurred;

"**Related Exchange**" means in relation to an ETI Interest, each exchange or quotation system specified as such for such ETI Interest in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such ETI Interest has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such ETI Interest on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such ETI Interest;

"**Scheduled Trading Day**" means either (i) in the case of a single ETI and in relation to an ETI Interest, Scheduled Trading Day (Single ETI Interest Basis) or (ii) in the case of an ETI Basket, Scheduled Trading Day (All ETI Interest Basis) or Scheduled Trading Day (Per ETI Interest Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per ETI Interest Basis) shall apply;

"**Scheduled Trading Day (All ETI Interest Basis)**" means, in respect of an ETI Basket, any day on which the Exchange and Related Exchange(s) are scheduled to be open for trading in respect of all ETI Interests comprised in the ETI Basket during their respective regular trading session(s);

"**Scheduled Trading Day (Per ETI Interest Basis)**" means, in respect of an ETI Interest, any day on which the relevant Exchange and the relevant Related Exchange in respect of such ETI Interest are scheduled to be open for trading during their respective regular trading session(s);

"**Scheduled Trading Day (Single ETI Interest Basis)**" means any day on which the relevant Exchange and the relevant Related Exchange are scheduled to be open for trading during their respective regular trading session(s);

"Settlement Cycle" means in respect of an ETI Interest, the period of Clearance System Days following a trade in the ETI Interest on the Exchange in which settlement will customarily occur according to the rules of such Exchange;

"Settlement Price" means, in relation to each Security, unless otherwise stated in the applicable Final Terms and subject to the provisions of these ETI Security Conditions and as referred to in "Valuation Date" or "Averaging Date", as the case may be:

- (i) in the case of ETI Securities relating to an ETI Basket and in respect of each ETI Interest comprising the ETI Basket, an amount equal to:
 - (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on:
 - (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date;
 - or
 - (b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for such ETI Interest whose official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide); or
 - (y) if the applicable Final Terms specify that the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest for such ETI Interest on:
 - (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date;
 - or
 - (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, in each case multiplied by the relevant Weighting, such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate, all as determined by or on behalf of the Calculation Agent; and
- (ii) in the case of ETI Securities relating to a single ETI Interest, an amount equal to:
 - (x) if the applicable Final Terms specify that the Settlement Price is to be the official closing price, the official closing price (or the price at the Valuation Time on the

Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such ETI Interest on:

(a) if Averaging is not specified in the applicable Final Terms, the Valuation Date;

or

(b) if Averaging is specified in the applicable Final Terms, an Averaging Date (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the ETI Interest based, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions or applicable brokers (as selected by the Calculation Agent) engaged in the trading of such ETI Interest or on such other factors as the Calculation Agent shall decide); or

(y) if the applicable Final Terms specify that the Settlement Price is to be the Value per ETI Interest, the Value per ETI Interest on:

(a) if Averaging is not specified in the applicable Final Terms, the Valuation Date;

or

(b) if Averaging is specified on the applicable Final Terms, an Averaging Date, in each case, such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

"Specified Maximum Days of Disruption" means eight (8) Scheduled Trading Days, or such other number of Specified Maximum Days of Disruption specified in the applicable Final Terms;

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the ETI or an ETI Related Party, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"Termination Amount" means:

(i) if Highest Value is specified as applicable in the applicable Final Terms, an amount in respect of each Security calculated and paid on such date determined, in accordance with Security Condition 21.1; or

(ii) if Market Value is specified as applicable in the applicable Final Terms, an amount in respect of each Security calculated and paid on such date determined, in accordance with Security Condition 21.2; or

- (iii) if the Calculation Agent determines that the relevant Extraordinary ETI Event or combination of Extraordinary ETI Events constitutes a *force majeure*, and if ETI Event *Force Majeure* is specified as applicable in the applicable Final Terms, an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, which amount shall be equal to the fair market value of a Security or Unit, as the case may be, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Securityholders on the date notified to the Securityholders in the notice of cancellation;
- (iv) otherwise, the amount specified in the applicable Final Terms, or if not so specified, an amount equal to the Implied Embedded Option Value (if any), such amount payable on the Termination Date;

"Termination Date" means the date determined by the Issuer and specified in the notice given to Securityholders in accordance with ETI Security Condition 6.2(c);

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

"Trading Disruption" means in relation to an ETI Interest, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise (i) relating to the ETI Interest or any underlying asset of the ETI on the Exchange; or (ii) in futures or options contracts relating to the ETI Interest or any underlying asset of the ETI on any relevant Related Exchange;

"Value Business Day" means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Value Business Day Centre(s) specified in the applicable Final Terms;

"Valuation Time" means in the case of an ETI and in relation to an ETI Interest either (i) the close of trading on the Exchange or (ii) as otherwise specified in the applicable Final Terms;

"Value per ETI Interest" means, with respect to the relevant ETI Interest(s) and the Scheduled Trading Day relating to such ETI Interests, (i) if the relevant ETI Documents refer to an official net asset value per ETI Interest (howsoever described), such official net asset value per ETI Interest, otherwise (ii) the official closing price or value per ETI Interest, as of the relevant calculation date, as reported on such Scheduled Trading Day by the ETI or an ETI Related Party, the relevant Exchange or publishing service (which may include the website of an ETI), all as determined by the Calculation Agent;

"Value per ETI Interest Trading Price Barrier" means the percentage specified in the applicable Final Terms, or if not so specified, 5 per cent.;

"Value per ETI Interest Trading Price Differential" means the percentage by which the Value per ETI Interest differs from the actual trading price of the ETI Interest as of the time the Value per ETI Interest is calculated;

"Value per ETI Interest Trigger Event" means, in respect of any ETI Interest(s), that (i) the Value per ETI Interest has decreased by an amount equal to, or greater than, the Value Trigger Percentage(s) at any time during the related Value Trigger Period, or (ii) the ETI has violated any leverage restriction that is applicable to, or affecting, such ETI or its assets by operation of any law, (x) any order or judgement of any court or other agency of government applicable to it or any of its assets, (y) the ETI Documents or (z) any other contractual restriction binding on or affecting the ETI or any of its assets;

"Value Trigger Percentage" means the percentage specified in the applicable Final Terms or, if not so specified, 50 per cent.;

"Value Trigger Period" means the period specified in the applicable Final Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date. For the avoidance of doubt the period could be equal to specified number of consecutive or non-consecutive Scheduled Trading Days, as defined in the applicable Final Terms.

2. **Market Disruption**

"Market Disruption Event" means, in relation to Securities relating to a single ETI Interest or an ETI Basket, in respect of an ETI Interest the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Security Condition 8 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date or on any Knock-in Determination Day or Knock-out Determination Day, as the case may be.

3. **Potential Adjustment Events**

"Potential Adjustment Event" means any of the following:

- (a) an extraordinary dividend as determined by the Calculation Agent;
- (b) a repurchase or exercise of any call option by any ETI of relevant ETI Interests whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (c) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant ETI Interests.

"Potential Adjustment Event Effective Date" means, in respect of a Potential Adjustment Event, the date on which such Potential Adjustment Event is announced by the relevant ETI or ETI Related Party, as the case may be, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

Following the declaration by the relevant ETI or ETI Related Party, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, acting in good faith and in a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the ETI Interests and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant ETI Interest) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the ETI Interest traded on that options exchange.

Upon the making of any such adjustment, the Calculation Agent shall give notice as soon as reasonably practicable to the Securityholders in accordance with Security Condition 8 (*Notices*) stating the adjustment to any Relevant Asset and/or the Entitlement (where the Securities are Physical Delivery Securities) and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event and the Potential Adjustment Event Effective Date.

4. **Extraordinary ETI Events**

Subject to the provisions of ETI Security Condition 5 (*Determination of Extraordinary ETI Events*) **"Extraordinary ETI Event"** means the occurrence or continuance at any time on or after the Trade Date of any of the following events as determined by the Calculation Agent:

Global Events:

- 4.1 the ETI or any ETI Related Party (i) ceases trading and/or, in the case of an ETI Related Party, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other

relevant business (as applicable), (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv) (1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or

4.2 the occurrence of a Merger Event or Tender Offer;

Litigation/Fraudulent Activity Events:

4.3 there exists any litigation against the ETI or an ETI Related Party which the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, could materially affect the value of the ETI Interests or on the rights or remedies of any investor therein; or

4.4 (i) an allegation of criminal or fraudulent activity is made in respect of the ETI, or any ETI Related Party, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the ETI, any ETI Related Party or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner, materially affect the value of the ETI Interests or the rights or remedies of any investor in such ETI Interests;

Change in ETI Related Parties/Key Persons Events:

4.5 (i) an ETI Related Party ceases to act in such capacity in relation to the ETI (including by way of Merger Event or Tender Offer) and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent; and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the ETI and/or any ETI Related Party to meet or maintain any obligation or undertaking under the ETI Documents which failure is reasonably likely to have an adverse impact on the value of the ETI Interests or on the rights or remedies of any investor therein;

Modification Events:

4.6 a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the ETI (howsoever described, including the underlying type of assets in which the ETI invests), from those set out in the ETI Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;

4.7 a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described),

of the type of assets (i) in which the ETI invests, (ii) the ETI purports to track, or (iii) the ETI accepts/provides for purposes of creation/redemption baskets;

- 4.8 a material modification, or any announcement regarding a potential future material modification, of the ETI (including but not limited to a material modification of the ETI Documents or to the ETI's liquidity terms) other than a modification or event which does not affect the ETI Interests or the or any portfolio of assets to which the ETI Interest relates (either alone or in common with other ETI Interests issued by the ETI);
- 4.9 the currency denomination of the ETI Interest is amended from that set out in the ETI Documents so that the Value per ETI Interest is no longer calculated in the same currency as it was as at the Trade Date; or
- 4.10 if applicable, the ETI ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction;

Net Asset Value/Investment/AUM Level Events:

- 4.11 a material modification of the method of calculating the Value per ETI Interest;
- 4.12 any change in the periodicity of the calculation or the publication of the Value per ETI Interest;
- 4.13 any of the ETI, any ETI Related Parties or any other party acting on behalf of the ETI fails for any reason to calculate and publish the Value per ETI Interest within the Number of Value Publication Days following any date scheduled for the determination of the valuation of the ETI Interests unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication;
- 4.14 the assets under management of, or total investment in, the ETI falls below the Investment/AUM Level;
- 4.15 a Value per ETI Interest Trigger Event occurs;
- 4.16 failure by the ETI or any ETI Related Party to publish (i) the Value per ETI Interest at the end of each Scheduled Trading Day as a result of any action or inaction by the ETI or any ETI Related Party, or (ii) where the relevant ETI Documents provide for the publication of an indicative Value per ETI Interest, such indicative Value per ETI Interest is published no less frequently than once every five (5) minutes during regular trading hours on the Exchange on each Scheduled Trading Day; or
- 4.17 (i) the Value per ETI Interest Trading Price Differential breaches the Value per ETI Interest Trading Price Barrier, and (ii) such breach has an adverse impact on any hedging activities in relation to the Securities;

Tax/Law/Accounting/Regulatory Events:

- 4.18 there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Securities (a "**Tax Event**") and, subject as provided below, the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no practicable means of mitigating the Tax Event; or
- 4.19 (i) any relevant activities of or in relation to the ETI or the ETI Related Parties are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the ETI by any governmental, legal or regulatory entity with authority over the ETI), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the ETI or the ETI

Related Parties or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the ETI is required by a competent authority to redeem any ETI Interests, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any ETI Interests held in connection with any hedging arrangements relating to the Securities and/or (v) any change in the legal, tax, accounting or regulatory treatment of the ETI or any ETI Related Party that is reasonably likely to have an adverse impact on the value of the ETI Interests or other activities or undertakings of the ETI or on the rights or remedies of any investor therein, including any Hedge Provider;

Hedging/Impracticality/Increased Costs Events:

- 4.20 in connection with any hedging activities in relation to the Securities, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Trade Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider to modify any reserve, special deposit, or similar requirement or that would adversely affect the amount or cost of regulatory capital that would have to be maintained in respect of any holding of ETI Interests or that would subject a holder of the ETI Interests or the Hedge Provider to any loss), purchase or sell the relevant ETI Interests or any underlying assets of or related to the ETI or for the Hedge Provider to maintain its hedging arrangements and, (ii) subject as provided below, the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the Relevant Event;
- 4.21 in connection with the hedging activities in relation to the Securities, if the cost to the Hedge Provider in relation to the Securities and the related hedging arrangements (including, but not limited to, new or increased taxes, duties, expenses or fees (or the combined effect thereof if occurring more than once)) would be materially increased or the Hedge Provider would be subject to a material loss relating to the Securities and the related hedging arrangements;
- 4.22 in connection with the hedging activities in relation to the Securities, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset or any futures or option contracts on the relevant Exchange it deems necessary to hedge the equity, commodity or other underlying ETI Interest asset price risk or any other relevant price risk, including but not limited to the Issuer's obligations under the Securities or (ii) to realise, recover or remit the proceeds of any such transaction, asset, or futures or option contract or any relevant hedge positions relating to an ETI Interest of the ETI;
- 4.23 at any time on or after the Trade Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Securities;

Miscellaneous Events:

- 4.24 in the case of Securities linked to an ETI Basket, a Basket Trigger Event occurs;
- 4.25 the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any ETI Related Party or any parent company (howsoever described) of the ETI, by Moody's Investors Service Inc., or any successor to the ratings business thereof ("**Moody's**"), and/or Standard and Poor's Rating Group (a division of McGraw-Hill, Inc.), or any successor to the ratings business thereof ("**S&P**"), is downgraded below A (S&P) or A2 (Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt

rating assigned to any ETI Related Party by Moody's or S&P is downgraded below A-1 (S&P) or P-1 (Moody's);

- 4.26 the occurrence of a Loss of Stock Borrow;
- 4.27 the occurrence of an Additional Extraordinary ETI Event;
- 4.28 if the relevant ETI Documents provide for the payment of dividends, the occurrence of a Dividend Event;
- 4.29 the relevant Exchange announces that pursuant to the rules of such Exchange, the relevant ETI Interests cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on (i) where the Exchange is located in the United States, any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors) or otherwise (ii) a comparable exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

5. **Determination of Extraordinary ETI Events**

The Calculation Agent will determine if an Extraordinary ETI Event has occurred acting in good faith and in a commercially reasonable manner. Where the occurrence of an event or set of circumstances is capable of triggering more than one Extraordinary ETI Event or both an Extraordinary ETI Event and a Market Disruption Event, the Issuer may determine which Extraordinary ETI Event is to be triggered or whether such event or set of circumstances shall be an Extraordinary ETI Event or Market Disruption Event.

In considering whether the occurrence of an event or set of circumstances triggers an Extraordinary ETI Event, the Calculation Agent may have regard to the combined effect, from the Trade Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

6. **Consequences of an Extraordinary ETI Event**

- 6.1 If the Calculation Agent determines that an Extraordinary ETI Event has occurred, the Calculation Agent shall give notice (an "**Extraordinary ETI Event Notice**") to the Securityholders in accordance with Security Condition 8 (*Notices*) (which notice shall be irrevocable), of the occurrence of such Extraordinary ETI Event (the date on which an Extraordinary ETI Event Notice is given, an "**Extraordinary ETI Event Notification Date**") as soon as reasonably practicable following the determination of an Extraordinary ETI Event. The Extraordinary ETI Event Notice shall set out, if determined at that time, the action that it has determined to take in respect of the Extraordinary ETI Event pursuant to ETI Security Condition 6.2 below. Where the action that the Issuer has determined to take is not, for whatever reason, set out in the Extraordinary ETI Event Notice, the action that the Issuer has determined to take shall be set out in a subsequent notice given to Securityholders in accordance with Security Condition 8 (*Notices*) as soon as reasonably practicable after the Extraordinary ETI Event Notification Date.

Neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by any Securityholder or any other person in connection with the Securities as a result of any delay in notifying Securityholders of the occurrence on Extraordinary Fund Event, howsoever arising. If the Calculation Agent gives an Extraordinary ETI Event Notice, the Issuer shall have no obligation to make any payment or delivery in respect of the Securities until the Issuer has determined the action to take pursuant to ETI Security Condition 6.2 below.

- 6.2 Following the occurrence of an Extraordinary ETI Event, the Issuer may take the action described below in (a), (b) or (c).
 - (a) **Adjustment**

If the Issuer determines that the action taken in respect of the Extraordinary ETI Event is to be "**Adjustment**", then it may:

- (i) require the Calculation Agent to determine, acting in good faith and in a commercially reasonable manner, the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the relevant Extraordinary ETI Event and determine the effective date of that adjustment. The relevant adjustments may include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the ETI Interests or to the Securities and a change in the Weighting of any remaining ETI Interest(s) not affected by an Extraordinary ETI Event. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Extraordinary ETI Event made by any options exchange to options on the ETI Interests traded on that options exchange; or
- (ii) following such adjustment to the settlement terms of options on the ETI Interests traded on such exchange(s) or quotation system(s) as the Issuer shall select (the "**Options Exchange**"), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the ETI Interests are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the relevant Extraordinary ETI Event, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

(b) Substitution

If the Issuer determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Substitution**", the Calculation Agent shall on or after the relevant Extraordinary ETI Event Effective Date, substitute each ETI Interest (each, an "**Affected ETI Interest**") of each ETI (each, an "**Affected ETI**") which is affected by such Extraordinary ETI Event with an ETI Interest selected by it in accordance with the criteria for ETI Interest selection set out below (each, a "**Substitute ETI Interest**") and the Substitute ETI Interest will be deemed to be an "**ETI Interest**" and the relevant issuer of such Substitute ETI Interest, an "**ETI**" for the purposes of the Securities, and the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement (in each case where the Securities are Physical Delivery Securities) and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent acting in good faith and in a commercially reasonable manner determines appropriate, provided that in the event that any amount payable under the Securities was to be determined by reference to the initial price of the Affected ETI Interest, the initial price of each Substitute ETI Interest will be determined by the Calculation Agent in accordance with the following formula:

$$\text{initial price} = A \times (B/C)$$

where:

"A" is the Settlement Price of the relevant Substitute ETI Interest on the relevant Exchange on the Substitution Date;

"B" is the initial price of the relevant Affected ETI Interest; and

"C" is the Settlement Price of the relevant Affected ETI Interest on the relevant Exchange on the Substitution Date.

Such substitution and the relevant adjustment to the ETI Basket will be deemed to be effective as of the date selected by the Calculation Agent (the "**Substitution Date**") acting in good faith and in a commercially reasonable manner and specified in the notice referred to below which may, but need not, be the relevant Extraordinary ETI Event Effective Date.

The Weighting of each Substitute ETI Interest will be equal to the Weighting of the relevant Affected ETI Interest.

In order to be selected as a Substitute ETI Interest, the relevant share/unit/interest must satisfy the following criteria, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner:

- (i) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer (a) in the case of ETI Securities related to a single ETI, and (b) in the case of ETI Securities related to an ETI Basket, the relevant share/unit/interest shall be an ordinary share/unit/interest of the entity or person that in the case of a Merger Event is the continuing entity in respect of the Merger Event or in the case of a Tender Offer is the entity making the Tender Offer provided that (i) the relevant share/unit/interest is not already included in the ETI Basket and (ii) it is or as of the relevant Extraordinary ETI Event Effective Date is promptly scheduled to be, (x) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and (y) not subject to any currency exchange controls, trading restrictions or other trading limitations; or
- (ii) (a) where the relevant Extraordinary ETI Event is a Merger Event or a Tender Offer and a share/unit/interest would otherwise satisfy the criteria set out in paragraph (i) above, but such share/unit/interest is (in the case of an ETI Security related to an ETI Basket), already included in the ETI Basket, or (b) where the Extraordinary ETI Event is not a Merger Event or a Tender Offer, an alternative exchange traded instrument which, in the determination of the Calculation Agent, has similar characteristics to the relevant ETI, including but not limited to, a comparable listing (which, for the avoidance of doubt, shall not be restricted to a listing on the exchange or quotation system in the same geographic region), investment objectives, investment restrictions and investment processes, underlying asset pools and whose related parties (such as, but not limited to, trustee, general partner, sponsor, advisor, manager, operating company, custodian, prime broker and depository) are acceptable to the Calculation Agent;

(c) Termination

If the Issuer determines that the action to be taken in respect of the Extraordinary ETI Event is to be "**Termination**", on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), (which such notice may be included in the Extraordinary ETI Event Notice in respect of the relevant Extraordinary ETI Event and will specify the Termination Date), all but not some only of the outstanding ETI Securities shall be cancelled by payment of the Termination Amount on the Termination Date. Payments will be made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8 (*Notices*).

(d) General

In determining to take a particular action as a result of an Extraordinary ETI Event, the Issuer is under no duty to consider the interests of Securityholders or any other person. In making any determination as to which action to take following the occurrence of an Extraordinary ETI Event, neither the Issuer nor the Calculation Agent shall be responsible for any loss (including any liability in respect of interest), underperformance or opportunity cost suffered or incurred by Securityholders or any other person in connection with the Securities as a result thereof,

howsoever arising including as a result of any delay in making any payment or delivery in respect of the Securities.

7. **Correction of ETI Interest Price**

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment or delivery under the Securities, if the price of the relevant ETI Interest published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant price source within the number of days equal to the ETI Interest Correction Period of the original publication, the price to be used shall be the price of the relevant ETI Interest as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment or delivery under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

8. **Calculations and Determinations**

The Calculation Agent and/or the Issuer, as applicable, will make the calculations and determinations as described in the ETI Security Conditions in such a manner as the Calculation Agent and/or the Issuer, as the case may be, determines to be appropriate acting in good faith and in a commercially reasonable manner having regard in each case to the criteria stipulated in the ETI Security Conditions, the hedging arrangements in respect of the Securities and the nature of the relevant ETI and related ETI Interests.

ANNEX 5

ADDITIONAL TERMS AND CONDITIONS FOR DEBT SECURITIES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Securities specified in the applicable Final Terms as Debt Securities shall comprise the Security Conditions and the additional Terms and Conditions for Debt Securities set out below (the "**Debt Security Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Security Conditions and (ii) the Debt Security Conditions, the Debt Security Conditions shall prevail.

1. **Settlement Price**

"**Settlement Price**" means, in relation to each Security, unless otherwise stated in the applicable Final Terms, in relation to each Cash Settled Security, or if Units are specified in the applicable Final Terms, each Unit, as the case may be, and subject as referred to in "Averaging Date" or "Valuation Date":

- (a) in the case of Debt Securities relating to a basket of Debt Instruments, an amount equal to the sum of the values calculated for each Debt Instrument as (x) the Reference Price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time as determined by or on behalf of the Calculation Agent on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the Reference Prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such prices to be expressed as a percentage of the nominal amount of such Debt Instrument (y) multiplied by the product of the nominal amount of such Debt Instrument and the relevant Weighting; and
- (b) in the case of Debt Securities relating to a single Debt Instrument, an amount equal to (x) the Reference Price for such Debt Instrument appearing on the Relevant Screen Page at the Valuation Time as determined by or on behalf of the Calculation Agent on (a) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (b) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the Reference Prices for such Debt Instrument at the Valuation Time on such Averaging Date or the Valuation Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Instrument, such prices to be expressed as a percentage of the nominal amount of the Debt Instrument (y) multiplied by the nominal amount of such Debt Instrument.

2. **Exchange Business Day**

"**Exchange Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Exchange Business Day Centre(s) specified in the applicable Final Terms.

3. **Market Disruption**

"**Market Disruption Event**" shall mean, in respect of a Debt Instrument, the suspension of or limitation imposed on trading either on any exchange on which such Debt Instrument is traded or on any exchange on which options contracts or futures contracts with respect to such Debt Instrument are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

The Issuer shall give notice as soon as practicable to the Securityholders in accordance with Security Condition 8 (*Notices*) that a Market Disruption Event has occurred.

4. **Correction of Debt Instrument Price**

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Securities, if the price of the relevant Debt Instrument published on a given day and used or to be used by the Calculation Agent to make any determination under the

Securities, is subsequently corrected and the correction published by the relevant exchange within the number of days equal to the Debt Instrument Correction Period of the original publication, the price to be used shall be the price of the relevant Debt Instrument as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

5. **Redemption or Cancellation of a Debt Instrument**

Notwithstanding Security Condition 13 (*Additional Disruption Events And Optional Additional Disruption Events*), if on or prior to the last Averaging Date or the last Valuation Date, any Debt Instrument is redeemed (including any early redemption) or cancelled by the relevant Debt Instrument Issuer (a "**Debt Instrument Redemption Event**"), then, the Issuer may cancel the Securities by giving notice to Securityholders in accordance with Security Condition 8 (*Notices*). If the Securities are so cancelled the Issuer will pay an amount to each Securityholder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit being cancelled at an amount equal to the fair market value of such Warrant or Unit, as the case may be, taking into account the Debt Instrument Redemption Event, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8 (*Notices*).

The Calculation Agent shall, as soon as practicable, notify the Fiscal Agent, of any determination made by it pursuant to this Debt Security Condition 5 and the action proposed to be taken in relation thereto and the Fiscal Agent, shall make available for inspection by Securityholders copies of any such determinations.

6. **Futures Price Valuation**

If "Futures Price Valuation" is specified as applicable in the applicable Final Terms the following provisions shall apply to these Debt Security Conditions:

"**Settlement Price**" means, in relation to each Security, an amount equal to the Daily Settlement Price of the relevant Current Exchange-traded Contract as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date.

For the purposes of determining whether a day is a Scheduled Trading Day where Futures Price Valuation applies, "Scheduled Trading Day" will be deemed to mean a day on which the Daily Settlement Price of the relevant Current Exchange-traded Contract is scheduled to be published by the relevant Futures or Options Exchange.

If Futures Price Valuation applies the Disrupted Day provisions in the Security Conditions and/or these Debt Security Conditions will not apply in relation to any Current Exchange-traded Contract.

For these purposes:

"**Current Exchange-traded Contract**" means (a) if the Securities are not Rolling Futures Contract Securities, the Exchange-traded Contract and (b) if the Securities are Rolling Futures Contract Securities, the futures contract determined pursuant to Debt Security Condition 7 (*Rolling Futures Contract Securities*) below.

"**Daily Settlement Price**" means the daily settlement price (howsoever described under the rules of the relevant Futures or Options Exchange or its clearing house) of the relevant Exchange-traded Contract published by the relevant Futures or Options Exchange or its clearing house and as determined by the Calculation Agent.

"**Exchange-traded Contract**" means the futures or options contract(s) specified as such in the applicable Final Terms, in each case, identified by reference to (a) the Synthetic Debt Instrument to which it relates, (b) the Futures or Options Exchange on which each such contract is traded and (c)(i) if the Securities are not Rolling Futures Contract Securities, the delivery or expiry month of such contract or (ii) if the

Securities are Rolling Futures Contract Securities, the specified period of each such contract and the Futures Rollover Date.

"Futures or Options Exchange" means the relevant exchange specified in the description of the Exchange-traded Contract in the applicable Final Terms or any successor to such exchange.

"Futures Rollover Date" means either:

- (a) the date specified as such in the applicable Final Terms; or
- (b) the date selected by the Calculation Agent acting in good faith and in a commercially reasonable manner within the period ("**Futures Rollover Period**") specified in the applicable Final Terms.

"Non-Commencement or Discontinuance of an Exchange-traded Contract" means there is no Daily Settlement Price as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to the Valuation Date, Averaging Date or other date for valuation or observation or other relevant date, as the case may be, of the relevant Current Exchange-traded Contract.

Debt Security Condition 3 (*Market Disruption*), Debt Security Condition 4 (*Correction of Debt Instrument Price*) and Debt Security Condition 5 (*Redemption or Cancellation of a Debt Instrument*) will not apply if Futures Price Valuation applies.

If Futures Price Valuation applies, references in the Security Conditions, Formulas Conditions and OET Warrant Conditions to a "Debt Instrument" or "Debt Instruments" are deemed to be references to a Current Exchange-traded Contract or "Current Exchange-traded Contracts", as applicable.

7. **Rolling Futures Contract Securities**

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Securities will be valued by reference to futures contracts relating to the Synthetic Debt Instrument that have delivery or expiry months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select an Exchange-traded Contract and for each following day until the Futures Rollover Date such futures contract will be the Current Exchange-traded Contract. On each Futures Rollover Date the Calculation Agent will select another Exchange-traded Contract and such contract shall be the Current Exchange-traded Contract until the next occurring Futures Rollover Date. Notwithstanding the provisions of Debt Security Condition 8 (*Adjustments to an Exchange-traded Contract*) or Debt Security Condition 9 (*Non-Commencement or Discontinuance of an Exchange-traded Contract*) if on a Futures Rollover Date a Non-Commencement or Discontinuance of an Exchange-traded Contract occurs and it is impossible or materially impracticable for the Calculation Agent to select an Exchange-traded Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then, the Issuer may cancel the Securities by giving notice to Securityholders in accordance with Security Condition 8 (*Notices*). If the Securities are so cancelled, the Issuer will pay an amount to each Securityholder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit, being equal to the fair market value of such Warrant or Unit, as the case may be, taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8 (*Notices*).

8. **Adjustments to an Exchange-traded Contract**

In the event that the terms of an Exchange-traded Contract are changed or modified by the Futures or Options Exchange, the Calculation Agent shall make the appropriate adjustment, if any, to any of the Conditions and/or the applicable Final Terms to account for such change or modification.

9. **Non-Commencement or Discontinuance of an Exchange-traded Contract**

Where there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, the Issuer may take the action described in (a) below or require the Calculation Agent to take the action described in (b) below:

- (a) cancel the Securities by giving notice to Securityholders in accordance with Security Condition 8 (*Notices*). If the Securities are so cancelled, the Issuer will pay an amount to each Securityholder in respect of each Warrant, or if Units are specified in the applicable Final Terms, each Unit, equal to the fair market value of such Warrant or Unit, as the case may be, taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8 (*Notices*); or
- (b) (i) replace the relevant Exchange-traded Contract affected by the Non-Commencement or Discontinuance of an Exchange-traded Contract (the "**Affected Exchange-traded Contract**") with a substitute Exchange-traded Contract (the "**Substitute Exchange-traded Contract**") which, in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner, has similar contract specifications to those of the Affected Exchange-traded Contract and (ii) make such adjustments to adjust such terms of the Securities as it determines acting in good faith and in a commercially reasonable manner to be appropriate to preserve the economic position of the Securityholders prior to such replacement. Such replacement will be deemed to be effective as of the date selected by the Calculation Agent, acting in good faith and in a commercially reasonable manner, and specified in the notice referred to below. The Substitute Exchange-traded Contract will be deemed to be an "**Exchange-traded Contract**" for the purposes of the Securities.

Notwithstanding the foregoing, in the case of Italian Listed Securities the Calculation Agent will adjust any relevant terms of the Securities as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Securities.

The Calculation Agent shall, as soon as practicable, notify the Fiscal Agent, of any determination made by it pursuant to this Debt Security Condition 9 and the action proposed to be taken in relation thereto and the Fiscal Agent shall make available for inspection by Securityholders copies of any such determinations.

10. **Correction of the Daily Settlement Price**

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Securities, if the Daily Settlement Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Futures or Options Exchange, within the number of days equal to the Daily Settlement Price Correction Period of the original publication, the Daily Settlement Price to be used shall be the Daily Settlement Price as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

11. **Definitions**

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades in the relevant securities or contracts.

"**Clearance System Days**" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions.

"Daily Settlement Price Correction Period" means the period specified as such in the applicable Final Terms or if none, one Settlement Cycle.

"Debt Instrument Correction Period" means the period specified as such in the applicable Final Terms or if none, one Settlement Cycle.

"Debt Instrument Issuer" means, in respect of a Debt Instrument, the issuer of such Debt Instrument.

"Disrupted Day" means any Scheduled Trading Day on which a Market Disruption Event has occurred.

"Reference Price" means, in respect of a Debt Instrument, the bid price, mid price, offer price, bid yield, mid yield or offer yield specified as such for such Debt Instrument in the applicable Final Terms.

"Scheduled Trading Day" means an Exchange Business Day.

"Settlement Cycle" means, in respect of a Debt Security or Exchange-traded Contract, the period of Clearance System Days following a trade in such security or contract, as the case may be, on the relevant exchange in which settlement will customarily occur according to the rules of such exchange.

ANNEX 6

This section is intentionally left blank.

ANNEX 7

ADDITIONAL TERMS AND CONDITIONS FOR INFLATION INDEX SECURITIES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Securities specified in the applicable Final Terms as Inflation Index Securities shall comprise the Security Conditions and the additional Terms and Conditions for Inflation Index Securities set out below (the "**Inflation Index Security Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Security Conditions and (ii) the Inflation Index Security Conditions, the Inflation Index Security Conditions shall prevail.

1. Definitions

"Cut-Off Date" means, in respect of a Valuation Date, five Business Days prior to such Valuation Date;

"Delayed Index Level Event" means, in respect of any Valuation Date, that the Index Sponsor fails to publish or announce the Relevant Level;

"Fallback Bond" means a bond selected by the Calculation Agent and issued by the government of the country to whose level of inflation the Inflation Index relates and which pays a redemption amount which is calculated by reference to the Inflation Index, with a maturity date which falls on (a) the same day as the Settlement Date, (b) the next longest maturity after the Settlement Date if there is no such bond maturing on the Settlement Date or (c) the next shortest maturity before the Settlement Date, if no bond defined in (a) or (b) is selected by the Calculation Agent. If the 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 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);

"Index Cancellation" means a level for the Inflation Index has not been published or announced for two consecutive months and/or the Index Sponsor cancels the Inflation Index and/or the Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and no Successor Index exists;

"Index Modification" means, in relation to an Inflation Index, the Index Sponsor announces that it will make (in the opinion of the Calculation Agent) a material change in the formula for or the method of calculating the Inflation Index or in any other way materially modifies the Inflation Index;

"Index Sponsor" means the entity that publishes or announces (directly or through an agent) the level of the Inflation Index which as of the Issue Date of the Securities is the index sponsor set out in the applicable Final Terms;

"Inflation Index" or **"Inflation Indices"** means the index or indices specified in the relevant Final Terms and related expressions shall be construed accordingly;

"Rebased Index" has the meaning given to it under Inflation Index Security Condition 4 (*Adjustments*) below;

"Reference Month" means the calendar month specified in the applicable Final Terms for which the level of the Inflation Index was reported, regardless of when this information is published or announced. 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 Reference Level was reported;

"Related Bond" means the bond specified as such in the relevant 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 selected as the Related Bond in the applicable Final Terms and that bond redeems or matures before the relevant Settlement Date 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;

"Related Bond Redemption Event" means, if specified as applicable in the relevant Final Terms, at any time prior to the Settlement Date, (a) the Related Bond is settled, repurchased or cancelled, (b) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (c) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity;

"Relevant Level" means, in respect of any Valuation Date, the level of the Inflation Index, 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 Valuation Date at any time on or prior to the Cut-Off Date;

"Settlement Price" means, unless otherwise stated in the applicable Final Terms, in relation to each Security, or if Units are specified in the applicable Final Terms, each Unit, as the case may be, the Relevant Level;

"Successor Inflation Index" has the meaning given to it in Inflation Index Security Condition 3 (*Successor Inflation Index*) below; and

"Substitute Inflation Index Level" means, in respect of a Delayed Index Level Event, the Index Level determined by the Issuer in accordance with Inflation Index Security Condition 2 (*Delay in Publication*) below.

"Valuation Date" means the date specified in the applicable Final Terms;

2. **Delay in Publication**

2.1 If the Calculation Agent determines that a Delayed Index Level Event in respect of an Inflation Index has occurred with respect to any Valuation Date, then the Relevant Level with respect to any Reference Month which is to be utilised in any calculation or determination to be made by the Calculation Agent and/or the Issuer with respect to such Valuation Date (the **"Substitute Inflation Index Level"**) shall be determined by the Calculation Agent, subject to Inflation Index Security Condition 4.2 (*Substitute Inflation Index Level*) below, as follows:

- (a) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or
- (b) if (i) Related Bond is specified as not applicable in the relevant Final Terms, or (ii) the Calculation Agent is not able to determine a Substitute Inflation Index Level under (a) above, the Calculation Agent shall determine the Substitute Inflation Index Level by reference to the following formula:

$$\text{Substitute Inflation Index Level} = \text{Base Level} \times (\text{Latest Level} / \text{Reference Level});$$

where:

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

"Latest Level" means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the Index Sponsor prior to the month in respect of which the Substitute Inflation Index Level is being determined; and

"Reference Level" means the level of the Inflation Index (excluding any "flash" estimates) published or announced by the 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 promptly give notice to the Securityholders in accordance with Security Condition 8 (*Notices*) of any Substitute Inflation Index Level.

If the Relevant Level is published or announced at any time on or after the relevant Cut-Off Date specified in the applicable Final Terms, such Relevant Level will not be used in any calculations. The Substitute Inflation Index Level so determined pursuant to this Inflation Index Security Condition 2 will be the definitive level for that Reference Month.

3. **Successor Inflation Index**

If the Calculation Agent determines that the level of an Inflation Index is not calculated and announced by the Index Sponsor for two consecutive months and/or the Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and/or the Index Sponsor cancels the Inflation Index, then the Calculation Agent shall determine a successor index (a "**Successor Inflation Index**") (*in lieu* of any previously applicable Index) for the purposes of the Securities as follows:

- (a) if Related Bond is specified as applicable in the relevant Final Terms, the Calculation Agent shall determine a "Successor Inflation Index" by reference to the corresponding successor index determined under the terms and conditions of the Related Bond;
- (b) if (i) Related Bond is specified as not applicable in the applicable Final Terms or (ii) a Related Bond Redemption Event has occurred and Fallback Bond is specified as not applicable in the applicable Final Terms, the Index Sponsor announces that it will no longer publish or announce the Inflation Index but that it will be superseded by a replacement Inflation Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Inflation Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the Inflation Index, such replacement index shall be designated a "Successor Inflation Index";
- (c) if no Successor Inflation Index has been deemed under (a) or (b) the Calculation Agent shall ask five leading independent dealers to state what the replacement index for the Inflation Index should be; if between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, such index will be deemed the "Successor Inflation Index"; if three responses are received, and two or more leading independent dealers state the same index, such index will be deemed the "Successor Inflation Index"; if fewer than three responses are received by the Cut-Off Date or if each of the responses received state different indices the Calculation Agent will determine an appropriate alternative index, and such index will be deemed a "Successor Inflation Index"; or
- (d) if the Calculation Agent determines that there is no appropriate alternative index there will be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Inflation Index shall be deemed to replace the Index for the purposes of the Inflation Index Securities. Notice of the determination of a Successor Inflation Index, the effective date of the Successor Inflation Index or the occurrence of an Index Cancellation will be given to Securityholders of the Inflation Index Securities by the Issuer in accordance with Security Condition 8 (*Notices*).

4. **Adjustments**

4.1 **Successor Inflation Index**

If a Successor Inflation Index is determined in accordance with Inflation Index Security Condition 3 (*Successor Inflation Index*) above, the Calculation Agent may make any adjustment or adjustments (without limitation) to the final Cash Settlement Amount payable under the Securities (if any) and/or any other relevant term of the Securities as the Calculation Agent deems necessary acting in good faith and

in a commercially reasonable manner. The Issuer shall give notice to the Securityholders of any such adjustment in accordance with Security Condition 8 (*Notices*).

4.2 **Substitute Inflation Index Level**

If the Calculation Agent determines a Substitute Inflation Index Level in accordance with Inflation Index Security Condition 2 (*Delay in Publication*) above, the Calculation Agent may make any adjustment or adjustments (without limitation) to (a) the Substitute Inflation Index Level determined in accordance with Inflation Index Security Condition 2 (*Delay in Publication*) above and/or (b) the Cash Settlement Amount payable under the Securities (if any) and/or any other relevant term of the Securities, in each case, as the Calculation Agent deems necessary acting in good faith and in a commercially reasonable manner, provided that if Inflation Index Level Adjustment is specified as applicable in the applicable Final Terms, the Calculation Agent will only be permitted to make any such adjustment in accordance with this Inflation Index Security Condition 4.2 if the Calculation Agent determines that the delay in publication was not attributable to the Issuer, but substantially, alters the economics of the Securities compared to the economics as of the Issue Date. The Issuer shall give notice to the Securityholders of any such adjustment in accordance with Security Condition 8 (*Notices*).

4.3 **Index Level Adjustment Correction**

- (a) The first publication or announcement of the Relevant Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Inflation Index Security Condition 4.6 (*Index Modification*) below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP National-Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer Price Index HCPI, revisions to the Relevant Level which are published or announced up to and including the day that is two Business Days prior to any relevant Valuation Date will be valid and the revised Relevant Level for the relevant Reference Month will be deemed to be the final and conclusive Relevant Level for such Reference Month. The Issuer shall give notice to the Securityholders of any valid revision in accordance with Security Condition 8 (*Notices*).
- (b) If, within 30 days of publication or at any time prior to a Valuation Date in respect of which a Relevant Level will be used in any calculation or determination in respect of such Valuation Date, the Calculation Agent determines that the Index Sponsor has corrected the Relevant Level to correct a manifest error, the Calculation Agent may make any adjustment to the Cash Settlement Amount payable under the Securities (if any) and/or any other relevant term of the Securities as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the Securityholders of any such adjustment and/or amount in accordance with Security Condition 8 (*Notices*).
- (c) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Valuation Date in respect of which a Substitute Inflation Index Level was determined, the Calculation Agent may either (i) determine that such Relevant Level shall not be used in any calculation or determination under the Inflation Index Securities and that the Substitute Inflation Index Level shall be deemed to be the definitive Relevant Level for the relevant Reference Month, or (ii) to make any adjustment to the Cash Settlement Amount payable under the Securities (if any) and/or any other relevant term of the Securities as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the Securityholders of any determination in respect of (i) or (ii), together with any adjustment or amount in respect thereof, in accordance with Security Condition 8 (*Notices*).
- (d) Notwithstanding the foregoing, if Inflation Index Level Adjustment is specified as applicable in the applicable Final Terms, the Calculation Agent will only be permitted to make any such adjustment in accordance with this Inflation Index Security Condition 4.3 if the Calculation Agent determines that the delay in publication was not attributable to the Issuer, but substantially, alters the economics of the Securities compared to the economics as of the Issue Date

4.4 **Currency**

If the Calculation Agent determines that any event occurs affecting the Specified Currency or Settlement Currency, as applicable, (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Cash Settlement Amount, the Exercise Price and/or any other relevant term of the Securities (including the date on which any amount is payable by the Issuer), the Calculation Agent may make such adjustment or adjustments to any relevant Cash Settlement Amount and/or the Exercise Price and/or any other relevant term of the Securities as the Calculation Agent deems necessary acting in good faith and in a commercially reasonable manner, provided that if Currency Adjustment is specified as applicable in the applicable Final Terms, the Calculation Agent will only be permitted to make any such adjustment if the Calculation Agent determines that the event affecting the Specified Currency or the Settlement Currency was not attributable to the Issuer, but substantially alters the economics of the Securities compared to the economics as of the Issue Date. The Issuer shall give notice to the Securityholders of any such adjustment in accordance with Security Condition 8 (*Notices*).

4.5 **Rebasing**

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 Relevant Level from the date of such rebasing; provided, however, that the Calculation Agent may make (a) if Related Bond is specified as applicable in the relevant Final Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as before the rebasing, and/or (b) if Related Bond is specified as not applicable in the relevant Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may 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, and in each case the Calculation Agent may make any adjustment(s) to the Cash Settlement Amount payable under the Securities (if any) and/or any other term of the Securities as the Calculation Agent may deem necessary acting in good faith and in a commercially reasonable manner. If the Calculation Agent determines that neither (a) nor (b) above would produce a commercially reasonable result, the Issuer may cancel each Security on a date notified by the Issuer to Securityholders in accordance with Security Condition 8 (*Notices*), in which event the Issuer will pay to each Securityholder in respect of each such Security, or if Units are specified in the applicable Final Terms, each Unit, as the case may be, an amount equal to the fair market value of a Security or a Unit, as the case may be, as determined by the Calculation Agent as at the date of cancellation taking into account the rebasing, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer of unwinding or amending any related underlying hedging arrangements. Notice of any adjustment, cancellation of the Securities or determination pursuant to this paragraph shall be given to Securityholders in accordance with Security Condition 8 (*Notices*).

4.6 **Index Modification**

- (a) If on or prior to the Cut-Off Date in respect of any Valuation Date, the Calculation Agent determines that an Index Modification has occurred, the Calculation Agent may (i) if Related Bond is specified as applicable in the relevant Final Terms, make any adjustments to the relevant Inflation Index, any Relevant Level and/or any other relevant term of the Securities (including, without limitation, the Cash Settlement Amount payable under the Securities), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary acting in good faith and in a commercially reasonable manner, or (ii) if Related Bond is specified as not applicable in the applicable Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the relevant Inflation Index, any Relevant Level and/or any other term of the Inflation Index Securities (including, without limitation, the Cash Settlement Amount payable under the Securities), as the Calculation Agent deems necessary acting in good faith and in a commercially reasonable manner for the modified Index to continue as the relevant Inflation Index and to account for the economic effect of the Index Modification.
- (b) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Valuation Date, the Calculation Agent may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Valuation Date, in which case the relevant Index

Modification will be deemed to have occurred with respect to the immediately succeeding Settlement Date, such that the provisions of paragraph (a) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with paragraph (a) above.

4.7 Index Cancellation

If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may:

- (a) elect for the Calculation Agent to calculate the relevant level using, *in lieu* of a published level for that Inflation Index, the level for that Inflation Index, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Inflation Index last in effect prior to cancellation;
- (b) cancel all but not some only of the Securities and:
 - (i) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each Securityholder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.1;
 - (ii) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each Securityholder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.2; or
 - (iii) if the Calculation Agent determines that such Index Cancellation constitutes a *force majeure*, and if Inflation Index Security Condition 4.7(b)(iii) is specified in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each Securityholder an amount in respect of each Security, or if Units are specified in the applicable Final Terms, each Unit, held by such Securityholder, which amount shall be equal to the fair market value of a Security or Unit, as the case may be, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Securityholders on the date notified to the Securityholders in the notice of cancellation; or
 - (iv) otherwise, pay to each Securityholder in respect of such Security, or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him an amount equal to fair market value of a Security, or a Unit, as the case may be, as determined by the Calculation Agent as at the date of cancellation taking into account the Index Cancellation, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms the cost to the Issuer of unwinding or amending any related underlying hedging arrangements, payment being made in such manner as shall be notified to Securityholders in accordance with Security Condition 8.

ANNEX 8

ADDITIONAL TERMS AND CONDITIONS FOR CURRENCY SECURITIES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Securities specified in the applicable Final Terms as Currency Securities shall comprise the Security Conditions and the additional Terms and Conditions for Currency Securities set out below (the "**Currency Security Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Security Conditions and (ii) the Currency Security Conditions, the Currency Security Conditions shall prevail.

1. Definitions

"**Averaging Date**" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Security Condition 3 (*Consequences of a Disruption Event*) shall apply;

"**Dual Exchange Rate**" means that any of the Base Currency, Alternative Currency and/or Alternative Currencies, splits into dual or multiple currency exchange rates;

"**Disrupted Day**" means any Scheduled Trading Day on which the Calculation Agent determines that a Disruption Event has occurred;

"**FX Averaging Date**" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Security Condition 3 (*Consequences of a Disruption Event*) shall apply;

"**FX Digital Level**" means:

- (a) if FX Digital Average Value is specified as applicable in the applicable Final Terms, the arithmetic average of the Settlement Prices for all the FX Averaging Dates;
- (b) if Single Resettable Level is specified as applicable in the applicable Final Terms, the Settlement Price on the FX Digital Observation Date plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment; or
- (c) if Multiple Resettable Level is specified as applicable in the applicable Final Terms, in respect of a Resettable Period, the Settlement Price on the FX Digital Observation Date specified for such Resettable Period plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

"**FX Digital Observation Date**" means each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls

in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Security Condition 3 (*Consequences of a Disruption Event*) shall apply;

"FX Knock-in Level" means:

- (a) if Knock-in Average Value is specified as applicable in the applicable Final Terms the arithmetic average of the Settlement Prices for all the Knock-in Averaging Dates;
- (b) if Single Resettable Knock-in is specified as applicable in the applicable Final Terms, the Settlement Price on the Knock-in Observation Date plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment; or
- (c) if Multiple Resettable Knock-in is specified as applicable in the applicable Final Terms, in respect of a Resettable Knock-in Period, the Settlement Price on the Knock-in Observation Date specified for such Resettable Knock-in Period plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

"FX Knock-out Level" means:

- (a) if Knock-out Average Value is specified as applicable in the applicable Final Terms the arithmetic average of the Settlement Prices for all the Knock-out Averaging Dates;
- (b) if Single Resettable Knock-out is specified as applicable in the applicable Final Terms, the Settlement Price on the Knock-out Observation Date plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;
- (c) if Multiple Resettable Knock-out is specified as applicable in the applicable Final Terms, in respect of a Resettable Knock-out Period, the Settlement Price on the Knock-out Observation Date specified for such Resettable Knock-out Period plus or minus, as indicated in the applicable Final Terms, the Resettable Adjustment;

"Illiquidity Disruption" means the occurrence of any event in respect of any of the Base Currency, Alternative Currency and/or Alternative Currencies whereby it becomes impossible for the Calculation Agent or Issuer to obtain a firm quote for such currency in an amount deemed necessary by the Calculation Agent or Issuer to hedge its obligations under the Securities (in one or more transaction(s)) on the relevant Averaging Date or any Settlement Price Date (or, if different, the day on which rates for such Averaging Date or Settlement Price Date would, in the ordinary course, be published or announced by the relevant price source);

"Knock-in Averaging Date" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Security Condition 3 (*Consequences of a Disruption Event*) shall apply;

"Knock-out Averaging Date" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following

Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Security Condition 3 (*Consequences of a Disruption Event*) shall apply;

"Knock-in Observation Date" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Security Condition 3 (*Consequences of a Disruption Event*) shall apply;

"Knock-out Observation Date" means the dates specified as such in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Security Condition 3 (*Consequences of a Disruption Event*) shall apply;

"Observation Date" means each date specified as an Observation Date in the applicable Final Terms or, if any such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Security Condition 3 (*Consequences of a Disruption Event*) shall apply;

"Price Source" means the published source, information vendor or provider containing or reporting the rate or rates from which the Settlement Price is calculated as specified in the applicable Final Terms;

"Price Source Disruption" means that it becomes impossible to obtain the rate or rates from which the Settlement Price is calculated;

"Resettable Knock-in Period" means the period specified as such in the applicable Final Terms;

"Resettable Knock-out Period" means the period specified as such in the applicable Final Terms;

"Resettable Period" means the period specified as such in the applicable Final Terms;

"Scheduled Trading Day" means a day on which commercial banks are open (or, but for the occurrence of a Disruption Event would have been open) for business (including dealings in foreign exchange in accordance with the market practice of the foreign exchange market) in the principal financial centres of the Base Currency and Alternative Currency or Alternative Currencies;

"Settlement Price Date" means each Averaging Date, Strike Day, Strike Date, FX Averaging Dates, FX Digital Observation Date, Knock-in Averaging Date, Knock-out Averaging Date, Knock-in Observation Date, Knock-out Observation Date, Observation Date or Valuation Date, as the case may be;

"Specified Maximum Days of Disruption" means the number of days specified in the applicable Final Terms, or if not so specified, five Scheduled Trading Days;

"Strike Date" means the Strike Date specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Security Condition 3 (*Consequences of a Disruption Event*) shall apply;

"Strike Day" means each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Security Condition 3 (*Consequences of a Disruption Event*) shall apply;

"Strike Period" means the period specified as such in the applicable Final Terms;

"Valuation Date" means the date specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately preceding Scheduled Trading Day (if Preceding Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), the immediately succeeding Scheduled Trading Day or, if such Scheduled Trading Day falls in the next calendar month, the immediately preceding Scheduled Trading Day (if Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date) or the immediately succeeding Scheduled Trading Day (if neither Preceding Currency Convention nor Modified Following Currency Convention is specified as applicable in the applicable Final Terms in respect of such date), in each case, unless, in the opinion of the Calculation Agent, any such day is a Disrupted Day, in which case the provisions of Currency Security Condition 3 (*Consequences of a Disruption Event*) shall apply;

"Valuation Time" means, unless otherwise specified in the applicable Final Terms, the time at which the Price Source publishes the relevant rate or rates from which the Settlement Price is calculated; and

"Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

2. **Disruption Events**

The occurrence of any of the following events, in respect of any Base Currency, Alternative Currency and/or Alternative Currencies, shall be a Disruption Event:

- (a) Price Source Disruption;
- (b) unless specified as not applicable in the applicable Final Terms, Illiquidity Disruption;
- (c) Dual Exchange Rate; or

- (d) any other event that, in the opinion of the Calculation Agent, is analogous to (a), (b) (if applicable) or (c).

The Calculation Agent shall give notice as soon as practicable to Securityholders in accordance with Security Condition 8 (*Notices*) of the occurrence of a Disrupted Day on any day that but for the occurrence of the Disrupted Day would have been an Averaging Date, Settlement Price Date, Knock-in Determination Day or Knock-out Determination Day, as the case may be.

3. Consequences of a Disruption Event

Upon a Disruption Event occurring or continuing on any Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published by the Price Source) as determined by the Calculation Agent, the Calculation Agent shall apply the applicable Disruption Fallback in determining the consequences of the Disruption Event.

"Disruption Fallback" means a source or method that may give rise to an alternative basis for determining the Settlement Price when a Disruption Event occurs or exists on a day that is a Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be published or announced by the Price Source). The Calculation Agent shall take the relevant actions specified in either (a), (b) or (c) below.

- (a) if a Settlement Price Date is a Disrupted Day, the Calculation Agent will determine that the relevant Settlement Price Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day (in the case of any Settlement Price Date) or Valid Date (in the case of an Averaging Date or Strike Day) unless each of the number of consecutive Scheduled Trading Days equal to the Specified Maximum Days of Disruption immediately following the originally scheduled Settlement Price Date is a Disrupted Day in which case the Calculation Agent may determine that the last such consecutive Scheduled Trading Day shall be deemed to be the Settlement Price Date (irrespective of whether that last consecutive Scheduled Trading Day is already a Settlement Price Date) and may determine the Settlement Price by using commercially reasonable efforts to determine a level for the Alternative Currency as of the Valuation Time on the last such consecutive Scheduled Trading Day taking into consideration all available information that in good faith it deems relevant; or
- (b) if any Settlement Price Date is a Disrupted Day but is not the final Valuation Date, and:
 - (i) if Highest Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Security Condition 8 (*Notices*), cancel all but not some only of the Securities, or if Units are specified as applicable in the applicable Final Terms, the Units, as the case may be, and pay to each Securityholder an amount in respect of each Security or Unit, as the case may be, held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.1;
 - (ii) if Market Value is specified in the applicable Final Terms, the Issuer will on giving notice to Holders in accordance with Security Condition 8 (*Notices*), cancel all but not some only of the Securities, or if Units are specified as applicable in the applicable Final Terms, the Units, as the case may be, and pay to each Securityholder an amount in respect of each Security or unit, as the case may be, held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.2; or
 - (iii) if the Calculation Agent determines that such Disruption Event constitutes a *force majeure*, and if Currency Security Condition 3(b)(iii) is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), cancel all but not some only of the Securities, or if Units are specified as applicable in the applicable Final Terms, the Units, as the case may be, and pay to each Securityholder an amount in respect of each Security or Unit, as the case may be, held by such Securityholder, which amount shall be equal to the fair market value of a Security, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to

cancel the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Securityholders on the date notified to the Securityholders in the notice of cancellation; or

- (iv) otherwise, if any Settlement Price Date is a Disrupted Day but is not the final Valuation Date on giving notice to Securityholders in accordance with Security Condition 8, the Issuer shall cancel all but not some only of the Warrants, each Warrant being cancelled by payment of an amount equal to the fair market value of such Warrant, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, payment being made in such manner as shall be notified to the Holders in accordance with Security Condition 8;
- (c) Unless Disruption Event Postponement is specified as not applicable in the applicable Final Terms, notwithstanding any provisions in the Conditions to the contrary, postpone any payment date related to such Settlement Price Date (or, if different, the day on which prices for that date would, in the ordinary course, be provided or announced by the Price Source), as the case may be (including the Settlement Date) until the Business Day following the date on which a Disruption Event is no longer subsisting and no interest or other amount shall be paid by the Issuer in respect of such postponement.

4. **Settlement Price**

"**Settlement Price**" means, in relation to each Security in respect of an Alternative Currency and a Settlement Price Date, and subject to Currency Security Condition 3 (*Consequences of a Disruption Event*) above, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Valuation Time on such Settlement Price Date, for the exchange of such Alternative Currency into the Base Currency (expressed as the number of units (or part units) of the Alternative Currency for which one unit of the Base Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Alternative Currency/Base Currency exchange rates (expressed as aforesaid) at the Valuation Time on the relevant Settlement Price Date, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), Provided That if the relevant rate of exchange is derived from two or more rates of exchange, the Settlement Price shall be calculated by the Calculation Agent as provided above acting in good faith and in a commercially reasonable manner on the basis of each such rate of exchange.

5. **Futures Price Valuation**

If "Futures Price Valuation" is specified as applicable in the applicable Final Terms, the following provisions shall apply to these Currency Security Conditions:

"**Settlement Price**" means in relation to each Security an amount equal to the Daily Settlement Price for the relevant Current Exchange-traded Contract, as determined by the Calculation Agent on (i) if Averaging is not specified in the applicable Final Terms, the Valuation Date (as defined in Currency Security Condition 1) or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date (as defined in Currency Security Condition 1). If, in the determination of the Calculation Agent, no such price can be determined, other than as a consequence of the occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract, an amount determined by the Calculation Agent acting in good faith and in a commercially reasonable manner as the Daily Settlement Price on such date, having regard to the then prevailing market conditions, the last reported Daily Settlement Price and such other factors as the Calculation Agent determines relevant.

For the purpose of determining whether a day is a Scheduled Trading Day where Futures Price Valuation applies, "Scheduled Trading Day" will be deemed to mean a day on which the Daily Settlement Price of the relevant Current Exchange-traded Contract is scheduled to be published by the relevant Futures or Options Exchange.

If Futures Price Valuation applies, the Disrupted Day provisions in the Security Conditions and/or these Currency Security Conditions will not apply in relation to any Current Exchange-traded Contract.

For these purposes:

"Current Exchange-traded Contract" means (a) if the Securities are not Rolling Futures Contract Securities, the Exchange-traded Contract and (b) if the Securities are Rolling Futures Contract Securities, the futures contract determined pursuant to Currency Security Condition 6 (*Rolling Futures Contract Securities*) below.

"Daily Settlement Price" means the daily settlement price (howsoever described under the rules of the relevant Futures or Options Exchange or its clearing house) of the relevant Exchange-traded Contract published by the relevant Futures or Options Exchange or its clearing house, as determined by the Calculation Agent.

"Daily Settlement Price Correction Period" means the period specified as such in the applicable Final Terms or, if none, one Settlement Cycle.

"Exchange-traded Contract" means the futures or options contract(s) specified as such in the applicable Final Terms, in each case, identified by reference to (a) the Alternative Currency and Base Currency (the **"Currency Pair"**) to which it relates, (b) the ISIN or any other unique identifier of such contract, (c) the Futures or Options Exchange on which each such contract is traded and (d) (i) if the Securities are not Rolling Futures Contract Securities, the expiry month of such contract or (ii) if the Securities are Rolling Futures Contract Securities, the specified period of each such contract and the Futures Rollover Date.

"Exchange Business Day" means any day on which the relevant Futures or Options Exchange is open for trading during its respective regular trading session(s).

"Futures or Options Exchange" means the relevant exchange specified in the description of the Exchange-traded Contract in the applicable Final Terms or any successor to such exchange.

"Futures Rollover Date" means either:

- (a) the date specified as such in the applicable Final Terms; or
- (b) the date selected by the Calculation Agent acting in good faith and in a commercially reasonable manner within the period (the **"Futures Rollover Period"**) specified in the applicable Final Terms.

"Non-Commencement or Discontinuance of an Exchange-traded Contract" means there is no Daily Settlement Price as a result of the fact that trading in the Exchange-traded Contract never commences or is permanently discontinued at any time on or prior to the Valuation Date, Averaging Date or other date for valuation or observation or other relevant date, as the case may be, of the relevant Current Exchange-traded Contract.

"Settlement Cycle" means, in respect of an Exchange-traded Contract, the period of Exchange Business Days following a trade in such Exchange-traded Contract on the relevant Futures or Options Exchange in which settlement will customarily occur according to the rules of such Futures or Options Exchange.

Currency Security Condition 2 (*Disruption Events*) and Currency Security Condition 3 (*Consequences of a Disruption Event*) will not apply if Futures Price Valuation applies.

If Futures Price Valuation applies, references to "Alternative Currency" in the definition of "Underlying Reference" in the Security Conditions, Formulas Conditions (except for the definition of "Underlying Reference" for the purposes of the Fixed Income Payouts) and OET Warrant Conditions is deemed to be a reference to a "Current Exchange-traded Contract".

6. **Rolling Futures Contract Securities**

If the applicable Final Terms specify that the Securities are "Rolling Futures Contract Securities", the Securities will be valued by reference to futures contracts relating to the Currency Pair that have expiry months that do not correspond with the term of the Securities. In such case, on or prior to the Issue Date, the Calculation Agent will select an Exchange-traded Contract and for each following day until the

Futures Rollover Date such futures contract will be the Current Exchange-traded Contract. On each Futures Rollover Date the Calculation Agent will select another Exchange-trade Contract and such contract will be the Current Exchange-traded Contract until the next occurring Futures Rollover Date. Notwithstanding the provisions of Currency Security Condition 7 (*Adjustments to an Exchange-traded Contract*) or Currency Security Condition 8 (*Non-Commencement or Discontinuance of an Exchange-traded Contract*) if on a Futures Rollover Date a Non-Commencement or Discontinuance of an Exchange-traded Contract occurs and it is impossible or materially impracticable for the Calculation Agent to select an Exchange-traded Contract and/or at such time hedge the Issuer's obligations in respect of the Securities then the Issuer shall cancel all but not some only of the Warrants, each Warrant or, if Units are specified as applicable, each Unit, being cancelled by payment of an amount equal to the fair market value of such Security or Unit, as the case may be, taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8 (*Notices*).

7. **Adjustments to an Exchange-traded Contract**

In the event that the terms of an Exchange-traded Contract are changed or modified by the Futures or Options Exchange, the Calculation Agent will make the appropriate adjustment, if any, to any of the Conditions and/or the applicable Final Terms to account for such change or modification.

8. **Non-Commencement or Discontinuance of an Exchange-traded Contract**

Where there is a Non-Commencement or Discontinuance of an Exchange-traded Contract, the Issuer may take the action described in (a) below or require the Calculation Agent to take the action described in (b) below:

- (a) the Issuer shall cancel all but not some only of the Warrants, each Warrant or, if Units are specified as applicable, each Unit, being cancelled by payment of an amount equal to the fair market value of such Security or Unit, as the case may be, taking into account the Non-Commencement or Discontinuance of an Exchange-traded Contract, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms, the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8 (*Notices*); or
- (b)
 - (i) replace the relevant Exchange-traded Contract affected by the Non-Commencement or Discontinuance of an Exchange-traded Contract (the "**Affected Exchange-traded Contract**") with a substitute Exchange-traded Contract (the "**Substitute Exchange-traded Contract**") which, in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner, has similar contract specifications to those of the Affected Exchange-traded Contract and
 - (ii) make such adjustments to adjust the terms of the Securities as it determines acting in good faith and in a commercially reasonable manner to be appropriate to preserve the economic position of the Securityholders prior to such replacement. Such replacement will be deemed to be effective as of the date selected by the Calculation Agent, acting in good faith and in a commercially reasonable manner, and specified in the notice referred to below. The Substitute Exchange-traded Contract will be deemed to be an "**Exchange-traded Contract**" for the purposes of the Securities.

Notwithstanding the foregoing, in the case of Italian Listed Securities the Calculation Agent will adjust any relevant terms of the Securities as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Securities.

The Calculation Agent shall, as soon as practicable, notify the Fiscal Agent of any determination made by it pursuant to this Currency Security Condition 8 and the action proposed to be taken in relation thereto and the Fiscal Agent shall make available for inspection by Securityholders copies of any such determinations.

9. **Correction of the Daily Settlement Price**

With the exception of any corrections published after the day which is three Business Days prior to the due date for any payment under the Securities, if the Daily Settlement Price published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities is subsequently corrected and the correction is published by the relevant Futures or Options Exchange, within the number of days equal to the Daily Settlement Price Correction Period of the original publication, the Daily Settlement Price to be used shall be the Daily Settlement Price as so corrected. Corrections published after the day which is three Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

ANNEX 9

ADDITIONAL TERMS AND CONDITIONS FOR FUND SECURITIES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Securities specified in the applicable Final Terms as Fund Securities shall comprise the Security Conditions and the additional Terms and Conditions for Fund Securities set out below (the "**Fund Security Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Security Conditions and (ii) the Fund Security Conditions, the Fund Security Conditions shall prevail.

1. Definitions

"**AUM Level**" has the meaning given to it in the applicable Final Terms;

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Fund Business Day, the immediately following Fund Business Day;

"**Basket Trigger Event**" means that an Extraordinary Fund Event occurs in respect of one or more Funds comprising the Fund Basket, as the case may be, which has or, in the event that an Extraordinary Fund Event has occurred in respect of more than one Fund, together have, a Weighting in the Fund Basket, as the case may be, equal to or greater than the Basket Trigger Level;

"**Basket Trigger Level**" has the meaning given to it in the applicable Final Terms;

"**Calculation Date**" means each day(s) specified in the applicable Final Terms, or if not so specified, each day which is a Fund Business Day;

"**Delayed Payment Cut-off Date**" is as defined in the applicable Final Terms or, if not so specified, the date falling two calendar years after the originally designated Settlement Date or Termination Date, as the case may be;

"**Extraordinary Fund Event Effective Date**" means, in respect of an Extraordinary Fund Event, the date on which such Extraordinary Fund Event occurs, or has occurred, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner;

"**Final Calculation Date**" means the date specified as such in the applicable Final Terms;

"**Fund**" means each Mutual Fund;

"**Fund Basket**" means, where the Fund Securities are linked to the performance of Fund Shares of more than one Fund, a basket comprising such Fund Shares;

"**Fund Business Day**" means either (i) with respect to single Fund, Fund Business Day (Single Fund Share Basis), or (ii) in respect of a Fund Basket, either Fund Business Day (All Fund Shares Basis) or Fund Business Day (Per Fund Share Basis) as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Fund Business Day (Per Fund Share Basis) shall apply;

"**Fund Business Day (All Fund Shares Basis)**" means, with respect to a Fund Basket, a date (i) that is a Fund Valuation Date for all Fund Shares comprised in the Fund Basket, as the case may be and (ii) on which the Hedge Provider has, or could have, a subscription or redemption order for each such Fund Share executed at the NAV per Fund Share published by the Fund (or the Fund Service Provider that generally publishes or reports such value) in respect of such Fund Valuation Date;

"**Fund Business Day (Per Fund Share Basis)**" means, with respect to a Fund Share, a date (i) that is a Fund Valuation Date in respect of such Fund Share and (ii) on which the Hedge Provider has, or could have, a subscription or redemption order for the Fund Shares executed at the NAV per Fund Share published by the Fund (or the Fund Service Provider that generally publishes or reports such value) in respect of such Fund Valuation Date;

"Fund Business Day (Single Fund Share Basis)" means with respect to a Fund Share, a date (i) that is a Fund Valuation Date and (ii) on which the Hedge Provider has, or could have, a subscription or redemption order for the Fund Shares executed at the NAV per Fund Share published by the Fund (or the Fund Service Provider that generally publishes or reports such value) in respect of such Fund Valuation Date;

"Fund Documents" means, with respect to any Fund Share, the offering document of the relevant Fund in effect on the Hedging Date specifying, among other matters, the terms and conditions relating to such Fund Share and, for the avoidance of doubt, any other documents or agreements in respect of the Fund, as further described in any Fund Document;

"Fund Service Provider" means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, in respect of such Fund, whether or not specified in the Fund Documents, including any advisor, manager, administrator, operator, management company, depository, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent, sponsor or general partner and any other person specified as such in the applicable Final Terms;

"Fund Share(s)" means an ownership interest issued to or held by an investor in a Fund or any other interest specified as such in the applicable Final Terms;

"Fund Valuation Date" means any date as of which, in accordance with the Fund Documents, the Fund (or the Fund Service Provider that generally determines such value) is or but for the occurrence of an Extraordinary Fund Event would have been scheduled to determine the NAV per Fund Share;

"Hedge Provider" means the party (being, *inter alios*, the Issuer, the Guarantor (if applicable), the Calculation Agent, an Affiliate or any third party) from time to time who hedges the Issuer's obligations in respect of the Securities or where no such party actually hedges such obligations, a Hypothetical Investor, who shall be deemed to enter into transactions as if hedging such obligations. The Hedge Provider will hold or be deemed to hold such number of Fund Shares, or enter or be deemed to enter into any agreement to purchase or deliver, or pay an amount linked to the performance of, such number of Fund Shares as it (or in the case of a Hypothetical Investor, the Calculation Agent) considers would be held by a prudent issuer as a hedge for its exposure under the relevant Securities;

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

"Hypothetical Investor" means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in a Fund Share which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding a Fund Share at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Issuer, the Guarantor (if applicable), the Calculation Agent or any of their affiliates (as determined by the Calculation Agent in the context of the relevant situation);

"Implied Embedded Option Value" means an amount (which may never be less than zero) equal to the present value as of the Implied Embedded Option Value Determination Date of any scheduled but unpaid payments under the Securities in respect of the period from (and including) the Extraordinary Fund Event Effective Date to (and including) the Settlement Date, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner but, notwithstanding anything to the contrary contained herein, taking into account, without limitation, such factors as the net proceeds actually received from the redemption or sale of any Fund Shares by the Hedge Provider, the volatility of the Fund Shares and any transaction costs;

"Implied Embedded Option Value Determination Date" means the date determined by the Calculation Agent to be the earlier of (a) the date on which the Hedge Provider receives redemption proceeds in full in respect of its holding of Fund Shares (which for the avoidance of doubt, may be later than the scheduled Settlement Date) or (b) the Delayed Payment Cut-off Date;

"Initial Calculation Date" means the date specified as such in the applicable Final Terms, or if not so specified, the Hedging Date;

"Maximum Days of Disruption" means the number of Fund Business Days specified in the applicable Final Terms, or if not so specified, 10 Fund Business Days.

"Merger Event" means, in respect of any relevant Shares and Entity (as defined below), any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share/unit/interest exchange of an Entity with or into another entity or person (other than a consolidation, amalgamation, merger or binding share/unit/interest exchange in which such Entity, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of an Entity that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share/unit/interest exchange of an Entity or its subsidiaries with or into another entity in which the Entity is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Extraordinary Fund Event Effective Date, as determined by the Calculation Agent, is on or before the Final Calculation Date. For the purposes of this definition of "Merger Event" only, "Shares" shall mean the applicable Fund Shares or the shares of any applicable Fund Service Provider, as the context may require, and "Entity" shall mean the applicable Fund or any applicable Fund Service Provider, as the context may require.

"Mutual Fund" means the mutual fund(s) specified as such in the applicable Final Terms;

"NAV per Fund Share" means, with respect to the relevant Fund Shares and a Fund Business Day, (i) the net asset value per Fund Share as of the related Fund Valuation Date, as reported by the Fund Service Provider that generally publishes or reports such value on behalf of the Fund to its investors or a publishing service, or (ii) if the Fund Service Provider of the Fund publishes or reports only the aggregate net asset value of the Fund Shares, the net asset value per Fund Share calculated by the Calculation Agent on the basis of such aggregate net asset value of the Fund Shares divided by the number of Fund Shares issued and outstanding as of the related Fund Valuation Date;

"NAV Trigger Event" means, in respect of the Fund Shares, that (i) the NAV per Fund Share has decreased by an amount equal to, or greater than, the NAV Trigger Percentage(s) at any time during the related NAV Trigger Period, or (ii) the Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgement of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any other contractual restriction binding on or affecting the Fund or any of its assets;

"NAV Trigger Percentage" means the percentage specified in the applicable Final Terms;

"NAV Trigger Period" means the period specified in the applicable Final Terms, or if not so specified the period from and including the Initial Calculation Date to and including the Final Calculation Date. For the avoidance of doubt the period could be equal to specified number of consecutive or non-consecutive Scheduled Trading Days, as defined in the applicable Final Terms;

"Number of NAV Publication Days" means the number of calendar days specified in the applicable Final Terms or if not so specified, with respect to a Mutual Fund, 5 calendar days;

"Observation Date" means each date specified as an Observation Date in the applicable Final Terms, or if any such date is not a Fund Business Day, the immediately succeeding Fund Business Day;

"Scheduled Trading Day" means, if the Securities are Hybrid Securities and Hybrid Business Day is specified as applicable in the applicable Final Terms, for the purpose of determining whether a day is a Hybrid Business Day, a Fund Business Day;

"Settlement Price" means, in relation to each Security subject to the provisions of this Annex and as referred to in "Valuation Date" or "Averaging Date" or "Observation Date", as the case may be:

- (i) in respect of Fund Securities relating to a single Fund, the relevant NAV per Fund Share; and

- (ii) in respect of Fund Securities relating to a Fund Basket, the sum of the values calculated in respect of each Fund Share in the Fund Basket as the NAV per Fund Share of such Fund Share multiplied by the relevant Weighting.

"Settlement Price Date" means the Strike Date, an Averaging Date, an Observation Date or the Valuation Date, as the case may be;

"Strike Date" means the Strike Date specified as such in the applicable Final Terms or, if such day is not a Fund Business Day, the immediately succeeding Fund Business Day;

"Strike Day" means each date specified as such in the applicable Final Terms or, if such day is not a Fund Business Day, the immediately succeeding Fund Business Day;

"Strike Period" means the period specified as such in the applicable Final Terms;

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 50 per cent. and less than 100 per cent. of the outstanding voting shares, units or interests of the Fund or Fund Service Provider, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant;

"Termination Amount" means:

- (i) if Highest Value is specified as applicable in the applicable Final Terms, an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, calculated and paid on such date determined, in accordance with Security Condition 21.1; or
- (ii) if Market Value is specified as applicable in the applicable Final Terms, an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, calculated and paid on such date determined, in accordance with Security Condition 21.2; or
- (iii) if the Calculation Agent determines that the relevant Extraordinary Fund Event or combination of Extraordinary Fund Events constitutes a *force majeure*, and if Fund Event *Force Majeure* is specified as applicable in the applicable Final Terms, an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, which amount shall be equal to the fair market value of a Security or a Unit, as the case may be, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Securityholders on the date notified to the Securityholders in the notice of cancellation;
- (iv) otherwise, the amount specified in the applicable Final Terms, or if not so specified, an amount equal to the Implied Embedded Option Value (if any), such amount payable on the Termination Date;

"Termination Date" means the date determined by the Issuer as provided herein and specified in the notice given to Securityholders in accordance with Fund Security Condition 4.2(c);

"Trade Date" has the meaning given to it in the applicable Final Terms.

"Valuation Date" means the first Fund Business Day following the Actual Exercise Date of the relevant Warrant;

2. **Extraordinary Fund Events**

Subject to the provisions of Fund Security Condition 3 (*Determination of Extraordinary Fund Events*) "**Extraordinary Fund Event**" means the occurrence or continuance at any time on or after the Trade Date of any of the following events as determined by the Calculation Agent:

Global Events:

2.1 the Fund or any Fund Service Provider

- (i) ceases trading and/or, in the case of a Fund Service Provider, ceases administration, portfolio management, investment services, custodian, prime brokerage, or any other relevant business (as applicable)
- (ii) is dissolved or has a resolution passed, or there is any proposal, for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (iii) makes a general assignment or arrangement with or for the benefit of its creditors;
- (iv) (1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in sub-clause (iv)(1) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not immediately dismissed, discharged, stayed or restrained;
- (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (vi) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not immediately dismissed, discharged, stayed or restrained; or
- (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an effect analogous to any of the events specified in sub-clauses (i) to (vi) above; or

2.2 the occurrence of a Merger Event or Tender Offer;

Litigation/Fraudulent Activity Events:

2.3 there exists any litigation against the Fund or a Fund Service Provider which the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, could materially affect the value of the Fund Shares or the rights or remedies of any investor in such Fund Shares; or

2.4 (i) an allegation of criminal or fraudulent activity is made in respect of the Fund, or any Fund Service Provider, or any employee of any such entity, or the Calculation Agent reasonably determines that any such criminal or fraudulent activity has occurred, or (ii) any investigative, judicial, administrative or other civil or criminal proceedings is commenced or is threatened against the Fund, any Fund Service Provider or any key personnel of such entities if such allegation, determination, suspicion or proceedings could, in the determination of the Calculation Agent acting in good faith and a commercially reasonable

manner, materially affect the value of the Fund Shares or the rights or remedies of any investor in such Fund Shares;

Fund Service Provider/Key Person Events:

- 2.5 (i) a Fund Service Provider ceases to act in such capacity in relation to the Fund and is not immediately replaced in such capacity by a successor acceptable to the Calculation Agent and/or (ii) any event occurs which causes, or will with the passage of time (in the opinion of the Calculation Agent) cause, the failure of the Fund and/or any Fund Service Provider to meet or maintain any obligation or undertaking under the Fund Documents which failure is reasonably likely to have an adverse impact on the value of the Fund Shares or on the rights or remedies of any investor in such Fund Shares; or
- 2.6 one or more of the key individuals involved with, or having supervision over, the Fund or a Fund Service Provider ceases to act in such capacity, and the relevant Fund Service Provider fails to appoint a replacement having similar qualifications to those of the key individual or individuals ceasing to act;

Modification Events:

- 2.7 a material modification of or deviation from any of the investment objectives, investment restrictions, investment process or investment guidelines of the Fund (howsoever described, including the underlying type of assets in which the Fund invests), from those set out in the Fund Documents, or any announcement regarding a potential modification or deviation, except where such modification or deviation is of a formal, minor or technical nature;
- 2.8 a material modification, cancellation or disappearance (howsoever described), or any announcement regarding a potential future material modification, cancellation or disappearance (howsoever described), of the type of assets (i) in which the Fund invests, or (ii) the Fund purports to track;
- 2.9 a material modification, or any announcement regarding a potential future material modification, of the Fund (including but not limited to a material modification of the Fund Documents or to the Fund's liquidity terms) other than a modification or event which does not affect the Fund Shares or the Fund or any portfolio of assets to which the Fund Share relates (either alone or in common with other Fund Shares issued by the Fund);
- 2.10 the creation by the Fund of any illiquid share class or unit howsoever described;
- 2.11 the currency denomination of the Fund Shares is amended from that set out in the Fund Documents so that the NAV per Fund Share is no longer calculated in the same currency as it was as at the Trade Date;
- 2.12 if applicable, the Fund ceases to be an undertaking for collective investments under the legislation of its relevant jurisdiction; or
- 2.13 following the issue or creation of a new class or series (howsoever described in the Fund Documents) of shares or units by the Fund, the Calculation Agent determines taking into consideration the potential cross-liability between classes of shares or units (howsoever described in the Fund Documents) that such new class or series has or may have an adverse effect on the hedging activities of the Hedge Provider in relation to the Securities;

NAV per Fund Share/AUM Level Events:

- 2.14 a material modification of the method of calculating the NAV per Fund Share;
- 2.15 any change in the periodicity of the calculation or the publication of the NAV per Fund Share;
- 2.16 any suspension of the calculation or publication of the NAV per Fund Share;
- 2.17 the occurrence of any event affecting a Fund Share that the Calculation Agent determines, acting in good faith and in a commercially reasonable manner, would make it impossible or impracticable for the Calculation Agent to determine the NAV per Fund Share;

- 2.18 any of the Fund, any Fund Service Provider or any other party acting on behalf of the Fund fails for any reason to calculate and publish the NAV per Fund Share within the Number of NAV Publication Days following any date scheduled for the determination of the valuation of the Fund Shares unless the cause of such failure to publish is of a technical nature and outside the immediate and direct control of the entity responsible for such publication;
- 2.19 any Fund Service Provider uses asset prices provided by the investment manager (howsoever described in the Fund Documents) to calculate the NAV per Fund Share when such asset prices could have been obtained from independent sources and the asset prices from independent sources materially diverge from the asset prices provided by the investment manager (howsoever described in the Fund Documents);
- 2.20 the assets under management of the Fund falls below the AUM Level;
- 2.21 (i) the Calculation Agent determines, at any time, that the NAV per Fund Share is inaccurate, or (ii) the reported net asset value of the Fund Shares misrepresents the net asset value of the Fund Shares;
- 2.22 a NAV Trigger Event occurs; or
- 2.23 (i) the auditors of the Fund qualify any audit report, or refuse to provide an unqualified audit report, in respect of the Fund, and/or (ii) the Calculation Agent, acting in good faith and in a commercially reasonable manner, does not deem the audited net asset value of the Fund and/or the NAV per Fund Share to be representative of the actual net asset value of the Fund and/or the NAV per Fund Share;

Reporting Events:

- 2.24 any failure of the Fund, or its authorised representative, to deliver or publish, or cause to be delivered or published, (i) information that the Fund has agreed to deliver or publish, or agreed to cause to be delivered or published, to the Calculation Agent or Hedge Provider, or (ii) information that has been previously delivered to the Hedge Provider or the Calculation Agent, as applicable, in accordance with the Fund's, or its authorised representative's, normal practice and that the Hedge Provider deems necessary for it or the Calculation Agent, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Fund Share; or
- 2.25 any Fund Service Provider fails to provide the Calculation Agent, within a reasonable time, with any information that the Calculation Agent has reasonably requested regarding the investment portfolio or other activities or undertakings of the Fund;

Tax/Law/Accounting/Regulatory Events:

- 2.26 there is a change in or in the official interpretation or administration of any laws or regulations relating to taxation that has or is likely to have a material adverse effect on any hedging arrangements entered into by any Hedge Provider in respect of the Securities (a "**Tax Event**") and, subject as provided below, the Hedge Provider has, for a period of one calendar month following the day the relevant Tax Event became known to it, used reasonable efforts to mitigate the material adverse effect of the Tax Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period set out above for such mitigation shall be deemed satisfied on any date it is or becomes apparent at any time that there is no practicable means of mitigating the Tax Event; or
- 2.27 (i) any relevant activities of or in relation to the Fund or a Fund Service Provider are or become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any present or future law, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, in any applicable jurisdiction (including, but not limited to, any cancellation, suspension or revocation of the registration or approval of the Fund by any governmental, legal or regulatory entity with authority over the Fund), (ii) a relevant authorisation or licence is revoked, lapses or is under review by a competent authority in respect of the Fund or a Fund Service Provider or new conditions are imposed, or existing conditions varied, with respect to any such authorisation or licence, (iii) the Fund is required by a competent authority to redeem any Fund Shares, (iv) the Hedge Provider is required by a competent authority or any other relevant entity to dispose of or compulsorily redeem any Fund Shares held in connection with any hedging arrangements relating to the

Securities and/or (v) any change in the legal, tax, accounting or regulatory treatment of the Fund or any Fund Service Provider that is reasonably likely to have an adverse impact on the value of the Fund Shares or other activities or undertakings of the Fund or on the rights or remedies of any investor in such Fund Shares, including any Hedge Provider;

Hedging/Impracticality/Increased Costs Events:

- 2.28 in connection with any hedging activities in relation to the Securities, as a result of any adoption of, or any change in, any law, order, regulation, decree or notice, howsoever described, after the Trade Date, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other relevant event (each a "**Relevant Event**") (i) it would become unlawful or impractical for the Hedge Provider to hold (including, without limitation, circumstances requiring the Hedge Provider to modify any reserve, special deposit, or similar requirement or that would adversely affect the amount or cost of regulatory capital that would have to be maintained in respect of any holding of Fund Shares or that would subject a holder of the Fund Shares or the Hedge Provider to any loss), purchase or sell the relevant Fund Shares or any underlying assets of or related to the Fund or for the Hedge Provider to maintain such hedging arrangements and, (ii) subject as provided below, the Hedge Provider has, for a period of one calendar week following the day the Relevant Event became known to it, used reasonable efforts to mitigate the effect of the Relevant Event by seeking to transfer such hedging arrangements to an affiliated company, provided that the Hedge Provider shall not under any circumstances be obliged to take any steps which would result in sustaining a loss or expense of any kind and the period of one calendar week set out above shall be deemed satisfied on any date it is or becomes at any time apparent that there is no practicable means of mitigating the Relevant Event;
- 2.29 in connection with the hedging activities in relation to the Securities, if the cost to the Hedge Provider in relation to the Securities and the related hedging arrangements (including, but not limited to, new or increased taxes, duties, expenses or fees (or the combined effect thereof if occurring more than once)) would be materially increased or the Hedge Provider would be subject to a material loss relating to the Securities and the related hedging arrangements;
- 2.30 in connection with the hedging activities in relation to the Securities, the Hedge Provider is unable or it becomes impractical for the Hedge Provider, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary to hedge the Issuer's obligations under the Securities or (ii) to realise, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increase in charges or fees imposed by the Fund on any investor's ability to redeem a Fund Share, in whole or in part, or any existing or new investor's ability to make new or additional investments in such Fund Share, or (B) any mandatory redemption, in whole or in part, of such Fund Share;
- 2.31 at any time on or after the Trade Date of the first issue of the Series, the Hedge Provider directly or indirectly acquires any ownership interest in or sponsors a covered fund that is not subject to an exemption under 12 U.S.C. §1851 (the "**U.S. Volcker Rule**");
- 2.32 at any time on or after the Trade Date, the Issuer and/or any of its Affiliates would incur an increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, capital and/or funding costs, expense or fee (other than brokerage commissions) to maintain the Securities; or
- 2.33 at any time on or after the Trade Date of the first issue of the Series, (i) the Hedge Provider unintentionally acquires directly or indirectly any ownership interest in a Fund that exceeds 10 per cent. of the total assets under management or (ii) as a consequence of changes in the performance, size, investment strategy or liquidity of a Fund, the Hedge Provider holds an ownership interest in such Fund that exceeds 10 per cent. of the total assets under management;

Dealing Events:

- 2.34 (i) the non-execution or partial-execution by the Fund for any reason of a subscription or redemption order in respect of any Fund Shares (including, for the avoidance of any doubt, any non-execution by the Fund pending completion of its fiscal audit) (ii) the Fund suspends or refuses transfers of any of its Fund Shares (including, without limitation, if the Fund applies any gating, deferral, suspension or other similar

provisions permitting the Fund to delay or refuse redemption or transfer of Fund Shares), (iii) the Fund imposes in whole or in part any restriction (including, without limitation, any redemption in specie), charge or fee in respect of a redemption or subscription of its Fund Shares by the Hedge Provider or exercises its right to claw back the proceeds already paid on redeemed Fund Shares, if in any case it could in the determination of the Calculation Agent acting in good faith and in a commercially reasonable manner have an adverse impact on the Hedge Provider's rights or obligations in relation to its hedging activities in relation to the Securities, or (iv) a mandatory redemption, in whole or in part, of the Fund Shares is imposed by the Fund on any one or more holders of Fund Shares at any time for any reason;

Miscellaneous Events:

- 2.35 in the case of Securities linked to a Fund Basket, a Basket Trigger Event occurs;
- 2.36 the Fund or any Fund Service Provider defaults under, materially modifies, or terminates any rebate agreements in place with the Issuer, the Hedge Provider or any of its Affiliates;
- 2.37 if the Fund is part of an umbrella structure with more than one sub-fund, a cross-contamination or other failure to segregate the portfolio of assets held by the Fund occurs between different series, classes and/or sub-funds;
- 2.38 any security granted by the Fund or any Fund Service Provider over any of its assets is enforced or becomes capable of being enforced or any arrangement which in the determination of the Calculation Agent is comparable to security over any such assets (including without limitation any repo or prime brokerage arrangement) becomes enforceable or capable of early termination or any derivatives, repo, securities lending or other trading or dealing arrangement relating to the assets of the Fund becomes enforceable or terminable early by reason of any event of default (howsoever described) relating to the Fund or the relevant Fund Service Provider; or
- 2.39 the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to any Fund Service Provider or any parent company (howsoever described) of the Fund, by Moody's Investors Service Inc., or any successor to the ratings business thereof ("**Moody's**"), and/or Standard and Poor's Rating Group (a division of McGraw-Hill, Inc.), or any successor to the ratings business thereof ("**S&P**"), is downgraded below A (S&P) or A2 (Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to any Fund Service Provider by Moody's or S&P is downgraded below A-1 (S&P) or P-1 (Moody's).

References solely in this Fund Security Condition 2 (*Extraordinary Fund Events*) to:

- (i) "**Fund**" shall include the Fund and any funds in which it invests any of its investible assets from time to time; and
- (ii) "**Fund Shares**" shall include the Fund Shares and the shares or units in any Fund (as defined in paragraph (i) above)

All of the events listed in this Fund Security Condition 2 (*Extraordinary Fund Events*) will constitute an Extraordinary Fund Event, unless SC/FM Fund Events is specified as applicable in the applicable Final Terms, in which case the events described in Fund Security Conditions 2.13, 2.17, 2.26, 2.27(iv), 2.27(v), 2.28, 2.29, 2.30, 2.31, 2.32 and 2.34(iii) will not constitute an Extraordinary Fund Event.

3. Determination of Extraordinary Fund Events

The Calculation Agent will determine if an Extraordinary Fund Event has occurred acting in good faith and in a commercially reasonable manner. Where the occurrence of an event or set of circumstances is capable of triggering more than one Extraordinary Fund Event, the Issuer may determine which Extraordinary Fund Event is to be triggered.

In considering whether the occurrence of an event or set of circumstances triggers an Extraordinary Fund Event, the Calculation Agent may have regard to the combined effect, from the Trade Date, of any event or set of circumstances, as the case may be, if such event or set of circumstances occurs more than once.

4. Consequences of an Extraordinary Fund Event

- 4.1 If the Calculation Agent determines that an Extraordinary Fund Event has occurred, the Calculation Agent shall give notice (an "**Extraordinary Fund Event Notice**") to the Securityholders in accordance with Security Condition 8 (*Notices*) (which notice shall be irrevocable), of the occurrence of such Extraordinary Fund Event (the date on which an Extraordinary Fund Event Notice is given, an "**Extraordinary Fund Event Notification Date**") as soon as reasonably practicable following the determination of an Extraordinary Fund Event. The Extraordinary Fund Event Notice shall set out, if determined at that time, the action that the Issuer has determined to take in respect of the Extraordinary Fund Event pursuant to Fund Security Condition 4.2. Where the action that the Issuer has determined to take is not, for whatever reason, set out in the Extraordinary Fund Event Notice, the action that the Issuer has determined to take shall be set out in a subsequent notice given to Securityholders in accordance with Security Condition 8 (*Notices*) as soon as reasonably practicable after the Extraordinary Fund Event Notification Date.

Neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by any Securityholder or any other person in connection with the Securities as a result of any delay in notifying Securityholders of the occurrence of an Extraordinary Fund Event, howsoever arising. If the Calculation Agent gives an Extraordinary Fund Event Notice, the Issuer shall have no obligation to make any payment or delivery in respect of the Securities until the Issuer has determined the action that it has determined to take pursuant to Fund Security Condition 4.2.

- 4.2 Following the occurrence of an Extraordinary Fund Event, the Issuer may take the action described below in 4.2(a), (b) or (c) provided that, if the Calculation Agent determines that an Extraordinary Fund Event has occurred or is continuing on the Delayed Payment Cut-off Date in accordance with the provisions of Fund Security Condition 5 below (*Settlement Date/Automatic Early Expiration Date/ Termination Date Extension*), the Issuer shall determine that the action to be taken in respect of the Extraordinary Fund Event is "**Termination**".

(a) **Adjustment**

If the Issuer determines that the action to be taken in respect of the Extraordinary Fund Event is to be "**Adjustment**", then the Calculation Agent may determine, acting in good faith and in a commercially reasonable manner, the appropriate adjustment(s), if any, to be made to any one or more Fund, Fund Share and/or the Exercise Price and/or the Weighting and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to take account of the Extraordinary Fund Event and determine the effective date of such adjustment.

(b) **Substitution**

If the Issuer determines that the action in respect of the Extraordinary Fund Event is to be "**Substitution**", the Calculation Agent shall:

- (i) determine the weighted average price at which a Hypothetical Investor can redeem the Fund Shares in the relevant Fund (the "**Affected Fund**") in such number as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner as soon as it is reasonably practicable following the Extraordinary Fund Event;
- (ii) for a period of not longer than 14 calendar days following the date on which a Hypothetical Investor would have received proceeds from a redemption order in full submitted by the Hedge Provider as soon as practicable following the occurrence of an Extraordinary Fund Event, use reasonable efforts to substitute the Fund Shares with shares, units or other similar interests in an alternative fund which, in the determination of the Calculation Agent (acting in good faith and in a commercially reasonable manner), has similar characteristics to the Affected Fund, including but not limited to, comparable investment objectives, investment restrictions and investment processes and has service providers acceptable to the Calculation Agent;
- (iii) if no alternative fund can be determined pursuant to the preceding sub-paragraph (ii) above, use reasonable efforts to substitute the Fund with an index (or a fund tracking

such index) selected by the Calculation Agent acting in good faith and in a commercially reasonable manner; and

- (iv) following any substitution in accordance with sub-paragraph (ii) or (iii) above, the Issuer may require the Calculation Agent make such determinations and/or adjustments to these Terms and Conditions and/or the Final Terms as it determines to be appropriate to take account of such Substitution.

(c) **Termination**

If the Issuer determines that the action to be taken in respect of the Extraordinary Fund Event is to be "**Termination**", on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*) (which such notice may be included in the Extraordinary Fund Event Notice in respect of the relevant Extraordinary Fund Event and will specify the Termination Date), all but not some only of the outstanding Securities shall be cancelled by payment of the Termination Amount on the Termination Date, payment being made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8 (*Notices*).

5. **Settlement Date/Automatic Early Expiration Date/Termination Date Extension**

In the case of Cash Settled Securities, if on the date falling four Business Days prior to the originally designated Settlement Date or Automatic Early Expiration Date, as the case may be, the Hedge Provider has not, after having placed one or more redemption orders in respect of its holding of Fund Shares in accordance with the terms of the relevant Fund Documents, received redemption proceeds in full in respect of such Fund Shares (the "**Redemption Proceeds**"), the Calculation Agent may postpone the Settlement Date or Automatic Early Expiration Date, as the case may be, and notify the Securityholders thereof in accordance with Security Condition 8 (*Notices*).

As soon as practicable following receipt by the Hedge Provider of the Redemption Proceeds the Calculation Agent shall give notice to Securityholders in accordance with Security Condition 8 (*Notices*) (such notice the "**Delayed Payment Notice**") and cancel the Securities on the date falling not more than five Business Days following the receipt of the Delayed Payment Notice (such date, the "**Postponed Settlement Date**") by payment to each Securityholder of the Cash Settlement Amount or the Automatic Early Expiration Amount, as the case may be, provided that, if the Hedge Provider does not receive the Redemption Proceeds within the period ending on (and including) the Delayed Payment Cut-off Date, the Calculation Agent shall determine that an Extraordinary Fund Event has occurred and is continuing on the Delayed Payment Cut-off Date and shall notify Securityholders thereof in accordance with the procedures set out in Fund Security Condition 4 above, and in accordance with Security Condition 8 (*Notices*) and the provisions of Fund Security Condition 4.2(c) shall apply.

ANNEX 10

ADDITIONAL TERMS AND CONDITIONS FOR FUTURES SECURITIES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Securities specified in the applicable Final Terms as Futures Securities shall comprise the Security Conditions and the additional Terms and Conditions for Futures Securities set out below (the "**Futures Security Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Security Conditions and (ii) the Futures Security Conditions, the Futures Security Conditions shall prevail.

1. Definitions

"Basket of Futures" means a basket composed of each Future specified in the applicable Final Terms in the weightings specified in the applicable Final Terms;

"Clearance System" means the principal domestic clearance system customarily used for settling trades in the relevant Future(s);

"Clearance System Days" means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of an event which results in the Clearance System being unable to clear the transfer of a relevant security would have been) open for the acceptance and execution of settlement instructions;

"Disrupted Day" means any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session(s) or on which a Market Disruption Event has occurred;

"Early Closure" means the closure on any Exchange Business Day of the relevant Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s), at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) on such Exchange Business Day and (b) the submission deadline for orders to be entered into the Exchange for execution at the Valuation Time on such Exchange Business Day;

"Exchange" means, in relation to a Future, each exchange or quotation system specified as such in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Future has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Future on such temporary substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day" means either (a) in the case of a single Future, Exchange Business Day (Single Future Basis) or (b) in the case of a Basket of Futures, Exchange Business Day (All Futures Basis) or Exchange Business Day (Per Future Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Future Basis) shall apply;

"Exchange Business Day (All Futures Basis)" means, in respect of all Futures comprised in a Basket of Futures, any Scheduled Trading Day on which each Exchange is, in respect of such Futures, open for trading during its regular trading session(s) notwithstanding such Exchange closing prior to its Scheduled Closing Time;

"Exchange Business Day (Per Future Basis)" means, in respect of a Future, any Scheduled Trading Day on which the relevant Exchange in respect of such Future is open for trading during its regular trading session(s), notwithstanding such relevant Exchange closing prior to its Scheduled Closing Time;

"Exchange Business Day (Single Future Basis)" means any Scheduled Trading Day on which the relevant Exchange is open for trading during its respective regular trading session(s), notwithstanding such relevant Exchange closing prior to its Scheduled Closing Time;

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner) the

ability of market participants in general to effect transactions in, or obtain market values for, the Futures on the Exchange;

"**Future**" or "**Futures**" means, subject to adjustments in accordance with this Annex 10, in the case of an issue of Securities relating to a single Future, the futures contract and, in the case of an issue of Securities relating to a Basket of Futures, each futures contract, specified in the applicable Final Terms, and related expressions shall be construed accordingly;

"**Futures Correction Period**" means (a) the period specified in the applicable Final Terms, or (b) if none is so specified, one Settlement Cycle;

"**Scheduled Trading Day**" means either (a) in the case of a single Future, Scheduled Trading Day (Single Future Basis) or (b) in the case of a Basket of Futures, Scheduled Trading Day (All Futures Basis) or Scheduled Trading Day (Per Future Basis), in each case as specified in the applicable Final Terms, provided that, if no such specification is made in the applicable Final Terms, Exchange Business Day (Per Future Basis) shall apply;

"**Scheduled Trading Day (All Futures Basis)**" means, in respect of all Futures comprising the Basket of Futures, any day on which each Exchange is, in respect of such Futures, scheduled to be open for trading during its regular trading session(s);

"**Scheduled Trading Day (Per Future Basis)**" means, in respect of a Future, any day on which the relevant Exchange is scheduled to be open for trading during its regular trading session(s);

"**Scheduled Trading Day (Single Future Basis)**" means any day on which the relevant Exchange is scheduled to be open for trading during its regular trading session(s);

"**Settlement Cycle**" means, in respect of a Future, the period of Clearance System Days following a trade in the Future on the Exchange on which settlement will customarily occur according to the rules of such Exchange;

"**Settlement Price**" means, unless otherwise stated in the applicable Final Terms, in relation to each Security subject to the provisions of this Annex and as referred to in "Averaging Date", "Observation Date", "Strike Date" or "Valuation Date" as the case may be:

- (a) in the case of Futures Securities relating to a Basket of Futures and in respect of each Futures comprising the basket, an amount equal to the official closing price (or the price at the Valuation Time on an Averaging Date or the Valuation Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Future on (i) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, multiplied by the relevant Weighting; and
- (b) in the case of Futures Securities relating to a single Future, an amount equal to the official price (or the price at the Valuation Time on an Averaging Date or the Valuation Date, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Future on (i) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (ii) if Averaging is specified in the applicable Final Terms, an Averaging Date;

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or otherwise relating to the Futures on the Exchange.

2. **Market Disruption**

"**Market Disruption Event**" means, in relation to Securities relating to a single Future or a Basket of Futures, in respect of a Future the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines acting in good faith and in a commercially reasonable manner is material, at any time during the one hour period that ends at the relevant Valuation Time, or (c) an Early Closure.

The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Security Condition 8 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date, or an Observation Date, a Valuation Date or the Strike Date.

3. Adjustments to a Future

3.1 Futures Modification, Futures Replacement or Futures De-Listing

If, on or prior to the last Valuation Date, the last Observation Date or the last Averaging Date, (a) the relevant Exchange makes or announces that it will make a material change in the conditions of the Future(s) (a "**Futures Modification**"), (b) the relevant Exchange replaces the Future by a new Future contract to be substituted to the Future (a "**Futures Replacement**") or (c) the relevant Exchange announces that the relevant Future cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union) (a "**Futures De-Listing**" and, together with a Futures Modification and a Futures Replacement, each a "**Futures Adjustment Event**"), then:

- (a) following the occurrence of a Futures Modification or a Futures Replacement, the Calculation Agent shall determine acting in good faith and in a commercially reasonable manner if such Futures Modification or Futures Replacement has a material effect on the Securities and, if so, shall use the Future(s) so modified or replaced *in lieu* of the initial Future with respect to the relevant Securities; or
- (b) the Issuer may cancel the Warrants by giving notice to Securityholders in accordance with Security Condition 8. If the Warrants are so cancelled the Issuer will:
 - (i) if Highest Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each Securityholder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.1;
 - (ii) if Market Value is specified as applicable in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each Securityholder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder calculated and paid on such date determined, in accordance with Security Condition 21.2; or
 - (iii) if the Calculation Agent determines that such Futures Adjustment Event constitutes a *force majeure*, and if Futures Security Condition 3.1(b)(iii) is specified in the applicable Final Terms, the Issuer will on giving notice to Securityholders in accordance with Security Condition 8 (*Notices*), pay to each Securityholder an amount in respect of each Security, or if Units are specified as applicable in the applicable Final Terms, each Unit, as the case may be, held by such Securityholder, which amount shall be equal to the fair market value of a Security or Unit, as the case may be, taking into account such event (provided that no account will be taken of costs (other than such costs that are unavoidable to cancel the Securities at their fair market value) and no such costs shall be deducted), such amount to be paid to the Securityholders on the date notified to the Securityholders in the notice of cancellation; or
 - (iv) otherwise, pay an amount to each Securityholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, being cancelled an amount equal to the fair market value of a Warrant or a Unit, as the case may be, taking into account the Futures Adjustment Event, less, unless Unwind Costs are specified as not applicable in the applicable Final Terms the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner,

payment being made in such manner as shall be notified to the Securityholders in accordance with Security Condition 8.

3.2 Notice

The Calculation Agent shall, as soon as practicable, notify the Fiscal Agent of any determination made by it pursuant to paragraph 3.1 (*Futures Modification, Futures Replacement or Futures De-Listing*) above and the action proposed to be taken in relation thereto and the Fiscal Agent shall make available for inspection by Securityholders copies of any such determinations.

4. Correction of Futures Price

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Securities, if the price of the relevant Future(s) published on a given day and used or to be used by the Calculation Agent to make any determination under the Securities, is subsequently corrected and the correction published by the relevant Exchange within the number of days equal to the Futures Correction Period of the original publication, the price to be used shall be the price of the relevant Future(s) as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Securities will be disregarded by the Calculation Agent for the purposes of determining the relevant amount.

ANNEX 11

ADDITIONAL TERMS AND CONDITIONS FOR UNDERLYING INTEREST RATE SECURITIES

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Securities specified in the applicable Final Terms as Underlying Interest Rate Securities shall comprise the Security Conditions and the additional Terms and Conditions for Underlying Interest Rate Securities set out below (the "**Underlying Interest Rate Security Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Security Conditions and (ii) the Underlying Interest Rate Security Conditions, the Underlying Interest Rate Security Conditions shall prevail.

1. Underlying Interest Rate Determination

In respect of each Underlying Interest Determination Date specified in the applicable Final Terms, the Underlying Interest Rate or, if two or more Underlying Interest Rates are specified in the applicable Final Terms, each Underlying Interest Rate will be determined in the manner specified in the applicable Final Terms. Each Underlying Interest Rate comprising a Multiple Underlying Interest Rate will be calculated separately and independently as provided below and in the applicable Final Terms.

2. ISDA Determination

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

- (a) the Floating Rate Option is as specified in the applicable Final Terms, provided that, if the Floating Rate Option specified in the applicable Final Terms is a EURIBOR rate, in the event that EURIBOR has been discontinued, such other successor benchmark rate as the financial industry shall have accepted as a successor or substitute rate for EURIBOR for the relevant currency, as applicable;
- (b) the Designated Maturity is a period specified in the applicable Final Terms; and
- (c) the relevant Reset Date is as specified in the applicable Final Terms.

For the purposes of these Underlying Interest Rate Security Conditions, "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

3. Screen Rate Determination

- (i) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Underlying Interest Rate is to be determined, the Underlying Reference Rate will, subject as provided below, be either:

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

(expressed as a percentage rate *per annum*) for the Underlying Reference Rate(s) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at the Specified Time indicated in the applicable

Final Terms (which will be 11.00 a.m., Brussels time, in the case of EURIBOR) (the "**Screen Page Underlying Reference Rate**") on the Underlying Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Underlying Margin (if any), all as determined by the Calculation Agent. If five or more of such 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 offered quotations.

- (ii) In the event that the Relevant Screen Page is not available or if, in the case of (i) (a) above, no such offered quotation appears on the Relevant Screen Page (or such replacement page on that service which displays the information) or, in the case of (ii) (a) above, fewer than three such offered quotations appear on the Relevant Screen Page (or such replacement page on that service which displays the information), in each case as at the Specified Time indicated above or in the applicable Final Terms, except as provided in paragraph (iii) below, the Calculation Agent will determine the Underlying Reference Rate as the rate it determines would have prevailed but for such non-availability or other event acting in good faith and in a commercially reasonable manner.
- (iii) If the Calculation Agent determines at any time prior to any Underlying Interest Determination Date, that the Screen Page Underlying Reference Rate has been discontinued or a Reference Rate Fallback Event has occurred, the Calculation Agent will use, as a substitute for the Screen Page Underlying Reference Rate, the alternative reference rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) in the jurisdiction or region of the currency of the relevant rate (each a "**Relevant Nominating Body**") that is consistent with industry accepted standards, provided that if two or more alternative reference rates are selected by any Relevant Nominating Body, the Issuer or the Calculation Agent, as applicable, shall determine which of those alternative reference rates is most appropriate to preserve the economic features of the relevant Securities. If the Calculation Agent notifies the Issuer that it is unable to determine such an alternative reference rate, the Calculation Agent will as soon as reasonably practicable (and in any event before the Business Day prior to the applicable Underlying Interest Determination Date) appoint an agent (the "**Underlying Reference Rate Determination Agent**"), which will determine whether a substitute or successor rate, which is substantially comparable to the Screen Page Underlying Reference Rate, is available for the purpose of determining the Underlying Reference Rate on each Underlying Interest Determination Date falling on or after the date of such determination. If the Underlying Reference Rate Determination Agent determines that there is an industry accepted successor rate, the Underlying Reference Rate Determination Agent will notify the Issuer of such successor rate to be used by the Calculation Agent to determine the Underlying Interest Rate.

If the Underlying Reference Rate Determination Agent or the Calculation Agent, as applicable has determined a substitute or successor rate in accordance with the foregoing paragraph (such rate, the "**Replacement Underlying Reference Rate**"), for the purpose of determining the Underlying Reference Rate on each Underlying Interest Determination Date falling on or after such determination:

- (a) the Underlying Reference Rate Determination Agent or the Calculation Agent, as applicable, will also determine the changes (if any) required to the Underlying Interest Determination Date and any method for obtaining the Replacement Underlying Reference Rate, including any adjustment needed to make such Replacement Underlying Reference Rate comparable to the Screen Page Underlying Reference Rate, in each case acting in good faith and in a commercially reasonable manner that is consistent with industry-accepted practices for such Replacement Underlying Reference Rate;
- (b) references to the Underlying Reference Rate in these Underlying Interest Rate Security Conditions will be deemed to be references to the relevant Replacement Underlying Reference Rate, including any alternative method for determining such rate as described in (a) above;

- (c) the Underlying Reference Rate Determination Agent or the Calculation Agent, as applicable, will notify the Issuer of the Replacement Underlying Reference Rate, and the details described in (a) above as soon as reasonably practicable; and
- (d) the Issuer will give notice to the Holders in accordance with Security Condition 8 (*Notices*), and the Calculation Agent of the Replacement Underlying Reference Rate, and the details described in (i) above as soon as reasonably practicable but in any event no later than 5:00 p.m. (London time) on the Business Day prior to the applicable Underlying Interest Determination Date.

The determination of the Replacement Underlying Reference Rate and the other matters referred to above by the Underlying Reference Rate Determination Agent or the Calculation Agent, as applicable, will (in the absence of manifest error) be final and binding on the Issuer, the Calculation Agent and the Holders, unless the Issuer, the Calculation Agent or the Underlying Reference Rate Determination Agent determines at a later date that the Replacement Underlying Reference Rate is no longer substantially comparable to the Underlying Reference Rate or does not constitute an industry accepted successor rate, in which case the Calculation Agent shall appoint or re-appoint a Underlying Reference Rate Determination Agent, as the case may be (which may or may not be the same entity as the original Underlying Reference Rate Determination Agent or the Calculation Agent) for the purpose of confirming the Replacement Underlying Reference Rate or determining a substitute Replacement Underlying Reference Rate in an identical manner as described in this paragraph (iii). If the replacement Underlying Reference Rate Determination Agent or the Calculation Agent, as applicable, is unable to or otherwise does not determine a substitute Replacement Underlying Reference Rate, then the Replacement Underlying Reference Rate will remain unchanged.

The Underlying Reference Rate Determination Agent may be (x) a leading bank, broker-dealer or benchmark agent in the principal financial centre of the currency of the relevant rate as appointed by the Calculation Agent, (y) the Issuer or the Guarantor (if applicable) or (z) an affiliate of the Issuer, the Guarantor (if applicable) or the Calculation Agent.

If the Underlying Reference Rate Determination Agent or the Calculation Agent, as applicable, is unable to or otherwise does not determine a Replacement Underlying Reference Rate, then the Replacement Underlying Reference Rate, shall be equal to the last Underlying Reference Rate available on the Screen Page Underlying Reference Rate, plus or minus (as appropriate) the Underlying Margin (if any), as determined by the Calculation Agent.

4. **Determination of Underlying Interest Rate**

The Calculation Agent will, on or as soon as practicable after each date on which the Underlying Interest Rate is to be determined, which if the Securities are Hybrid Securities and Hybrid Business Day is specified as applicable in the applicable Final Terms, will be deemed to be a Scheduled Trading Day for the purposes of determining whether such day is a Hybrid Business Day (the "**Underlying Interest Determination Date**"), determine the Underlying Reference Rate (subject to any Minimum Underlying Reference Rate or Maximum Underlying Reference Rate specified in the applicable Final Terms). The Calculation Agent will notify the Principal Paying Agent of the Underlying Reference Rate as soon as practicable after calculating the same.

5. **Minimum and/or Maximum Underlying Reference Rate**

If the applicable Final Terms specifies a Minimum Underlying Reference Rate, then, in the event that the Underlying Reference Rate determined in accordance with the provisions of Underlying Interest Rate Security Conditions 2 (*ISDA Determination*) or 3 (*Screen Rate Determination*) above (as appropriate) is less than such Minimum Underlying Reference Rate, the Underlying Reference Rate shall be such Minimum Underlying Reference Rate.

If the applicable Final Terms specifies a Maximum Underlying Reference Rate, then, in the event that the Underlying Reference Rate determined in accordance with the provisions of Underlying Interest Rate Security Conditions 2 (*ISDA Determination*) or 3 (*Screen Rate Determination*) above (as appropriate) is greater than such Maximum Underlying Reference Rate, the Underlying Reference Rate shall be such Maximum Underlying Reference Rate.

ANNEX 12

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ANNEX 13

ADDITIONAL TERMS AND CONDITIONS FOR OET WARRANTS

If specified as applicable in the applicable Final Terms, the terms and conditions applicable to Warrants specified in the applicable Final Terms as OET Warrants shall comprise the Security Conditions and the additional Terms and Conditions for OET Warrants set out below (the "**OET Warrant Conditions**"), in each case together with any other additional terms and conditions specified in the applicable Final Terms and subject to completion in the applicable Final Terms. In the event of any inconsistency between (i) the Security Conditions and (ii) the OET Warrant Conditions, the OET Warrant Conditions shall prevail.

1. Definitions

"Automatic Early Expiration Amount" means an amount in the Settlement Currency equal to the Automatic Early Expiration Payout set out in the applicable Final Terms. If the Automatic Early Expiration Payout is zero, no amount shall be payable on settlement of the Warrant pursuant to OET Warrant Condition 2 (*Automatic Early Expiration*).

The Automatic Early Expiration Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention;

"Automatic Early Expiration Event" means that, as determined by the Calculation Agent, at the Observation Time(s) on an Automatic Early Expiration Valuation Date (the "**Relevant Automatic Early Expiration Valuation Date**"):

- (a) with respect to an OET Call Warrant, the Observation Price is less than or equal to the applicable Security Threshold; or
- (b) with respect to an OET Put Warrant, the Observation Price is greater than or equal to the applicable Security Threshold;

"Automatic Early Expiration Valuation Date" means each Relevant Business Day from (and including) the Issue Date notwithstanding the occurrence of (in the case of Index OET Warrants, Share OET Warrants, ETI OET Warrants or Currency OET Warrants) a Disrupted Day;

"Capitalised Exercise Price" or "**CEP_t**" means, in respect of a calendar day (day_t), an amount calculated as follows and rounded upwards or downwards in accordance with the Capitalised Exercise Price Rounding Rule specified in the applicable Final Terms:

$$CEP_t = CEP_{t-1} * (1 + \text{Financing Rate}_{t-1})^{1/360}$$

Except that:

- (a) with respect to Share OET Warrants, ETI OET Warrants and Index OET Warrants (where dividends on the index Shares (as defined below) are not reinvested in the relevant index), and where day_t is an Ex-Dividend Date, the Capitalised Exercise Price will be calculated as follows and rounded upwards or downwards in accordance with the Capitalised Exercise Price Rounding Rule specified in the applicable Final Terms:

$$CEP_t = CEP_{t-1} * (1 + \text{Financing Rate}_{t-1})^{1/360} - \text{Dividend Adjustment Amount}$$

- (b) with respect to Rolling Futures Contract Securities, and where day_t is a Futures Rollover Date, the Capitalised Exercise Price will be calculated as follows and rounded upwards or downwards in accordance with the Capitalised Exercise Price Rounding Rule specified in the applicable Final Terms:

$$CEP_t = CEP_{t-1} * (1 + \text{Financing Rate}_{t-1})^{1/360} + \text{Futures Rollover Adjustment Amount}$$

- (c) with respect to Index OET Call Warrants (where dividends on the Index Shares (as defined below) are reinvested in the relevant Index), and where day_t is an Ex-Dividend Date, the Capitalised Exercise Price will be calculated as follows and rounded upwards or downwards in accordance with the Capitalised Exercise Price Rounding Rule specified in the applicable Final Terms:

$$CEP_t = CEP_{t-1} * (1 + \text{Financing Rate}_{t-1})^{1/360} + \text{Applicable Withholding Tax}$$

for the purposes of this definition:

"Applicable Withholding Tax" means an amount calculated by the Calculation Agent equal to the taxes deducted or withheld at source by or on behalf of any applicable authority having the power to tax in respect of the cash dividends and/or other cash distributions payable in respect of the relevant Index Share related to the Ex-Dividend Date pursuant to the applicable double taxation treaty or domestic law prevailing at the time of the distribution;

"CEP_{t-1}" means the Capitalised Exercise Price applicable on day_{t-1}, provided that the Capitalised Exercise Price applicable on the Issue Date shall be equal to the Exercise Price;

"Dividend Adjustment Amount" means, in respect of an Ex-Dividend Date, an amount determined by the Calculation Agent equal to (i) the sum of the gross cash dividends and/or other cash distributions payable in respect of the relevant Underlying Reference (or in the case of an Index, in respect of each Index Share) related to such Ex-Dividend Date multiplied by (ii) the Dividend Percentage;

"Dividend Percentage" means the percentage specified as such in the applicable Final Terms, provided that the Calculation Agent acting in good faith and in a commercially reasonable manner, may increase such percentage to reflect any imposition of or adjustment to, any taxes which are deducted or withheld at source by or on behalf of any applicable authority having the power to tax in respect of cash dividends and/or other cash distributions payable in respect of the relevant Underlying Reference (or in the case of an Index, in respect of each Index Share). If the Dividend Percentage is adjusted as provided herein, the adjusted Dividend Percentage, will be notified to Holders in accordance with Security Condition 8 (*Notices*) as soon as reasonably practicable following such adjustment;

"Exercise Price" means the price specified as such in the applicable Final Terms;

"Financing Rate_{t-1}" means, the Financing Rate applicable on day_{t-1};

"Futures Rollover Adjustment Amount" means an amount, which may be positive or negative, calculated by the Calculation Agent representing the cost to the Issuer and/or its Affiliates of unwinding its hedging arrangements in the Current Exchange-traded Contract or the relevant Futures Contract, as the case may be, less the cost to the Issuer and/or its Affiliates of establishing hedging arrangements in the next Current Exchange-traded Contract or Futures Contract, as the case may be, in each case in respect of the relevant Futures Rollover Date, such amount to be allocated *pro rata* amongst the Warrants.

The Capitalised Exercise Price will be made available (subject to technical failure) during normal business hours on any Local Business Day during the term of the OET Warrants, on the OET Website(s) specified in the applicable Final Terms or such other website as may be notified to the Securityholders;

"Conversion Rate Final" means, in respect of a day, the rate of exchange (including any rates of exchange pursuant to which the relevant rate of exchange is derived) between the currency of the relevant Underlying Reference and the Settlement Currency, as specified as such in the applicable Final Terms on such day;

"Ex-Dividend Date" means, with respect to a Share, ETI Interest (in respect of which a dividend is paid) or share comprising an Index (an **"Index Share"**), the date on which such Share, ETI Interest or Index Share becomes "ex-dividend" as determined by the Calculation Agent;

"Final Price" means the Settlement Price on the Valuation Date or Optional Settlement Valuation Date, as applicable;

"Final Price Early" means the price of the relevant Underlying Reference, determined by the Calculation Agent on the basis of the price obtained by unwinding any underlying related hedging arrangements in respect of the relevant OET Warrants during the three-hour period immediately following the occurrence of the relevant Automatic Early Expiration Event, provided that (i) the Final Price Early in respect of an OET Call Warrant will be no lower than the lowest Observation Price and (ii) the Final Price Early in respect of an OET Put Warrant will be no greater than the highest Observation Price, in each case determined by the Calculation Agent during such three-hour period, or otherwise, during the opening hours of the relevant Exchange. With respect to OET Warrants relating to an Index, Share or ETI Interest, the above-mentioned three-hour period shall be counted during the opening hours of the relevant Exchange. Accordingly, if the period between the occurrence of the Automatic Early Expiration Event and the official closing time of the relevant Exchange is less than three hours, then the observation period shall extend to the following Relevant Business Day, until a full period of three hours has passed since the occurrence of the Automatic Early Expiration Event. With respect to Currency OET Warrants, if a period during a Relevant Business Day is specified in the applicable Final Terms as the Observation Time and the period between the occurrence of the Automatic Early Expiration Event and the end of that period is less than the above mentioned three-hour period, then the observation period shall extend to the following Relevant Business Day beginning at 8:00 am (CET time) until a full period of three hours has passed since the occurrence of the Automatic Early Expiration Event;

"Financing Rate" means, if applicable, in respect of a calendar day (day_t), the rate calculated as

Financing Rate Percentage + Interbank Rate 1 – Interbank Rate 2;

"Financing Rate Percentage" means, in the case of OET Call Warrants, the positive rate and, in the case of OET Put Warrants, the negative rate, specified in the applicable Final Terms Provided that the Calculation Agent may, acting in good faith and in a commercially reasonable manner, select an alternative rate which must be within the Financing Rate Range;

"Financing Rate Range" means the range specified as such in the applicable Final Terms;

"Interbank Rate 1" means the offered quotation for the rate which appears on the Interbank Rate 1 Screen Page at the Interbank Rate 1 Specified Time on day_t as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. In the event that the Interbank Rate 1 Screen Page is not available or no such offered quotation appears at such time or there has been a permanent or indefinite cancellation or cessation of the relevant rate, the Calculation Agent will use, as a substitute for the relevant rate, the alternative rate selected by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) in the jurisdiction or region of the currency in which the relevant rate is denominated (each a **"Relevant Nominating Body"**), that is consistent with industry accepted standards, provided that, if two or more alternative rates are selected by any Relevant Nominating Body, the Issuer or the Calculation Agent, as applicable, shall determine which of those alternative rates is most appropriate to preserve the economic features of the relevant Securities. If the Calculation Agent is unable to determine such alternative rate, the Calculation Agent will determine the Interbank Rate 1 as the rate it determines would have prevailed but for such non-availability or other event, acting in good faith and in a commercially reasonable manner;

"Interbank Rate 1 Screen Page" means the source specified in the applicable Final Terms;

"Interbank Rate 1 Specified Time" means the time specified in the applicable Final Terms or, if no such time is specified, the customary time as of which the relevant Interbank Rate 1 is published;

"Interbank Rate 2" means the offered quotation for the rate which appears on the Interbank Rate 2 Screen Page at the Interbank Rate 2 Specified Time on day_t as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. In the event that the Interbank Rate 2 Screen Page is not available or no such offered quotation appears, the Calculation Agent will determine the Interbank Rate 2 as the rate it determines would have prevailed but for such non-availability or other event acting in good faith and in a commercially reasonable manner and consistently with industry accepted standards;

"Interbank Rate 2 Screen Page" means the source specified in the applicable Final Terms;

"Interbank Rate 2 Specified Time" means the time specified in the applicable Final Terms or, if no such time is specified, the customary time as of which the relevant Interbank Rate 2 is published;

"Local Business Day" means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Local Business Day Centre(s) specified in the applicable Final Terms;

"Observation Price" means the "official level", "opening price", "official close", "closing price", "purchase price", "sale price", "last price", "bid price", "asked price", "traded price", "official settlement price", "daily settlement price" as specified in the applicable Final Terms, of the Underlying Reference published by the Observation Price Source as determined by the Calculation Agent at the Observation Time(s);

"Observation Price Source" means the source specified as such in the applicable Final Terms;

"Observation Time(s)" means the time(s) or period(s) of observation specified as such in the applicable Final Terms;

"Relevant Business Day" means, unless otherwise specified in the applicable Final Terms, an Exchange Business Day (in respect of OET Warrants other than Currency OET Warrants), a Scheduled Trading Day (in respect of Currency Securities);

"Reset Date" means, unless otherwise specified in the applicable Final Terms, each calendar day in the period from and excluding the Issue Date to and including the Settlement Date;

"Security Percentage" means the percentage specified as such in the applicable Final Terms. The Security Percentage may be adjusted by the Calculation Agent on each Reset Date in order to take into account changes in market conditions (including, in particular, volatility), provided that the adjusted Security Percentage (a) unless the Security Percentage is equal to zero, falls between the "Minimum Security Percentage" and the "Maximum Security Percentage" specified in the applicable Final Terms and (b) does not trigger the occurrence of an Automatic Early Expiration Event;

"Security Threshold" means the amount calculated as follows by the Calculation Agent and rounded upwards or downwards in accordance with the Security Threshold Rounding Rule specified in the applicable Final Terms:

- (a) in the case of OET Call Warrants, an amount equal to the product, rounded in accordance with the Security Threshold Rounding Rule specified in the applicable Final Terms, of (i) the Capitalised Exercise Price as at the relevant Reset Date and (ii) one, plus the Security Percentage; and
- (b) in the case of OET Put Warrants, an amount equal to the product, rounded in accordance with the Security Threshold Rounding Rule, (i) of the Capitalised Exercise Price as at the relevant Reset Date and (ii) one, minus the Security Percentage.

The Security Threshold calculated pursuant to the foregoing shall, subject as provided below, be published for information purposes only (subject to technical problems) during normal business hours on any Local Business Day during the term of the relevant OET Warrants on the OET Website(s) specified in the applicable Final Terms or such other website as may be notified to the Securityholders.

The Security Threshold, from time to time, calculated by the Calculation Agent shall prevail over the Security Threshold published on the OET Website(s), which is published for information purposes only and may subsequently be corrected should the amount published differ from the Security Threshold calculated by the Calculation Agent.

"Settlement Currency" means Euro, unless otherwise specified in the applicable Final Terms;

"Underlying Reference" means the relevant Index, Share, ETI Interest, Alternative Currency, Debt Instrument or other basis of reference to which the relevant Warrants relate, as specified in the Product Specific Provisions of the applicable Final Terms; and

"Valuation Date" means:

- (a) the date designated as such by the Issuer, in its sole and absolute discretion, provided that such date is determined by the Issuer and notified to the Securityholders in accordance with Security Condition 8 (*Notices*) at the latest on the tenth (10th) Relevant Business Day preceding the contemplated Valuation Date or, if such date is not a Relevant Business Day, the next following Relevant Business Day. The provisions of (a)(i), (a)(ii), (a)(iii) or (a)(iv), as applicable, of the definition of "Valuation Date" in Security Condition 3 (*Definitions*) shall apply if any such day is a Disrupted Day; or
- (b) if Automatic Early Expiration is specified as being applicable in the applicable Final Terms and an Automatic Early Expiration Event occurs, the Relevant Automatic Early Expiration Valuation Date or if such date is not a Relevant Business Day, the next following Relevant Business Day,

in each case, subject to adjustment in accordance with the relevant Conditions.

If (i) the Issuer designates a date as being the Valuation Date in accordance with these Terms and Conditions and (ii) an Automatic Early Expiration Event occurs after such designation but prior to the designated Valuation Date, then the Valuation Date shall be deemed to be the Relevant Automatic Expiration Valuation Date as determined pursuant to this definition.

2. **Automatic Early Expiration**

If "Automatic Early Expiration" is specified as being applicable in the applicable Final Terms, then unless previously settled or purchased and cancelled, if an Automatic Early Expiration Event occurs, then the Warrants will be automatically settled in whole, but not in part, on the date falling the number of Business Days specified in the applicable Final Terms following the Valuation Date (the "**Automatic Early Expiration Date**") and the amount payable by the Issuer upon settlement of each Warrant shall be an amount equal to the relevant Automatic Early Expiration Amount.

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" $\text{div}_t^{\text{gross}}$ " is as defined in Formulas Condition 1.1(hh);

" $\text{div}_t^{\text{net}}$ " is as defined in Formulas Condition 1.1(hh);

" rc_t " is as defined in Formulas Condition 1.1(hh);

" rc_{t-1} " is as defined in Formulas Condition 1.1(hh);

" r_{t-1}^u " is as defined in Formulas Condition 1.1(hh);

" r_{t-1}^{ub} " is as defined in Formulas Condition 1.1(hh);

" r_{t-1}^{ur} " is as defined in Formulas Condition 1.1(hh);

"**2-Way Percentage**" is as defined in Formulas Condition 1.1(nn);

"**A**" is as defined in Security Condition 13.2(c), in Formulas Condition 1.1(ggg), in Formulas Condition 1.1(jjj), in ETI Security Condition 6.2(b), in Share Security Condition 5.2(e);

"**a**" is as defined in Formulas Condition 1.1(ggg), in Formulas Condition 1.1(jjj);

"**AC Barrier Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**ACT Day**" is as defined in Formulas Condition 1.1(s) and in Formulas Condition 8.1(e);

"**ACT_(i,i-1)**" is as defined in Formulas Condition 1.1(s);

"**Act_(t-1,t)**" is as defined in Formulas Condition 8.1(e);

"**Actual Dividend**" is as defined in Share Security Condition 4 (*Dividend Event*);

"**Actual First Traded Price**" is as defined in Index Security Condition 5.1;

"**Additional Digital Coupon Condition**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Additional Disruption Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**Additional Final Payout 1**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Additional Final Payout 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Additional Final Payout Weighting**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Additional Final Payout**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Additional Gearing**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Adjusted Bear CV**" is as defined in Formulas Condition 1.1(hh);

"**Adjusted Bull CV**" is as defined in Formulas Condition 1.1(hh);

"**Adjustment**" is as defined in ETI Security Condition 6.2(a) and in Fund Security Condition 4.2(a);

"**Adjustment Date**" is as defined in Security Condition 15(b);

"**Adjustment Factor K**" is as defined in Share Security Condition 4 (*Dividend Event*);

"**Adjustment**" is as defined in ETI Security Condition 6.2(a) and Fund Security Condition 4.2(a);

"**Administrator**" is as defined in Security Condition 13.1 (*Definitions*);

"**Administrator/Benchmark Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**ADR**" is as defined in Security Condition 1.1 (*Type*) and Share Security Condition 9 (*Definitions relating to GDR/ADR*);

"**AES Calculation Period**" is as defined in Formulas Condition 2.1(d);

"**AES Day Count Fraction**" is as defined in Formulas Condition 2.1(d);

"**AES Event 1 Underlying(s)**" is as defined in Security Condition 19.9(c);

"**AES Event 2 Underlying(s)**" is as defined in Security Condition 19.9(c);

"**AES Exit Rate**" is as defined in Formulas Condition 2.1(d);

"**AES Knock-out Date**" is as defined in Security Condition 19.9(c);

"**AES Knock-out**" is as defined in Security Condition 19.9(c);

"**AES Margin**" is as defined in Security Condition 19.9(c);

"**AES Range Level**" is as defined in Security Condition 19.9(c);

"**AES Range Level 1**" is as defined in Security Condition 19.9(c);

"**AES Range Level 2**" is as defined in Security Condition 19.9(c);

"**AES Rate(s)**" is as defined in Security Condition 19.9(c);

"**AES Reference Rate**" is as defined in Formulas Condition 2.1(d);

"**AES Settlement Percentage**" is as defined in Formulas Condition 2.1(d);

"**AES Settlement Percentage 1**" is as defined in Formulas Condition 2.1(d);

"**AES Settlement Percentage 2**" is as defined in Formulas Condition 2.1(d);

"**AES up Rate**" is as defined in Formulas Condition 2.1(d);

"**AF**" is as defined in Formulas Condition 8.1(e);

"**AF_(t)**" is as defined in Formulas Condition 1.1(s);

"**Affected Basket Company**" is as defined in Share Security Condition 5.2(e);

"**Affected Component Security**" is as defined in Security Condition 3 (*Definitions*) under the definition of Strike Date and the definition of Valuation Date;

"**Affected ETI**" is as defined in ETI Security Condition 6.2(b);

"**Affected ETI Interest**" is as defined in ETI Security Condition 6.2(b);

"**Affected Exchange-traded Contract**" is as defined in Debt Security Condition 9(b) and in Currency Security Condition 8(b);

"**Affected Fund**" is as defined in Fund Security Condition 4.2(b)(i);

"**Affected Item**" is as defined in Security Condition 3 (*Definitions*) under the definition of Averaging Date, Strike Date, Valuation Date Valuation Date;

"**Affected Relevant Assets**" is as defined in Security Condition 13.1 (*Definitions*);

"**Affected Share**" is as defined in Security Condition 13.2(c) and Share Security Condition 5.2(e);

"**Alternate Cash Amount**" is as defined in Security Condition 4.5 (*Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount*);

"**Alternative Currency**" is as defined in Security Condition 3 (*Definitions*);

"**Annex**" is as defined in the first paragraph of the Terms and Conditions of Securities;

"**Annexes**" is as defined in the first paragraph of the Terms and Conditions of Securities;

"**Applicable Banking Regulations**" is as defined in Security Condition 13.1 (*Definitions*);

"**Applicable Withholding Tax**" is as defined in Formulas Condition 1.1(s) and in OET Warrant Condition 1 (*Definitions*);

"**AUM Level**" is as defined in Fund Security Condition 1 (*Definitions*);

"**Automatic Early Expiration Amount**" is as defined in Security Condition 19.9(c) and in OET Warrant Condition 1 (*Definitions*);

"**Automatic Early Expiration Date**" is as defined in Security Condition 19.9(c) and in OET Warrant Condition 2 (*Automatic Early Expiration*);

"**Automatic Early Expiration Event 1**" is as defined in Security Condition 19.9(c);

"**Automatic Early Expiration Event 2**" is as defined in Security Condition 19.9(c);

"**Automatic Early Expiration Event**" is as defined in Security Condition 19.9(c) and in OET Warrant Condition 1 (*Definitions*);

"**Automatic Early Expiration Level 1**" is as defined in Security Condition 19.9(c);

"**Automatic Early Expiration Level 2**" is as defined in Security Condition 19.9(c);

"**Automatic Early Expiration Level**" is as defined in Security Condition 19.9(c);

"**AES Range Level**" is as defined in Security Condition 19.9(c);

"**AES Range Level 1**" is as defined in Security Condition 19.9(c);

"**AES Range Level 2**" is as defined in Security Condition 19.9(c);

"**Automatic Early Expiration Payout**" is as defined in Formulas Condition 2.1 (*Automatic Early Expiration Payouts Formulas*);

"**Automatic Early Expiration Percentage(s)**" is as defined in Security Condition 19.9(c);

"**Automatic Early Expiration Valuation Date**" is as defined in Security Condition 19.9(c) and OET Warrant Condition 1 (*Definitions*);

"**Automatic Early Expiration Valuation Period**" is as defined in Security Condition 19.9(c);

"**Automatic Early Expiration Valuation Time**" is as defined in Security Condition 19.9(c);

"**Automatic Payout Switch Event**" is as defined in Security Condition 19.1;

"**Automatic Payout Switch Level**" is as defined in Security Condition 19.1;

"**Average Basket Value**" is as defined in Formulas Condition 8.4(b);

"**Average Best Value**" is as defined in Formulas Condition 8.4(b);

"**Average Rainbow Value**" is as defined in Formulas Condition 8.4(b);

"**Average Underlying Reference TOM Value**" is as defined in Formulas Condition 8.4(a);

"**Average Underlying Reference Value**" is as defined in Formulas Condition 8.4(a);

"**Average Worst Value**" is as defined in Formulas Condition 8.4(b);

"**Averaging Date**" is as defined in Security Condition 3 (*Definitions*), in Currency Security Condition 1 (*Definitions*) and in Fund Security Condition 1 (*Definitions*);

"**Averaging**" is as defined in Security Condition 1.1(ii) (*Type*);

"**B**" is as defined in Security Condition 13.2(c), in Formulas Condition 1.1(ggg), in Share Security Condition 5.2(e), in ETI Security Condition 6.2(b);

"**b**" is as defined in Formulas Condition 1.1(ggg);

"**Barrier Condition**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Barrier Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Barrier Percentage Strike Price**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Barrier Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Barrier Range Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Base Currency**" is as defined in Security Condition 3 (*Definitions*);

"**Base Level**" is as defined in Inflation Index Security Condition 2.1(b);

"**Basket Companies**" is as defined in Share Security Condition 1 (*Definitions*);

"**Basket Company**" is as defined in Share Security Condition 1 (*Definitions*) and Share Security Condition 5.2(e);

"**Basket ES_t**" is as defined in Formulas Condition 8.1(e);

"**Basket ES_{t-1}**" is as defined in Formulas Condition 8.1(e);

"**Basket Level₀**" is as defined in Formulas Condition 8.1(e);

"**Basket of Futures**" is as defined in Futures Security Condition 1 (*Definitions*);

"**Basket of Indices**" is as defined in Index Security Condition 1 (*Definitions*);

"**Basket of Shares**" is as defined in Share Security Condition 1 (*Definitions*);

"**Basket of Underlying References**" is as defined in Security Condition 19.9(c);

"**Basket Price 1**" is as defined in Security Condition 19.9(c);

"**Basket Price 2**" is as defined in Security Condition 19.9(c);

"**Basket Price**" is as defined in Security Condition 19.9(c);

"**Basket Trigger Event**" is as defined in ETI Security Condition 1 (*Definitions*) and Fund Security Condition 1 (*Definitions*);

"**Basket Trigger Level**" is as defined in ETI Security Condition 1 (*Definitions*) and Fund Security Condition 1 (*Definitions*);

"**Basket**" is as defined in Security Condition 3 (*Definitions*);

"**Basket Performance**" is as defined in Formulas Condition 8.1(c);

"**Basket Performance Percentage**" is as defined in Formulas Condition 8.1(c);

"**Basket Value**" is as defined in Formulas Condition 8.1(c);

"**BasketES₀**" is as defined in Formulas Condition 8.1(e);

"**BasketES_t**" is as defined in Formulas Condition 8.1(e);

"**BasketES_{t-1}**" is as defined in Formulas Condition 8.1(e);

"**Basket_t**" is as defined in Formulas Condition 8.1(e);

"**Basket_{t-1}**" is as defined in Formulas Condition 8.1(e);

"**Basket_{t-s}^{ts}**" is as defined in Formulas Condition 8.1(e);

"**Bear CV₀**" is as defined in Formulas Condition 1.1(hh);

"**Bear CV_t**" is as defined in Formulas Condition 1.1(hh);

"**Bear CV_{t-1}**" is as defined in Formulas Condition 1.1(hh);

"**Bear Warrant Value**" is as defined in Formulas Condition 1.1(hh);

"**Benchmark**" is as defined in Security Condition 13.1 (*Definitions*);

"**Benchmark Modification or Cessation Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**Best Intraday Value**" is as defined in Formulas Condition 8.1(c);

"**Best Value**" is as defined in Formulas Condition 8.1(c);

"**BestLockValue_(t)**" is as defined in Formulas Condition 1.1(rr);

"**Best-Performing Underlying Reference Closing Price Value_(t)**" is as defined in Formulas Condition 6.1(b);

"**Beta 1**" is as defined in Formulas Condition 1.1(kk);

"**Beta 2**" is as defined in Formulas Condition 1.1(kk);

"**Bonus Coupon**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Bonus Floor Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Bonus Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Bonus Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**BRRD**" is as defined in Security Condition 13.1 (*Definitions*);

"**Bull Warrant Value**" is as defined in Formulas Condition 1.1(hh);

"**Bull CV₀**" is as defined in Formulas Condition 1.1(hh);

"**Bull CV_t**" is as defined in Formulas Condition 1.1(hh);

"**Bull CV_{t-1}**" is as defined in Formulas Condition 1.1(hh);

"**Business Day**" is as defined in Security Condition 3 (*Definitions*);

"**C**" is as defined in Security Condition 13.2(c), Share Security Condition 5.2(e), in ETI Security Condition 6.2(b);

"**Calculated Additional Disruption Amount Determination Date**" is as defined in Security Condition 13.2(b)(ii);

"**Calculated Additional Disruption Amount**" is as defined in Security Condition 13.2(b)(ii);

"**Calculated Currency Disruption Amount Determination Date**" is as defined in Currency Security Condition 3(b)(ii);

"**Calculated Currency Disruption Amount**" is as defined in Currency Security Condition 3(b)(ii);

"**Calculated Extraordinary Event Amount**" is as defined in Share Security Condition 5.2(c)(ii);

"**Calculated Extraordinary Event Amount Determination Date**" is as defined in Share Security Condition 5.2(c)(ii);

"**Calculated Futures Adjustment Amount**" is as defined in Futures Security Condition 3.1(b)(ii);

"**Calculated Futures Adjustment Amount Determination Date**" is as defined in Futures Security Condition 3.1(b)(ii);

"**Calculated Index Adjustment Amount Determination Date**" is as defined in Index Security Condition 3.2(c)(ii);

"**Calculated Index Adjustment Amount**" is as defined in Index Security Condition 3.2(c)(ii);

"**Calculation Agent**" is as defined in Security Condition 3 (*Definitions*);

"**Calculation Currency**" is as defined in Formulas Condition 1.1(hh);

"**Calculation Date**" is as defined in Security Condition 19.9(c), ETI Security Condition 1 (*Definitions*), Fund Security Condition 1 (*Definitions*), and Formulas Condition 1.1(iii);

"**Calculation Period**" is as defined in Security Condition 3 (*Definitions*);

"**Calculation Time_t**" is as defined in Formulas Condition 1.1(hh);

"**Calculation Time_{t-1}**" is as defined in Formulas Condition 1.1(hh);

"**Call**" is as defined in Formulas Condition 1.1(ll), in Formulas Condition 1.1(mm), in Formulas Condition 1.1(oo)(i), in Formulas Condition 1.1(oo)(iv), in Formulas Condition 1.1(oo)(v), in Formulas Condition 1.1(tt)(i), in Formulas Condition 1.1(tt)(iii), in Formulas Condition 1.1(tt)(x), in Formulas Condition 1.1(tt)(xi), in Formulas Condition 1.1(uu)(v) and in Formulas Condition 1.1(uu)(vi);

"**Call 1**" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(uu)(vii);

"**Call 2**" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(uu)(vii);

"**Call 3**" is as defined in Formulas Condition 1.1(uu)(vii);

"**Call Option Condition Exercise Notice**" is as defined in Security Condition 3 (*Definitions*);

"**Call Option Exercise Notice Period**" is as defined in Security Condition 3 (*Definitions*);

"**Call Option**" is as defined in Security Condition 3 (*Definitions*);

"**Call Spread**" is as defined in Formulas Condition 1.1(ll), in Formulas Condition 1.1(mm), in Formulas Condition 1.1(oo)(i), in Formulas Condition 1.1(oo)(iv), in Formulas Condition 1.1(oo)(v), in Formulas Condition 1.1(tt)(i), in Formulas Condition 1.1(tt)(iii), in Formulas Condition 1.1(tt)(x), in Formulas Condition 1.1(tt)(xi), in Formulas Condition 1.1(uu)(v) and in Formulas Condition 1.1(uu)(vi);

"**Call Spread 1**" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(uu)(vii);

"**Call Spread 2**" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(uu)(vii);

"**Call Spread 3**" is as defined in Formulas Condition 1.1(uu)(vii);

"**Call Spread_(n)**" is as defined in Formulas Condition 1.1(uu)(ii), in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"**Call Spread_(j)**" is as defined in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"**Call_(n)**" is as defined in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(ccc) and in Formulas Condition 1.1(ddd);

"**Call_(j)**" is as defined in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"**Cancellation Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**Cap Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*) and in Share Security Condition 4 (*Dividend Event*);

"**Cap Percentage 1**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Cap Percentage 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Cap Percentage 3**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Cap Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Cap**" is as defined in Security Condition 3 (*Definitions*) and in Formulas Condition 7 (*General Formulas Definitions*);

"**Capitalised Exercise Price**" or "**CEP_t**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Cash Dividend Amount**" is as defined in Share Security Condition 7 (*Dividend Payment*);

"**Cash Dividend Notice**" is as defined in Share Security Condition 7(b);

"**Cash Dividend Payment Date**" is as defined in Share Security Condition 7 (*Dividend Payment*);

"**Cash Dividend**" is as defined in Share Security Condition 7 (*Dividend Payment*);

"**Cash Settled Securities**" is as defined in Security Condition 1.1(i) (*Type*);

"**Cash Settled Warrants**" is as defined in Security Condition 17 (*Type*);

"**Cash Settlement Amount**" is as defined in Security Condition 3 (*Definitions*);

"**Centralised Custodian**" is as defined in Security Condition 1.3 (*Transfers of Securities*);

"**CEP_{t-1}**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Cert_(t0)**" is as defined in Formulas Condition 1.1(s);

"**Change in Law**" is as defined in Security Condition 13.1 (*Definitions*);

"**Clearance System Days**" is as defined in Index Security Condition 1 (*Definitions*), Share Security Condition 1 (*Definitions*), ETI Security Condition 1 (*Definitions*), Debt Security Condition 11 (*Definitions*) and Futures Security Condition 1 (*Definitions*);

"**Clearance System**" is as defined in Index Security Condition 1 (*Definitions*), Share Security Condition 1 (*Definitions*), ETI Security Condition 1 (*Definitions*), Debt Security Condition 11 (*Definitions*) and Futures Security Condition 1 (*Definitions*);

"**Clearing System**" is as defined in Security Condition 3 (*Definitions*);

"**Clearstream, Luxembourg**" is as defined in Security Condition 3 (*Definitions*);

"**Closing Level**" is as defined in Index Security Condition 1 (*Definitions*);

"**Closing Price**" is as defined in ETI Security Condition 1 (*Definitions*), in Share Security Condition 1 (*Definitions*);

"**Commencement Date**" is as defined in Formulas Condition 1.1(hh);

"**Component Security Index**" is as defined in Index Security Condition 1 (*Definitions*);

"**Component Security**" is as defined in Index Security Condition 1 (*Definitions*);

"**Component**" is as defined in Security Condition 3 (*Definitions*);

"**Composite Index**" is as defined in Index Security Condition 1 (*Definitions*);

"**Constant A**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant AES Percentage**" is as defined in Formulas Condition 2.1(c);

"**Constant B**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Mixed Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*), in Formulas Condition 1.1(fff), and in Formulas Condition 1.1(hhh);

"**Constant Percentage 1**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Percentage 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Percentage 3**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Percentage 4**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Percentage 5**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Percentage 6**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Percentage 7**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Percentage 8**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Percentage 9**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Percentage 10**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Percentage 11**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Percentage 12**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Percentage 13**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Percentage 14**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Percentage 15**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Percentage 16**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Constant Percentage_e**" is as defined in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(ccc) and in Formulas Condition 1.1(ddd);

"**Constant Percentage_j**" is as defined in Formulas Condition 1.1(ccc) and in Formulas Condition 1.1(ddd);

"**Constant TAES Percentage**" is as defined in Formulas Condition 2.1(f);

"**Conversion Event**" is as defined in Share Security Condition 9 (*Definitions relating to GDR/ADR*);

"**Conversion Rate Final**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Conversion Rate**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Coupon Airbag Percentage 1**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Coupon Airbag Percentage 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Coupon Airbag Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Coupon Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Coupon Weighting**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**CSR Event**" is as defined in Share Security Condition 5.1;

"**Cum Reference Price**" is as defined in Share Security Condition 4 (*Dividend Event*);

"**Cumulative Inflation Rate**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Currency Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**Currency Pair**" is as defined in Currency Security Condition 5 (*Futures Price Valuation*);

"**Currency Securities**" is as defined in Security Condition 1.1 (*Type*);

"**Currency Security Conditions**" is as defined in the first paragraph of Annex 8 (*Additional Terms and Conditions for Currency Securities*);

"**Current Exchange-traded Contract**" is as defined in Index Security Condition 5.1, Currency Security Condition 5 (*Futures Price Valuation*), and in Debt Security Condition 6 (*Futures Price Valuation*);

"**Cut-Off Date**" is as defined in Inflation Index Security Condition 1 (*Definitions*);

"**Cut-off Time**" is as defined in Formulas Condition 1.1(hh);

"**Daily Settlement Price Correction Period**" is as defined in Currency Security Condition 5 (*Futures Price Valuation*) and in Debt Security Condition 11 (*Definitions*);

"**Daily Settlement Price**" is as defined in Currency Security Condition 5 (*Futures Price Valuation*) and in Debt Security Condition 6 (*Futures Price Valuation*);

"**Day Count Fraction**" is as defined in Security Condition 19.9(c) and Formulas Condition 1.1(iii);

"**DC Barrier Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**DCF**" is as defined in Formulas Condition 2.1(d);

"**Debt Instrument Correction Period**" is as defined in Debt Security Condition 11 (*Definitions*);

"**Debt Instrument Issuer**" is as defined in Debt Security Condition 11 (*Definitions*);

"**Debt Instrument Redemption Event**" is as defined in Debt Security Condition 5 (*Redemption or Cancellation of a Debt Instrument*);

"**Debt Instruments**" is as defined in Security Condition 3 (*Definitions*);

"**Debt Securities**" is as defined in Security Condition 1.1 (*Type*);

"**Deed of Covenant**" is as defined in the fourth paragraph of the Terms and Conditions of the Securities;

"**Deed Poll**" is as defined in Security Condition 11.1(a)(ii);

"**Deed of Guarantee**" is as defined in the third paragraph of the Terms and Conditions of the Securities;

"**Definitive Securities**" is as defined in Security Condition 1.3 (*Transfers of Securities*);

"**Delayed Index Level Event**" is as defined in Inflation Index Security Conditions 1 (*Definitions*);

"**Delayed Payment Cut-off Date**" is as defined in Fund Security Condition 1 (*Definitions*);

"**Delayed Payment Notice**" is as defined in Fund Security Condition 5 (*Settlement Date/Automatic Early Expiration Date/Termination Date Extension*);

"**De-Listing**" is as defined in Share Security Condition 5.1;

"**Designated Maturity**" is as defined in Underlying Interest Rate Security Condition 2 (*ISDA Determination*);

"**Digital Cap Percentage 1**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Digital Cap Percentage 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Double Digital Coupon Condition 1**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Double Digital Coupon Condition 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Digital Floor Percentage 1**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Digital Floor Percentage 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Digital Plus Percentage 1**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Digital Plus Percentage 2**" is as defined in Formulas Condition 7 (*General Formulas Definition*);

"**Dispersion Value_(k)**" is as defined in Formulas Condition 1.1(ss);

"**Dispute**" is as defined in Security Condition 12(b);

"**Disqualified Transferee**" is as defined in Security Condition 1.3 (*Transfers of Securities*);

"**Disrupted Amount**" is as defined in Security Condition 4.6(v);

"**Disrupted Day**" is as defined in Index Security Condition 1 (*Definitions*), in Share Security Condition 1 (*Definitions*), in ETI Security Condition 1 (*Definitions*) in Debt Security Condition 11 (*Definitions*), in Currency Security Condition 1 (*Definitions*) and in Futures Security Condition 1 (*Definitions*);

"**Disrupted Level Day**" is as defined in Formulas Condition 8.1(e);

"**Disrupted Settlement Date**" is as defined in Security Condition 4.6(v);

"**Disruption Fallback**" is as defined in Currency Security Condition 3 (*Consequences of a Disruption Event*);

"**Distributed Amount**" is as defined in Share Security Condition 7 (*Dividend Payment*);

"**Div Percentage**" is as defined in Formulas Condition 1.1(s);

"**div reinvested factor_(t)**" is as defined in Formulas Condition 1.1(s);

"**Dividend Adjustment Amount**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Dividend Date**" is as defined in Share Security Condition 7 (*Dividend Payment*);

"**Dividend Event**" is as defined in ETI Security Condition 1 (*Definitions*) and in Share Security Condition 4 (*Dividend Event*);

"**Dividend Expenses**" is as defined in Share Security Condition 7 (*Dividend Payment*);

"**Dividend Percentage**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Down Call Spread**" is as defined in Formulas Condition 1.1(ww), in Formulas Condition 1.1(xx), in Formulas Condition 1.1(yy), in Formulas Condition 1.1(zz), in Formulas Condition 1.1(aaa), in Formulas Condition 1.1(bbb);

"**Down Call**" is as defined in Formulas Condition 1.1(ww), in Formulas Condition 1.1(xx), in Formulas Condition 1.1(yy), in Formulas Condition 1.1(zz), in Formulas Condition 1.1(aaa), in Formulas Condition 1.1(bbb);

"**Down Cap Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Down Final Settlement Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Down Floor Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"Down Forward" is as defined in Formulas Condition 1.1(ww), in Formulas Condition 1.1(xx), in Formulas Condition 1.1(yy), in Formulas Condition 1.1(zz), in Formulas Condition 1.1(aaa), in Formulas Condition 1.1(bbb);

"Down Put Spread" is as defined in Formulas Condition 1.1(ww), in Formulas Condition 1.1(xx), in Formulas Condition 1.1(yy), in Formulas Condition 1.1(zz), in Formulas Condition 1.1(aaa), in Formulas Condition 1.1(bbb);

"Down Put" is as defined in Formulas Condition 1.1(ww), in Formulas Condition 1.1(xx), in Formulas Condition 1.1(yy), in Formulas Condition 1.1(zz), in Formulas Condition 1.1(aaa), in Formulas Condition 1.1(bbb);

"Down Strike Percentage" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"Downside Participation Factor" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"Dual Exchange Rate" is as defined in Currency Security Condition 1 (*Definitions*);

"Early Closure" is as defined in Index Security Condition 1 (*Definitions*), Share Security Condition 1 (*Definitions*), ETI Security Condition 1 (*Definitions*) and Futures Security Condition 1 (*Definitions*);

"Early Expiration Entitlement" is as defined in Security Condition 19.9(c);

"EDS 1" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(tt)(vii);

"EDS 2" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(tt)(vii);

"EDS Barrier Percentage 1" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(tt)(vii);

"EDS Barrier Percentage 2" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(vii) in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(tt)(vii);

"EDS Barrier Percentage" is as defined in Formulas Condition 1.1(ll), in Formulas Condition 1.1(mm), in Formulas Condition 1.1(oo)(v) and in Formulas Condition 7 (*General Formulas Definitions*);

"EDS Percentage 1" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(tt)(vii);

"EDS Percentage 2" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(tt)(vii);

"EDS Percentage" is as defined in Formulas Condition 1.1(ll), in Formulas Condition 1.1(mm), in Formulas Condition 1.1(oo)(i), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(iv), in Formulas Condition 1.1(tt)(i), in Formulas Condition 1.1(tt)(iii), in Formulas Condition 1.1(tt)(v), in Formulas Condition 1.1(tt)(x), in Formulas Condition 1.1(tt)(xi), in Formulas Condition 1.1(uu)(v) and in Formulas Condition 1.1(uu)(vi);

"EDS" is as defined in Formulas Condition 1.1(ll), in Formulas Condition 1.1(mm), in Formulas Condition 1.1(oo)(i), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(iv), in Formulas Condition 1.1(tt)(i), in Formulas Condition 1.1(tt)(iii), in Formulas Condition 1.1(tt)(v), in Formulas Condition 1.1(tt)(x), in Formulas Condition 1.1(tt)(xi), in Formulas Condition 1.1(uu)(v) and in Formulas Condition 1.1(uu)(vi);

"EDS_(n)" is as defined in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(ccc) and in Formulas Condition 1.1(ddd);

"EDS_(j)" is as defined in Formulas Condition 1.1(ccc) and in Formulas Condition 1.1(ddd);

"Entitlement Amount" is as defined in Security Condition 3 (*Definitions*) and in Formulas Condition 6.1 (*Entitlement Amount Formulas*);

"Entitlement Multiplier" is as defined in Security Condition 19.9(c);

"Entitlement Units" is as defined in Security Condition 19.9(c);

"Entitlement" is as defined in Security Condition 3 (*Definitions*);

"Entity" is as defined in ETI Security Condition 1 (*Definitions*) and in Fund Security Condition 1 (*Definitions*);

"ES Cap Percentage" is as defined in Formulas Condition 2.1(d);

"ES Constant Percentage" is as defined in Formulas Condition 2.1(d);

"essential characteristics" is as defined in Security Condition 4.7 (*General*);

"ES Floor Percentage" is as defined in Formulas Condition 2.1(d);

"ES Gearing" is as defined in Formulas Condition 2.1(d);

"ES Spread" is as defined in Formulas Condition 2.1(d);

"ES Strike Percentage" is as defined in Formulas Condition 2.1(d);

"ES Value" is as defined in Formulas Condition 2.1(d);

"Established Rate" is as defined in Security Condition 15(b);

"ETI Basket" is as defined in ETI Security Condition 1 (*Definitions*);

"ETI Documents" is as defined in ETI Security Condition 1 (*Definitions*);

"ETI Interest Correction Period" is as defined in ETI Security Condition 1 (*Definitions*);

"ETI Interest" is as defined in ETI Security Condition 6.2(b);

"ETI Interest(s)" is as defined in ETI Security Condition 1 (*Definitions*);

"ETI OET Warrant" is as defined in Security Condition 3 (*Definitions*);

"ETI Related Party" is as defined in ETI Security Condition 1 (*Definitions*);

"ETI Securities" is as defined in Security Condition 1.1 (*Type*);

"ETI" is as defined in ETI Security Condition 1 (*Definitions*) and in ETI Security Condition 6.2(b);

"EU Benchmarks Regulation" is as defined in Security Condition 13.1 (*Definitions*);

"euro" or "€" is as defined in Security Condition 15(b);

"Euroclear" is as defined in Security Condition 3 (*Definitions*);

"EuroTLX" is as defined in Security Condition 3 (*Definitions*);

"**Exchange Business Day (All ETI Interests Basis)**" is as defined in ETI Security Condition 1 (*Definitions*);

"**Exchange Business Day (All Futures Basis)**" is as defined in Futures Security Condition 1 (*Definitions*);

"**Exchange Business Day (All Indices Basis)**" is as defined in Index Security Condition 1 (*Definitions*);

"**Exchange Business Day (All Shares Basis)**" is as defined in Share Security Condition 1 (*Definitions*);

"**Exchange Business Day (Per ETI Interest Basis)**" is as defined in ETI Security Condition 1 (*Definitions*);

"**Exchange Business Day (Per Future Basis)**" is as defined in Futures Security Condition 1 (*Definitions*);

"**Exchange Business Day (Per Index Basis)**" is as defined in Index Security Condition 1 (*Definitions*);

"**Exchange Business Day (Per Share Basis)**" is as defined in Share Security Condition 1 (*Definitions*);

"**Exchange Business Day (Single ETI Interest Basis)**" is as defined in ETI Security Condition 1 (*Definitions*);

"**Exchange Business Day (Single Future Basis)**" is as defined in Futures Security Condition 1 (*Definitions*);

"**Exchange Business Day (Single Index Basis)**" is as defined in Index Security Condition 1 (*Definitions*);

"**Exchange Business Day (Single Share Basis)**" is as defined in Share Security Condition 1 (*Definitions*);

"**Exchange Business Day**" is as defined in Futures Security Condition 1 (*Definitions*), in Currency Security Condition 5 (*Futures Price Valuation*), in ETI Security Condition 1 (*Definitions*), in Index Security Condition 1 (*Definitions*), in Share Security Condition 1 (*Definitions*), in Debt Security Condition 2 (*Exchange Business Day*);

"**Exchange Disruption**" is as defined in Futures Security Condition 1 (*Definitions*), in ETI Security Condition 1 (*Definitions*), in Index Security Condition 1 (*Definitions*), in Share Security Condition 1 (*Definitions*);

"**Exchange Rate Final**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Exchange Rate Initial**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Exchange Rate Previous**" is as defined in Formulas Condition 1.1(s);

"**Exchange Rate**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Exchange traded instrument**" is as defined in Security Condition 1.1 (*Type*);

"**Exchange**" is as defined in Futures Security Condition 1 (*Definitions*), in ETI Security Condition 1 (*Definitions*), in Index Security Condition 1 (*Definitions*) and in Share Security Condition 1 (*Definitions*);

"**Exchange-traded Contract**" is as defined in Currency Security Condition 5 (*Futures Price Valuation*), in Debt Security Condition 6 (*Futures Price Valuation*) and in Index Security Condition 5.1;

"**Ex-Dividend Date**" is as defined in Formulas Condition 1.1(hh), in OET Warrant Condition 1 (*Definitions*), and in Share Security Condition 4 (*Dividend Event*);

"**Ex-Dividend Date**" is as defined in Share Security Condition 4 (*Dividend Event*);

"**Exempt Securities**" is as defined in the second paragraph of the Terms and Conditions of the Securities;

"**Exercise Business Day**" is as defined in Security Condition 3 (*Definitions*);

"**Exercise Date**" is as defined in Security Condition 3 (*Definitions*);

"**Exercise Price**" is as defined in Security Condition 3 (*Definitions*) and in OET Warrant Condition 1 (*Definitions*);

"**Expenses**" is as defined in Security Condition 9(a);

"**Express Amount**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Extraordinary ETI Event Effective Date**" is as defined in ETI Security Condition 1 (*Definitions*);

"**Extraordinary ETI Event Notice**" is as defined in ETI Security Condition 6.1;

"**Extraordinary ETI Event Notification Date**" is as defined in ETI Security Condition 6.1;

"**Extraordinary ETI Event**" is as defined in ETI Security Condition 4 (*Extraordinary ETI Events*);

"**Extraordinary Event Effective Date**" is as defined in Share Security Condition 1 (*Definitions*);

"**Extraordinary Event**" is as defined in Share Security Condition 5.1;

"**Extraordinary External Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**Extraordinary Fund Event Effective Date**" is as defined in Fund Security Condition 1 (*Definitions*);

"**Extraordinary Fund Event Notice**" is as defined in Fund Security Condition 4.1;

"**Extraordinary Fund Event Notification Date**" is as defined in Fund Security Condition 4.1;

"**Extraordinary Fund Event**" is as defined in Fund Security Condition 2 (*Extraordinary Fund Events*);

"**F**" is as defined in Formulas Condition 1.1(hh);

"**Failure to Deliver due to Illiquidity**" is as defined in Security Condition 4.2 (*Failure to Deliver due to Illiquidity*) and Security Condition 13.1 (*Definitions*);

"**Failure to Deliver Settlement Price**" is as defined in Security Condition 13.2;

"**Fallback Bond**" is as defined in Inflation Index Security Condition 1 (*Definitions*);

"**FC_t**" is as defined in Formulas Condition 1.1(hh);

"**Fee Accrual Commencing Date**" is as defined in Security Conditions 19.9(c), in Formulas Condition 1.1(kkk);

"**Fee Accrual Date(s)**" is as defined in Security Conditions 19.9(c), in Formulas Condition 1.1(kkk);

"**Fee Accrual Period(s)**" is as defined in Security Conditions 19.9(c), in Formulas Condition 1.1(kkk);

"**Fee ISDA Rate**" is as defined in Security Conditions 19.9(c), in Formulas Condition 1.1(kkk);

"**Fee Margin**" is as defined in Security Conditions 19.9(c), in Formulas Condition 1.1(kkk);

"**Fee Range**" is as defined in Formulas Condition 1.1(hh);

"**Fee**" is as defined in Formulas Condition 1.1(hh);

"**Fees Accrued**" is as defined in Security Conditions 19.9(c), in Formulas Condition 1.1(kkk);

"**fees factor_(t)**" is as defined in Formulas Condition 1.1(s);

"**fees**" is as defined in Formulas Condition 1.1(s);

"**Feest**" is as defined in Security Conditions 19.9(c), in Formulas Condition 1.1(kkk);

"**FI Basket 1**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Basket 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Constant Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Constant Percentage 1**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI DC Barrier Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Digital Cap Condition**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Digital Cap Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Digital Floor Condition**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Digital Floor Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Digital Plus Condition**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Digital Plus Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Digital Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Lower Barrier Level 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Lower Barrier Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Rate A**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Rate B**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Rate**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Remuneration Valuation Date**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Settlement Valuation Date**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Upper Barrier Level 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Upper Barrier Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FI Valuation Date**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Final Calculation Date**" is as defined in ETI Security Condition 1 (*Definitions*) and in Fund Security Condition 1 (*Definitions*);

"**Final Level 1**" is as defined in Formulas Condition 1.1(cc) and in Formulas Condition 1.1(dd);

"**Final Level 2**" is as defined in Formulas Condition 1.1(cc) and in Formulas Condition 1.1(dd);

"**Final Level**" is as defined in Formulas Condition 1.1(aa), in Formulas Condition 1.1(bb) and in Formulas Condition 1.1(ff);

"**Final Payout**" is as defined in Formulas Condition 1.1 (*Final Payout Formulas*);

"**Final Price Early**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Final Price**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Final Reference Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Final Remuneration Period**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Final Remuneration Rate**" is as defined in Formulas Condition 7 (*General Formulas Definition*);

"**Final Settlement Condition 1**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Final Settlement Condition 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Final Settlement Condition Level 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Final Settlement Condition Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Final Settlement Condition Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Final Settlement Condition**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Final Settlement Price**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Final Settlement Range Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Final Settlement Value 1**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Final Settlement Value 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Final Settlement Value 3**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Final Settlement Value 4**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Final Settlement Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Final Settlement Value_(i)**" is as defined in Formulas Condition 1.1(qq)(i) and 1.1(qq)(ii);

"**Final Settlement Value_(j)**" is as defined in Formulas Condition 1.1(ccc) and in Formulas Condition 1.1(ddd);

"**Final Settlement Value_(n)**" is as defined in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(ccc) and in Formulas Condition 1.1(ddd);

"**Final terms**" is as defined in the sixth paragraph of the Terms and Conditions of the Securities;

"**Financing Component_(t)**" is as defined in Formulas Condition 1.1(hh);

"**Financing Rate Percentage**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Financing Rate Range**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Financing Rate**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Financing Rate_{t-1}**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**First Calculation Date**" is as defined in Security Condition 19.9(c), in Formulas Condition 1.1(kkk);

"**First Entity**" is as defined in Security Condition 3 (*Definitions*);

"**First Settlement Currency**" is as defined in Security Condition 3 (*Definitions*);

"**First Traded Price**" is as defined in Index Security Condition 5.1;

"**First Valuation Date**" is as defined in Formulas Condition 1.1(s);

"**Fiscal Agent**" is as defined in the fourth paragraph of the Terms and Conditions of the Securities;

"**Fixed Income Automatic Early Expiration Payouts**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Fixed Income Final Payouts**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Fixed Income Payouts**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Fixed Income Remuneration Rates**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Fixed Percentage 1**" is as defined in Formulas Condition 1.1(tt)(vi), 1.1(tt)(vii), 1.1(tt)(viii), in Formulas Condition 1.1(tt)(ix), in Formulas Condition 1.1(tt)(x), in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"**Fixed Percentage 2**" is as defined in Formulas Condition 1.1(tt)(vi), 1.1(tt)(vii), 1.1(tt)(viii), in Formulas Condition 1.1(tt)(ix), in Formulas Condition 1.1(tt)(x), in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"**Fixed Percentage 3**" is as defined in Formulas Condition 1.1(tt)(vi), 1.1(tt)(vii), and in Formulas Condition 1.1(tt)(viii);

"**Fixed Percentage**" is as defined in Formulas Condition 1.1(kkk) and in Formulas Condition 7 (*General Formulas Definitions*);

"**Fixing Date**" is as defined in Formulas Condition 1.1(kkk), in Security Condition 19.9(c);

"**Floating Rate Option**" is as defined in Underlying Interest Rate Security Condition 2 (*ISDA Determination*);

"**Floating Rate**" is as defined in Underlying Interest Rate Security Condition 2 (*ISDA Determination*);

"**Floor Level**" is as defined in Formulas Condition 1.1(v);

"**Floor Percentage 1**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Floor Percentage 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Floor Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Floor Percentage_(n)**" is as defined in Formulas Condition 1.1(uu)(ii), in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"**Floor Percentage_(j)**" is as defined in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"**Floor**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Formula Constituent**" is as defined in Formulas Condition 10 (*Formulas Constituents And Completion*);

"**Formula**" is as defined in Formulas Condition 10 (*Formulas Constituents And Completion*);

"**Forward 1**" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(tt)(vii);

"**Forward 2**" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(tt)(vii);

"**Forward**" is as defined in Formulas Condition 1.1(ll), in Formulas Condition 1.1(mm), in Formulas Condition 1.1(oo)(i), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(iv), in Formulas Condition 1.1(tt)(i), in Formulas Condition 1.1(tt)(iii), in Formulas Condition 1.1(tt)(v), in Formulas Condition 1.1(tt)(x), in Formulas Condition 1.1(tt)(xi), in Formulas Condition 1.1(uu)(v) and in Formulas Condition 1.1(uu)(vi);

"**Forward_(n)**" is as defined in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(ccc) and in Formulas Condition 1.1(ddd);

"**Forward_(j)**" is as defined in Formulas Condition 1.1(ccc) and in Formulas Condition 1.1(ddd);

"**freely tradable**" is as defined in Security Condition 4.5 (*Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount*);

"**FS Barrier Value 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FS Barrier Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FS Cap Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FS Constant Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FS CSN Rate**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FS Day Count Fraction**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FS Exit Rate**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FS Floor Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FS Gearing**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FS Rate**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FS Spread**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FS Strike Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FS Up Rate**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FS Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Fund Basket**" is as defined in Fund Security Condition 1 (*Definitions*);

"**Fund Business Day (All Fund Shares Basis)**" is as defined in Fund Security Condition 1 (*Definitions*);

"**Fund Business Day (Per Fund Share Basis)**" is as defined in Fund Security Condition 1 (*Definitions*);

"**Fund Business Day (Single Fund Share Basis)**" is as defined in Fund Security Condition 1 (*Definitions*);

"**Fund Business Day**" is as defined in Fund Security Condition 1 (*Definitions*);

"**Fund Documents**" is as defined in Fund Security Condition 1 (*Definitions*);

"**Fund Level₀**" is as defined in Formulas Condition 1.1(iii), in Security Condition 19.9(c);

"**Fund Level₁**" is as defined in Formulas Condition 1.1(iii), in Security Condition 19.9(c);

"**Fund Securities**" is as defined in Security Condition 1.1 (*Type*);

"**Fund Security Conditions**" is as defined in the first paragraph of Annex 9 (*Additional Terms And Conditions For Fund Securities*);

"**Fund Service Provider**" is as defined in Fund Security Condition 1 (*Definitions*);

"**Fund Share(s)**" is as defined in Fund Security Condition 1 (*Definitions*);

"**Fund Valuation Date**" is as defined in Fund Security Condition 1 (*Definitions*);

"**Fund**" is as defined in Fund Security Condition 1 (*Definitions*);

"**Future**" is as defined in Futures Security Condition 1 (*Definitions*);

"**Futures Adjustment Event**" is as defined in Futures Security Condition 3.1 (*Futures Modification, Futures Replacement or Futures De-Listing*);

"**Futures Correction Period**" is as defined in Futures Security Condition 1 (*Definitions*);

"**Futures De-Listing**" is as defined in Futures Security Condition 3.1 (*Futures Modification, Futures Replacement or Futures De-Listing*);

"**Futures Modification**" is as defined in Futures Security Condition 3.1 (*Futures Modification, Futures Replacement or Futures De-Listing*);

"**Futures or Options Exchange**" is as defined in Currency Security Condition 5 (*Futures Price Valuation*), in Debt Security Condition 6 (*Futures Price Valuation*), in Index Security Condition 5.1;

"**Futures Replacement**" is as defined in Futures Security Condition 3.1 (*Futures Modification, Futures Replacement or Futures De-Listing*);

"**Futures Rollover Adjustment Amount**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Futures Rollover Date**" is as defined in Currency Security Condition 5 (*Futures Price Valuation*), in Debt Security Condition 6 (*Futures Price Valuation*) and in Index Security Condition 5.1;

"**Futures Rollover Period**" is as defined in Currency Security Condition 5 (*Futures Price Valuation*), in Debt Security Condition 6 (*Futures Price Valuation*), in Index Security Condition 5.1;

"**Futures Securities**" is as defined in Security Condition 1.1 (*Type*);

"**Futures Security Conditions**" is as defined in the first paragraph of Annex 10 (*Additional Terms And Conditions For Futures Securities*);

"**Futures**" is as defined in Futures Security Condition 1 (*Definitions*);

"**FX Averaging Date**" is as defined in Currency Security Condition 1 (*Definitions*);

"**FX Coupon Performance Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FX Coupon Performance**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FX Coupon Ranked Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FX Coupon Ranking**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FX Digital Level**" is as defined in Currency Security Condition 1 (*Definitions*);

"**FX Digital Observation Date**" is as defined in Currency Security Condition 1 (*Definitions*);

"**FX Final Remuneration Settlement Price**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FX Initial Remuneration Settlement Price**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FX Knock-in Level**" is as defined in Currency Security Condition 1 (*Definitions*);

"**FX Knock-out Level**" is as defined in Currency Security Condition 1 (*Definitions*);

"**FX Performance Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FX Ranking**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FX Settlement Disruption Currency**" is as defined in Security Condition 4.6(v);

"**FX Settlement Disruption Cut-off Date**" is as defined in Security Condition 4.6(ii)(A);

"**FX Settlement Disruption Event**" is as defined in Security Condition 4.6(v);

"**FX Settlement Disruption Exchange Rate**" is as defined in Security Condition 4.6(v);

"**FX Settlement Disruption Expenses**" is as defined in Security Condition 4.6(v);

"**FX Settlement Disruption Notice**" is as defined in Security Condition 4.6(i);

"**FX Value**" is as defined in Formulas Condition 8.1(a);

"**FX Weighting**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**FX_(t)**" is as defined in Formulas Condition 6.1(a), in Formulas Condition 6.1(b), in Formulas Condition 6.1(c);

"**FX_(k,i)**" is as defined in Formulas Condition 6.1(d);

"**Fx_(t)**" is as defined in Formulas Condition 1.1(s);

"**Fx_(t0)**" is as defined in Formulas Condition 1.1(s);

"**FXR_1**" is as defined in Formulas Condition 1.1(nnn);

"**FXR_2**" is as defined in Formulas Condition 1.1(nnn);

"**FXR_n**" is as defined in Formulas Condition 1.1(nnn);

"**G**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**G_j**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**W_i**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**GDR**" is as defined Share Security Condition 9 (*Definitions relating to GDR/ADR*);

"**GDR/ADR**" is as defined in Security Condition 1.1 (*Type*);

"**Gearing 1**" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(vii), in Formulas Condition 1.1(uu) and in Formulas Condition 1.1(xx);

"**Gearing 2**" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(vii), in Formulas Condition 1.1(uu) and in Formulas Condition 1.1(xx);

"**Gearing 3**" is as defined in Formulas Condition 1.1(uu), in Formulas Condition 1.1(vv) and 1.1(xx);

"**Gearing 4**" is as defined in Formulas Condition 1.1(xx);

"**Gearing Down 1**" is as defined in Formulas Condition 1.1(aaa) and in Formulas Condition 1.1(bbb);

"**Gearing Down 2**" is as defined in Formulas Condition 1.1(aaa) and in Formulas Condition 1.1(bbb);

"**Gearing Down**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Gearing Up 1**" is as defined in Formulas Condition 1.1(aaa) and in Formulas Condition 1.1(bbb);

"**Gearing Up 2**" is as defined in Formulas Condition 1.1(aaa) and in Formulas Condition 1.1(bbb);

"**Gearing Up**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Gearing**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Gearing_n**" is as defined in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(ccc) and in Formulas Condition 1.1(ddd);

"**Gearing**" is as defined in Formulas Condition 1.1(ccc) and in Formulas Condition 1.1(ddd);

"**Generic Percentage_(n,1)**" is as defined in Formulas Condition 1.1(uu)(ii), in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"**Generic Percentage_(n,2)**" is as defined in Formulas Condition 1.1(uu)(ii), in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"**Generic Percentage_(j,1)**" is as defined in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"**Generic Percentage_(j,2)**" is as defined in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"**Global Cap 1**" is as defined in Formulas Condition 1.1(ddd) and Formulas Condition 1.1(eee);

"**Global Cap 2**" is as defined in Formulas Condition 1.1(ddd) and Formulas Condition 1.1(eee);

"**Global Cap A**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Global Cap B**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Global Cap**" is as defined in Formulas Condition 7 (*General Formulas Definitions*) and in Formulas Condition 1.1(tt)(ii);

"**Global Floor 1**" is as defined in Formulas Condition 1.1(ddd) and Formulas Condition 1.1(eee);

"**Global Floor 2**" is as defined in Formulas Condition 1.1(ddd) and Formulas Condition 1.1(eee);

"**Global Floor A**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Global Floor B**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Global Floor Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Global Floor**" is as defined in Formulas Condition 7 (*General Formulas Definitions*) and in Formulas Condition 1.1(tt)(ii);

"**Global Margin**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Global Security**" is as defined in the ninth paragraph of the Terms and Conditions of the Securities;

"**Government Authority**" is as defined in Security Condition 13.1 (*Definitions*);

"**Greatest Basket Value**" is as defined in Formulas Condition 8.2(b);

"**Greatest Best Intraday Value**" is as defined in Formulas Condition 8.2(b);

"**Greatest Best Value**" is as defined in Formulas Condition 8.2(b);

"**Greatest Rainbow Value**" is as defined in Formulas Condition 8.2(b);

"**Greatest Underlying Reference Intraday Value**" is as defined in Formulas Condition 8.2(a);

"**Greatest Underlying Reference Restrike Intraday Value**" is as defined in Formulas Condition 8.1(b);

"**Greatest Underlying Reference Restrike Value**" is as defined in Formulas Condition 8.1(b);

"**Greatest Underlying Reference Value (Basket)**" is as defined in Formulas Condition 8.2(b);

"**Greatest Underlying Reference Value**" is as defined in Formulas Condition 8.2(a);

"**Greatest Worst Value**" is as defined in Formulas Condition 8.2(b);

"**Gross div_(ti)**" is as defined in Formulas Condition 1.1(s);

"**Guarantee of the Securities**" is as defined in the fourth paragraph of the Terms and Conditions of the Securities;

"**Guaranteed Cash Settlement Amount**" is as defined in Security Condition 2.2 (*Status of Guarantee*);

"**Guarantor**" is as defined in the third paragraph of the Terms and Conditions of the Securities;

"**hc**" is as defined in Formulas Condition 1.1(hh);

"**Hedge Provider**" is as defined in ETI Security Condition 1 (*Definitions*) and in Fund Security Condition 1 (*Definitions*);

"**Hedge**" is as defined in Security Condition 13.1;

"**Hedging Cost**" is as defined in Formulas Condition 1.1(hh);

"**Hedging Date**" is as defined in ETI Security Condition 1 (*Definitions*) and in Fund Security Condition 1 (*Definitions*);

"**Hedging Disruption**" is as defined in Security Condition 13.1 (*Definitions*);

"**Hedging Liquidity Event**" is as defined in Share Security Condition 5.3(a);

"**Hedging Party Default**" is as defined in Security Condition 13.1 (*Definitions*);

"**Hedging Shares**" is as defined in Security Condition 13.1 (*Definitions*) and ETI Security Condition 1 (*Definitions*);

"**holder of Securities**" is as defined in Security Condition 1.2 (*Title to Securities*);

"**Hybrid Business Day**" is as defined in Security Condition 3 (*Definitions*);

"**Hybrid Securities**" is as defined in Security Condition 1.1 (*Type*);

"**Hypothetical Investor**" is as defined in ETI Security Condition 1 (*Definitions*) and Fund Security Condition 1 (*Definitions*);

"**i**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**i**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**I**" is as defined in Formulas Condition 1.1(eee);

"**Illiquidity Disruption**" is as defined in Currency Security Condition 1 (*Definitions*);

"**Illiquidity**" is as defined in Share Security Condition 5.1;

"**Implied Embedded Option Value Determination Date**" is as defined in ETI Security Condition 1 (*Definitions*) and Fund Security Condition 1 (*Definitions*);

"**Implied Embedded Option Value**" is as defined in ETI Security Condition 1 (*Definitions*) and in Fund Security Condition 1 (*Definitions*);

"**Increased Cost of Hedging**" is as defined in Security Condition 13.1 (*Definitions*);

"**Increased Cost of Stock Borrow**" is as defined in Security Condition 13.1 (*Definitions*);

"**Index Adjustment Event**" is as defined in Index Security Condition 3.2 (*Modification and Cessation of Calculation of an Index*);

"**Index Cancellation**" is as defined in Inflation Index Security Condition 1 (*Definitions*) and Index Security Condition 3.2 (*Modification and Cessation of Calculation of an Index*);

"**Index Correction Period**" is as defined in Index Security Condition 1 (*Definitions*);

"**Index Disruption**" is as defined in Index Security Condition 3.2 (*Modification and Cessation of Calculation of an Index*);

"**Index Modification**" is as defined in Inflation Index Security Condition 1 (*Definitions*) and in Index Security Condition 3.2 (*Modification and Cessation of Calculation of an Index*);

"**Index Securities**" is as defined in Security Condition 1.1 (*Type*);

"**Index Security Conditions**" is as defined in the first paragraph of Annex 2 (*Additional Terms And Conditions For Index Securities*);

"**Index Share**" is as defined in OET Warrant Condition 1 (*Definitions*), in Formulas Condition 1.1(hh);

"**Index Sponsor**" is as defined in Index Security Condition 1 (*Definitions*);

"**Index Sponsor**" is as defined in Inflation Index Security Condition 1 (*Definitions*);

"**Index**" is as defined in Index Security Condition 1 (*Definitions*);

"**Indices**" is as defined in Index Security Condition 1 (*Definitions*);

"**Inflation Index Securities**" is as defined in Security Condition 1.1 (*Type*);

"**Inflation Index Security Conditions**" is as defined in the first paragraph of Annex 7 (*Additional Terms and Conditions for Inflation Index Securities*);

"**Inflation Index**" is as defined in Inflation Index Security Conditions 1 (*Definitions*);

"**Inflation Index_(base)**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Inflation Index_(i)**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Inflation Index_(i-1)**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Inflation Indices**" is as defined in Inflation Index Security Condition 1 (*Definitions*);

"**Inflation Rate**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Initial ACT Day**" is as defined in Formulas Condition 8.1(e);

"**Initial Calculation Date**" is as defined in ETI Security Condition 1 (*Definitions*) and in Fund Security Condition 1 (*Definitions*);

"**Initial Reference Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Initial Settlement Price**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Initial Stock Loan Rate**" is as defined in Security Condition 13.1 (*Definitions*);

"**Initial Valuation Date**" is as defined in Formulas Condition 1.1(s);

"**Insolvency Filing**" is as defined in Security Condition 13.1 (*Definitions*) in Share Security Condition 5.1;

"**Insolvency**" is as defined in Share Security Conditions 5.1;

"**Interbank Rate 1 Screen Page**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Interbank Rate 1 Specified Time**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Interbank Rate 1**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Interbank Rate 2 Screen Page**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Interbank Rate 2 Specified Time**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Interbank Rate 2**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Interest Margin**" is as defined in Formulas Condition 1.1(hh);

"**Interests**" is as defined in ETI Security Condition 1 (*Definitions*);

"**Intervening Period**" is as defined in Security Condition 4.4 (*Intervening Period*);

"**Intraday Level**" is as defined in Index Security Condition 1 (*Definitions*);

"**Intraday Price**" is as defined in ETI Security Condition 1 (*Definitions*) and in Share Security Condition 1 (*Definitions*);

"**Investment/AUM Level**" is as defined in ETI Security Condition 1 (*Definitions*);

"**ISDA Definitions**" is as defined in Underlying Interest Rate Security Condition 2 (*ISDA Determination*);

"**Issue**" is as defined in the fourth paragraph of the Terms and Conditions of the Securities;

"**Issue Date**" is as defined in Security Condition 3 (*Definitions*);

"**Issue Price**" is as defined in Security Condition 3 (*Definitions*);

"**Issuer**" is as defined in the third paragraph of the Terms and Conditions of the Securities;

"**Italian Dematerialised Securities**" is as defined in Security Condition 3 (*Definitions*);

"**Italian Listed Securities**" is as defined in Security Condition 3 (*Definitions*);

"**Italian Listed Warrants**" is as defined in Security Condition 3 (*Definitions*);

"**Italian Paying Agent**" is as defined in the fourth paragraph of the Terms and Conditions of the Securities;

"**Italian Securities Reference Price**" is as defined in Share Security Condition 1 (*Definitions*);

"**Italian Stock Exchange**" is as defined in Security Condition 3 (*Definitions*);

"**J**" is as defined in Formulas Condition 1.1(ccc) and 1.1(ddd);

"**j**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Jurisdiction Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**k**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**K**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Knock-in Averaging Date**" is as defined in Currency Security Condition 1 (*Definitions*);

"**Knock-in Determination Day**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Determination Period**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Event**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Level**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Observation Date**" is as defined in Currency Security Condition 1 (*Definitions*);

"**Knock-in Observation Price Source**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Period Beginning Date**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Period Ending Date**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Range Level**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Valuation Time**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-in Value**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-out Averaging Date**" is as defined in Currency Security Condition 1 (*Definitions*);

"**Knock-out Determination Day**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-out Determination Period**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-out Event**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-out Level**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-out Observation Date**" is as defined in Currency Security Condition 1 (*Definitions*);

"**Knock-out Observation Price Source**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-out Period Beginning Date**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-out Period Ending Date**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-out Range Level**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-out Valuation Time**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Knock-out Value**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**L**" is as defined in Formulas Condition 7 (*General Formulas Definitions*) and in Formulas Condition 1.1(hh);

"**Latest Level**" is as defined in Inflation Index Security Condition 2.1(b);

"**Level**" is as defined in Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*);

"**Level_{k,t}**" is as defined in Formulas Condition 8.1(e);

"**Level_{k,t-1}**" is as defined in Formulas Condition 8.1(e);

"**Leverage Factor**" is as defined in Formulas Condition 1.1(hh);

"**Leverage Floating Rate Option Page**" is as defined in Formulas Condition 8.1(e);

"**Leverage Floating Rate Option Time**" is as defined in Formulas Condition 8.1(e);

"**Leverage Floating Rate Option**" is as defined in Formulas Condition 8.1(e);

"**Leverage Floating Rate**" is as defined in Formulas Condition 8.1(e);

"**Leverage Rate_{t-1}**" is as defined in Formulas Condition 8.1(e);

"**Leveraged Barrier**" is as defined in Security Condition 19.9(c);

"**Listing Change**" is as defined in Share Security Condition 5.1;

"**Listing Date**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Listing Suspension**" is as defined in Share Security Condition 5.1;

"**ln**" is as defined in Formulas Condition 8.1(e);

"**Local Business Day**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Local Cap Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Local Cap Percentage_(i)**" is as defined in Formulas Condition 1.1(qq)(i), 1.1(qq)(ii), 1.1(rr) and in Formulas Condition 7 (*General Formulas Definitions*);

"**Local Cap**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Local Currency**" is as defined in Security Condition 13.1 (*Definitions*);

"**Local Floor Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Local Floor Percentage_(i)**" is as defined in Formulas Condition 1.1(qq)(i), 1.1(qq)(ii), 1.1(rr) and in Formulas Condition 7 (*General Formulas Definitions*);

"**Local Floor**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Loss of Stock Borrow**" is as defined in Security Condition 13 (*Additional Disruption Events And Optional Additional Disruption Events*) and ETI Security Condition 1 (*Definitions*);

"**Loss Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Loss Percentage 1**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Loss Percentage 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Loss Percentage_(n)**" is as defined in Formulas Condition 1.1(uu)(ii), in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"**Loss Percentage_(j)**" is as defined in Formulas Condition 1.1(ccc) and in Formulas Condition 1.1(ddd);

"**Lower Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Lowest Basket Value**" is as defined in Formulas Condition 8.3(b);

"**Lowest Best Value**" is as defined in Formulas Condition 8.3(b);

"**Lowest Rainbow Value**" is as defined in Formulas Condition 8.3(b);

"**Lowest Underlying Reference Intraday Value**" is as defined in Formulas Condition 8.3(a);

"**Lowest Underlying Reference Restrike Intraday Value**" is as defined in Formulas Condition 8.1(b);

"**Lowest Underlying Reference Restrike Value**" is as defined in Formulas Condition 8.1(b);

"**Lowest Underlying Reference Value**" is as defined in Formulas Condition 8.3(a).

"**Lowest Worst Intraday Value**" is as defined in Formulas Condition 8.3(b);

"**Lowest Worst Value**" is as defined in Formulas Condition 8.3(b);

"**M**" is as defined in Formulas Condition 1.1(qq)(i) and 1.1(qq)(ii), in Formulas Condition 1.1(rr) and in Formulas Condition 7 (*General Formulas Definitions*);

"**m**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Market Disruption Event**" is as defined in Index Security Condition 2 (*Market Disruption*), in Share Security Condition 2 (*Market Disruption*), ETI Security Condition 2 (*Market Disruption*), Debt Security Condition 3 (*Market Disruption*) and Futures Security Condition 2 (*Market Disruption*);

"**Market Value**" is as defined in Security Condition 21.2 (*Market Value*);

"**Max Exposure**" is as defined in Formulas Condition 8.1(e);

"**Maximum Amount**" is as defined in Security Condition 3 (*Definitions*);

"**Maximum Days of Disruption**" is as defined in Fund Security Condition 1 (*Definitions*);

"**Maximum Hedging Cost**" is as defined in Formulas Condition 1.1(hh);

"**Maximum Hedging Liquidity Level**" is as defined in Share Security Condition 5.3(a);

"**Maximum Interest Margin**" is as defined in Formulas Condition 1.1(hh);

"**Maximum Payout Amount**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Maximum AES Reference Rate**" is as defined in Security Condition 19.9(c);

"**Maximum Stock Loan Rate**" is as defined in Security Condition 13.1 (*Definitions*) and ETI Security Condition 1 (*Definitions*);

"**Mediobanca International**" is as defined in the third paragraph of the Terms and Conditions of the Securities;

"**Mediobanca**" is as defined in the third paragraph of the Terms and Conditions of the Securities;

"**MFP Memory Snowball Digital Coupon Condition**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Merger Event**" is as defined in Share Security Condition 5.1, in Fund Security Condition 1 (*Definitions*), in ETI Security Condition 1 (*Definitions*);

"**MFP AES Value 1**" is as defined in Security Condition 19.9(c);

"**MFP AES Value 2**" is as defined in Security Condition 19.9(c);

"**MFP AES Value**" is as defined in Security Condition 19.9(c);

"**MFP Automatic Early Expiration Payouts**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP Coupon Valuation Date**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP Coupon Valuation Period**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP Coupon Valuation Period⁽ⁱ⁾**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP Date Weighting**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP Digital Mixed Coupon Condition**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP Double Digital Mixed Coupon Condition 1**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP Double Digital Mixed Coupon Condition 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP EndDay Valuation Date**" is as defined in Formulas Condition 8.1(b);

"**MFP Entitlement Amounts**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP ES Valuation Date**" is as defined in Formulas Condition 2.1(d);

"**MFP Final Payout**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP FS Barrier Valuation Date**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP FS Barrier Valuation Period**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP FS Valuation Date**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP FS Valuation Period**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP Payouts**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP Range Accrual Coupon Barrier Level Down**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP Range Accrual Coupon Barrier Level Up**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP Range Accrual Coupon Condition**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP Range Accrual Day**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP Settlement Valuation Date**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP Settlement Valuation Period**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP StartDay Valuation Date**" is as defined in Formulas Condition 8.1(b);

"**MFP Valuation Date**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MFP Valuation Period**" is as defined in Formulas Condition 2.1(d) and Formulas Condition 7 (*General Formulas Definitions*);

"**MFP Call Payouts**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**MID**" is as defined in Share Security Condition 5.1 under the definition of Illiquidity;

"**Min Exposure**" is as defined in Formulas Condition 8.1(e);

"**Minimum Amount**" is as defined in Security Condition 3 (*Definitions*);

"**Minimum Exercise Number**" is as defined in Security Condition 3 (*Definitions*);

"**Minimum Hedging Cost**" is as defined in Formulas Condition 1.1(hh);

"**Minimum Interest Margin**" is as defined in Formulas Condition 1.1(hh);

"**MinimumAES Reference Rate**" is as defined in Security Condition 19.9(c);

"**Mixed Barrier Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Mixed Barrier Range Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Mixed Barrier Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Mixed Constant 1**" is as defined in Formulas Condition 1.1(hhh) and in Formulas Condition 1.1(iii);

"**Mixed Constant 2**" is as defined in Formulas Condition 1.1(hhh) and in Formulas Condition 1.1(iii);

"**Mixed Gearing 1**" is as defined in Formulas Condition 1.1(hhh) and in Formulas Condition 1.1(iii);

"**Mixed Gearing 2**" is as defined in Formulas Condition 1.1(hhh) and in Formulas Condition 1.1(iii);

"**Modified Postponement**" is as defined in Security Condition 3 (*Definitions*);

"Monte Titoli Accountholder" is as defined in Security Condition 3 (*Definitions*);

"Moody's" is as defined in ETI Security Condition 4.25 and in Fund Security Condition 2.38;

"Multi-Exchange Index" is as defined in Index Security Condition 1 (*Definitions*);

"Multiple Underlying Interest Rate Gearing" is as defined in Security Condition 19.9(c) and in Formulas Condition 7 (*General Formulas Definitions*);

"Multiple Underlying Interest Rate" is as defined in Security Condition 19.9(c) and in Formulas Condition 7 (*General Formulas Definitions*);

"Multiple Underlying Reference Rate Value" is as defined in Security Condition 19.9(c);

"Multiple Underlying Reference Rate" is as defined in Security Condition 19.9(c) and in Formulas Condition 7 (*General Formulas Definitions*);

"Mutual Fund" is as defined in Fund Security Condition 1 (*Definitions*);

"N" is as defined in Formulas Condition 1.1(ddd), in Formulas Condition 1.1(eee) and in Formulas Condition 7 (*General Formulas Definitions*);

"n" is as defined in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(ddd), in Formulas Condition 1.1(eee), in Formulas Condition 7 (*General Formulas Definitions*) and in Formulas Condition 8.1(e);

"n(t-1,t)" is as defined in Formulas Condition 1.1(hh);

"NA" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"National Currency Unit" is as defined in Security Condition 15(b);

"Nationalisation" is as defined in Share Security Condition 5.1;

"NAV per Fund Share" is as defined in Fund Security Condition 1 (*Definitions*);

"NAV Trigger Event" is as defined in Fund Security Condition 1 (*Definitions*);

"NAV Trigger Percentage" is as defined in Fund Security Condition 1 (*Definitions*);

"NAV Trigger Period" is as defined in Fund Security Condition 1 (*Definitions*);

"nEDs 1" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(tt)(vii);

"nEDS 2" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(tt)(vii);

"nEDS" is as defined in Formulas Condition 1.1(ll), in Formulas Condition 1.1(mm), in Formulas Condition 1.1(oo)(i), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(iv), in Formulas Condition 1.1(tt)(i), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(v), in Formulas Condition 1.1(tt)(x), in Formulas Condition 1.1(tt)(xi), in Formulas Condition 1.1(uu)(v) and in Formulas Condition 1.1(uu)(vi);

"nEDS_(n)" is as defined in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(ccc) and in Formulas Condition 1.1(ddd);

"nEDS_(j)" is as defined in Formulas Condition 1.1(ccc) and in Formulas Condition 1.1(ddd);

"nEnd days" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Net Proceeds**" is as defined in Formulas Condition 2.1(e);

"**Non-Automatic Exercise**" is as defined in Security Condition 17 (*Type*);

"**Non-Commencement or Discontinuance of an Exchange-traded Contract**" is as defined in Debt Security Condition 6 (*Futures Price Valuation*), and in Currency Security Condition 5 (*Futures Price Valuation*), in Index Security Condition 5.1;

"**Non-Financial Rating Agency**" is as defined in Share Security Condition 5.1;

"**Non-Financial Rating**" is as defined in Share Security Condition 5.1;

"**NSk_t**" is as defined in Formulas Condition 8.1(e);

"**nStart days**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Number of NAV Publication Days**" is as defined in Fund Security Condition 1 (*Definitions*);

"**Number of Value Publication Days**" is as defined in ETI Security Condition 1 (*Definitions*);

"**Number_(k,i)**" is as defined in Formulas Condition 6.1(d);

"**Observation Date**" is as defined in Security Condition 3 (*Definitions*), in Currency Security Condition 1 (*Definitions*), in Fund Security Condition 1 (*Definitions*);

"**Observation Period**" is as defined in Security Condition 3 (*Definitions*);

"**Observation Price**" is as defined in Formulas Condition 1.1(hh), and in OET Warrant Condition 1 (*Definitions*);

"**Observation Price Source**" is as defined in Security Condition 19.9(c), in Formulas Condition 7 (*General Formulas Definitions*), in Formulas Condition 1.1(hh) and in OET Warrant Condition 1 (*Definitions*);

"**Observation Time Period**" is as defined in Formulas Condition 1.1(hh);

"**Observation Time(s)**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Official Settlement Price**" is as defined in Index Security Condition 5.1;

"**Omission**" is as defined in Security Condition 3 (*Definitions*);

"**Open End Warrant**" is as defined in Security Condition 3 (*Definitions*);

"**Option 1**" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(tt)(vii);

"**Option 2**" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(tt)(vii);

"**Option Down 1**" is as defined in Formulas Condition 1.1(aaa) and in Formulas Condition 1.1(bbb);

"**Option Down 2**" is as defined in Formulas Condition 1.1(aaa) and in Formulas Condition 1.1(bbb);

"**Option Down**" is as defined in Formulas Condition 1.1(ww), in Formulas Condition 1.1(xx), in Formulas Condition 1.1(yy); in Formulas Condition 1.1(zz)

"**Option Up 1**" is as defined in Formulas Condition 1.1(aaa) and in Formulas Condition 1.1(bbb);

"**Option Up 2**" is as defined in Formulas Condition 1.1(aaa) and in Formulas Condition 1.1(bbb);

"**Option Up**" is as defined in Formulas Condition 1.1(ww), in Formulas Condition 1.1(xx); in Formulas Condition 1.1(yy); in Formulas Condition 1.1(zz);

"**Option**" is as defined in Formulas Condition 1.1(ll), in Formulas Condition 1.1(mm), in Formulas Condition 1.1(oo)(i), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(iv), in Formulas Condition 1.1(tt)(i), in Formulas Condition 1.1(tt)(iii), in Formulas Condition 1.1(tt)(v), in Formulas Condition 1.1(tt)(x), in Formulas Condition 1.1(tt)(xi), in Formulas Condition 1.1(uu)(v), in Formulas Condition 1.1(uu)(vi) and in Formulas Condition 1.1(lll);

"**Option_n**" is as defined in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"**Option_j**" is as defined in Formulas Condition 1.1(ccc) and in Formulas Condition 1.1(ddd);

"**Optional Additional Disruption Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**Option_i**" is as defined in Formulas Condition 1.1(ccc);

"**Options Exchange**" is as defined in Share Security Condition 5.2(d) and in ETI Security Condition 6.2(a)(ii);

"**Original Currency**" is as defined in Security Condition 15(a)(ii);

"**Parity**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Participation Factor 1**" is as defined in Formulas Conditions 1.1(jj) and 1.1(nn);

"**Participation Factor 2**" is as defined in Formulas Conditions 1.1(jj) and 1.1(nn);

"**Participation Factor**" is as defined in Security Condition 19.9(c), in Formulas Condition 1.1(iii), and in Formulas Condition 7 (*General Formulas Definitions*),

"**Paying Agency Agreement**" is as defined in the fourth paragraph of the Terms and Conditions of the Securities;

"**Payout Currency**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Payout FX Closing Price Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Payout FX Rate Date**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Payout FX Rate Strike Date**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Payout FX Strike Closing Price Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Payout FX Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Payout Switch**" is as defined in Security Condition 19.1;

"**Performance of Components**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Performance of Underlying 1**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Performance of Underlying 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Performance Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Physical Delivery Warrants**" is as defined in Security Condition 17 (*Type*);

"**Physical Delivery Securities**" is as defined in Security Condition 1.1(i) (*Type*);

"**P_k**" is as defined in Formulas Condition 8.1(e);

"Postponed Payment Date" is as defined in Fund Security Condition 5 (*Settlement Date/Automatic Early Expiration Date/Termination Date Extension*);

"Postponed Settlement Date" is as defined in Fund Security Condition 5 (*Settlement Date/Automatic Early Expiration Date/Termination Date Extension*);

"Postponement" is as defined in Security Condition 3 (*Definitions*);

"Potential Adjustment Event Effective Date" is as defined in Share Security Condition 3 (*Potential Adjustment Event*) and in ETI Security Condition 3 (*Potential Adjustment Event*);

"Potential Adjustment Event" is as defined in ETI Security Condition 3 (*Potential Adjustment Event*) and in Share Security Condition 3 (*Potential Adjustment Event*);

"Premium Percentage" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"Premium" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"P_{reset}" is as defined in Formulas Condition 1.1(hh);

"Price Source Disruption" is as defined in Currency Security Condition 1 (*Definitions*);

"Price Source" is as defined in Currency Security Condition 1 (*Definitions*);

"Proceedings" is as defined in Security Condition 12(d);

"Programme" is as defined in the third paragraph of the Terms and Conditions of the Securities;

"Prospectus Regulation" is as defined in the second paragraph of the Terms and Conditions of the Securities;

"Protected Amount" is as defined in Security Condition 13.1 (*Definitions*);

"Protection Level" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"Put 1" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(tt)(vii);

"Put 2" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(tt)(vii);

"Put Spread 1" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(tt)(vii);

"Put Spread 2" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), in Formulas Condition 1.1(tt)(iv) and in Formulas Condition 1.1(tt)(vii);

"Put Spread" is as defined in Formulas Condition 1.1(ll), in Formulas Condition 1.1(mm), 1.1(oo)(i), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(iv), in Formulas Condition 1.1(tt)(i), in Formulas Condition 1.1(tt)(iii), in Formulas Condition 1.1(tt)(v), in Formulas Condition 1.1(tt)(x), in Formulas Condition 1.1(tt)(xi), in Formulas Condition 1.1(uu)(v) and in Formulas Condition 1.1(uu)(vi);

"Put Spread_(n)" is as defined in Formulas Condition 1.1(uu)(ii), in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"Put Spread_(j)" is as defined in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"Put" is as defined in Formulas Condition 1.1(ll), in Formulas Condition 1.1(mm), 1.1(oo)(i), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(iv), in Formulas Condition 1.1(tt)(i), in Formulas Condition 1.1(tt)(iii), in Formulas Condition 1.1(tt)(v), in Formulas Condition

1.1(tt)(x), in Formulas Condition 1.1(tt)(xi), in Formulas Condition 1.1(uu)(v) and in Formulas Condition 1.1(uu)(vi);

"**Put_(n)**" is as defined in Formulas Condition 1.1(uu)(ii), in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"**Put_(j)**" is as defined in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"**PW**" is as defined in Formulas Condition 1.1(ggg);

"**Q**" is as defined in Formulas Condition 1.1(fff) and in Formulas Condition 7 (*General Formulas Definitions*);

"**q**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Rainbow Value**" is as defined in Formulas Condition 8.1(c);

"**Range 1**" is as defined in Formulas Condition 1.1(ppp);

"**Range 2**" is as defined in Formulas Condition 1.1(ppp);

"**Range Accrual Coupon Barrier Level Down 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Range Accrual Coupon Barrier Level Down**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Range Accrual Coupon Barrier Level Up 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Range Accrual Coupon Barrier Level Up**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Range Accrual Coupon Condition**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Range Accrual Day**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Range Cut-off Date**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Range nth**" is as defined in Formulas Condition 1.1(ppp);

"**Range Period End Date**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Range Period**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Ranked Value**" is as defined in Formulas Condition 8.1(c);

"**Ranking**" is as defined in Formulas Condition 8.1(c);

"**Rate 1_(i)**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Rate 2_(i)**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Rate Calculation Date**" is as defined in Formulas Condition 8.1(e);

"**Rate Period**" is as defined in Formulas Condition 1.1(hh);

"**Rate**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Rate_(i)**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Rebased Index**" is as defined in Inflation Index Security Condition 1 (*Definitions*) and Inflation Index Security Condition 4.5 (*Rebasing*);

"**Redemption Proceeds**" is as defined in Fund Security Condition 5 (*Settlement Date/Automatic Early Expiration Date/Termination Date Extension*);

"**Reference Floating Rate Option Page**" is as defined in Formulas Condition 1.1(hh), in Formulas Condition 8.1(e);

"**Reference Floating Rate Option Time**" is as defined in Formulas Condition 1.1(hh), in Formulas Condition 8.1(e);

"**Reference Floating Rate Option**" is as defined in Formulas Condition 1.1(hh), in Formulas Condition 8.1(e);

"**Reference Floating Rate**" is as defined in Formulas Condition 1.1(hh), in Formulas Condition 8.1(e);

"**Reference Interest Rate**" is as defined in Formulas Condition 1.1(hh);

"**Reference Level**" is as defined in Security Condition 19.9(c), in Formulas Condition 1.1(iii), in Inflation Index Security 2.1(b);

"**Reference Level₀**" is as defined in Security Condition 19.9(c), in Formulas Condition 1.1(iii), in Inflation Index Security 2.1(b);

"**Reference Month**" is as defined in Inflation Index Security Condition 1 (*Definitions*);

"**Reference Price**" is as defined in Debt Security Condition 11 (*Definitions*);

"**Reference Rate_{t-1}**" is as defined in Formulas Condition 8.1(e);

"**Reference Rate Determination Agent**" is as defined in Security Condition 19.9(d)(iii);

"**Reference Rate Fallback Event**" is as defined in Security Condition 19.9(d)(ii);

"**Rejection Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**Related Bond Redemption Event**" is as defined in Inflation Index Security Condition 1 (*Definitions*);

"**Related Bond**" is as defined in Inflation Index Security Condition 1 (*Definitions*);

"**Related Exchange**" is as defined in ETI Security Condition 1 (*Definitions*) in Index Security Condition 1 (*Definitions*), in Share Security Condition 1 (*Definitions*);

"**Relative Performance Basket**" is as defined in Share Security Condition 1 (*Definitions*);

"**Relevant Adjustment Provisions**" is as defined in Security Conditions 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*), 19.9 (*Automatic Early Expiration*) and 19.9(c);

"**Relevant Asset**" is as defined in Security Condition 3 (*Definitions*);

"**Relevant Authority**" is as defined in Security Condition 13.1 (*Definitions*);

"**Relevant Automatic Early Expiration Valuation Date**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Relevant Basket**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Relevant Basket_(i)**" is as defined in Formulas Condition 1.1(rr);

"**Relevant Business Day**" is as defined in Formulas Condition 1.1(hh) and in OET Warrant Condition 1 (*Definitions*);

"**Relevant Currency**" is as defined in Security Condition 4.6(v);

"**Relevant Event**" is as defined in ETI Security Condition 4.20, Fund Security Condition 2.28,

"**Relevant Level**" is as defined in Inflation Index Security Condition 1 (*Definitions*), in Formulas Condition 7 (*General Formulas Definitions*);

"**Relevant Observation Time Period**" is as defined in Formulas Condition 1.1(hh);

"**Relevant Period**" is as defined in Share Security Condition 5.1;

"**Replacement Underlying Reference Rate**" is as defined in Underlying Interest Rate Security Condition 3 (*Screen Rate Determination*);

"**Reset Date**" is as defined in OET Warrant Condition 1 (*Definitions*) and in Underlying Interest Rate Security Condition 2 (*ISDA Determination*);

"**Reset Event Determination Time**" is as defined in Formulas Condition 1.1(hh);

"**Reset Event**" is as defined in Formulas Condition 1.1(hh);

"**Reset Price**" is as defined in Formulas Condition 1.1(hh);

"**Reset Threshold Percentage**" is as defined in Formulas Condition 1.1(hh);

"**Reset Threshold**" is as defined in Formulas Condition 1.1(hh);

"**Resettable Knock-in Period**" is as defined in Currency Security Condition 1 (*Definitions*);

"**Resettable Knock-out Period**" is as defined in Currency Security Condition 1 (*Definitions*);

"**Resettable Period**" is as defined in Currency Security Condition 1 (*Definitions*);

"**Reverse Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Reverse Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**rm**" is as defined in Formulas Condition 1.1(hh);

"**Rollover Costs_t**" is as defined in Formulas Condition 1.1(hh);

"**Rollover Costs_{t-1}**" is as defined in Formulas Condition 1.1(hh);

"**RV**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**S&P**" is as defined in ETI Security Condition 4.25 and in Fund Security Condition 2.38;

"**Scheduled Averaging Date**" is as defined in Security Condition 3 (*Definitions*) under the definition of Averaging Date;

"**Scheduled Closing Time**" is as defined in Security Condition 3 (*Definitions*);

"**Scheduled Dividend**" is as defined in Share Security Condition 4 (*Dividend Event*);

"**Scheduled Ex-Date**" is as defined in Share Security Condition 4 (*Dividend Event*);

"**Scheduled Trading Day (All ETI Interest Basis)**" is as defined in ETI Security Condition 1 (*Definitions*);

"**Scheduled Trading Day (All Futures Basis)**" is as defined in Futures Security Condition 1 (*Definitions*);

"**Scheduled Trading Day (All Indices Basis)**" is as defined in Index Security Condition 1 (*Definitions*);

"**Scheduled Trading Day (All Shares Basis)**" is as defined in Share Security Condition 1 (*Definitions*);

"**Scheduled Trading Day (Per ETI Interest Basis)**" is as defined in ETI Security Condition 1 (*Definitions*);

"**Scheduled Trading Day (Per Future Basis)**" is as defined in Futures Security Condition 1 (*Definitions*);

"**Scheduled Trading Day (Per Index Basis)**" is as defined in Index Security Condition 1 (*Definitions*);

"**Scheduled Trading Day (Per Share Basis)**" is as defined in Share Security Condition 1 (*Definitions*);

"**Scheduled Trading Day (Single ETI Interest Basis)**" is as defined in ETI Security Condition 1 (*Definitions*);

"**Scheduled Trading Day (Single Future Basis)**" is as defined in Futures Security Condition 1 (*Definitions*);

"**Scheduled Trading Day (Single Index Basis)**" is as defined in Index Security Condition 1 (*Definitions*);

"**Scheduled Trading Day (Single Share Basis)**" is as defined in Share Security Condition 1 (*Definitions*);

"**Scheduled Trading Day**" is as defined in Index Security Condition 1 (*Definitions*), in Share Security Condition 1 (*Definitions*), in ETI Security Condition 1 (*Definitions*), in Currency Security Condition 1 (*Definitions*), in Futures Security Condition 1 (*Definitions*), in Fund Security Condition 1 (*Definitions*) and in Debt Security Condition 11 (*Definitions*);

"**Screen Page AES Rate**" is as defined in Security Condition 19.9(d)(i);

"**Screen Page Underlying Reference Rate**" is as defined in Underlying Interest Rate Security Condition 3 (*Screen Rate Determination*);

"**Scheduled Valuation Date**" is as defined in Security Condition 3 (*Definitions*);

"**Second Settlement Currency**" is as defined in Security Condition 3 (*Definitions*);

"**Securities**" is as defined in the third paragraph of the Terms and Conditions of the Securities,

"**Security and Securities**" is as defined in the ninth paragraph of the Terms and Conditions of the Securities;

"**Security Conditions**" is as defined in the first paragraph of the Terms and Conditions of the Securities;

"**Security Percentage**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Security Threshold**" is as defined in OET Warrant Condition 1 (*Definitions*);

"**Security**" is as defined in the ninth paragraph of the Terms and Conditions of the Securities;

"**Securities Act**" is as defined in Security Condition 3 (*Definitions*);

"**Securityholder**" is as defined in Security Condition 1.2 (*Title to Securities*);

"**SeDeX**" is as defined in Security Condition 3 (*Definitions*), in Formulas Condition 1.1(hh);

"**Series**" is as defined in the sixth paragraph of the Terms and Conditions of the Securities;

"**Settled Amount**" is as defined in Share Security Condition 5.2(b);

"**Settlement Business Day**" is as defined in Security Condition 3 (*Definitions*);

"**Settlement Currency**" is as defined in Formulas Condition 1.1(hh), in OET Warrant Condition 1 (*Definitions*);

"**Settlement Cycle**" is as defined in Index Security Condition 1 (*Definitions*), in Debt Security Condition 11 (*Definitions*), in Futures Security Condition 1 (*Definitions*), in Currency Security Condition 5 (*Futures Price Valuation*), in Share Security Condition 1 (*Definitions*), and in ETI Security Condition 1 (*Definitions*);

"**Settlement Date**" is as defined in Security Condition 3 (*Definitions*);

"**Settlement Disruption Amount**" is as defined in Security Condition 4.1 (*Settlement Disruption*);

"**Settlement Disruption Event**" is as defined in Security Condition 4.1 (*Settlement Disruption*);

"**Settlement Payout**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Settlement Price Date**" is as defined in Currency Security Condition 1 (*Definitions*), in Fund Security Condition 1 (*Definitions*), in Index Security Condition 1 (*Definitions*), in Share Security Condition 1 (*Definitions*);

"**Settlement Price Final**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Settlement Price**" is as defined in Formulas Condition 1.1(hh), in Index Security Conditions 1 (*Definitions*) and 5.1, in Share Security Condition 1 (*Definitions*), in ETI Security Condition 1 (*Definitions*), in Debt Security Condition 1 (*Settlement Price*) and 6 (*Futures Price Valuation*), in Inflation Index Security Condition 1 (*Definitions*), in Currency Security Condition 4 (*Settlement Price*) and Currency Security Condition 5 (*Futures Price Valuation*), in Fund Security Condition 1 (*Definitions*) and in Futures Security Condition 1 (*Definitions*);

"**Settlement Valuation Date**" is as defined in Security Condition 3 (*Definitions*);

"**SFP Automatic Early Expiration Payouts**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**SFP Final Payout**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**SFP Payouts**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Share Company**" is as defined in Share Security Condition 1 (*Definitions*);

"**Share Correction Period**" is as defined in Share Security Condition 1 (*Definitions*);

"**Share Event**" is as defined in Share Security Condition 11 (*Share Event*);

"**Share Securities**" is as defined in Security Condition 1.1 (*Type*);

"**Share**" is as defined in Share Security Condition 1 (*Definitions*), in Share Security Condition 5.2(c) and in Fund Security Condition 1 (*Definitions*);

"**Shares**" is as defined in Share Security Condition 1 (*Definitions*);

"**Significant Alteration Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**Simple Interest**" is as defined in ETI Security Condition 1 (*Definitions*), in Fund Security Condition 1 (*Definitions*);

"**Single Final Payout - Leverage Factor Securities**" is as defined in Formulas Condition 1.1(hh);

"**Snowball Barrier Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Snowball Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Specified Maximum Days of Disruption**" is as defined in Security Condition 3 (*Definitions*), ETI Security Condition 1 (*Definitions*), in Currency Security Condition 1 (*Definitions*);

"**Speed Factor**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Spread Percentage**" is as defined in Formulas Condition 1.1(ll), in Formulas Condition 1.1(mm), 1.1(oo)(i), and in Formulas Condition 1.1(oo)(iv);

"**Spread**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Spread Percentage 1**" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), and in Formulas Condition 1.1(tt)(iv);

"**Spread Percentage 2**" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii) and in Formulas Condition 1.1(tt)(iv);

"**Spread Percentage_(j)**" is as defined in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"**Spread Percentage_(n)**" is as defined in Formulas Condition 1.1(uu)(ii), in Formulas Condition 1.1(ddd) and in Formulas Condition 1.1(eee);

"**Spread_(i)**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**SRM Regulation**" is as defined in Security Condition 13.1 (*Definitions*);

"**Standard Collared Asian Call Local Cap**" is as defined in Formulas Condition 1.1(qq)(i) and 1.1(qq)(ii);

"**Standard Collared Asian Put Local Cap**" is as defined in Formulas Condition 1.1(qq)(i) and 1.1(qq)(ii);

"**Stop-Loss Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**Strategy Business Day Centre(s)**" is as defined in Formulas Condition 8.1(e);

"**Strategy Business Day**" is as defined in Formulas Condition 8.1(e);

"**Strike Date**" is as defined in Security Condition 3 (*Definitions*), in Inflation Index Security Conditions 1 (*Definitions*), in Currency Security Condition 1 (*Definitions*) and in Fund Security Condition 1 (*Definitions*);

"**Strike Day**" is as defined in Security Condition 3 (*Definitions*), in Currency Security Condition 1 (*Definitions*) and in Fund Security Condition 1 (*Definitions*);

"**Strike Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Strike Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Strike Percentage 1**" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), and in Formulas Condition 1.1(tt)(iv);

"**Strike Percentage 2**" is as defined in Formulas Condition 1.1(nn), in Formulas Condition 1.1(oo)(ii), in Formulas Condition 1.1(oo)(iii), in Formulas Condition 1.1(oo)(vii), in Formulas Condition 1.1(tt)(ii), and in Formulas Condition 1.1(tt)(iv);

"**Strike Percentage_(i)**" is as defined in Formulas Condition 1.1(qq)(i) and 1.1(qq)(ii) and in Formulas Condition 1.1(rr);

"**Strike Percentage_(j)**" is as defined in Formulas Condition 1.1(ddd), in Formulas Condition 1.1(eee);

"**Strike Percentage_(n)**" is as defined in Formulas Condition 1.1(uu)(ii), in Formulas Condition 1.1(ddd) and 1.1(eee);

"**Strike Period**" is as defined in Security Condition 3 (*Definitions*), in Currency Security Condition 1 (*Definitions*); in Fund Security Condition 1 (*Definitions*);

"**Strike Price**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Substitute Asset**" is as defined in Security Condition 4.5 (*Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount*);

"**Substitute ETI Interest**" is as defined in ETI Security Condition 6.2(b);

"**Substitute Exchange-traded Contract**" is as defined in Currency Security Condition 8(b) and in Debt Security Condition 9(b);

"**Substitute Inflation Index Level**" is as defined in Inflation Index Security Conditions 1 (*Definitions*) and Inflation Index Security Condition 2 (*Delay in Publication*);

"**Substitute Inflation**" is as defined in Inflation Index Security Conditions 2.1;

"**Substitute Share**" is as defined in Security Condition 13.2(c) and Share Security Condition 5.2(e);

"**Substitute**" is as defined in Security Condition 11.1(a);

"**Substitution Date**" is as defined in Security Condition 13.2, Share Security Condition 5.2(e), ETI Security Condition 6.2(b);

"**Substitution**" is as defined in ETI Security Condition 6.2(b) and in Fund Security Condition 4.2(b);

"**Successor Index Sponsor**" is as defined in Index Security Condition 3.1 (*Successor Index Sponsor Calculates and Reports an Index*);

"**Successor Index**" is as defined in Index Security Condition 3.1 (*Successor Index Sponsor Calculates and Reports an Index*);

"**Successor Inflation Index**" is as defined in Inflation Index Security Conditions 1 (*Definitions*) and Inflation Index Security Condition 3 (*Successor Inflation Index*);

"**Suspension/Withdrawal Event**" is as defined in Security Condition 13.1 (*Definitions*);

"**T**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**t**" is as defined in Formulas Condition 8.1(e);

"**Target Determination Date**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**TARGET2 Settlement Day**" is as defined in Security Condition 3 (*Definitions*);

"**Target Volatility**" is as defined in Formulas Condition 8.1(e);

"**TARGET2 System**" is as defined in Security Condition 3 (*Definitions*);

"**Tax Event**" is as defined in ETI Security Condition 4.18 and in Fund Security Condition 2.26;

"**Tender Offer**" is as defined in ETI Security Condition 1 (*Definitions*), in Share Security Condition 5.1 and in Fund Security Condition 1 (*Definitions*);

"**Termination Amount**" is as defined in ETI Security Condition 1 (*Definitions*) and in Fund Security Condition 1 (*Definitions*);

"**Termination Date**" is as defined in ETI Security Condition 1 (*Definitions*) and in Fund Security Condition 1 (*Definitions*);

"**Termination**" is as defined in ETI Security Condition 6.2(c) and Fund Security Condition 4.2(c);

"**Tolerance**" is as defined in Formulas Condition 8.1(e);

"**Trade Date**" is as defined in Security Condition 13.1 (*Definitions*), in Fund Security Condition 1 (*Definitions*), in ETI Security Condition 1 (*Definitions*);

"**Trading Disruption**" is as defined in Index Security Condition 1 (*Definitions*) and in Share Security Condition 1 (*Definitions*), ETI Security Condition 1 (*Definitions*) and Futures Security Condition 1 (*Definitions*);

"**Tranche**" is as defined in the sixth paragraph of the Terms and Conditions of the Securities;

"**Treaty**" is as defined in Security Condition 15(b);

"**UK Benchmarks Regulation**" is as defined in Security Condition 13.1 (*Definitions*);

"**U_(t)**" is as defined in Formulas Condition 1.1(hh);

"**U_(t-1)**" is as defined in Formulas Condition 1.1(hh);

"**U.S. Volcker Rule**" is as defined in Fund Security Condition 2.31;

"**Underlying Interest Determination Date**" is as defined in Underlying Interest Rate Security Condition 4 (*Determination of Underlying Interest Rate*);

"**Underlying Interest Rate Securities**" is as defined in Security Condition 1.1 (*Type*);

"**Underlying ISDA Rate**" is as defined in Underlying Interest Rate Security Condition 2 (*ISDA Determination*);

"**Underlying Price_(t)**" is as defined in Formulas Condition 1.1(hh);

"**Underlying Price_(t-1)**" is as defined in Formulas Condition 1.1(hh);

"**Underlying Reference 1**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Underlying Reference 2**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Underlying Reference Closing Price Value**" is as defined in Formulas Condition 6.1(c) and 8.1(a);

"**Underlying Reference Closing Price Value_(k,i)**" is as defined in Formulas Condition 6.1(d);

"**Underlying Reference Closing Price Value Percentage**" is as defined in Formulas Condition 8.1(a);

"**Underlying Reference Closing Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Underlying Reference EndDay Closing Price Value**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference FX Level**" is as defined in Formulas Condition 8.1(a);

"**Underlying Reference FX Strike Level**" is as defined in Formulas Condition 8.1(a);

"**Underlying Reference Intraday Performance**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference Intraday Performance Percentage**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference Intraday Price Value**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference Intraday Value**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference Level 1**" is as defined in Security Condition 19.9(c);

"**Underlying Reference Level 2**" is as defined in Security Condition 19.9(c);

"**Underlying Reference Level**" is as defined in Security Condition 19.9(c) and in Formulas Condition 7 (*General Formulas Definitions*);

"**Underlying Reference Performance**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference Performance Percentage**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference Rate**" is as defined in Security Conditions 19.9(c);

"**Underlying Reference Rate Determination Agent**" is as defined in Underlying Interest Rate Security Condition 3 (*Screen Rate Determination*);

"**Underlying Reference Restrike Performance**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference Restrike Performance Percentage**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference Extended Restrike Value**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference Extended Intraday Restrike Value**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference Intraday Restrike Value**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference Restrike Value**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference StartDay Closing Price Value**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference Strike Price**" is as defined in Formulas Condition 8.1(a);

"**Underlying Reference TOM Restrike Value**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference TOM Value**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference Valuation Date**" is as defined in Formulas Condition 8.1(e);

"**Underlying Reference Value Percentage**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference Value**" is as defined in Formulas Condition 8.1(b);

"**Underlying Reference Volatility Hedged Value**" is as defined in Formulas Condition 8.1(d);

"**Underlying Reference Volatility Hedged Value₀**" is as defined in Formulas Condition 8.1(e);

"**Underlying Reference Volatility Hedged Value_{t-1}**" is as defined in Formulas Condition 8.1(d);

"**Underlying Reference Weighting**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Underlying Reference**" is as defined in OET Warrant Condition 1 (*Definitions*), Security Condition 14.7 (*Definitions relating to Knock-in Event/Knock-out Event*), Security Condition 19.9 (*Automatic Early Expiration*), Formulas Condition 7 (*General Formulas Definitions*);

"**Underlying Share**" is as defined in Security Condition 1.1 (*Type*);

"**Underlying Shares**" is as defined in Share Security Condition 9 (*Definitions relating to GDR/ADR*);

"**Unwinding Time Period**" is as defined in Formulas Condition 1.1(hh);

"**Up Call Spread**" is as defined in Formulas Condition 1.1(xx), in Formulas Condition 1.1(yy), in Formulas Condition 1.1(zz), in Formulas Condition 1.1(aaa), in Formulas Condition 1.1(bbb) and in Formulas Condition 1.1(ccc);

"**Up Call**" is as defined in Formulas Condition 1.1(xx), in Formulas Condition 1.1(yy), in Formulas Condition 1.1(zz), in Formulas Condition 1.1(aaa), in Formulas Condition 1.1(bbb) and in Formulas Condition 1.1(ccc);

"**Up Cap Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Up Final Settlement Value**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Up Floor Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Up Forward**" is as defined in Formulas Condition 1.1(xx), in Formulas Condition 1.1(yy), in Formulas Condition 1.1(zz), in Formulas Condition 1.1(aaa), in Formulas Condition 1.1(bbb) and in Formulas Condition 1.1(ccc);

"**Up Put Spread**" is as defined in Formulas Condition 1.1(xx), in Formulas Condition 1.1(yy), in Formulas Condition 1.1(zz), in Formulas Condition 1.1(aaa), in Formulas Condition 1.1(bbb) and in Formulas Condition 1.1(ccc);

"**Up Put**" is as defined in Formulas Condition 1.1(xx), in Formulas Condition 1.1(yy), in Formulas Condition 1.1(zz), in Formulas Condition 1.1(aaa), in Formulas Condition 1.1(bbb) and in Formulas Condition 1.1(ccc);

"**Up Strike Percentage**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Upper Level**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Upside Participation Factor**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**UR_(t)**" is as defined in Formulas Condition 1.1(s);

"**UR_(t0)**" is as defined in Formulas Condition 1.1(s);

"**UR_(t-1)**" is as defined in Formulas Condition 1.1(s);

"**Valid Date**" is as defined in Security Condition 3 (*Definitions*) and in Currency Security Condition 1 (*Definitions*);

"**Valuation Date**" is as defined in Security Condition 3 (*Definitions*), in Formulas Condition 1.1(hh), in Inflation Index Security Conditions 1 (*Definitions*), in Currency Security Condition 1 (*Definitions*) in Fund Security Condition 1 (*Definitions*), in OET Warrant Condition 1 (*Definitions*);

"**Valuation Time**" is as defined in Security Condition 3 (*Definitions*), in Currency Security Condition 1 (*Definitions*), in ETI Security Condition 1 (*Definitions*);

"**Value Business Day**" is as defined in ETI Security Condition 1 (*Definitions*);

"**Value per ETI Interest Trading Price Barrier**" is as defined in ETI Security Condition 1 (*Definitions*);

"**Value per ETI Interest Trading Price Differential**" is as defined in ETI Security Condition 1 (*Definitions*);

"**Value per ETI Interest Trigger Event**" is as defined in ETI Security Condition 1 (*Definitions*);

"**Value per ETI Interest**" is as defined in ETI Security Condition 1 (*Definitions*);

"**Value Trigger Percentage**" is as defined in ETI Security Condition 1 (*Definitions*);

"**Value Trigger Period**" is as defined in ETI Security Condition 1 (*Definitions*);

"**Vanilla Call Rate**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**Vanilla Call Spread Rate**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**VWA Closing Price**" is as defined in Share Security Condition 1 (*Definitions*) under the definition of Closing Price;

"**VWA Settlement Price**" is as defined in Share Security Condition 1 (*Definitions*) under the definition of Settlement Price;

"**W_(n)**" is as defined in Formulas Condition 1.1(uu)(ii);

"**W Target₀**" is as defined in Formulas Condition 8.1(e);

"**W**" is as defined in Formulas Condition 7 (*General Formulas Definitions*);

"**W_(i)**" is as defined in Formulas Condition 1.1(qq) and 1.1(qq)(ii), and in Formulas Condition 1.1(rr);

"**W*₁ = W₁ = W₀**" is as defined in Formulas Condition 8.1(e);

"**W*_{t+1}**" is as defined in Formulas Condition 8.1(e);

"**W*_{t+2}**" is as defined in Formulas Condition 8.1(e);

"**W₀**" is as defined in Formulas Condition 8.1(e);

"**Warrantholder**" is as defined in Security Condition 1.2 (*Title to Securities*);

"**Warrants**" is as defined in the third paragraph of the Terms and Conditions of the Securities;

"**Weighted Average Basket Value**" is as defined in Formulas Condition 8.5(b);

"**Weighted Average Best Value**" is as defined in Formulas Condition 8.5(b);

"**Weighted Average Rainbow Value**" is as defined in Formulas Condition 8.5(b);

"**Weighted Average Underlying Reference Value**" is as defined in Formulas Condition 8.5(a);

"**Weighted Average Worst Value**" is as defined in Formulas Condition 8.5(b);

"**Weighting**" is as defined Security Condition 3 (*Definitions*);

"**Worst Greatest Value**" is as defined in Formulas Condition 8.2(b);

"**Worst Intraday Value**" is as defined in Formulas Condition 8.1(c);

"**Worst Performing Underlying Reference Closing Price Value_(i)**" is as defined in Formulas Condition 6.1(a);

"**Worst Value**" is as defined in Formulas Condition 8.1(c);

"**W_t**" is as defined in Formulas Condition 8.1(e);

"**W_{t+1}**" is as defined in Formulas Condition 8.1(e);

"**W_{t-1}**" is as defined in Formulas Condition 8.1(e);

"**W_{t-1}^{Target}**" is as defined in Formulas Condition 8.1(e);

"**W_t^{Target}**" is as defined in Formulas Condition 8.1(e);

"YoY Inflation Rate" is as defined in Formulas Condition 7 (*General Formulas Definitions*).

PROVISIONS RELATING TO THE SECURITIES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each Global Security will be in bearer form. Consequently, in relation to any Tranche of Securities represented by a Global Security, references in the Terms and Conditions of the Securities to "**Securityholder**" are references to the bearer of the relevant Global Security which, for so long as the Global Security is held by a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that common depositary.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Security (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the relevant Issuer to the bearer of such Global Security and in relation to all other rights arising under the Global Security. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Security will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Securities are represented by the Global Security, Accountholders shall have no claim directly against the relevant Issuer in respect of payments due under the Securities and such obligations of the relevant Issuer will be discharged by payment to the bearer of the Global Security.

Exchange of Temporary Global Securities

Whenever any interest in a Temporary Global Security is to be exchanged for an interest in a Permanent Global Security, the relevant Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Security, duly authenticated to the bearer of the Temporary Global Security; or
- (b) in the case of any subsequent exchange, an increase in the number of Securities represented by such Permanent Global Security, where applicable, in accordance with its terms,

as specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Security to or to the order of the Fiscal Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Security is to be exchanged for Definitive Securities, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of the relevant number of Definitive Securities, duly authenticated, to the bearer of the Temporary Global Security against the surrender of the Temporary Global Security to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Security has not been delivered or the principal amount thereof, where applicable, increased by 5.00 p.m. (Luxembourg time) on the seventh day after the bearer of a Temporary Global Security has requested exchange of an interest in the Temporary Global Security for an interest in a Permanent Global Security; or
- (b) Definitive Securities have not been delivered by 5.00 p.m. (Luxembourg time) on the forty-fifth day after the bearer of a Temporary Global Security has requested exchange of the Temporary Global Security for Definitive Securities; or
- (c) a Temporary Global Security (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Securities or the date for final settlement of a Temporary Global Security has occurred and, in either case, payment in full of the amounts falling due thereunder has not been made to the bearer of the Temporary Global Security in accordance with the terms of the Temporary Global Security on the due date for payment,

then the Temporary Global Security (including the obligation to deliver a Permanent Global Security or increase the number of Securities represented thereby, where applicable, or deliver Definitive Securities, as the case may

be) will become void at 5.00 p.m. (Luxembourg time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (Luxembourg time) on such forty-fifth day (in the case of (b) above) or at 5.00 p.m. (Luxembourg time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Security will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Security or others may have under the Deeds of Covenant. Under the Deeds of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Security will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Security became void, they had been the holders of a number of Definitive Securities equal to the number of Securities they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Where the Securities are listed on Euronext Dublin and its rules so require, the relevant Issuer will give notice of the exchange of the Permanent Global Security for Definitive Securities pursuant to Condition 8 (*Notices*) of the Securities.

Exchange of Permanent Global Securities

Whenever a Permanent Global Security is to be exchanged for Definitive Securities, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of the relevant number of Definitive Securities, duly authenticated to the bearer of the Permanent Global Security against the surrender of the Permanent Global Security to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

If:

- (a) Definitive Securities have not been delivered by 5.00 p.m. (Luxembourg time) on the forty-fifth day after the bearer of a Permanent Global Security has duly requested exchange of the Permanent Global Security for Definitive Securities; or
- (b) a Permanent Global Security (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Securities or the date for final settlement of the Securities has occurred and, in either case, payment in full of the amounts falling due thereunder has not been made to the bearer of the Permanent Global Security in accordance with the terms of the Permanent Global Security on the due date for payment,

then the Permanent Global Security (including the obligation to deliver Definitive Securities) will become void at 5.00 p.m. (Luxembourg time) on such forty-fifth day (in the case of (a) above) or at 5.00 p.m. (Luxembourg time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Security will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Security or others may have under the Deeds of Covenant). Under the relevant Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Security will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Security became void, they had been the holders of a number of Definitive Securities equal to the number of Securities they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Where the Securities are listed on Euronext Dublin and its rules so require, the relevant Issuer will give notice of the exchange of the Permanent Global Security for Definitive Securities pursuant to Condition 8 (*Notices*) of the Securities.

Conditions applicable to Global Securities

Each Global Security will contain provisions which modify the Terms and Conditions of the Securities as they apply to the Global Security. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Security will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Security to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer in respect of the Securities.

Notices: Notwithstanding Condition 8 (*Notices*) of the Securities, while all the Securities are represented by a Permanent Global Security (or by a Permanent Global Security and/or a Temporary Global Security) and the

Permanent Global Security is (or the Permanent Global Security and/or the Temporary Global Security are) deposited with a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Securityholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Securityholders in accordance with Condition 8 (*Notices*) of the Securities on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system; *provided, however, that*, so long as the Securities are listed on the Official List of Euronext Dublin and its rules so require, notices will also be published in a leading newspaper having general circulation in Ireland or on the website of the Euronext Dublin (www.euronext.com/en/markets/dublin).

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Securities will be used for the general corporate purposes of the relevant Issuer.

INFORMATION ON MEDIOBANCA - BANCA DI CREDITO FINANZIARIO S.P.A.

This section of the Base Prospectus reflects the contents of certain information contained in the audited consolidated annual financial statements of Mediobanca and the audited non-consolidated annual financial statements of Mediobanca International as at and for the years ended 30 June 2021 and 2020.

History and development of Mediobanca

Legal status and information

Mediobanca – Banca di Credito Finanziario S.p.A. was set up on 10 April 1946 by virtue of a notarial deed drawn up by Notary public Arturo Lovato, file no. 3041/52378. Mediobanca is a joint stock company incorporated under Italian law registered in the Milan-Monza-Brianza-Lodi Companies' Register under Registration no. 00714490158 having its registered office and administrative headquarters in Piazzetta Enrico Cuccia 1, 20121 Milan, Italy, tel. No.: (0039) 02-88291. The LEI code of Mediobanca is: PSQL19R2RXX5U3QWHI44. Mediobanca operates under Italian law, and the court of Milan has jurisdiction over any disputes arising against it.

Important events in Mediobanca's recent history

Neither Mediobanca nor any company in the Group have carried out transactions that have materially affected or that might be reasonably expected to materially affect, Mediobanca's ability to meet its obligations towards third parties.

On 12 November 2019, the Board of Directors of Mediobanca has approved and published the 2019/2023 strategic plan, setting out certain objectives to be achieved within June 2023, based on the growth of highly-profitable banking activities and the development of all the Mediobanca Group divisions (Wealth Management, Consumer Banking and Corporate & Investment Banking).

Mediobanca has been assigned with the following rating levels:

Rating Agency	Type of rating	Short-term debts	Long-term debts	Outlook	Latest rating action
S&P's	Issuer Credit Rating ("ICR")	A-2	BBB	<i>Positive</i>	23 November 2021
FitchRatings	Issuer Default Rating ("IDR")	F3	BBB-	<i>Stable</i>	4 February 2021
Moody's	Issuer Default Rating ("IDR")	P-2	Baa1	<i>Stable</i>	12 May 2021

Mediobanca will publish updated information on its ratings on its website www.mediobanca.com in the specific section www.mediobanca.com/en/investor-relations/financing-rating/rating.html.

For an explanation of the rating given by S&P please see below the S&P rating scale:

<p align="center">LONG TERM obligations with an original maturity of more than one year</p>	<p align="center">SHORT TERM obligations with an original maturity of no more than one year</p>
<p align="center">Investment grade</p> <p>AAA The obligor's capacity to meet its financial commitment on the obligation is extremely strong.</p> <p>AA The obligor's capacity to meet its financial commitment on the obligation is very strong. An obligation rated 'AA' differs from the highest-rated obligations only to a small degree.</p> <p>A The obligation is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.</p> <p>BBB The obligation exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.</p>	<p align="center">Investment grade</p> <p>A-1 The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.</p> <p>A-2 The obligation is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.</p> <p>A-3 The obligation exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.</p>

(Source: Standard & Poor's)

<p align="center">LONG TERM obligations with an original maturity of more than one year</p>	<p align="center">SHORT TERM obligations with an original maturity of less than one year</p>
<p align="center">Speculative grade</p> <p>BB The obligation is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.</p> <p>B The obligation is more vulnerable to nonpayment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation.</p>	<p align="center">Speculative grade</p> <p>B The obligation is regarded as having significant speculative characteristics. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.</p> <p>B -1 The obligation is regarded as having significant speculative characteristics, but the obligor has a relatively stronger capacity to meet its financial commitments over the short-term compared to other speculative-grade obligors.</p> <p>B -2</p>

<p>CCC</p> <p>The obligation is currently vulnerable to nonpayment, and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.</p>	<p>The obligation is regarded as having significant speculative characteristics, and the obligor has an average speculative-grade capacity to meet its financial commitments over the short-term compared to other speculative-grade obligors.</p>
<p>CC</p> <p>The obligation is currently highly vulnerable to nonpayment.</p>	<p>B -3</p> <p>The obligation is regarded as having significant speculative characteristics, and the obligor has a relatively weaker capacity to meet its financial commitments over the short-term compared to other speculative-grade obligors.</p>
<p>C</p> <p>A 'C' rating is assigned to obligations that are currently highly vulnerable to nonpayment, obligations that have payment arrearages allowed by the terms of the documents, or obligations of an issuer that is the subject of a bankruptcy petition or similar action which have not experienced a payment default.</p>	<p>C</p> <p>The obligation is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation.</p>
<p>D</p> <p>The obligation is in payment default. The 'D' rating category is used when payments on an obligation, including a regulatory capital instrument, are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period.</p>	<p>D</p> <p>The obligation is in payment default. The 'D' rating category is used when payments on an obligation, including a regulatory capital instrument, are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period.</p>

NB: ratings from "AA" to "CCC" inclusive can be modified by adding the "+" or "-" minus sign to specify the position.

For an explanation of the rating given by Fitch please see below the Fitch rating scale:

<p>LONG TERM obligations with an original maturity of more than one year</p>	<p>SHORT TERM obligations with an original maturity of no more than one year</p>
<p>Investment grade</p> <p>AAA</p> <p>Denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.</p> <p>AA</p> <p>Denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.</p>	<p>Investment grade</p> <p>F-1</p> <p>Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.</p> <p>F-2</p> <p>Good intrinsic capacity for timely payment of financial commitments.</p> <p>F-3</p>

<p>A</p> <p>Denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings</p> <p>BBB</p> <p>Indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.</p>	<p>The intrinsic capacity for timely payment of financial commitments is adequate.</p>
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(Source: Fitch Ratings)

<p>LONG TERM obligations with an original maturity of more than one year</p>	<p>SHORT TERM obligations with an original maturity of less than one year</p>
<p>Speculative grade</p> <p>BB</p> <p>Indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments.</p> <p>B</p> <p>Indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.</p> <p>CCC</p> <p>Default is a real possibility.</p> <p>CC</p> <p>Default of some kind appears probable.</p> <p>C</p> <p>Default is imminent or inevitable, or the issuer is in standstill.</p> <p>RD</p> <p>Indicate an issuer that in Fitch Ratings' opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business.</p>	<p>Speculative grade</p> <p>B</p> <p>Minimal capacity for timely payment of financial commitments, plus heightened vulnerability to near term adverse changes in financial and economic conditions.</p> <p>C</p> <p>Default is a real possibility.</p> <p>RD</p> <p>Indicates an entity that has defaulted on one or more of its financial commitments, although it continues to meet other financial obligations. Applicable to entity ratings only.</p> <p>D</p> <p>Indicates a broad-based default event for an entity, or the default of a short-term obligation.</p>

For an explanation of the rating given by Moody's please see below the Moody's rating scale:

LONG TERM obligations with an original maturity of more than one year
Aaa Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk.
Aa Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.
A Obligations rated A are judged to be upper-medium grade and are subject to low credit risk.
Baa Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
Ba Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.
B Obligations rated B are considered speculative and are subject to high credit risk.
Caa Obligations rated Caa are judged to be speculative of poor standing and are subject to very high credit risk.
Ca Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
C Obligations rated C are the lowest rated and are typically in default, with little prospect for recovery of principal or interest.

Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Additionally, a "(hyb)" indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms.

(Source: Moody's)

S&P Global Ratings Europe Limited (formerly, Standard & Poor's Credit Market Services Italy S.r.l.) ("**S&P**"), Fitch Ratings Ireland Limited ("**Fitch**") and Moody's France S.A.S. ("**Moody's**") are credit rating agencies which are established in the European Community and have been registered in accordance with Regulation (EC) No. 1060/2009 (as subsequently amended and supplemented) (the "**CRA**"). As such, S&P, Fitch and Moody's are included in the latest list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA – see www.esma.europa.eu/supervision/creditrating-agencies/risk.

Business Overview

Principal categories of products sold and/or services provided

As provided in Article 3 of the company's Articles of Association, the purpose of the company is to raise funds and provide credit in any of the forms permitted, especially medium- and long-term credit to corporates.

In complying with the regulatory provisions in force, the company may perform all banking, financial and brokerage operations and services, and any other operation instrumental or otherwise related to the achievement of its corporate purpose.

The Mediobanca Group's activities are segmented as follows:

- **Wealth Management (WM):** this division brings together all asset management activities provided to clients in the following segments:
 - *Affluent & Premier*, served by CheBanca!;
 - *Private & HNWI*, served in Italy by Mediobanca Private Banking, and in the Principality of Monaco by CMB Monaco, including fiduciary activities performed by Spafid, Spafid Family Office SIM and Spafid Trust;
 - *Asset Management*, the principal entities in which are the product factories Cairn Capital (alternative AM), RAM Active Investments (Alternative AM), Mediobanca Management Company, Mediobanca SGR, and, since September 2021, also Bybrook Capital LLP, an alternative asset manager focused on the European non performing loans market.
- **Corporate & Investment Banking (CIB):** this division brings together all services provided to corporate clients:
 - *Wholesale Banking (WB):* Client Business (lending, advisory, and capital market activities) and proprietary trading; performed by Mediobanca, Mediobanca International, Mediobanca Securities and Messier & Associés;
 - *Specialty Finance*, which comprises factoring and credit management (including the acquisition and management of NPL portfolios) performed by MBFACTA, MBCredit Solutions, and the newly-established MBContact Solutions.
- **Consumer Banking (CB):** this division provides retail clients with the full range of consumer credit products, ranging from personal loans to salary-backed finance (Compass). This division also includes Compass RE, which reinsures the risks linked to insurance policies sold to clients, Compass Rent, which provides finance for hiring moveable assets (used cars in particular), and the newly-established Compass Link (network of agents);
- **Principal Investing (PI):** this division administers the Group's portfolio of equity investments and holdings, in particular the stake in Assicurazioni Generali;
- **Holding Functions:** this division comprises SelmaBipiemme Leasing, MIS, Spafid Connect and Ricerche e Studi, plus the share of the costs of the central Group functions such as Group Treasury and ALM (with the aim of optimizing liquidity management on a consolidated basis, including the securities held as part of the banking book), the costs of the central Group functions such as operations, support units (Planning and Financial Reporting, Corporate Affairs, Investor Relations, etc.), senior management and the control units (Risk Management, Group Audit and Compliance) not attributable to business lines.

As at 30 June 2021, Mediobanca had a market capitalization of approx. €8.7bn.

Consolidated financial data as at 30/06/2021

Profit and loss account	Wealth	Consumer	Corporate &	Principal	Holding	Group
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(€m)	Management	Banking	Investment Banking	investing	Functions	
Net interest income	281.1	878.8	286.9	-7.1	-47.4	1,415.0
Total income	627.3	1,001.8	698.2	295.3	21.9	2,628.4
Profit before tax	142.6	414.8	434.3	342.5	-231.9	1,104.3
Net profit	100.2	278.9	284.5	308.6	-166.1	807.6

* Source: Mediobanca audited consolidated annual financial statement as at and for the year ended on 30 June 2021

Affluent & Premier - CheBanca!

Mediobanca operates in wealth management with Affluent & Premier clients through its subsidiary CheBanca!. This subsidiary, launched in 2008, effectively served as retail deposit gatherer for the Mediobanca Group throughout the financial crisis. Since 2016 it has developed a distribution model based on strong investments in technology and innovation and an advisory-based approach which has enabled the company to become a recognized, high-growth operator in its reference market, with client TFAs which currently total €32.5bn.

Today CheBanca! is distinguished by its:

- High brand recognition;
- Effective, innovative multi-channel distribution (internet, 205 own branches/POS, 465 FAs and 486 relationship managers);
- Substantial customer base (approx. 895,000 clients);
- Strong commercial results: €16.9bn in deposits, €15.6bn in AUM, and a loan book of €11.1bn in mortgage lending.

At 30 June 2021, the company employed a total of 1,461 staff.

Private & HNWIs

The product/service offering to clients is split between:

- **MB Private Banking** offers private banking services through its 84 bankers and nine branch offices, working to help develop asset management activities in synergy with the mid-cap platform. The Mediobanca Private Banking product offering for high net worth clients includes portfolio management, advisory and financing services. Independence, operational autonomy, focus on private investment banking activities, and excellence and quality of service, are the hallmarks of a bank which has approx. €18bn in in assets under management at its branches in Bergamo, Bologna, Brescia, Florence, Genoa, Milan, Padua, Rome, Turin and Treviso.
- **CMB Monaco ("CMB")** is 100%-owned by Mediobanca. CMB, a market leader in the private banking sector in the Principality of Monaco, has assets under management of approximately €12bn. Its geographical position, indepth knowledge of markets and absolute independence make it a player of primary importance, able to provide exclusive services to its clientèle, ranging from loans to asset management.
- **Spafid**, 100%-owned by Mediobanca, this company provides fiduciary administration services for equity investments, stock market investments and fiduciary services for issuers.

MB Asset Management

The product factories forming part of the Wealth Management division include Cairn Capital, RAM Active Investments and MB SGR.

- **Cairn Capital**, a 51% stake in which was completed in December 2015 (the percentage stake currently owned is 85.1%), is an asset manager and advisor based in London, specializing in credit products. During the month of September 2021, Cairn Capital has extended its offered product range in the alternative credit sector by

acquiring Bybrook Capital, an asset manager based in London and specialized in managing non performing loans.

- **RAM Active Investments**, a 69% stake in which was acquired in March 2018 (the percentage is now 94.7%), is one of the leading European systematic asset managers, offering a wide selection of alternative funds to a vast range of institutional and professional investors.
- **Mediobanca SGR**, set up in 2017 following the merger of Banca Esperia into Mediobanca S.p.A., plays a key role in defining investment strategies and developing innovative products for the Group's networks.

Consumer Credit – Compass Banca (Compass)

Mediobanca has operated in the consumer credit sector since the 1960s through its subsidiary Compass. Compass today is one of the leading consumer credit operators on the Italian market, with a market share of approx. 10% that reaches 13% in the personal loans sector.

Compass offers products (including personal loans, special purpose loans for acquisition of consumer durable goods, credit cards and salary-backed finance), using a highly diversified distribution network consisting of 179 own branches, branches run by agents (52) and Compass Quinto branches (48), distribution agreements with banking partners and retailers (including BancoPosta).

In the financial year ended 30 June 2021, Compass reported a loan book of approx. €13bn and a headcount of 1,446 staff.

Wholesale Banking

Mediobanca seeks to provide its corporate clients with advisory services and financial services to help them grow and develop.

The Wholesale Banking Division is divided into Client Business and Proprietary Trading. Client Business includes three different areas: Investment Banking, Debt Division, and Market Division .

1. Investment Banking

1.1. Corporate finance

Mediobanca is a leader in Italy, and has an increasingly significant role at the European level in financial advisory services through its branch offices in London, Paris and Madrid, and through Messier & Associés, in which it holds an 83.1% stake. A client-based approach is adopted, backed by indepth knowledge of the financial issues and a consolidated track record in executing deals. The operating unit is organized into different industry teams covering individual industries to provide more effective specialization.

Corporate finance is structured into the following activities:

- Defining strategic objectives for companies and identifying extraordinary financing transactions in order to help meet them;
- Extraordinary financing transactions: mergers and acquisitions, joint ventures and partnerships, disposals and spinoffs;
- Liability restructuring: earnings/financial analysis of companies/groups undergoing restructuring; working out financial rebalancing scenarios; negotiating with key creditors;
- Corporate restructuring: LBOs, MBOs, spinoffs and tax-/inheritance-related issues;
- Company valuations, on a standalone basis and for purposes of setting exchange ratios;

- Relations with authorities: assistance in handling relations with market authorities, primarily Consob and Borsa Italiana.

Messier & Associés

Founded at the end of 2010, Messier & Associés is now one of the three leading corporate finance boutiques in France, with a loyal client base at both national and international level.

MA specializes in M&A advisory services, which it provides to large and mid-cap clients, and in financial sponsors activity. The company also performs debt and capital advisory and debt restructuring activities. Headquartered in Paris, it has offices in New York and employs around 40 staff.

1.2. Equity capital markets

Mediobanca is the Italian leader and has a role of increasing importance internationally in structuring, coordinating and executing equity capital markets transactions, such as IPOs, rights issues, secondary offerings and ABOs, and bonds convertible into equity solutions (equity derivatives to manage investments and treasury shares); this unit structures and implements extraordinary financing transactions involving equity investments and treasury shares; using a dedicated trading platform, the team offers customers innovative, high value-added solutions, and also handles any legal, accounting, tax and regulatory issues.

2. Debt Division

2.1. Lending & Structured Finance

The Financing teams serve Mediobanca's Italian and international customers, through the branch offices located in Paris, London and Madrid, to offer:

- Advice in evaluating possible capital structures and financing solutions available from among a vast series of debt products, including considering possible implications in terms of rating;
- Structuring and executing lending transactions;
- Access to the international syndicated loans market;
- Facility and security agent services for corporate and structured lending transactions.

The principal Lending & Structured Finance area products are:

- **Corporate lending** (bilateral loans, club deals and syndicated loans): corporate loans aimed at supporting customers' financial requirements generated by investments or related to their companies' growth; the financial solutions offered are aimed primarily at medium-/large-sized firms operating on domestic and international markets, in industrial and service-based sectors.
- **Structured finance** (acquisition finance, loans for LBOs/MBOs, project finance, infrastructure finance, real estate finance): financial support to corporate counterparties and institutional investors as part of leveraged transactions to acquire stakes in listed and unlisted companies; a wide range of lending transactions are developed, arranged, structured, underwritten and executed based on complex structures, and because of their size these are often syndicated on the international market. On the back of its solid track record in various sectors, customers are provided with advisory services covering the entire process of structuring deals to support investment and infrastructure or industrial projects, including offering strategies, selection of the most effective debt instruments, hedging strategies, financial modelling and structuring contracts.

Mediobanca International

Mediobanca International is mainly focused on lending operations to companies in the following forms: corporate lending (bilateral loans, club deals, and syndicated facilities) and structured finance (acquisition finance, LBO/MBO loans, project finance, infrastructure finance, real estate finance). These uses are financed from funding raised on international markets via specific programmes (Notes, Structured Notes, Certificates, Warrants,

Euro Commercial Tradable Papers, Euro Commercial Papers), short- and medium-term, mostly guaranteed by parent company Mediobanca S.p.A.

2.2. Debt capital market

The debt capital market team manages the origination, structuring, execution and placement of bond issues (corporates and financials), covered bonds, and securitizations, seeking to meet its clients' needs for financing.

3. Market division

Mediobanca operates on the secondary markets, trading equities and fixed-income securities, foreign exchange products and credit risk, interest rate and exchange rate derivatives. The division's activities are divided into the following areas:

- **CMS:** this area structures solutions based on interest rates, credit and alternative products; it targets corporate clients, banks and institutional investors who need to restructure their investment portfolios, increase asset liquidity and diversify their sources of funding. Advisory services and structuring *ad hoc* solutions for alternative investments targets institutional investors;
- **Equity derivatives institutional marketing:** a range of equity-linked investments are offered to banks, insurances, asset managers and family offices, from synthetic replications of simple underlying assets to sophisticated protection mechanisms and solutions for increasing the return on portfolios, funded or unfunded;
- **MB Securities:** this is Mediobanca's equity brokerage division, offering global access to equity markets and research on the Italian market (over 100 companies are covered), plus a pan-European focus on the financials sector (banks and insurances); a dedicated team also offers corporate broking services.

4. Proprietary trading

Proprietary trading is carried out by two units:

- **Trading portfolio (HFT Credit, HFT Fixed income, xVA, Global Macro):** responsible for trading bond portfolios and centralized management Cross Value Adjustments, providing support to both Strategic Portfolio & ALM and to the other Group legal entities;
- **Equity & Derivatives Trading:** responsible for the Bank's trading activities in various equity market products (equities and derivatives).

5. Specialty Finance

Specialty Finance activities include managing and financing credit and working capital. Factoring activities are managed by MBFACTA and credit management operations by MBCredit Solutions..

- **MBCredit Solutions** has for many years performed credit recovery activities (on behalf of the Group companies and third parties) and NPL portfolio acquisitions.
- **MBFACTA** provides trade receivables sale and discount services (with and without recourse, maturity, supply credit) to refinance corporate working capital. As well as the financial benefits, this service can also include an insurance component (guarantee against insolvency or delays in payments) and/or a management component (portfolio management, accounting, collection and recovery). The factoring platform's factoring offering will be tailored specifically to developing the Mid Corporate segment in synergy with the other services offered by CIB to this category of firm.

Principal investing

The Principal Investing division consists primarily of the Bank's investment in Assicurazioni Generali which is consolidated using the equity method. The value option which the investment represents for the Group is in terms of available, liquid resources that can be activated in the event of growth acquisitions materializing.

Principal Investing also includes the funds invested by the Mediobanca Group in the seed capital of the alternative funds managed by the asset management companies.

<i>Company</i>	<i>Sector</i>	<i>% of share capital</i>	<i>Book value as at 30/6/21 €m</i>
<i>Assicurazioni Generali</i>	<i>Insurance</i>	<i>12.87%</i>	<i>3,663.1</i>

Leasing

Mediobanca owns a direct 60% stake in SelmaBipiemme Leasing, with the other 40% held by the Banca Popolare di Milano. The group operates in financial leasing.

Treasury

The Group's Treasury and ALM units are centralised at parent company level with the objective of optimizing funding and liquidity management. The Goup Funding division is responsible for the Group's funding through all available means (deposits, securitizations, investments). With regards to the issuing of securities, the Goup Funding division is responsible for the structuring, issuing and placing debt products, the proceeds from which are used to finance the Bank's activities. Funding operations, supported by Mediobanca's high credit rating, take the form primarily of the issuance of securities, both plain vanilla and structured. Securities are placed with retail investors through public offerings (implemented via the proprietary network of the Wealth Management companies), through individual third-party banking networks (either on an exclusive basis or via groups of banks operating as syndicates), and direct sales on the MOT bond market operated by Borsa Italiana. Demand from institutional investors is met via public offerings of securities on the Euromarket and by private placements of bespoke products tailored to meet the investor's specific requirements.

New products or new activities

Without prejudice to the contents hereof (section 5.1), no significant new products and/or services have been introduced that are worth being recorded or disclosed publicly.

Principal markets

The Mediobanca Group's activities are principally focused on the domestic market (from a geographical standpoint Italy accounts for approx. 80% of the Group's loan book). In particular:

- Corporate & Investment Banking (CIB): in WB, half the revenues and loan book is originated by the Italian market, the other half by other countries (notably France, Spain and the United Kingdom); while Specialty Finance activities are focused on the domestic Italian market. The division employs some 635 staff, around 143 of whom are based outside Italy;
- Consumer Banking: activities focus exclusively on the Italian market, and employ approx. 1,446 staff at 279 branches/agencies;
- Wealth Management (WM): this division's activity is focused primarily on the Italian market, with the exception of CMB (which operates in the Principality of Monaco), RAM AI (which operates throughout Europe from its headquarters in Switzerland), and Cairn Capital and Bybrook (which operate in the United Kingdom); and employs 2,037 staff, with approx. 1,100 FAs/relationship managers, and 117 branches;
- Leasing activities chiefly target the domestic market.
- With reference to other markets, the agreement on future relations between the United Kingdom and the European Union was signed on 30 December 2020. The European Parliament is expected to ratify the deal in the early months of 2021, but came into force provisionally 1 January 2021 as authorized by the European

Council. For financial services, the agreement does not provide for any broader reciprocal access to markets than the agreements which the EU has entered into with other commercial partners. At end-March 2021, the EU and the United Kingdom executed a Memorandum of Understanding establishing a framework for Financial Services Regulatory Co-operation by 31 March 2021, which does not replace the banking and financial services passporting arrangements.

Mediobanca currently operates in the United Kingdom, both at its London branch office and cross-border, under the Temporary Permissions Regime (TPR) permitted by the Financial Conduct Authority, which allows the Bank to continue to perform its current activities as though it were formally authorized. The Bank is expected to start the formal process in order to receive its own authorization to operate in the United Kingdom as a third country branch from the Financial Conduct Authority before year-end 2022. Mediobanca has also undertaken a series of initiatives, in accordance with the ECB guidance, to address the issue of no longer being allowed to serve EU clients from the United Kingdom. These have included transferring some front office staff members (including some considered as key function holders) from the London branch offices to other offices located within the EU (15 in total in the course of 2020). There are still some areas of uncertainty, however, regarding the application of some of the market regulations (e.g. on shares/derivatives trading obligations), for which specific solutions have been adopted in order to ensure that the new rules are complied with. The total number of staff employed by the London branch, which was 89 as at 30 June 2020, had declined to 76 by 31 December 2020 and 73 at 30 June 2021. It should be emphasized that the Group's activities in the United Kingdom continue to be relatively minor (accounting for approx. 3% of its total revenues).

As far as regards UK-based Group company Cairn Capital, the company has delegated management of its funds to an Ireland-based fund manager (Carne Global Fund Managers Ireland Limited), which in turn has sub-delegated management back to Cairn Capital itself. Cairn Capital will therefore continue to handle the investment strategies and portfolio management for the funds. The marketing activity for the funds, though, will be performed by a company in the process of being set up to be owned by Cairn Capital.

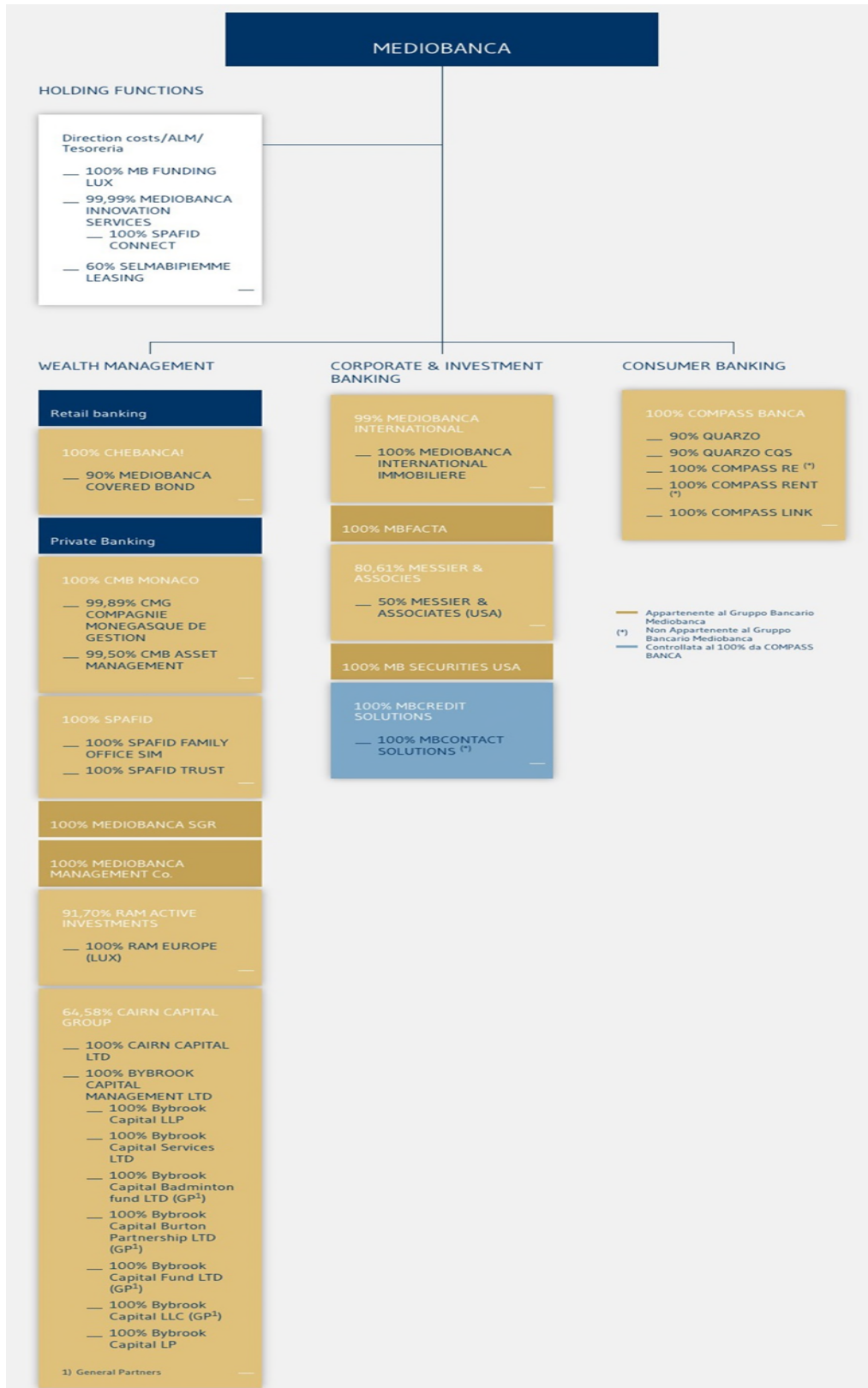
ORGANIZATIONAL STRUCTURE

Description of organizational structure of group headed up by Mediobanca

Mediobanca is the parent company of the Mediobanca Banking Group.

The Mediobanca Group is registered as a banking group in the register instituted by the Bank of Italy.

The following diagram illustrates the structure of the Mediobanca Group as at the date hereof.



Subsidiaries and main investee companies

A list of the main Group companies included in the area of consolidation for the consolidated financial statements as at the date of this document is shown below:

Group companies			
Company	Country	% share capital	Type of holding
COMPASS Banca S.p.A.	Italy	100%	(dir)
CHEBANCA! S.p.A.	Italy	100%	(dir)
SELMABIPIEMME LEASING S.p.A.	Italy	60%	(dir)
CMB Monaco S.A.	Principality of Monaco	99,998%	(dir)
MEDIOBANCA INTERNATIONAL (Luxembourg) S.A. **	Luxembourg	100%	(dir)
SPAFID S.p.A.	Italy	100%	(dir)
SPAFID TRUST S.r.l.	Italy	100%	(indir)
SPAFID CONNECT S.p.A.	Italy	100%	(indir)
MEDIOBANCA SECURITIES USA LLC	United States of America	100%	(dir)
Mediobanca SGR S.p.A.	Italy	100%	(dir)
Mediobanca Management Company S.A.	Luxembourg	100%	(dir)
MBCREDIT SOLUTIONS S.p.A.	Italy	100% ¹	(indir)
Mediobanca Innovation Services S.c.p.A	Italy	99,9%	(dir)
MBFACTA S.p.A.	Italy	100%	(dir)
QUARZO S.r.l.	Italy	90% ¹	(indir)
QUARZO CQS S.r.l.	Italy	90% ¹	(indir)
Mediobanca COVERED BOND S.r.l.	Italy	90% ²	(indir)
C.M.B. ASSET MANAGEMENT S.A.M.	Principality of Monaco	99,402% ³	(indir)
C.M.G. COMP. MONEG. D.G. S.A.M.	Principality of Monaco	99,892% ³	(indir)
COMPASS RE S.A. **	Luxembourg	100% ¹	(indir)
MEDIOBANCA INTERNATIONAL IMMOBILIERE S.à r.l.	Luxembourg	100% ⁴	(indir)
CAIRN CAPITAL GROUP Ltd.	United Kingdom	64,58% ^{5***}	(dir)
CAIRN CAPITAL Ltd.	United Kingdom	64,58% ^{5***}	(indir)
CAIRN CAPITAL NORTH AMERICA Inc. (inactive)	United States of America	64,58% ^{5***}	(indir)
CAIRN FINANCIAL GUARANTEE Ltd. (inactive)	United Kingdom	64,58% ^{5***}	(indir)
CAIRN CAPITAL INVESTMENTS Ltd.(inactive)	United Kingdom	64,58% ^{5***}	(indir)
CAIRN INVESTMENTS MANAGERS Ltd. (inactive)	United Kingdom	64,58% ^{5***}	(indir)
MB FUNDING LUX S.A.	Luxembourg	100%	(dir)
SPAFID FAMILY OFFICE SIM S.p.A.	Italy	100% ⁶	(indir)
RAM Active Investments S.A.	Switzerland	91,70% ^{7****}	(dir)
RAM ACTIVE INVESTMENTS (EUROPE)	Luxembourg	91,70% ^{7****}	(ind)
MESSIER & ASSOCIES S.A.S.	France	80,61% ^{8*****}	(dir)
MESSIER & ASSOCIES LLC.	United States of America	40,305% ^{8*****}	(indir)
MBCONTACT SOLUTIONS S.r.l.**	Italy	100% ⁹	(indir)
COMPASS RENT S.r.l.**	Italy	100% ¹	(indir)
COMPASS LINK s.r.l.	Italy	100% ¹	(indir)
Bybrook Capital Management Limited	Grand Cayman	64,58% ⁵	(indir)
Bybrook Capital LLP	United States of America	64,58% ¹⁰	(indir)

¹ Equity investment held by Compass Banca S.p.A.

² Equity investment held by CheBanca! S.p.A.

³ Equity investment held by CMB S.A.

⁴ Equity investment held by Mediobanca International (Luxembourg) S.A.

⁵ Equity investment held by Cairn Capital Group Ltd.

⁶ Equity investment held by Spafid S.p.A.

⁷ Equity investment held by RAM Active Investment S.A.

⁸ Equity investment held by Messier & Associes S.A.S.

⁹ Equity investment held by MBCredit Solutions S.p.A.

¹⁰ Equity investment held by Bybrook Capital Management Limited

Bybrook Capital Services Limited	United Kingdom	64,58% ⁹	(indir)
Bybrook Capital Badminton Fund Limited	Grand Cayman	64,58% ⁹	(indir)
Bybrook Capital Burton Partnership Limited	Grand Cayman	64,58% ⁹	(indir)
Bybrook Capital Fund Limited	Grand Cayman	64,58% ⁹	(indir)
Bybrook Capital LLC	United States of America	64,58% ⁹	(indir)
Bybrook Capital LP	United States of America	64,58% ⁹	(indir)

*Does not belong to the Mediobanca Banking Group.

** Of which 1% shares of Compass

*** The consolidated percentage rises to 89.07% if the agreements relating to the put&call option entered into at the time of acquisition are taken into account.

**** The consolidated percentage rises to 98.3% if agreements relating to the put&call option entered into at the time of acquisition are taken into account.

***** The consolidated percentage rises to 100% if the agreements relating to the put&call option entered into at the time of acquisition are taken into account.

Forecasts or estimates of profits

No profit forecasts or estimates have been made in the Base Prospectus.

Information on recent trends

No material adverse changes have taken place in Mediobanca's or the Group's prospects since the consolidated financial statements as at 30 June 2021;

No material adverse changes have taken place in the financial results of Mediobanca and the Mediobanca Group since the most recent consolidated financial statements as at 30 June 2021.

Information on trends, uncertainties, requests, commitments or known facts which could reasonably be expected to have material repercussions on the Issuer's prospects for at least the current financial year

Mediobanca is not aware of any information on trends, uncertainties, requests, commitments or facts known which could reasonably have significant repercussions on Mediobanca's prospects for the current financial year.

A deterioration in the medical situation due to the Covid-19 pandemic, the removal of government support measures, the ineffectiveness of the vaccination plan, as well as the evolution of virus variants, could impact further on the economic, social and financial situation in Italy and hence on the credit quality, capitalization and earnings of the Issuer which operates primarily on the Italian market.

Mediobanca is committed to executing the strategic and operating guidelines of its 2019-23 Strategic Plan, confirming the intention to optimize capital, with the objective of restoring the CET1 ratio to 13.5% by end-June 2023, including through share buybacks and acquisitions to strengthen the business lines.

BODIES RESPONSIBLE FOR GOVERNANCE, MANAGEMENT AND SUPERVISION

Information on bodies responsible for governance, management and supervision

Information on the Bank's bodies responsible for governance, management and supervision is provided below, as updated following the Annual General Meeting held on 28 October 2020.

Changes in the composition of the governing bodies and other information related to them are published from time to time on the Issuer's website in the relevant section <https://www.mediobanca.com/en/corporate-governance/index.html>, without prejudice to the obligations set out under article 23 of the Prospectus Regulation.

Board of Directors

As at the date of this Base Prospectus, the Board of Directors, appointed on 28 October 2020 for the 2021, 2022 and 2023 financial years until the date on which the financial statements as at 30 June 2023 will be approved, is made up of fifteen members, eleven of whom qualify as independent under Article 148, paragraph 3 of Italian Legislative Decree 58/98, eight of which eleven also qualify as independent under Article 19 of the company's Articles of Association (the requisites for which definition are substantially aligned with those of the code of corporate governance issued by Borsa Italiana S.p.A. (the "**Code of Conduct**") in respect of listed companies). Its composition also reflects the legal requirements in terms of gender balance.

Composition of Board of Directors

Name	Post held	Place and date of birth	Term of office expires	Independence	Principal activities performed outside the Issuer
Renato Pagliaro ²	Chairman	Milan, 20/2/57	28/10/23		-
Maurizia Angelo Comneno ¹	Deputy Chair	Rome, 18/6/48	28/10/23	b)	-
Alberto Nagel ^{1,2}	CEO	Milan, 7/6/65	28/10/23		-
Virginie Banet	Director	Neuilly sur Seine 18/01/66	28/10/23	a) b)	Chairman, lolite, Financial Consulting Director, Netgem Director, Vallourec
Francesco Saverio Vinci ^{1,2}	General Manager	Milan, 10/11/62	28/10/23		-
Maurizio Carfagna	Director	Milan, 13/11/47	28/10/23	a) b)	Director, FingProg Italia Director, Futura Invest Director, Istituto Europeo di Oncologia
Laura Cioli	Director	Macerata 10/07/63	28/10/23	a) b)	Director, Brembo Director, Sofina Director, Autogrill
Maurizio Costa	Director	Pavia, 29/10/48	28/10/23	a) b)	Director, Amplifon
Angela Gamba	Director	Palazzolo sull'Oglio (BS), 15/8/70	28/10/23	a) b)	Director, Edison Director, FPS Investments S.r.l. Director, Medical Technology and Devices SA
Valérie Hortefeux	Director	Aulnay (France), 14/12/67	28/10/23	a) b)	Director, Blue Solutions Director, Ramsay – Générale de Santé Director, Socfinasia Director, Financierrie de L'Odet
Maximo Ibarra	Director	Calì (Colombia), 13/12/68	28/10/23	a) b)	CEO, Engineering
Alberto Lupoi	Director	Rome, 29/03/70	28/10/23	a) b)	-
Elisabetta Magistretti	Director	Busto Arsizio, 21/7/47	28/10/23	b)	Director, Brembo Director, Smeg
Vittorio Pignatti-Morano	Director	Rome, 14/9/57	28/10/23	a) b)	Director, Trilantic Capital Management GP Director, Trilantic Capital Partners Management Director, Trilantic Capital Partners V Management Director, Ocean Ring Jersey Co Director, Ocean Trade Lux Co Director, ICS Maugeri Director, Edizione
Gabriele Villa ¹	Director	Milan, 18/6/64	28/10/23	b)	Standing Auditor, Edison Standing Auditor, Italmobiliare

¹ Member of Executive Committee.

² Member of Mediobanca senior management

a) Qualifies as independent pursuant to Article 19 of the company's Articles of Association.

b) Qualifies as independent pursuant to Article 148, para. 3 of the Italian Finance Act.

All Board members are in possession of the requisites to hold such office set by the regulations in force at the time.

The address for all members of the Board of Directors for the duties they discharge is: Piazzetta E. Cuccia 1, 20121 Milan, Italy.

Statutory Audit Committee

As at the date of this Base Prospectus, the Statutory Audit Committee, appointed on 28 October 2020 for the 2021, 2022 and 2023 financial years until the date on which the financial statements as at 30 June 2023 will be approved, is made up of three Standing Auditors and two Alternate Auditors.

Composition of Statutory Audit Committee:

Name	Post held	Place and date of birth	Term expires	Principal activities performed outside the Issuer as significant with respect to the Issuer
Francesco di Carlo	Chairman	Milan, 04/10/69	28/10/23	Director, Milano Investment, Partners SGR Standing Auditor, Italiaonline
Elena Pagnoni	Standing Auditor	Colleferro (Rome), 10/05/63	28/10/23	-
Ambrogio Virgilio	Standing Auditor	Bari, 05/01/56	28/10/23	-
Marcello Caradonna	Alternate Auditor	Stornara (FG), 22/05/59	28/10/23	Chair, Statutory Audit Committee, College of Auditors CTI, ATS Milano, Corneliani and OTS Standing Auditor, ENI Standing Auditor Covercare and Nuova Corneliani Independent Director, Integrae SIM Director, FNM
Roberto Moro	Alternate Auditor	Milan, 04/03/65	28/10/23	Chair, Statutory Audit Committee, IRE Holding, Digital Value, DV Holding, ITD Solutions and Pirelli Tyre Standing Auditor, Antas, ASM Energia, Energean international, Energean Italy, Energean Sicilia, Energean Wave, Itaware, Fidiger Sole Statutory Auditor, Compass Link, Compass Rent, MBContact Solutions, Quarzo and Spafid
Stefano Sarubbi	Alternate Auditor	Milan, 06/12/65	28/10/23	Chair, Statutory Audit Committee, Coca Cola Italy Chair, Statutory Audit Committee, Infrastrutture Wireless Italiane – Inwiit Director Sigmagest CEO, Sigmagest and Chair, Statutory Audit Committee, Acque Minerali Chair, Statutory Audit Committee, Destination Italia Director, Manifatture Sigaro Toscano

All Statutory Audit Committee members are in possession of the requisites to hold such office by law, in terms of fitness, professional qualifications and independence, and are all registered as auditors.

The address for all members of the Statutory Audit Committee for the duties they discharge is: Piazzetta E. Cuccia 1, 20121 Milan, Italy.

Conflicts of interest among bodies responsible for governance, management and supervision

A ban was instituted pursuant to Article 36 of Italian Decree Law 201/11, as converted into Italian Law 214/11, on representatives of banks, insurers and financial companies from holding positions in companies which operate in the same sectors. Each year the Board of Directors assesses the positions of the individual directors, which may have changed as a result of changes in the activities or size of the other companies in which they hold posts. To this end, each director, including in order to avoid potential conflict of interest, shall inform the Board of any changes in the positions assumed by them in the course of their term of office.

Mediobanca also adopts the procedure recommended under Article 136 of the Italian Consolidated Banking Act for approval of transactions involving individuals who perform duties of management and control in other companies controlled by such parties.

Members of the bodies responsible for governance, management and supervision are also required to comply with the following provisions:

- Article 53 of the Italian Banking Act and implementing regulations enacted by the Bank of Italy, in particular the supervisory provisions on links with related parties;
- Article 2391 of the Italian Civil Code (Directors' Interests);
- Article 2391-*bis* of the Italian Civil Code (Transactions with Related Parties)) and the Consob implementing regulations, in particular the Regulations on Transactions with Related Parties approved under resolution no. 17221 of 12 March 2010.

Transactions with "related parties" are described in part H of the financial statements for the twelve months ended 30 June 2021.

Mediobanca and its governing bodies have adopted internal measures and procedures to ensure compliance with the provisions referred to above.

Main Shareholders

Information on ownership structure

No party controls Mediobanca according to the definition provided in Article 93 of the Italian Banking Act.

Based on the shareholders' register and publicly available information as at 29 November 2021, the following individuals and entities own directly or indirectly financial instruments representing share capital with voting rights in excess of 3% of the company's share capital, directly or indirectly, are listed below:

Shareholder	% of share capital
Leonardo Del Vecchio ⁽¹⁾	18.90%
BlackRock group ⁽²⁾	3.98%
Bank of Montreal ⁽³⁾	3.54%
Mediolanum group	3.28%
Francesco Gaetano Caltagirone ⁽⁴⁾	3.04%

⁽¹⁾ Indirect participation held via Delfin SARL.

⁽²⁾ BlackRock Inc. (NY) through fifteen asset management subsidiaries (form 120 B of 6 August 2020), of which 0.69% potential holding and 0.13% other long positions with cash settlement.

⁽³⁾ Investment held directly and indirectly as borrower (non-discretionary asset management).

⁽⁴⁾ Indirect participation.

For completeness, the Issuer holds own shares for an amount equal to 2.8% of its share capital.

Updates relating to information on the main shareholders are published from time to time on the Issuer's website in the relevant section <https://www.mediobanca.com/en/corporate-governance/main-shareholders/main-shareholders.html>, without prejudice to the obligations set forth in Article 23 of the Prospectus Regulation regarding the possible drafting of a supplement.

Shareholders' Agreement

On 20 December 2018, certain shareholders of Mediobanca representing, as at the date hereof, approximately 12.08% of the share capital of the Issuer entered into a prior consultation shareholders' agreement (the "**Shareholders' Agreement**") pursuant to Article 122 of the Financial Services Act and the Consob resolution No. 11971 of 14 May 1999, as subsequently amended. The main shareholders include the Mediolanum Group, Schematrentatre (Edizione)¹¹, Fininvest, Fin.Priv., Monge & C. S.p.A., Gavio Group, Ferrero Group, for a total of 20 shareholders. Such Shareholders' Agreement is effective from 1 January 2019, will expire on 31 December 2024 and is automatically renewed for 3-year periods among the participants who did not give notice of termination at least 3 months before the original or extended expiry date. No provision is made in the Shareholders' Agreement for commitments in terms of lock-up or votes in respect of the shares syndicated to it.

Information on the Shareholders' Agreement may be found on the Issuer's website at <https://www.mediobanca.com/en/corporate-governance/main-shareholders/shareholder-consultation-agreement.html>.

Agreements the performance of which may result in a change of control subsequent to the date hereof

Mediobanca is not aware of any agreements aimed at bringing about future changes regarding the ownership structure of Mediobanca.

AUDITORS OF THE FINANCIAL STATEMENTS

External auditors and auditors responsible for auditing the financial statements

At the annual general meeting held on 27 October 2012, the shareholders of Mediobanca appointed PricewaterhouseCoopers S.p.A. to audit the Bank's separate and consolidated full-year and interim financial statements up to and including the financial year ending 30 June 2021.

PricewaterhouseCoopers S.p.A. a company with its registered offices in Piazza Tre Torri 2, Milan, Italy, has audited the separate and consolidated financial statements of Mediobanca as at 30 June 2020 and as at 30 June 2019. PricewaterhouseCoopers S.p.A is registered under No. 119644 in the Register of Accounting Auditors (*Registro dei Revisori Legali*) maintained by MEF (*Ministero dell'Economia e delle Finanze*) in compliance with the provisions of Legislative Decree No. 39 of 27 January 2010, as amended.

Information regarding resignations, dismissals or failures to renew the appointment of the external auditors or the auditors responsible for auditing the financial statements

At the date of this Base Prospectus, there is no information about any resignation, revocation or non-renewal of the engagement of the external auditors or the auditors responsible for auditing the financial statements.

On 28 October 2020, the Shareholders' Meeting of Mediobanca, at the proposal of the Board of Statutory Auditors, appointed the auditing firm Ernst & Young to audit the accounts for the financial years from 30 June 2022 to 30 June 2030.

¹¹ On September 30, Schematrentatre terminated the Shareholders' Agreement, with effect from 1 January 2022. As a result of this termination, subject to other changes, the percentage represented by the Shareholders' Agreement will stand at around 10% of the share capital.

LEGAL AND ARBITRATION PROCEEDINGS

As at the date of this Base Prospectus, none of the proceedings involving Mediobanca and its consolidated subsidiaries may have, or have had in the recent past, a material impact on the Group's financial position or profitability, and as far as Mediobanca is aware, no litigation, arbitration or administrative proceedings which may have such material impact has either been announced or is pending.

A description of the main tax disputes and litigation pending is provided below, purely for information purposes:

Litigation pending and tax disputes

Civil Proceedings - Claim for damages

Among the most significant legal proceedings still pending against Mediobanca there are the following two claims for damages made respectively by:

- Fondazione Monte dei Paschi di Siena ("**FMPS**") against – *inter alia* – Mediobanca, in respect of participation with criminal intent by virtue of an alleged non-contractual liability, jointly with the other thirteen lender banks, for alleged damages to FMPS in connection with the execution of the Term Facility Agreement on 4 June 2011 and the consequent breach of FMPS's Articles of Association (20% limit on debt/equity ratio) in a total amount of €286m. The case is still pending in the preliminary phase at the Court of Florence;
- Lucchini S.p.A. in A.S. ("**Lucchini**") against 12 banks (including Mediobanca) claiming that the banks would have contributed to the economic and financial distress of the company for having drawn up and executed an industrial and financial plan of the company based on allegedly unrealistic forecasts and a restructuring agreement pursuant to article 182-*bis* of the bankruptcy law which provided for guarantees excessively favourable to the banks, thus delaying Lucchini's submission to the extraordinary administration procedure. With a ruling on 21 July 2020, the Court of Milan rejected Lucchini's request, ordering him to pay the costs. With a notice of appeal served on 28 September 2020 Lucchini appealed the sentence. The next hearing for the definition of the conclusions is set for 12 January 2022.

Tax – Administrative proceedings

With regard to the dispute pending with the tax authorities, it should note that there were no significant changes with respect to the previous year.

With reference to the alleged non-application of transparency taxation (*tassazione per trasparenza*), provided for by the Controlled Foreign Company (CFC) regulations, of the income produced by CMB Monaco (formerly called Compagnie Monégasque de Banque) and Compagnie Monégasque de Gestion for the financial years 2013, 2014 and 2015 three disputes are pending with the tax authorities. In detail, the dispute regarding the financial year 2013/2014 (profits 2013, tax of € 21.3 million plus interest and penalties), in which Mediobanca was victorious in first instance, is pending before the Lombardy Regional Tax Court following an appeal lodged by the Revenue Office; disputes relating to the 2014/15 and 2015/16 fiscal years (respectively profits 2014 and 2015, tax of € 16.1 million and € 16.4 million, plus interest and penalties) are pending the first instance hearing;

With reference to the alleged failure to apply withholding taxes by Mediobanca on interest paid as part of a secured financing transaction in addition to the dispute of the year 2014 (tax of € 2.3 million, plus interest and penalties) and of which the setting of the first level hearing is awaited, a notice of assessment has been served in relation to 2015 (tax for € 1.9 million, plus interest and penalties), which the Bank intends to challenge.

With reference to the three disputes regarding the failure to reimburse interest accrued on VAT credits claimed by SelmaBipiemme, relating to various years (totaling € 9.4 million in interest), on 14 June 2021, the Lombardy Regional Tax Court accepted SelmaBipiemme's appeal and obliged the tax authorities to reimburse interest relating to year 2005 (totaling € 6.8 million). The deadline for the authorities to appeal to the Supreme Court is still pending. In order to cover the potential liability linked to a negative outcome, the company has set aside provisions for risks and charges of € 6 million.

Further tax proceedings

In addition to those listed above, eleven additional disputes are pending, including:

- one relating to the alleged failure by the former Banca Esperia to report a transfer of money to foreign countries as part of the tax monitoring communication, against which penalties were imposed for € 5.9 million. The Company was unsuccessful in the first two levels of judgment and paid the disputed amount. An appeal is pending before the Supreme Court;
- one relating to VAT overpaid by SelmaBipiemme in relation to nautical leasing transactions in 2004, 2005 and 2006 (tax refund requested of € 1.7 million). The company has appealed the Revenue Office's decision to reject the request for reimbursement and is waiting for a hearing to be scheduled;
- nine relating to direct and indirect taxes, of minor importance and with different levels of judgment, for a total of € 1.4 million in taxes assessed.

Mediobanca SGR was also sued as manager of the real estate fund "Marsupio" in relation to the alleged failure to pay substitute tax on 3 transactions for a higher assessed tax of € 746.000 (charged to the fund). The Company was victorious in the first instance, but lost in the second and has appealed to the Supreme Court.

On 17 December 2020, Compass Banca was served two invitations to contradictory proceedings containing findings for IRES and IRAP purposes for the 2015/16 financial year relating to income generated by the insurance brokerage activity carried out with regard to its clients and relations with the subsidiary Compass RE. The contradictory phase ended in March 2021 with an adhesion process regarding transfer pricing and the payment of higher taxes for € 3.5 million, in addition to interest and penalties for a total of € 1.6 million. In June 2021 the Company activated on its own initiative an adhesion process with the tax authorities on income of the same nature produced in the financial years 2016/17 and 2017/18; this process was concluded on 23 July 2021 with the payment of approximately € 2.1 million of higher taxes, in addition to interest and penalties for a total of € 0.4 million, covering both years. The extension of the method accepted by the Administration to transactions carried out by Compass and Compass RE in subsequent years would not result in the emergence of higher income for the Company.

Proceedings with supervisory authorities

Mediobanca has no ongoing proceedings with any supervisory authority.

The effects of the "Lexitor" sentence on retail operations are contained and limited to any disputes on early repayments of consumer credit practices (above all assignment of one-fifth of salary), which occurred before 5 December 2019 (date of the letter to the market from the Bank of Italy on the Lexitor sentence), for which a number of complaints have been received that are following the normal procedural process. On 25 July 2021 Law no. 106/2021 came into force, converting Decree Law no. 73/2021, which reformulated the text of art. 125 sexies of the Consolidated Banking Law and clarified that the effects of the aforementioned sentence only apply to contracts concluded after the entry into force of the aforementioned law. As reported, Compass allocated a provision of € 15 million, of which € 3.5 million was used.

Antitrust proceedings

As far as the Group is concerned, Compass, following proceedings with the Italian Antitrust Authority, in relation to the alleged forced combination of financing and insurance products not related to loan, had two proceedings pending before the Lazio Regional Administrative Court to challenge the measures by which the aforementioned proceedings have been concluded. Of the two judgments, the first ended with the rejection of the appeal by the court (sentence published on 6 September 2021), whilst the second is currently still pending before the Lazio Regional Administrative Court. In the meantime Compass will also assess the advisability of a possible appeal to the Council of State of the first measure within the terms of the law.

Inspections

As part of the ordinary supervisory activities by the ECB, it should be noted that an OSI (on-site inspection) on the subject of "market risk" was launched in September 2019. The final report of the inspection was delivered on 22 March 2021; the Issuer remains waiting for the report to be acknowledged by the JST (Joint Supervisory Team) of the ECB and any recommendations to be provided by it.

In November 2021, an additional inspection was launched in parallel, which will focus specifically on market risk issues relating to calculation and monitoring of trading P&L, independent price verification and fair value measurement on a small sample of selected transactions.

MATERIAL AGREEMENTS

Neither Mediobanca nor any of the companies controlled by Mediobanca has entered into or participates in agreements outside of their normal course of business which could result an obligation or entitlement for Group members that would impact significantly on the Issuer's ability to meet its obligations in respect of the holders of financial instruments issued or to be issued.

RECENT DEVELOPMENTS

Mediobanca approved the consolidated financial statements as at 30 June 2021

On 23 September 2021, the Board of Directors of Mediobanca examined and approved the consolidated annual financial statements as at and for the financial year ended 30 June 2021, which is incorporated by reference in this Base Prospectus.

Mediobanca approved the consolidated quarterly results as at 30 September 2021

On 27 October 2021 the press release related to the approval of the consolidated quarterly results as at and for the three-month period ended 30 September 2021 was published.

Mediobanca ordinary and extraordinary annual shareholders' meeting

On 28 October 2021, the shareholders' meeting of the Issuer examined and approved, as ordinary meeting, the Issuer's financial statements as at 30 June 2021 and the amount of profit for the period being allocated to reserves.

FINANCIAL INFORMATION OF MEDIOBANCA – BANCA DI CREDITO FINANZIARIO S.P.A.

The consolidated annual financial statements of Mediobanca as at and for the years ended 30 June 2021 and 2020 were prepared in accordance with IFRS as adopted by the European Union.

All the above consolidated financial statements, prepared in each case together with the notes thereto, are incorporated by reference in this Base Prospectus. See "*Documents Incorporated by Reference*".

The annual consolidated financial statements referred to above have been audited by PricewaterhouseCoopers S.p.A., whose reports thereon are attached to such annual financial statements.

INFORMATION ON MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.

General Information

Name: Mediobanca International (Luxembourg) S.A. ("**Mediobanca International**").

Date of Incorporation: Mediobanca International was incorporated in 1990 and its registered office was transferred to Luxembourg by a resolution of the Shareholders before a notary on 21 December 2005 and the articles of incorporation were published in the *Mémorial Recueil des Sociétés et Associations* number 567 on 17 March 2006. The articles of association were amended on 5 October 2007 and were published in the *Mémorial Recueil des Sociétés et Associations* number 2995 on 24 December 2007. The articles of association were further amended on 30 January 2017 and were published in the *Recueil électronique des Sociétés et Associations* number RESA_2017_042 of 16 February 2017. The LEI code of Mediobanca International is 549300DV870NBWY5W279.

Legislation: Mediobanca International operates under Luxembourg law.

Registered Office and Telephone Number: 4, Boulevard Joseph II, L-1840 Luxembourg, Tel. No.: (00352) 267303-1.

Registration: *Registre de Commerce et des Sociétés* Luxembourg number B 112885.

Financial Year: Mediobanca International's financial year ends on 30th June of each year.

General Meetings: General Meetings are held at least once a year.

Share Information

Authorised and Issued Capital: EUR 10,000,000 divided into 1,000,000 ordinary shares of EUR 10.00 each.

Reserves: EUR 320,782,764 as at 30 June 2021.

Controlling Shareholders: Mediobanca - Banca di Credito Finanziario S.p.A.

Change of control: Mediobanca International is not aware of any agreements aimed at bringing about future changes regarding the ownership structure of Mediobanca International.

Management

Board of Directors: The Articles of Association provide for a Board of Directors consisting of at least three members elected by the general meeting of shareholders for a term of office not to exceed six years.

Directors: The Board of Directors is responsible for setting authorisation levels, defining organisational structure, defining the system of internal control and reviewing it on a regular basis, and approving the bank's accounts and interim statements. The Board of Directors has been appointed by the shareholders meeting held on 16 October 2020 and is composed as follow:

<i>Director</i>	<i>Place and date of birth</i>	<i>Posts held inside Mediobanca International</i>
Giovanni Mancuso	Turin on 5 December 1954	Chairman
Alessandro Ragni	Milan on 23 May 1977	Managing Director & CEO
Massimo Amato	Lecce on 15 January 1958	Director
Piero Pezzati	Milan on 23 March 1953	Director
Jessica Spina	Manchester on 27 January 1969	Director
Stéphane Bosi	Monticelli d'Ongina on 27 April 1953	Director
Lara Pizzimiglia	Piacenza on 21 June 1969	Director

The business address of each of the directors is 4, Boulevard Joseph II, L-1840 Luxembourg, with the exception of Jessica Spina and Lara Pizzimiglia whose business address is Piazzetta E. Cuccia 1, 20121, Milan, Italy.

There are no potential conflicts of interests between any of the Directors' duties to Mediobanca International and their private interests or other duties.

Authorised managers:

Day-to-day management is entrusted to two authorised managers: Alessandro Ragni (Managing Director and CEO) and Rocco Cosimo Damiano Di Leo (Chief Financial Officer).

Approved independent auditors:

PricewaterhouseCoopers, *Société coopérative*, incorporated under the laws of Luxembourg, with its registered office at 2, rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B.65477 ("**PwC Luxembourg**"), was designated, during a meeting of the Board of Directors held on 11 September 2012, the Mediobanca International's independent auditors (*réviseur d'entreprises agréé*). Their mandate was renewed by the Board of Directors on 14 December 2016 for a period ending at the shareholders' annual general meeting held in 2021.

PwC Luxembourg, has audited the non-consolidated financial statements of Mediobanca International as at and for the years ended 30 June 2021 and 30 June 2020.

PwC Luxembourg is registered as a *cabinet de révision* with the public register of company auditors drawn up by the Luxembourg Ministry of Justice and is a member of the Institute of Independent Auditors (*l'Institut des Réviseurs d'Entreprises*) and is approved by the Commission de Surveillance du Secteur Financier ("**CSSF**") in the context of the law dated 23 July 2016 on the audit profession, as amended.

The auditing firm Ernst & Young, *Société Anonyme*, incorporated under the laws of Luxembourg, with its registered office at 35E, Avenue John F. Kennedy, L-1855 Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B47771 (“**EY Luxembourg**”) has been appointed, during the meeting of the Board of Directors held on 29 April 2021, as Mediobanca International's independent auditors (*réviseur d'entreprises agréé*), to audit the accounts for the financial years from 30 June 2022 to 30 June 2030.

EY Luxembourg is registered as a *cabinet de révision* with the public register of company auditors drawn up by the Luxembourg Ministry of Justice and is a member of the Institute of Independent Auditors (*l'Institut des Réviseurs d'Entreprises*) and is approved by the CSSF in the context of the law dated 23 July 2016 on the audit profession, as amended.

Corporate governance:

Mediobanca International is not subject to any compulsory corporate governance code of conduct or respective statutory legal provisions. The Luxembourg law dated 10 August 1915 on commercial companies, as amended, does not make the application of a corporate governance code mandatory to Mediobanca International. The Ten Principles of Corporate Governance of the Luxembourg Stock Exchange do not apply because the shares of Mediobanca International are not listed on a regulated market operated by the Luxembourg Stock Exchange.

Object and General Business Policy

Business Operations:

Article 3 of Mediobanca International's Article of Association provides, among other things, that the sole object of Mediobanca International is to carry out, either within or outside the Grand Duchy of Luxembourg, any banking or financial operations authorised by the law relating to the financial sector.

Mediobanca International's principal activity consists of raising funds on international markets, by issues of bonds chiefly under a short and medium-term notes programme guaranteed by Mediobanca. Mediobanca International is also engaged in corporate lending operations.

Risk Management:

All interest rate, currency, credit and other risks are managed within the Mediobanca Group.

Tax Treatment:

See "*Taxation - (B) Tax Regime for Mediobanca International issues – Luxembourg*".

Main financial information of Mediobanca International

Selected annual financial information. The summary audited balance sheet, profit and loss account and cash flow statement of Mediobanca International as at 30 June 2021 are shown below, along with comparative data for the year ended 30 June 2020.

MAIN STATEMENT OF FINANCIAL POSITION ITEMS	Year ended 30 June		
	2021	2020	CHANGES 2021/2020
	€m	€m	%

Assets			
Financial assets valued at amortised cost – due from banks	2,558.9	2,086.4	22.6%
Financial assets valued at amortised cost – due from customers	4,319.8	4,142.3	4.3%
Financial assets*	128.9	160.1	-19.6%
Total Assets	7,128.5	6,428.6	10.9%
Liabilities			
Financial liabilities valued at amortised cost – debt securities in issue	2,938.2	3,137.7	-6.4%
Financial liabilities valued at amortised cost – due to banks	3,746.1	2,696.5	38.9%
Financial liabilities valued at amortised cost – due to customers	63.6	133.3	-52.4%
Financial liabilities valued at FVTPL	28.2	118.8	-76.2%
Net equity**	330.8	341.5	-3.2%
of which: share capital	10.0	10.0	0.0%
Profit for the period	5.3	-10.8	n.m.
Total Liabilities	7,128.5	6,428.6	10.9%

* Includes financial assets valued at FVTPL and hedging derivatives

** Includes reserves and share capital.

MAIN STATEMENT OF COMPREHENSIVE INCOME ITEMS	Year ended 30 June		
	2021	2020	CHANGES 2021/2020
	€m	€m	%
Net interest income	15.8	5.4	n.m.
Net fee and commission income	1.4	5.7	-75.4%
Total income	16.5	12.0	37.5%
Net income from financial operations	14.4	-1.9	n.m.
Administrative expenses	-11.8	-9.6	22.9%
Profit of the ordinary activity before tax	8.1	-13.2	n.m.
Profit for the year	5.3	-10.8	n.m.

CASH FLOW STATEMENT	Year ended 30 June	
	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES		
	<i>(€ thousands)</i>	
Operating activities	3,011	-2,366
Cash generated/(absorbed) by financial assets	-701,002	1,641,287
Cash (generated)/absorbed by financial liabilities	741,793	-1,638,921
Cash flow from operating activities	-	-
CASH FLOW FROM INVESTING ACTIVITIES		
Cash flow from investing activities	-	-
CAPITAL MANAGEMENT		
Cash flow from capital management activities	-	-
NET CASH INFLOW (OUTFLOW) DURING THE YEAR	43.802	-

**FINANCIAL INFORMATION OF MEDIOBANCA INTERNATIONAL
(LUXEMBOURG) S.A.**

Mediobanca International only produces non-consolidated annual financial statements.

The non-consolidated annual financial statements of Mediobanca International as at and for the years ended 30 June 2021 and 2020 were prepared in accordance with IFRS as adopted by the European Union.

All of the above consolidated financial statements, prepared in each case together with the notes thereto, are incorporated by reference in this Base Prospectus. See "*Documents Incorporated by Reference*".

The non-consolidated annual financial statements as at and for the year ended 30 June 2021 and 2020 have been audited by PricewaterhouseCoopers, *Société coopérative*, whose reports thereon are attached to such non-consolidated annual financial statements.

PLAN OF DISTRIBUTION

References in this Base Prospectus to "**Mandated Dealer(s)**" are to the entity listed in the paragraph headed "**Dealer**" in the section headed "Description of the Issuance Programme" above and to such additional entities which are appointed from time to time as dealers in respect of the whole Programme (and whose appointment has not been terminated). References to "**Dealers**" are to all entities appointed from time to time as a dealer solely in respect of one or more Tranches, which may include but is not limited to, any Mandated Dealer(s).

The Issuers may from time to time appoint one or more Dealer(s) in respect of the Programme or in relation to a single Tranche only during the term of the Securities. Any such new Dealer(s) shall accede to the Dealer Agreement by execution of a dealer accession letter substantially in the form set out in Schedule 4 (*Form of Dealer Accession Letter*) to the Programme Manual (the "**Dealer Accession Letter**") and will become a party to a dealer agreement dated 3 December 2021 between the Issuers, Guarantor and Mandated Dealer, as further amended or supplemented from time to time (the "**Dealer Agreement**") with all the authority, rights, powers, duties and obligations of a Dealer as if originally named as a Dealer thereunder.

Subject to the terms and conditions of the Dealer Agreement, the Securities will be offered on a continuous basis by each Issuer to the Mandated Dealers. However, in respect of single Tranches, the relevant Issuer has reserved the right to sell Securities directly on its own behalf to Dealers which are not Mandated Dealers.

The relevant Issuer may also offer and sell Securities directly to investors without the involvement of any Dealer.

The Securities may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Securities may also be sold by the relevant Issuer through the Dealers, acting as agents of such Issuer. The Dealer Agreement also provides for Securities to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers.

Pursuant to the terms and conditions of the Dealer Agreement, the relevant Issuer, failing which, where applicable, the Guarantor, has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Securities. The Dealer Agreement may be terminated in relation to all the Dealers or any of them by Mediobanca and Mediobanca International, acting together or, in relation to itself and Mediobanca and Mediobanca International only, by any Dealer, at any time on giving not less than ten Business Days' notice.

General

The selling restrictions described below may be modified by the agreement of the relevant Issuer, the Guarantor (where applicable) and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

The Dealer and each further Dealer appointed under the Programme has agreed that it will comply with all relevant laws, regulations and directives in force in each jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the relevant Issuer, the Guarantor (where applicable), nor any other Dealer shall have responsibility therefore.

Prohibition of Sales to EEA Retail Investors

If the Final Terms in respect of any Securities specifies the "Prohibition of Sales to EEA Retail Investors" as "Applicable", the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

If the Final Terms in respect of any Securities specifies "Prohibition of Sales to EEA Retail Investors" as "Not applicable", in relation to each Member State of the European Economic Area, the Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Member State, except that it may make an offer of Securities to the public in that Member State:

- (a) if the final terms in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the relevant Issuer has consented in writing to its use for the purpose of the Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation

provided that no such offer of Securities referred to in paragraphs (a) to (d) above shall require any of the Issuers or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

It being understood that, any offer of Securities whose Final Terms specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable" could be subject to further selling restrictions to retail investors and consequently no key information document, under Regulation (EU) No 1286/2014 (as amended), may be available. Therefore, offering or selling the Securities, or otherwise making them available to any retail investor in the EEA may be unlawful.

For the purposes of this provision:

- (i) an "**offer of Securities to the public**" in relation to any Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities; and
- (ii) the "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended from time to time.

Ireland

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered sold, underwritten or placed and will not offer, sell, underwrite or place or do anything in Ireland with respect to the Securities:

- (a) otherwise than in conformity with the provisions of (i) the European Union (Markets in Financial Instruments) Regulations 2017 of Ireland (the "**MiFID II Regulations**"), including, without limitation, Regulation 5 (*Requirement for authorisation (and certain provisions concerning MTFs and OTFs)*) thereof and in connection with the MiFID II Regulations, any rules or codes of conduct or practice issued, or any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland (ii) Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 and Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) (together, "**MiFID II**") and any applicable rules or codes of conduct or practice and if acting under an authorisation granted to it for the purposes of MiFID II, otherwise than in conformity with the terms of that authorisation, and (iii) the Investor Compensation Act 1998;
- (b) otherwise than in conformity with the provisions of the Companies Act 2014 of Ireland (the "**2014 Act**"), the Central Bank Acts 1942 to 2018 and any rules or codes of conduct or practice made under Section 117(1) of the Central Bank Act 1989 of Ireland; and
- (c) otherwise than in conformity with the provisions of the Prospectus Regulation (EU) 2017/1129 and any delegated or implementing acts adopted thereunder, the European Union (Prospectus) Regulations 2019 of Ireland and any other Irish prospectus law as defined in the 2014 Act, the Central Bank (Investment Market Conduct) Rules 2019 of Ireland, and any other rules made or guidelines issued under Section 1363 of the 2014 Act by the Central Bank of Ireland; and
- (d) otherwise than in conformity with the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, the Market Abuse Directive on criminal sanctions for market abuse (Directive 2014/57/EU), the European Union (Market Abuse) Regulations 2016 of Ireland and any Irish market abuse law as defined in those Regulations or in the 2014 Act and any rules made or guidance issued by the Central Bank of Ireland in connection therewith (including any rules made or guidelines issued under Section 1370 of the 2014 Act by the Central Bank of Ireland).

References in this section to any legislation (including, without limitation, European Union legislation) shall be deemed to refer to such legislation as the same has been or may from time to time be amended, supplemented, consolidated or replaced and shall include reference to all implementing measures, delegated acts, rules and guidance in respect thereof.

United States of America

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdictions of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Securities in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, subject to certain exemptions. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer sell or deliver the Securities (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of the Securities comprising the relevant Tranche as determined, and certified to the relevant Issuer or the Fiscal Agent by such Dealer (or, in the case of a sale of a Tranche of Securities to or through more than one Dealer, by each of such Dealers as to the Securities of such Tranche purchased by or through it in which case the Fiscal Agent or the relevant Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons. The Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will have sent to each dealer to which it sells Securities during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the

Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the Securities Act (if available).

United Kingdom

Prohibition of sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, 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; and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

Other UK regulatory restrictions

In relation to each Tranche of Securities, each Dealer, subscribing for or purchasing such Securities, represents to and agrees with the relevant Issuer, the Guarantor (where applicable) and each other such Dealer (if any) appointed under the Programme will be required to represent and agree that:

- (a) *No deposit-taking*: in relation to any Securities having a maturity of less than one year from the date of issue:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Securities other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Securities would otherwise constitute a contravention of Section 19 of FSMA by the relevant Issuer;

- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor (where applicable); and

- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Republic of Italy

The offering of the Securities has not been registered and will not be registered with the Italian Financial Regulator (*Commissione Nazionale per le Società e la Borsa* or "**CONSOB**") pursuant to Italian securities legislation and, accordingly, the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that no Securities may be offered, sold, promoted, advertised or delivered, directly or indirectly, to the public in the Republic of Italy, nor may copies of this Base Prospectus, any Final Terms or any other document relating to the Securities be distributed, made available or advertised in the Republic of Italy, except:

- (1) if it is specified in the relevant Final Terms that a Non-exempt Offer may be made in the Republic of Italy, that each Dealer may offer, sell or deliver Securities or distribute copies of any prospectus in relation to such Securities, provided that such prospectus has been (i) approved in another Member State and notified to CONSOB and (ii) completed by final terms (if applicable) expressly contemplating such Non-exempt Offer, in an offer of financial products to the public in the period commencing on the date of approval of such prospectus, in accordance with the Prospectus Regulation, Legislative Decree No. 58 of 24 February 1998, as amended ("**Financial Services Act**") and CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971/1999**"), until 12 months after the date of approval of such prospectus;
- (2) to "**qualified investors**" (*investitori qualificati*), as defined in the Prospectus Regulation; or
- (3) in any other circumstances where an express applicable exemption from compliance with the restrictions on the offer of financial products to the public applies, as provided under the Prospectus Regulation.

Any such offer, sale or delivery of the Securities or distribution of copies of this Base Prospectus, any Final Terms or any other document relating to the Securities in the Republic of Italy under (1), (2) or (3) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended from time to time (the "**Italian Banking Act**"), Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and any other applicable laws and regulations;
- (b) in compliance with Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy requests information on the issue or the offer of securities in the Republic of Italy or by Italian person outside the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirements imposed by CONSOB or the Bank of Italy or any other Italian regulatory authority.

Provisions relating to the secondary market

In accordance with Article 5 of the Prospectus Regulation and the applicable Italian laws, where no exemption from the rules of the public offerings applies under (i) and (ii) above applies, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made to the public provided under the Prospectus Regulation and the applicable Italian laws and regulations. Failure to comply with such rules may result, *inter alia*, in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the Notes for any damages suffered by the investors.

France

Please refer to paragraph "*Prohibition of Sales to EEA Retail Investors*" above.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948). Accordingly, the Dealer has undertaken and each further Dealer appointed under the Programme will be required to undertake that it has not, directly or indirectly, and will not, directly or indirectly, offer to sell any Securities in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

GENERAL CONSENT — THE AUTHORISED OFFEROR TERMS

These terms (the "**Authorised Offeror Terms**") will be relevant in the case of any Tranche of Securities, if (and only if) Part B of the applicable Final Terms specifies "**General Consent**" as "**Applicable**". They are the Authorised Offeror Terms which will be referred to in the "**Acceptance Statement**" to be published on the website of any financial intermediary which (a) is authorised to make such offers under MiFID II and (b) accepts such offer by publishing an Acceptance Statement on its website.

1. General

The relevant financial intermediary:

- (i) *Applicable Rules*: acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**") including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Securities by an Investor and disclosure to any potential Investor;
- (ii) *Subscription and sale*: complies with the restrictions set out under "*Plan of Distribution*" in this Base Prospectus which would apply as if it were a relevant Dealer and with any further relevant requirements as may be specified in the applicable Final Terms and consider the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID II product governance" legend set out in the applicable Final Terms and the target market assessment and distribution channels identified under the "UK MiFIR product governance" legend set out in the applicable Final Terms;
- (iii) *Fees, commissions and benefits*: ensures that any fee, commission, benefits of any kind, rebate received or paid by that financial intermediary in relation to the offer or sale of the Securities does not violate the Rules and is fully and clearly disclosed to Investors or potential Investors;
- (iv) *Licences, consents, approvals and permissions*: holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Securities under the Rules;
- (v) *Violation of Rules*: it will immediately inform the Issuer, the Guarantor and any relevant Dealer if at any relevant time it becomes aware or suspects that it is or may be in violation of any Rules;
- (vi) *Anti-money laundering, bribery and corruption*: complies with, and takes appropriate steps in relation to, applicable anti-money laundering, anti-bribery, prevention of corruption and "know your client" Rules, and does not permit any application for Securities in circumstances where the financial intermediary has any suspicions as to the source of the purchase monies;
- (vii) *Record-keeping*: retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the Issuer, the Guarantor and the relevant Dealer or directly to the appropriate authorities with jurisdiction over the Issuer, the Guarantor and/or the relevant Dealer in order to enable the Issuer, the Guarantor and/or the relevant Dealer to comply with anti-money laundering, anti-bribery and "know your client" Rules applying to the Issuer, the Guarantor and/or the relevant Dealer;
- (viii) *Breach of Rules*: does not, directly or indirectly, cause the Issuer, the Guarantor or the relevant Dealer to breach any Rule or subject the Issuer, the Guarantor or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- (ix) *Publicity names*: does not use the legal or publicity names of the Issuer, the Guarantor or the relevant Dealer(s) or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest or in any statements (oral or written), marketing material or documentation in relation to the Securities;

- (x) *Information*: does not give any information other than that contained in this Base Prospectus (as may be amended or supplemented by the Issuer from time to time) or make any representation in connection with the offering or sale of, or the solicitation of interest in, the Securities;
- (xi) *Communications*: agrees that any communication in which it attaches or otherwise includes any announcement published by the Issuer (via any relevant applicable methods) at the end of the Offer Period will be consistent with the Base Prospectus, and (in any case) must be fair, clear and not misleading and in compliance with the Rules and must state that such Authorised Offeror has provided it independently from the Issuer and must expressly confirm that the Issuer has not accepted any responsibility for the content of any such communication;
- (xii) *Legal or publicity names*: does not use the legal or publicity names of the relevant Dealer, the Issuer or any other name, brand or logo registered by any entity within their respective groups or any material over which any such entity retains a proprietary interest or in any statements (oral or written), marketing material or documentation in relation to the Securities;
- (xiii) *Any other conditions*: agrees to any other conditions set out in Paragraph 12 of Part B of the relevant Final Terms.

2. **Indemnity**

The relevant financial intermediary agrees that if either of the Issuer or the Guarantor incurs any liability, damages, cost, loss or expense (including, without limitation, legal fees, costs and expenses and any value added tax thereon) (a "**Loss**") arising out of, in connection with or based on any inaccuracy of any of the foregoing representations and warranties or any breach of any of the foregoing undertakings then the relevant financial intermediary shall pay to the Issuer or the Guarantor (as the case may be) on demand an amount equal to such Loss.

3. **Governing Law and Jurisdiction**

The relevant financial intermediary agrees that:

- (a) the contract between the Issuer, the Guarantor and the financial intermediary formed upon acceptance by the financial intermediary of the offer of the Issuer and the Guarantor to use this Base Prospectus with their consent in connection with the relevant Public Offer (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;
- (b) the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) and accordingly the relevant financial intermediary submits to the exclusive jurisdiction of the English courts;
- (c) each relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit but, subject to this, a person who is not a party to the Authorised Offeror Contract has no right to enforce any term of the Authorised Offeror Contract; and
- (d) the parties to the Authorised Offeror Contract do not require the consent of any person not a party to the Authorised Offeror Contract to rescind or vary the Authorised Offeror Contract at any time.

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Securities will be in the following form completed to reflect the particular terms of the relevant Securities and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS - *[Insert if the Securities are not intended to be offered to retail investors under PRIIPs regulation]* The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Securities 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 Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, 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 Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[MIFID II product governance / Professional investors and ECPs only target market – [Solely for the purposes of [the/each] manufacturer's product approval process], the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. *[Consider any negative target market]*. [Mediobanca's product approval process is available at: <https://www.mediobanca.com/en/mifid.html>]. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.] *[Consider to amend the legend above if necessary]*¹²

[UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate except for pure execution services for the latter. *[Consider any negative target market]*. [Mediobanca's product approval process is available at: <https://www.mediobanca.com/en/mifid.html>]. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into

¹² Include legend in case MiFID II target market assessment in respect of the Securities is "Professional Investors and Eligible Counterparties only".

consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.] [*Consider to amend the legend above if necessary*]¹³

[MiFID II product governance / Retail investors, professional investors and ECPs target market – [Solely for the purposes of [the/each] manufacturer's product approval process,] the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); **EITHER** [and (ii) all the following channels for distribution of the Securities are appropriate- [investment advice, portfolio management, non-advised sales]] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate except for pure execution services for the latter; and (iii) the following channels for distribution of the Securities to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market and amend the list if necessary*]. [Mediobanca's product approval process is available at: <https://www.mediobanca.com/en/mifid.html>]. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable] [*Consider to amend the legend above if necessary*].]¹⁴

[UK MiFIR product governance / Retail investors, professional investors and ECPs target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"); **EITHER** [and (ii) the following channels for distribution of the Securities are appropriate - [investment advice, portfolio management, non-advised sales]] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate except for pure execution services for the latter; and (iii) the following channels for distribution of the Securities to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]]. [*Consider any negative target market*]. [Mediobanca's product approval process is available at: <https://www.mediobanca.com/en/mifid.html>]. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable. [*Consider to amend the legend above if necessary*].]¹⁵

¹³ Include legend in case UK MiFIR target market assessment in respect of the Securities is "Professional Investors and Eligible Counterparties only".

¹⁴ Include legend in case MiFID II target market assessment in respect of the Securities is "Retail Investor Target Market".

¹⁵ Include legend in case UK MiFIR target market assessment in respect of the Securities is "Retail Investor Target Market".

Final Terms

[MEDIOBANCA - Banca di Credito Finanziario S.p.A.]

Legal entity identifier (LEI): PSNL19R2RXX5U3QWHI44/

MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.

Legal entity identifier (LEI): 549300DV870NBWY5W279]

[insert title of Securities]

[guaranteed in the case of Securities issued by
MEDIOBANCA INTERNATIONAL (Luxembourg) S.A. by

MEDIOBANCA - Banca di Credito Finanziario S.p.A.]

under the

Issuance Programme

SERIES NO: [●]

TRANCHE NO: [●]

Issue Price: [●] per [Security]

[Dealer(s)]

The date of these Final Terms is [●]

Any person making or intending to make an offer of the Securities may only do so[:

- (i) in those Non-exempt Offer Jurisdictions mentioned in Paragraph 11 of Part B below, provided such person is a Dealer or an Authorised Offeror (as such term is defined in the Base Prospectus) and that the offer is made during the Offer Period specified in that paragraph and that any conditions relevant to the use of the Base Prospectus are complied with; or
- (ii) otherwise]¹⁶ in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or to supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

[Neither][None of] the Issuer [nor], [the Guarantor or] any Dealer has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances.

[Investors should note that if a supplement to or an updated version of the Base Prospectus referred to below is published at any time during the Offer Period (as defined below), such supplement or updated base prospectus, as the case may be, will be published and made available in accordance with the arrangements applied to the original publication of these Final Terms. Any investors who have indicated acceptances of the Offer (as defined below) prior to the date of publication of such supplement or updated version of the Base Prospectus, as the case may be,

¹⁶ Include this wording where a non-exempt offer of Securities is anticipated.

(the "**Publication Date**") have the right within three working days of the Publication Date to withdraw their acceptances.]¹⁷

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 3 December 2021 [, [the][each] Supplement[s] to the Base Prospectus published and approved on or before the date of these Final Terms (copies of which are available as described below) and any other Supplement to the Base Prospectus which may have been published and approved before the issue of any additional amount of Securities (the "**Supplements**") (provided that to the extent any such Supplement (i) is published and approved after the date of these Final Terms and (ii) provides for any change to the Conditions of the Securities such changes shall have no effect with respect to the Conditions of the Securities to which these Final Terms relate)] which [together] constitute[s] a base prospectus [for the purposes of Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**") (the "**Base Prospectus**"). [The Base Prospectus has been passported into the Public Offer Jurisdictions in compliance with Article 25 of the Prospectus Regulation.] [This document constitutes the Final Terms of the Securities described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus] [*Insert for Non-EEA Securities: provided that the Prospectus Regulation does not apply in respect of the particular offer [and listing] of the Securities described herein.* Full information on [Mediobanca - Banca di Credito Finanziario S.p.A.]/[Mediobanca International (Luxembourg) S.A.] (the "**Issuer**") [, Mediobanca - Banca di Credito Finanziario S.p.A. (the "**Guarantor**")], [and the offer][and/or] [listing] of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. [A summary of the Securities is annexed to these Final Terms.] [**The Base Prospectus [and any Supplement(s) to the Base Prospectus] [and these Final Terms] [is/are] available for viewing at [address] [and] [website] and copies may be obtained free of charge from [address].]**]¹⁸

[The following alternative language applies in respect of issues of Securities where the public offer period spans a supplement to the Base Prospectus or an update to the Base Prospectus

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Securities (the "**Conditions**") set forth in the Base Prospectus dated 3 December 2021 [, [the][each] Supplement[s] to the Base Prospectus published and approved on or before the date of these Final Terms (copies of which are available as described below)] [notwithstanding the publication and approval of any [other] Supplement to the 2021 Base Prospectus (each a "**2021 Future Supplement**") which may have been published and approved ([together,] the "**2021 Base Prospectus**") after the date of these Final Terms and before the issue of the Securities to which these Final Terms relate)] [and/or] [an updated Base Prospectus (any Supplement(s) thereto, each a "**2022 Future Supplement**")], which will replace the 2021 Base Prospectus (the "**2022 Base Prospectus**") (the date of any such publication and approval, each a "**Publication Date**"). This document constitutes the Final Terms of the Securities described herein [for the purposes of Article 8 of the Prospectus Regulation] and [(i) prior to any Publication Date, must be read in conjunction with the 2021 Base Prospectus, or (ii)] on and after any Publication Date must be read in conjunction with [the 2021 Base Prospectus, as supplemented by any 2021 Future Supplement as at such date] [or, as applicable,] [the 2022 Base Prospectus, as supplemented by any 2022 Future Supplement as at such date],] save in respect of the Conditions which are extracted from the 2021 Base Prospectus. The 2021 Base Prospectus, as supplemented, constitutes [, and the 2022 Base Prospectus will constitute,] a base prospectus [for the purposes of the Prospectus Regulation]. Full information on [Mediobanca - Banca di Credito Finanziario S.p.A.]/[Mediobanca International (Luxembourg) S.A.] (the "**Issuer**") [, Mediobanca - Banca di Credito Finanziario S.p.A. (the "**Guarantor**")], [and the offer][and/or] [listing] of the Securities is only available on the basis of the combination of these Final Terms and [(i) prior to any Publication Date, the 2021 Base Prospectus, or (ii)] [on or after any Publication Date, [the 2021 Base Prospectus, as supplemented by any 2021 Future Supplement as at such date] [or, as applicable,] [the 2022 Base Prospectus, as supplemented by any 2022 Future Supplement as at such date], save in respect of the Conditions which are extracted from the 2021 Base Prospectus. [The Issuer has in the 2021 Base Prospectus given consent to the use of the 2021 Base Prospectus in connection with the offer of the Securities. Such consent will be valid until the date that is twelve months following the date of the 2021 Base Prospectus. The Issuer will in the 2022 Base Prospectus give consent to the use of the

¹⁷ Include in respect of issues of Securities where the public offer period spans a supplement to the Base Prospectus or an update to the Base Prospectus.

¹⁸ In case of exempt issuance, references to the Prospectus Regulation shall be deleted.

2021 Base Prospectus in connection with the offer of the Securities.] [**The 2021 Base Prospectus** [, as supplemented,] [and these Final Terms] [is/are] available[, and the 2022 Base Prospectus will be available] for viewing at [address] [and] [website] and copies may be obtained free of charge from [address].]¹⁹

[Pursuant to Regulation EU 2016/1011 the Issuer produces and maintains plans setting out the actions to take in the event that the [*include the name of the relevant Benchmark*] materially changes or ceases to be provided. Details of the plans may be provided upon written request.]

[Include whichever of the following apply or specify as "Not applicable" (N/A). Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms. However, such numbering may change where individual paragraphs or sub-paragraphs are removed.]

References herein to numbered Conditions are to the terms and conditions of the relevant series of Securities and words and expressions defined in such terms and conditions shall bear the same meaning in these Final Terms in so far as they relate to such series of Securities, save as where otherwise expressly provided.

[When completing any final terms consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation]

[If the Securities have a maturity of less than one year from the date of their issue, the minimum redemption value may need to be £100,000 or its equivalent in any other currency.]

[These Final Terms relate to the series of Securities as set out in "Specific Provisions for each Series" below. References herein to "**Securities**" shall be deemed to be references to the relevant Securities that are the subject of these Final Terms and references to "**Security**" shall be construed accordingly.

¹⁹ In case of exempt issuance, references to the Prospectus Regulation may be deleted.

SPECIFIC PROVISIONS FOR EACH SERIES

SERIES NUMBER	NO. OF SECURITIES ISSUED	NO. OF SECURITIES	[NO. OF WARRANTS PER UNIT]	ISIN	COMMON CODE	[CFI]	FISN	ISSUE PRICE PER [SECURITY]/[UNIT]	[CALL/PUT]	EXERCISE [PERIOD][DATE]	[PARITY]	<i>[Insert other identifier code or variable]</i>
[●]	[●]	[Up to] [●]	[●]	[●]	[●]	[●]	[●]	[[insert currency] [●]]	[call/put]	[●]/[Open End]	[●]	[●]

(Repeat for each Series as necessary)

(Where the Final Terms cover more than one series of Securities, the table above should be completed for all variables which will differ across the different series of Securities. The relevant line item for any such variable in the General Provisions below should include the following language: "See the Specific Provisions for each Series above".)

GENERAL PROVISIONS

The following terms apply to each series of Securities:

1. Issuer: [Mediobanca - Banca di Credito Finanziario S.p.A.]/[Mediobanca International (Luxembourg) S.A.]
2. Guarantor: [Mediobanca - Banca di Credito Finanziario S.p.A.]
[Not applicable]
3. Series Number [specify]
4. Tranche Number: [specify]
5. Units: [Not applicable] [●] (N.B. This is in addition to any requirements relating to "Minimum Exercise Number" or "Maximum Exercise Number" set out below).
6. No. of Securities per Unit: [specify] [Not applicable]
7. Issue Currency: [specify]
8. Exercise Price: [specify].
9. Issue Price per [Security]/[Unit]: [specify]
10. Trade Date: [specify]
11. Issue Date: [specify]
12. [Date [Board] of approval for issuance of Securities [and Guarantee] obtained: [Not applicable] [●][and [●], respectively]]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Securities or related guarantee of the Securities)
13. Consolidation: [Not applicable] [The Securities are to be consolidated and form a single series with the [insert title of relevant series of Securities] issued on [insert issue date] with effect from [insert date on which the Securities become fungible].] (N.B. Only applicable in relation to Securities which are fungible with an existing series of Securities)
14. Type of Securities:
 - (a) Warrants. The Securities [are European Style Warrants] [American Style Warrants].
 - (b) The Securities are [Index Securities/Share Securities/ETI Securities/Debt Securities/Inflation Index Securities/Currency Securities/Fund Securities/Futures Securities/Underlying Interest Rate Securities/Hybrid Securities/]].
 - [(c) Open End: Applicable]

[The provisions of Annex 2 (*Additional Terms and Conditions for Index Securities*) shall apply.] [The provisions of Annex 3 (*Additional Terms and Conditions for Share Securities*) shall apply.] [The provisions of Annex 4 (*Additional Terms and Conditions for ETI Securities*) shall apply.] [The provisions of Annex 5 (*Additional Terms and Conditions for Debt Securities*) shall apply.] [The provisions of Annex 7 (*Additional Terms and Conditions for Inflation Index Securities*) shall apply.] [The provisions of Annex 8 (*Additional Terms and Conditions for Currency Securities*) shall apply.] [The provisions of Annex 9 (*Additional Terms and Conditions for Fund Securities*) shall apply.] [The provisions of Annex 10 (*Additional Terms and Conditions for Futures Securities*) shall apply.] [The provisions of Annex 11 (*Additional Terms and Conditions for Underlying Interest Rate Securities*) shall apply.] [The provisions of Annex [2/3/4/8/10²⁰] (*Additional Terms and Conditions for [Index/Share/ETI/Currency/Futures] Securities*) and Annex 13 (*Additional Terms and Conditions for OET Warrants*) shall apply.]

[Unwind Costs: [Applicable]/[Not applicable]]

[Essential Trigger: Applicable]

15. Exercise Date: [The Exercise Date is *[specify]*] or, if [any] such day is not a Business Day, the immediately [preceding/succeeding] Business Day.] [Not applicable]
16. Exercise Period: [Not applicable] [] (*Only applicable for American Style Warrants*).
17. (i) Non-Automatic Exercise: [Not applicable]
- [Non-Automatic Exercise applies to the Warrants.]
- (ii) Renouncement Notice Cut-off Time: [Not applicable] [] (*Only applicable for Italian Listed Securities*).
18. Minimum Exercise Number: [Not applicable] [The minimum number of Warrants that may be exercised on any day by any Securityholder is [] [and Warrants may only be exercised in integral multiples of [] Warrants in excess thereof].
19. Maximum Exercise Number: [Not applicable] [The maximum number of Warrants that must be exercised on any day by any Securityholder or group of Securityholders (whether or not acting in

²⁰ For OET Warrants include relevant Annex and complete relevant section for Index/Share//Currency/Futures Securities and include Annex 13 (*Additional Terms and Conditions for OET Warrants*) and complete paragraph 41 as appropriate.

- concert) is [●]. (*N.B. not applicable for European Style Warrants*).
20. Exercise Notice additional certifications: [Not applicable] [*include additional certification in respect of selling restrictions under the securities, commodities and other laws of the United States*]
21. Form of Securities: [Temporary Global Security exchangeable for a Permanent Global Security which is exchangeable for Definitive Securities only in the limited circumstances specified in the Permanent Global Security]
- [Temporary Global Security exchangeable for Definitive Securities on or after the Exchange Date]
- [Permanent Global Security exchangeable for Definitive Securities only in the limited circumstances specified in the Permanent Global Security][TEFRA C Rules shall apply.] [TEFRA D Rules shall apply.]
- [The Securities will be issued and held in dematerialised form by *Monte Titoli S.p.A. ("Italian Dematerialised Securities")*/ include the name of any other custodian appointed by the relevant Issuer], as Centralised Custodian.]
22. Business Day Centre(s): The applicable Business Day Centre[s] for the purposes of the definition of "Business Day" in Security Condition 3 [is/are] [●].
23. Settlement: Settlement will be by way of [cash payment (Cash Settled Securities)] [and/or] [physical delivery (Physical Delivery Securities)]. (*N.B. Italian Dematerialised Securities may only be Cash Settled Securities*)
- [Issuer's Option to Substitute: Not applicable]
24. Settlement Date: [Not applicable] [*specify*] [The settlement date for the Securities is [●] [the [●]th Business Day following the Valuation Date] [as adjusted in accordance with the [Modified Following] [Following] [Preceding] [Modified Preceding] Business Day Convention].]
25. Rounding Convention for Cash Settlement Amount: [Rounding Convention 2]/[Not applicable]
26. Variation of Settlement:
- (a) Issuer's option to vary settlement: The Issuer [has/does not have] the option to vary settlement in respect of the Securities. (*N.B. the Issuer's option to vary settlement is not applicable to Italian Dematerialised Securities*)
- (*N.B. If the Issuer does not have the option to vary settlement in respect of the Securities, delete the sub-paragraphs of this paragraph 26*)

- (b) [Variation of Settlement of Physical Delivery Securities] Notwithstanding the fact that the Securities are Physical Delivery Securities, the Issuer may make payment of the Cash Settlement Amount on the Settlement Date and the provisions of Security Condition 4.3 will apply to the Securities/The Issuer will procure delivery of the Entitlement in respect of the Securities and the provisions of Security Condition 4.3 will not apply to the Securities.]
27. Redenomination: [Applicable][Not applicable]
28. FX Settlement Disruption Event Determination: [Applicable][Not applicable]
[FX Settlement Disruption Expenses: Not applicable]
29. Cash Settlement: [Applicable] [Not applicable]
(N.B. Only applicable in relation to Cash Settled Securities.)
- (i) Guaranteed Cash Settlement Amount: [Not applicable] [●] [As specified in Security Condition 2.2]
- (ii) Maximum Amount [Not applicable] [●]
- (iii) Minimum Amount [Not applicable] [●]
30. Final Payout
(in case the relevant Final Payout contain an "Additional Final Payout" and/or an "Additional Final Payout 1" and/or an "Additional Final Payout 2", repeat all the relevant items in the Final Terms necessary to calculate such additional final payouts)
(in case the Payout Switch is specified as applicable, repeat all the relevant items in the Final Terms necessary to calculate such Switched Payout)

[SFP Payouts

[Yield Enhancement Securities:

[Single Final Payout - Parity and Exchange Securities

[Insert related provisions from Formulas Condition 1.1(c).]]

[Single Final Payout - Capped Speed Securities

[Insert related provisions from Formulas Condition 1.1(i).]]

[Single Final Payout - Capped Bonus Parity Exchange Securities

[Insert related provisions from Formulas Condition 1.1(j).]]

[Single Final Payout - Continuous Capped Bonus Parity Exchange Securities

[Insert related provisions from Formulas Condition 1.1(m).]

[Single Final Payout - Standard Express Securities

[Insert related provisions from Formulas Condition 1.1(o).]

[Single Final Payout – Continuous Reverse Level Parity Exchange Securities

[Insert related provisions from Formulas Condition 1.1(p).]

[Participation Securities:

[Single Final Payout - Forex DivReinvested Fees Securities

[Insert related provisions from Formulas Condition 1.1(s).]

[Single Final Payout - Continuous Bonus Floored Exchange Parity Securities

[Insert related provisions from Formulas Condition 1.1(t).]

[Single Final Payout - Continuous Capped Reverse Level Parity Exchange Securities

[Insert related provisions from Formulas Condition 1.1(v).]

[Single Final Payout - Continuous Bonus Barrier Securities

[Insert related provisions from Formulas Condition 1.1(y).]

[Single Final Payout - Capped Continuous Bonus Barrier Securities

[Insert related provisions from Formulas Condition 1.1(z).]

[Leverage Securities:

[Single Final Payout - Lower Collared Knock-Out Securities

[Insert related provisions from Formulas Condition 1.1(aa).]

[Single Final Payout - Upper Collared Knock-Out Securities

[Insert related provisions from Formulas Condition 1.1(bb).]

[Single Final Payout - Continuous Lower Knock-Out Securities]

[Insert related provisions from Formulas Condition 1.1(cc).]

[Single Final Payout - Continuous Upper Knock-Out Securities]

[Insert related provisions from Formulas Condition 1.1(dd).]

[Single Final Payout – Standard Call and Put Securities]

[Insert related provisions from Formulas Condition 1.1(ee).]

[Single Final Payout - Knock-In Call and Put Securities]

[Insert related provisions from Formulas Condition 1.1(ff).]

[Constant Leverage Securities:

[Single Final Payout - Leverage Factor Securities]

[Insert related provisions from Formulas Condition 1.1(hh).]]]

[MFP Payouts

[Multiple Final Payout – Constant Percentage Securities:

[Multiple Final Payout – Constant Percentage Securities]

[Insert related provisions from Formulas Condition 1.1(ii).]

[Multiple Final Payout – Normal Performance Securities:

[Multiple Final Payout – Normal Performance Securities]

[Insert related provisions from Formulas Condition 1.1(jj).]

[Multiple Final Payout - Performance Differential Securities:

[Multiple Final Payout - Performance Differential Securities:

[Insert related provisions from Formulas Condition 1.1(kk).]

[Multiple Final Payout – 1-Way Floor Securities]

[Insert related provisions from Formulas Condition 1.1(ll).]

[Multiple Final Payout – 1-Way Cap Securities

[Insert related provisions from Formulas Condition 1.1(mm).]

[Multiple Final Payout – 2-Way Securities:

[Insert related provisions from Formulas Condition 1.1(nn).]

[Multiple Final Payout – Reverse Convertible Securities:

[Multiple Final Payout – KI –Reverse Convertible Securities:

[Insert related provisions from Formulas Condition 1.1(oo)(i).]

[Multiple Final Payout – KI – Extended Reverse Convertible Securities:

[Insert related provisions from Formulas Condition 1.1(oo)(ii).]

[Multiple Final Payout – KO – Extended Reverse Convertible Securities:

[Insert related provisions from Formulas Condition 1.1(oo)(iii).]

[Multiple Final Payout – KO –Reverse Convertible Securities:

[Insert related provisions from Formulas Condition 1.1(oo)(iv).]

[Multiple Final Payout – Vanilla KI Reverse Convertible Securities:

[Insert related provisions from Formulas Condition 1.1(oo)(v).]

[Multiple Final Payout – Vanilla KO Reverse Convertible Securities:

[Insert related provisions from Formulas Condition 1.1(oo)(vi).]

[Multiple Final Payout –KIKO Reverse Convertible Securities:

[Insert related provisions from Formulas Condition 1.1(oo)(vii).]

[Multiple Final Payout - Vanilla Securities:

[Multiple Final Payout – Plain Vanilla Call Securities:

[Insert related provisions from Formulas Condition 1.1(pp)(i).]

[Multiple Final Payout – Plain Vanilla Call Spread Securities:

[Insert related provisions from Formulas Condition 1.1(pp)(ii).]

[Multiple Final Payout – Plain Vanilla Put Securities:

[Insert related provisions from Formulas Condition 1.1(pp)(iii).]

[Multiple Final Payout – Plain Vanilla Put Spread Securities:

[Insert related provisions from Formulas Condition 1.1(pp)(iv).]

[Multiple Final Payout – Plain Vanilla KI Digital Securities:

[Insert related provisions from Formulas Condition 1.1(pp)(v).]

[Multiple Final Payout – Plain Vanilla KO Digital Securities:

[Insert related provisions from Formulas Condition 1.1(pp)(vi).]

[Multiple Final Payout – Geared Knock-in Vanilla Call Securities:

[Insert related provisions from Formulas Condition 1.1(pp)(vii).]

[Multiple Final Payout – Geared Knock-out Vanilla Call Securities:

[Insert related provisions from Formulas Condition 1.1(pp)(viii).]

[Multiple Final Payout - Asian Securities:

[Multiple Final Payout – Standard Asian Securities:

[Insert related provisions from Formulas Condition 1.1(qq)(i).]

[Multiple Final Payout – Standard Collared Asian Spread Securities:

[Insert related provisions from Formulas Condition 1.1(qq)(ii).]

[Multiple Final Payout Standard Himalaya Securities:

[Insert related provisions from Formulas Condition 1.1(rr).]

[Multiple Final Payout – Dispersion Securities:

[Insert related provisions from Formulas Condition 1.1(ss).]

[Multiple Final Payout - Step Securities:

[Multiple Final Payout - 3-Step Knock-in Securities:

[Insert related provisions from Formulas Condition 1.1(tt)(i).]

[Multiple Final Payout - 3-Step Plus Knock-in Securities:

[Insert related provisions from Formulas Condition 1.1(tt)(ii).]

[Multiple Final Payout - 3-Step Knock-out Securities:

[Insert related provisions from Formulas Condition 1.1(tt)(iii).]

[Multiple Final Payout - 3-Step Plus Knock-out Securities:

[Insert related provisions from Formulas Condition 1.1(tt)(iv).]

[Multiple Final Payout – 4-Step Securities:

[Insert related provisions from Formulas Condition 1.1(tt)(v).]

[Multiple Final Payout - Standard 3-Step Knock-in Securities:

[Insert related provisions from Formulas Condition 1.1(tt)(vi).]

[Multiple Final Payout - Standard 3-Step Knock-out Securities:

[Insert related provisions from Formulas Condition 1.1(tt)(vii).]

[Multiple Final Payout - Standard 2-Step Barrier Down Securities:

[Insert related provisions from Formulas Condition 1.1(tt)(viii).]

[Multiple Final Payout - Standard 2-Step Barrier Up Securities:

[Insert related provisions from Formulas Condition 1.1(tt)(ix).]

[Multiple Final Payout - 2-Step Knock-in Securities:

[Insert related provisions from Formulas Condition 1.1(tt)(x).]

[Multiple Final Payout - 2-Step Knock-out Securities:

[Insert related provisions from Formulas Condition 1.1(tt)(xi).]

[Multiple Final Payout - Performance Securities:

[Multiple Final Payout - Geared Call Performance Securities:

[Insert related provisions from Formulas Condition 1.1(uu)(i).]

[Multiple Final Payout - Multi Performance Securities:

[Insert related provisions from Formulas Condition 1.1(uu)(ii).]

[Multiple Final Payout – (Capped) Multi Knock-Out Bonus Performance Securities:

[Insert related provisions from Formulas Condition 1.1(uu)(iii).]

[Multiple Final Payout – (Capped) Multi Knock-In Bonus Performance Securities:

[Insert related provisions from Formulas Condition 1.1(uu)(iv).]

[Multiple Final Payout – 2 Step KI Multi Bonus Securities:

[Insert related provisions from Formulas Condition 1.1(uu)(v).]

[Multiple Final Payout – 3 Step Multi Bonus Securities:

[Insert related provisions from Formulas Condition 1.1(uu)(vi).]

[Multiple Final Payout – 3 Step Flexi Bonus Securities:

[Insert related provisions from Formulas Condition 1.1(uu)(vii).]

[Multiple Final Payout – (Capped) Knock-Out Bonus Performance Securities:

[Insert related provisions from Formulas Condition 1.1(uu)(viii).]

[Multiple Final Payout – (Capped) Knock – In Bonus Performance Securities:

[Insert related provisions from Formulas Condition 1.1(uu)(ix).]

[Multiple Final Payout – Leveraged Performance Securities:

[Insert related provisions from Formulas Condition 1.1(uu)(x).]

[Multiple Final Payout – Twin -Win Securities:

[Insert related provisions from Formulas Condition 1.1(vv).]

[Multiple Final Payout – Knock-In Outperformance Securities:

Insert related provisions from Formulas Condition 1.1(ww).]

[Multiple Final Payout – Flexi Performance Securities:

Insert related provisions from Formulas Condition 1.1(xx).]

[Multiple Final Payout – Hyper-Flexi Performance Securities:

Insert related provisions from Formulas Condition 1.1(yy).]

[Multiple Final Payout – Flexi Knock-In Performance Securities:

Insert related provisions from Formulas Condition 1.1(zz).]

[Multiple Final Payout – Flexi Knock-Out Performance Securities:

Insert related provisions from Formulas Condition 1.1(aaa).]

[Multiple Final Payout – Hyper-Flexi Knock-In Performance Securities:

Insert related provisions from Formulas Condition 1.1(bbb).]

[Multiple Final Payout – Hyper-Flexi Knock-Out Performance Securities:

Insert related provisions from Formulas Condition 1.1(ccc).]]]

[Multiple Final Payout – Hyper-Flexi Multi Knock-In Performance Securities:

Insert related provisions from Formulas Condition 1.1(ddd).]]

[Multiple Final Payout – Hyper-Flexi Multi Knock-out Performance Securities

Insert related provisions from Formulas Condition 1.1(eee).]]

[Multiple Final Payout – Capped and Floored Ratchet Securities:

[Insert related provisions from Formulas Condition 1.1(fff).]

[Multiple Final Payout – Weighted Mixed Payouts Securities:

[Insert formula and related provisions from Formulas Condition 1.1(ggg).]

[Multiple Final Payout – Knock-In Mixed Payouts Securities:

[Insert formula and related provisions from Formulas Condition 1.1(hhh).]

[Multiple Final Payout – Knock-out Mixed Payouts Securities:

[Insert related provisions from Formulas Condition 1.1(iii).]

[Multiple Final Payout – Max Mixed Payouts Securities:

[Insert related provisions from Formulas Condition 1.1(jjj).]

[Multiple Final Payout – Leveraged Securities:

[Insert related provisions from Formulas Condition 1.1(kkk), including Floating Rate Option, Designated Maturity and Reset Date for ISDA Determination.]

[Single Fixed Income (FI) Final Payouts

[Single FI FX Vanilla Securities:

[Insert formula and related provisions from Formulas Condition 1.1(lll).]

[Single FI Digital Floor Securities:

[Insert related provisions from Formulas Condition 1.1(mmm).]

[Single FI Digital Cap Securities:

[Insert related provisions from Formulas Condition 1.1(nnn).]

[Single FI Digital Plus Securities:

[Insert related provisions from Formulas Condition 1.1(ooo).]

[Continuous FX Wedding Cake Securities:

[Insert related provisions from Formulas Condition 1.1(ppp).]

[Single FI Inflation Securities:

[Insert formula and related provisions from Formulas Condition 1.1(qqq).]

31. Entitlement:

[Applicable/Not applicable/Physical Delivery Option [1/2/3]]

[MFP Entitlement Amounts: Applicable]

(a) [The Entitlement Amount in relation to each Security is:

[an amount equal to [●]]

[Entitlement Units; multiplied by the Entitlement Multiplier; [multiplied by the Weighting]; (if MFP Entitlement Amounts is not Applicable)]

[Delivery of Worst-Performing Underlying applicable:

[Insert related provisions from Formulas Condition 6.1(a).]

[Delivery of Best-Performing Underlying applicable:

[Insert related provisions from Formulas Condition 6.1(b).]

[Delivery of the Underlying applicable:

[Insert related provisions from Formulas Condition 6.1(c).]

(b) [Relevant Asset(s): [The relevant asset to which the Securities relate [is/are] [●].]/[Not applicable] (N.B. Only applicable in relation to Physical Delivery Securities)]

(c) [Entitlement Units: [[●] unit[s] of the Relevant Asset[s] relating to the [Component which is [●]] [Underlying Reference] (where the intention is to deliver a basket, insert details of the units of the Relevant Asset[s] relating to

each Component); [●]/ [Not applicable] (Not applicable where Entitlement stated above and definition not required. Where Entitlement Units are included, insert Entitlement Multiplier below where relevant)]

- (d) [Entitlement Multiplier: [●] [The quotient of [100] [●] (as numerator) and the Strike Level (as denominator) / [Not applicable] (Not applicable where Entitlement stated above and definition not required. Where Entitlement Units are included, insert Entitlement Multiplier where relevant)]
- (e) [The Entitlement will be evidenced by [insert details of how the Entitlement will be evidenced].]
- (f) [The Entitlement will be [delivered] [Delivered] [insert details of the method of delivery of the Entitlement].]

(N.B. Only applicable in relation to Physical Delivery Securities)

32. [Exchange Rate]²¹/[Conversion Rate]²² [The applicable rate of exchange for conversion of any amount into the relevant [settlement currency]/[Settlement Currency or Calculation Currency, as applicable]²³ for the purposes of determining the [Settlement Price (as defined in the relevant Annex to the Terms and Conditions)[,] [or] the Cash Settlement Amount (as defined in Security Condition 3)[,] [or] [the Automatic Early Expiration Amount (as defined in Condition 19.9)] is [insert rate of exchange and details of how and when such rate is to be ascertained]/[specify]/[As specified in the OET Warrant Conditions]/[Not applicable].

33. Settlement Currency: [The settlement currency for the payment of [the Cash Settlement Amount] (in the case of Cash Settled Securities)/[the Settlement Disruption Amount] (in the case of Physical Delivery Securities) is [●].

[Settlement Currency Barrier Selection: [Applicable/Not applicable]

[If Settlement Currency Barrier Selection is applicable:

Applicable to: Cash Settlement Amount

First Settlement Currency: [specify]

²¹ Applicable for Securities other than OET Warrants.

²² Applicable for OET Warrants.

²³ Insert where Single Final Payout – Leverage Factor Securities is applicable

Second Settlement Currency: *[specify]*

Settlement Currency Barrier Condition: [Less than]/[Less than or equal to]/[Greater than]/[Greater than or equal to]

Settlement Price Date(s): *[specify]*

Settlement Currency Barrier Rate(s): *[specify]*

34. Calculation Agent:

The Calculation Agent is [●] / (*specify other*).

[Insert address of Calculation Agent]

35. Governing law:

[English/Italian] law. [Articles 470-1 to 470-19 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended, are not applicable to the Securities.]

PRODUCT SPECIFIC PROVISIONS

36. Hybrid Securities:

[Applicable/Not applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

[If applicable:

- (a) The Securities are linked to each of the types of Underlying Reference (each a "**Type of Underlying Reference**") set out in the table below. The terms and conditions of the Securities will be construed on the basis that in respect of each separate Type of Underlying Reference, the relevant terms applicable to each such separate Type of Underlying Reference will apply, as the context admits, separately and independently in respect of the relevant Type of Underlying Reference[, subject as provided in (b) below].

[Include each Type of Underlying Reference]

Type of Underlying Reference

[●] [See item [●]]

[●] [See item [●]]

[●] [See item [●]]

- (b) Hybrid Business Day [Applicable/Not applicable]

[If applicable:

"**Hybrid Business Day**" means a day which is a Scheduled Trading Day (as defined in the relevant Annex and completed in the applicable Final Terms) for each Type of Underlying

Reference specified in the applicable Final Terms

[If Hybrid Business Day is applicable, each date for valuation (e.g. valuation date, averaging date, observation date etc.) which is the subject of the Hybrid Securities provisions should be expressed to be "[●]" or if that is not a Hybrid Business Day the immediately [succeeding/preceding] Hybrid Business Day"]]

37. Index Securities: [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Index/Basket of Indices/Index Sponsor(s): [specify name of Index/Indices]
- [specify name of Index Sponsor(s)]
- [The [●] Index is a [Component Security]/[Multi-Exchange] Index.]²⁴
- (b) Index Currency: [specify]
- (c) Exchange(s): [specify]
- (d) Related Exchange(s): [specify]/[All Exchanges]
- (e) Exchange Business Day: [Single Index Basis/All Indices Basis/Per Index Basis]
- [Exchange/Related Exchange: Applicable]
- (f) Scheduled Trading Day: [Single Index Basis/All Indices Basis/Per Index Basis]
- [Exchange/Related Exchange: Applicable]
- (must match election made for Exchange Business Day)*
- (g) Weighting: [The weighting to be applied to each item comprising the Basket of Indices to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment in accordance with Annex 2]/[specify other.]/[Not applicable] *(N.B. Only applicable in relation to Securities relating to a Basket of Indices)*
- (h) Settlement Price: [Official opening level]/[Official closing level]/[level at the Valuation Time]/[Index Security Condition 5 (Futures Price Valuation) applies]
- [First Traded Price Applicable]

²⁴ Specify each Component Security Index and/or Multi-Exchange Index (if any).

- (i) [specify] Scheduled Trading Days].
- (j) Valuation Time: [Continuous monitoring [specify other] and the relevant time on the relevant Settlement Price Date or Averaging Date, as the case may be, is [the Valuation Time].] [specify].]
- (N.B. If no Valuation Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Security Condition 3.).
- (k) Settlement on Occurrence of an Index Adjustment Event: [Highest Value: [Applicable/Not applicable]]
- [Market Value: [Applicable/Not applicable]]
- [If Highest Value is applicable: Protected Amount: [specify]]
- [If the Calculation Agent determines an Index Adjustment Event constitutes a *force majeure*, Index Security Condition 3.2(c)(iii) applies]
- (l) Index Correction Period: [As per Index Security Condition 5.1/specify]
- (m) Futures Price Valuation: [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rolling Futures Contract Securities: [Yes/No]
- [Related Hedging: Not applicable]
- (ii) Exchange-traded Contract: [specify]/[If the Index Securities are Rolling Futures Contract Securities: Index Security Condition 5.2 applies]
- (iii) Delivery or expiry month: [specify]/[Not applicable]
- (Not applicable in the case of Index Securities that are Rolling Futures Contract Securities)
- (iv) Period of Exchange-traded Contracts: [specify]/[Not applicable]
- (Only applicable in case of Index Securities that are Futures Rollover Securities)
- (v) Futures or Options Exchange: [specify]
- (vi) Futures Rollover [Date/Period]: [Not applicable]/[specify]
- (vii) Relevant FTP Screen Page: [specify]/[Not applicable]
- (viii) Relevant Futures or Options Exchange Website: [specify]/[Not applicable]
- (ix) Cut-off Time: [specify]/[Not applicable]

- (x) Settlement on Occurrence of a Non-Commencement or Discontinuance of an Exchange-traded Contract: *[If applicable:*
 [Highest Value: [Applicable/Not applicable]]
 [Market Value: [Applicable/Not applicable]]
[If Highest Value is applicable: Protected Amount: [specify]]
 [If the Calculation Agent determines a Non-Commencement or Discontinuance of an Exchange-traded Contract constitutes a *force majeure*, Index Security Condition [5.2(iii)] [and] [5.4(iii)] applies]
38. Share Securities: [Applicable/Not applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Share(s)/Share Company/Basket Company/GDR/ADR: *[insert type of Share(s) and Share Company/Basket Companies]*
 [GDR/ADR applicable]
[Insert details of GDR/ADR]²⁵
- (b) Relative Performance Basket: [Not applicable/specify]
- (c) Share Currency: [specify]
- (d) ISIN of Share(s): [specify]
- (e) Exchange(s): [specify]
- (f) Related Exchange(s): [specify]/[All Exchanges]
- (g) Exchange Business Day: [Single Share Basis/All Shares Basis/Per Share Basis]
- (h) Scheduled Trading Day: [Single Share Basis/All Shares Basis/Per Share Basis]
(must match election made for Exchange Business Day)
- (i) Weighting: [The weighting to be applied to each item comprising the Basket of Shares to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment [in accordance with Annex 3]/[specify other]. (N.B. Only applicable in relation to Securities relating to a Basket of Shares)]
- (j) Settlement Price: [Official closing price]/[Italian Securities Reference Price]/[price at the Valuation Time]]
 [AQR: Applicable. The Settlement Price is [specify]]

²⁵ Specify each GDR or ADR (if any). In the case of Share Securities relating to a GDR/ADR, complete Share Securities Final Terms as applicable for GDR/ADR reference asset(s).

- (k) Closing Price: [Official closing price] [VWA Closing Price]
[AQR: Applicable. The Closing Price is *[specify]*]
- (l) Specified Maximum Days of *[specify]* Scheduled Trading Days.
Disruption:
- (m) Valuation Time: [Continuous monitoring *[specify other]* and the relevant time on the relevant Settlement Price Date or Averaging Date, as the case may be, is the Scheduled Closing Time as defined in Security Condition 3.] *[specify]* (N.B. If no Valuation Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Security Condition 3)]
- (n) Settlement on Occurrence of an Extraordinary Event: *[If applicable:*
[Highest Value: [Applicable/Not applicable]]
[Market Value: [Applicable/Not applicable]]
[If Highest Value is applicable: Protected Amount: [specify]]
[If the Calculation Agent determines that an Extraordinary Event constitute a *force majeure*, Share Security Condition [5.2(b)(iii)] [or] [5.2(c)(iii)] applies]
- (o) Share Correction Period [As per Share Security Condition 1/*specify*]
- (p) Dividend Payment: [Applicable/Not applicable]
- (q) Listing Change: [Applicable/Not applicable]
- (r) Listing Suspension: [Applicable/Not applicable]
- (s) Illiquidity: [Applicable/Not applicable]
- (t) Tender Offer: [Applicable/Not applicable]²⁶
- (u) CSR Event: [Applicable/Not applicable]
- (v) Hedging Liquidity Event: [Applicable/Not applicable]
[Maximum Hedging Liquidity Level: [[●] per cent.]/[As per Share Security Condition 5.3]]
- (w) Dividend Protection: [Applicable][Not applicable]
[(N.B. Only applicable if Normal Performance applies to the Securities)]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

²⁶ Only to be disapplied for Tokyo EQD Securities.

- Adjustments: If a Dividend Event occurs during the period from, the Issue Date, excluded, to the Exercise Date, included, as determined by the Calculation Agent in its sole discretion, the Calculation Agent may, in its sole and absolute discretion, adjust:

[the Strike Level, the Cap Level and the Initial Reference Level by multiplying such levels by the Adjustment Factor K (rounded to the fourth decimal digit);]

[●]

- Cap Level [●]

- Scheduled Dividend: [The Scheduled Dividend is, for each Scheduled Ex-Date specified below, an amount per Share equal to:]

Scheduled Ex-Date	Scheduled Dividend Amount
[●]	[●]
[●]	[●]

[●]

39. ETI Securities [Applicable/Not applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (a) ETI/ETI Basket: [specify]
- (b) ETI Interest(s): [insert type of ETI Interest(s)]
- (c) ETI Related Party: [As per ETI Security Condition 1]/[specify]
- (d) ETI Documents: [As per ETI Security Condition 1]/[specify]
- (e) Exchange(s): [specify]
- (f) Related Exchange: [specify]/[All Exchanges]
- (g) Scheduled Trading Day: [All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
- (h) Exchange Business Day: [All ETI Interests Basis/Per ETI Interest Basis/Single ETI Interest Basis]
- (i) Calculation Date(s): [As per ETI Security Condition 1]/[specify]
- (j) Initial Calculation Date: [specify]/[Not applicable]
- (k) Final Calculation Date: [specify]/[Not applicable]
- (l) Hedging Date: [specify] / [Not applicable]

- (m) Investment/AUM Level: [As per ETI Security Condition 1]/[specify]/[Not applicable]
- (n) Value per ETI Interest Trading Price Barrier: [As per ETI Security Condition 1]/[specify]/[Not applicable]
- (o) Number of Value Publication Days: [[●] calendar days] [[●] Value Business Days]/[Not applicable]
 [Value Business Day Centre(s): *specify*]
(Only applicable if Number of Value Publication Days is calculated by reference to Value Business Days)
- (p) Value Trigger Percentage: [As per ETI Security Condition 1]/[specify]/[Not applicable]
- (q) Value Trigger Period: [As per ETI Security Condition 1]/[specify]/[Not applicable]
- (r) Basket Trigger Level: [As per ETI Security Condition 1]/[specify]/[Not applicable]
- (s) Settlement Price/Closing Price: [Official closing price]/[Value per ETI Interest]/ [price at the Valuation Time]
- (t) Weighting: [The Weighting to be applied to each ETI Interest comprising the ETI Basket is *specify*]/[Not applicable]
- (u) Valuation Time: *specify*/[Not applicable]
- (v) Specified Maximum Days of Disruption: [As per ETI Security Condition 1]/[specify]/[Not applicable]
- (w) Additional Extraordinary ETI Event(s): *specify*/[Not applicable]
- (x) Maximum Stock Loan Rate: [The Maximum Stock Loan Rate in respect of *specify in relation to each relevant ETI Interest* is [●].]/[Not applicable]
- (y) ETI Interest Correction Period: [As per ETI Security Condition 1]/ *specify*/[Not applicable]
- (z) Termination Amount: *specify*/[Not applicable]
- (aa) Simple Interest Spread: [As per ETI Security Condition 1]/[specify]/[Not applicable]
- (bb) Termination Date: *specify*/[Not applicable]
40. Debt Securities: [Applicable/Not applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

[Note for a derivative security to be listed on certain regulated markets: the underlying must be traded on a regulated, regularly operating, recognised open market, unless the underlying or ultimate underlying is a

currency, index, interest rate, commodity, a combination of these, or credit linked, or the underlying is a UCITS fund or an investment fund authorised by the Central Bank of Ireland or the competent authority of another EU member state deemed equivalent by Euronext Dublin. Similar restrictions are applicable also in other circumstances.]

- (a) Debt Instruments: [specify] [Not applicable] (Not applicable if Futures Price Valuation applicable)
- (b) Nominal Amount: [The relevant nominal amount is [●] and the Relevant Screen Page is [●].] [Not applicable]

(Not applicable if Futures Price Valuation applicable)
- (c) Reference Price: [The Reference Price[s] for [insert relevant Debt Instrument(s)] is/are the [bid price]/[mid price]/[offer price]/[bid yield]/[mid yield]/[offer yield].] [Not applicable]

(Not applicable if Futures Price Valuation applicable)
- (d) Exchange Business Day Centre(s): [specify]
- (e) Valuation Time: [specify]
- (f) Specified Maximum Days of Disruption: [[specify] Scheduled Trading Days.] [Not applicable] (Not applicable if Futures Price Valuation applicable)
- (g) Debt Instrument Correction Period: [As per the Debt Security Condition 11]/ [specify]/[Not applicable]

(Not applicable if Futures Price Valuation applicable)
- (h) Debt Instrument Issuer: [specify]/[Not applicable]

(Not applicable if Futures Price Valuation applicable)
- (i) Weighting: [Not applicable/The weighting to be applied to each item comprising the Basket of Debt Instruments to ascertain the Settlement Price is [●]. Each such Weighting shall be subject to adjustment.]
- (j) Futures Price Valuation: [Applicable/Not applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rolling Futures Contract Securities: [Yes/No]
- (ii) Exchange-traded Contract: [specify]/[If the Debt Securities are Rolling Futures Contract Securities: Debt Security Condition 7 applies]
- (iii) Synthetic Debt Instrument: [include description of the key terms of the synthetic debt instrument]
- (iv) Delivery or expiry month: [specify]/[Not applicable]

(Not applicable in the case of Debt Securities that are Rolling Futures Contract Securities)

(v) Period of Exchange-traded Contracts: [specify]/[Not applicable]

(Only applicable in the case of Debt Securities that are Rolling Futures Contract Securities)

(vi) Futures or Options Exchange: [specify]

(vii) Futures Rollover [Not applicable]/[specify]
[Date/Period]:

(viii) Daily Settlement Price [As per the Debt Security Condition 11][specify]
Correction Period:

41. Inflation Index Securities: [Applicable/Not applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(a) Inflation Index/Inflation Indices/Inflation Index Sponsor: [specify name of inflation index/indices]

[specify name of inflation index sponsor(s)]

(b) Related Bond: [Applicable/Not applicable] [If applicable, specify]

(c) Issuer of Related Bond: [Applicable/Not applicable] [If applicable, specify]

(d) Fallback Bond: [Applicable/Not applicable] [If applicable, specify]

(e) Related Bond Redemption Event: [Applicable/Not applicable]

(f) Settlement Price: [specify]

(g) Substitute Inflation Index Level: [As determined in accordance with Annex 7] [specify].

(h) Cut-off Date: In respect of a [Valuation Date], the day that is [specify] Business Days prior to such [Valuation Date].

(i) Valuation Date/Settlement Date: [specify]

(j) Reference Month: [specify]

(k) Currency Adjustment: [Applicable/Not applicable]

(l) Inflation Index Level Adjustment: [Applicable/Not applicable]

(m) Index Cancellation: [Inflation Index Security Condition 4.7(b)(i) applies]/[Highest Value]/[Market Value]

[If Highest Value is applicable: Protected Amount: [specify]]

[If the Calculation Agent determines an Index Cancellation constitutes a *force majeure*, Inflation Index Security Condition 4.7(b)(iii) applies]

42. Currency Securities: [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Relevant Screen Page: [specify]
- (b) The relevant base currency (the "Base Currency") is: [specify]
- (c) The relevant alternative [currency/currencies] ([the]/[each a "Alternative Currency") [is/are]: [specify]
- (d) Weighting: [specify]
- (e) Price Source: [specify]
- (f) Specified Maximum Days of [specify]/[five] Scheduled Trading Days Disruption:
- (g) Settlement Price: [specify]
- (h) Valuation Time: [specify]
- (i) Settlement on Occurrence of a [Illiquidity Disruption: Not applicable] Disruption Event:
 [Disruption Event Postponement: Not applicable]
 [Highest Value: [Applicable/Not applicable]]
 [Market Value: [Applicable/Not applicable]]
[If Highest Value is applicable: Protected Amount: [specify]]
 [If the Calculation Agent determines that a Disruption Event constitutes a *force majeure*, Currency Security Condition 3(b)(iii) applies]
- (j) Futures Price Valuation: [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rolling Futures Contract Securities: [Yes/No]
- (ii) Exchange-traded Contract: [specify]/[If the Currency Securities are Rolling Futures Contract Securities: Currency Security Condition 6 applies]
- (iii) Currency Pair: [specify]
- (iv) ISIN: [specify]
- (v) Expiry month: [specify]/[Not applicable]

(Not applicable in the case of Currency Securities that are Rolling Futures Contract Securities)

(vi) Period of Exchange-traded Contract: *[specify]/[Not applicable]*

(Only applicable in the case of Currency Securities that are Rolling Futures Contract Securities)

(vii) Futures or Options Exchange: *[specify]*

(viii) Futures Rollover [Date/Period]: *[Not applicable]/[specify]*

(Not applicable in the case of Currency Securities that are not Rolling Futures Contract Securities)

(ix) Daily Settlement Price Correction Period: *[As per Currency Security Condition 5]/[specify]*

43. Fund Securities: *[Applicable/Not applicable]*

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

[Note for a derivative security to be listed on certain regulated markets: the underlying must be traded on a regulated, regularly operating, recognised open market, unless the underlying or ultimate underlying is a currency, index, interest rate, commodity, a combination of these, or credit linked, or the underlying is a UCITS fund or an investment fund authorised by the Central Bank of Ireland or the competent authority of another EU member state deemed equivalent by Euronext Dublin. Similar restrictions are applicable also in other circumstances.]

(a) Fund/Fund Basket: *[specify Fund/Fund Basket]*

[SC/FM Fund Events: Applicable]

(b) Fund Share(s): *[specify]*

(c) ISIN of Fund Share(s): *[specify]*

(d) Fund Documents: *[As per Fund Security Condition 1]/[specify]*

(e) Fund Business Day: *[All Fund Share Basis/Per Fund Share Basis/Single Fund Share Basis]*

(f) Maximum Days of Disruption: *[As per Fund Security Condition 1]/[specify]*

(g) Fund Service Provider: *[As per Fund Security Condition 1]/[specify]*

(h) Calculation Date(s): *[As per Fund Security Condition 1]/[specify]*

(i) Initial Calculation Date: *[As per Fund Security Condition 1]/[specify]*

(j) Final Calculation Date: *[specify]*

- (k) Hedging Date: [specify]
- (l) AUM Level: [specify]
- (m) NAV Trigger Percentage: [specify]
- (n) NAV Trigger Period: [As per Fund Security Condition 1]/[specify]
- (o) Number of NAV Publication Days: [As per Fund Security Condition 1]/[specify]
- (p) Basket Trigger Level: [specify]
- (q) Termination Amount: [specify]/[Market Value]/[Highest Value]
[Fund Event *Force Majeure*: Applicable]
- (r) Simple Interest Spread: [As per Fund Security Condition 1]/[specify]
- (s) Termination Date: [specify]
- (t) Delayed Payment Cut-off Date: [As per Fund Security Condition 1]/[specify]
- (u) Fund Event *Force Majeure* [Applicable/Not applicable]
- (v) Settlement Price: [NAV per Fund Share][The sum of the values calculated in respect of each Basket Component as the NAV per Fund Share of such Basket Component multiplied by the relevant Weighting]
- (w) [Weighting: The Weighting to be applied to each Fund Share comprising the Fund Basket is [specify]]
- (x) Settlement on Occurrence of a Fund Index Adjustment Event: [Highest Value: [Applicable/Not applicable]]
[Market Value: [Applicable/Not applicable]]
[If Highest Value is applicable: Protected Amount: [specify]]
44. Futures Securities: [Applicable/Not applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Future(s): [insert type of Future(s)]
- (b) Exchange(s): [specify]
- (c) Exchange Business Day: [Single Future Basis/All Futures Basis/Per Futures Basis]
- (d) Scheduled Trading Day: [Single Future Basis/All Futures Basis/Per Futures Basis]
(must match election made for Exchange Business Day)
- (e) Settlement Price: [Official closing price]/[price at the Valuation Time]
- (f) Weighting: [The weighting to be applied to each item comprising the Basket to ascertain the Settlement Price is [●]]. Each

such Weighting shall be subject to adjustment [in accordance with Annex 10]/[specify other]. (N.B. Only applicable in relation to Securities relating to a Basket)

- (g) Specified Maximum Days of Disruption: [As defined in Futures Security Condition 1]/[specify Scheduled Trading Days].
- (h) Valuation Time: [Continuous monitoring [specify other] and the relevant time on the Valuation Date, Observation Date or Averaging Date, as the case may be, is the Scheduled Closing Time as defined in Security Condition 3.] [specify] (N.B. If no Valuation Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Security Condition 3)]
- (i) Futures Correction Period: [As per Futures Security Conditions 1]/[specify]
- (j) Settlement on Occurrence of a Futures Adjustment Event: [Highest Value: [Applicable/Not applicable]]
[Market Value: [Applicable]/[Not applicable]]
[If Highest Value is applicable: Protected Amount: [specify]]
[If the Calculation Agent determines a Futures Adjustment Event constitutes a force majeure, Futures Security Condition 3.1(b) and 3.1(b)(iii) applies]
45. Underlying Interest Rate Securities: [Applicable/Not applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph.)
- (a) Underlying Interest Determination Date(s): [specify]
(If more than one [Underlying Interest Rate] is to be determined, include the following language: "Underlying Interest Rate1:")
- (b) Manner in which the Underlying Interest Rate is to be determined: [Screen Rate Determination/ISDA Determination]
- (A) Screen Rate Determination: [Applicable/Not applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) [Underlying Reference Rate: [specify] (Either EURIBOR or other)
- (b) Specified Time: [specify]
(which will be 11:00 am, Brussels time, in the case of EURIBOR)
- (c) Relevant Screen Page: [specify]

- (d) Adjustment in case of Reference Rate Fallback Event *[specify adjustment to the Underlying Reference Rate in case of Reference Rate Fallback Event]*
- (B) ISDA Determination: [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) [Floating Rate Option: *[specify]*
- (b) Designated Maturity: *[specify]*
- (c) Reset Date: *[specify]*
- (N.B. The fallback provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for EURIBOR which, depending on market circumstances, may not be available at the relevant time)*
- (c) Underlying Margin(s): *[+/-][●] per cent. per annum/[Not applicable]*
- (d) Minimum Underlying Reference Rate: *[●] per cent. per annum/[Not applicable]*
- (e) Maximum Underlying Reference Rate: *[●] per cent. per annum/[Not applicable]*
- (If more than one [Underlying Interest Rate] is to be determined, include the following language: "Underlying Interest Rate2:" and repeat items 40(b) to (e)).*
- (Repeat for each Underlying Interest Rate.)*
46. OET Warrants: [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Final Price: [As per OET Warrant Conditions]
- (b) Valuation Date: [As per OET Warrant Conditions]/*[specify]*
- (c) Exercise Price: *[specify]*
- (d) Relevant Business Day: *[specify]*
- (e) Capitalised Exercise Price: [As per OET Warrant Conditions]
- OET Website(s):
- [specify]*
- Local Business Day Centre(s): *[specify]*
- (f) Capitalised Exercise Price Rounding Rule: [upwards/downwards] [●] digits

- (g) Dividend Percentage: [specify]/[Not applicable]
- (N.B. *Not applicable in respect of Currency OET Warrants or Futures OET Warrants*)
- (h) Financing Rate:
- (i) Interbank Rate 1 Screen [specify]
Page:
- (ii) Interbank Rate 1 Specified [specify][As per OET Warrant Conditions]
Time:
- (iii) Interbank Rate 2 Screen [specify]
Page:
- (iv) Interbank Rate 2 Specified [specify][As per OET Warrant Conditions]
Time:
- (v) Financing Rate Percentage: [+/-][specify]
- (vi) Financing Rate Range: [specify]
- (i) Automatic Early Expiration: [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Automatic Early Expiration Payout Capitalised Call and Put Securities 2] [Automatic Early Expiration Payout Capitalised Call and Put Securities 2]

[Insert related provisions from Formulas Condition 2.1(b)]
- (ii) Automatic Early Expiration Date: [●] Business Days following the Valuation Date.
- (iii) Observation Price: [Official level]/[Opening price]/[Official close]/[Closing price]/[Purchase price]/[Sale price]/[Traded price]/[Bid price]/[Asked price]/[Last price]/[Official settlement price]/[Daily settlement price]
- (iv) Observation Price Source [specify source]
- (v) Observation Time(s): [At any time during the opening hours of the Exchange]/[specify]
- (vi) Security Threshold: [specify]/ [As per OET Warrant Condition 1]

[The Security Threshold in respect of a Relevant Business Day will be published as soon as practicable after its determination on the OET Website(s), as set out in paragraph 41(e).]
- (vii) Security Threshold Rounding Rule: [upwards/downwards] [●] digits
- (viii) Security Percentage: [specify][As per OET Warrant Conditions]

(ix) Minimum Percentage: Security [specify]/[Not applicable]

(x) Maximum Percentage: Security [specify]/[Not applicable]

(xi) Reset Date: [As per OET Warrant Condition 1]/[specify]

47. Additional Disruption Events and Optional Additional Disruption Events: (a) Additional Disruption Events: [Applicable/Not applicable]/[[Change in Law/Hedging Disruption] does not apply to the Securities]

[Change in Law – Hedge Maintenance Cost: Not applicable]

(b) [Optional Additional Disruption Events: [Applicable/Not applicable] [The following Optional Additional Disruption Events apply to the Securities:

(Specify each of the following which applies. N.B. Optional Additional Disruption Events are applicable to certain Index Securities, Share Securities and ETI Securities. Careful consideration should be given to whether Optional Additional Disruption Events would apply for Debt Securities, Currency Securities and Fund Securities and, if so, the relevant definitions will require amendment.)

[Administrator/Benchmark Event]

[Increased Cost of Hedging]

[Increased Cost of Stock Borrow]

[Insolvency Filing]

(N.B. Only applicable in the case of Share Securities)

[Cancellation Event]

(N.B. Only applicable in the case of Debt Securities)

[Loss of Stock Borrow]

[[Stop-Loss Event]

[Stop-Loss Event Percentage: [5] per cent.]]

[Currency Event]

[Extraordinary External Event]

[Jurisdiction Event]

Hedging Arrangements: Not applicable]

[Significant Alteration Event]

[Failure to Deliver due to Illiquidity]

[Hedging Party Default]

(N.B. Only applicable in the case of Physical Delivery Securities– Failure to Deliver due to Illiquidity is applicable to certain Share Securities. Careful consideration should be given to whether Failure to Deliver due to Illiquidity would apply to other Physical Delivery Securities)

[The Maximum Stock Loan Rate in respect of [specify in relation to each relevant Share/Security] is [●].

(N.B. Only applicable if Loss of Stock Borrow is applicable)]

[The Initial Stock Loan Rate in respect of [specify in relation to each relevant Share/Security] is [●].

(N.B. Only applicable if Increased Cost of Stock Borrow is applicable)]

Settlement:

[If applicable:

[Highest Value: [Applicable/Not Applicable]]

[Market Value: [Applicable]/[Not applicable]]

[If Highest Value is applicable: Protected Amount: [specify]]

48. Knock-in Event²⁷:

[Applicable/Not applicable]

[If applicable:

[specify]/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"/"within"/"outside"]]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(a) Knock-in Valuation:

[Applicable/Not applicable]

[If applicable insert relevant provisions from Conditions]

[If Knock-in Valuation is not applicable and the Securities are Currency Securities, specify if FX Knock-in Valuation is applicable.]

²⁷ Only applicable in relation to Index Securities, Share Securities, ETI Securities, Currency Securities, Debt Securities, Futures Securities, Fund Securities.

- (b) FX Knock-in Valuation: [Applicable/Not applicable]
- [If FX Knock-in Valuation is applicable, insert relevant provisions from Conditions.]*
- [FX Coupon Performance: [Applicable/Not applicable]]
- [Performance Value: [Applicable/Not applicable]]
- (c) Level: [Official level]/[Official close]/[last price]/[traded price]/[bid price]/[asked price]/[Standard Level]/[Not applicable]
- (d) Knock-in Level/Knock-in Range Level: *[specify]*[FX Knock-in Level]
- [If FX Knock-in Level is specified insert relevant provisions from Conditions]*
- (e) Knock-in Period Beginning Date: *[specify]*
- (f) Knock-in Period Beginning Date Day Convention: [Applicable/Not applicable]
- (g) Knock-in Determination Period: *[specify]*/[See definition in Security Condition 14.7]
- (h) Knock-in Determination Day(s): *[specify]*/[Each [Scheduled Trading Day/Fund Business Day/Business Day] in the Knock-in Determination Period]
- (i) Knock-in Period Ending Date: *[specify]*
- (j) Knock-in Period Ending Date Day Convention: [Applicable/Not applicable]
- (k) Knock-in Valuation Time: *[specify]*/[See definition in Security Condition 14.7]/[Valuation Time]/[Any time on a Knock-in Determination Day]/[Not applicable]
- (l) Knock-in Observation Price Source: *[specify]*
- (m) Disruption Consequences: [Applicable/Not applicable]
49. Knock-out Event²⁸: [Applicable/Not applicable]
- [If applicable:*
- [specify]/["greater than"/"greater than or equal to"/"less than"/"less than or equal to"/"within"/"outside"]]*
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*

²⁸ Only applicable in relation to Index Securities, Share Securities, ETI Securities, Currency Securities, Fund Securities, Debt Securities and Futures Securities.

- (a) Knock-out Valuation: [Applicable/Not applicable]
[If applicable insert relevant provisions from Conditions]
[If Knock-out Valuation is not applicable and the Securities are Currency Securities, specify if FX Knock-out Valuation is applicable.]
- (b) FX Knock-out Valuation [Applicable/Not applicable]
[If FX Knock-out Valuation is applicable, insert relevant provisions from Conditions.]
 [FX Coupon Performance: [Applicable/Not applicable]]
 [Performance Value: [Applicable/Not applicable]]
- (c) Level: [Official level]/[Official close]/[last price]/[traded price]/[bid price]/[asked price]/[Standard Level]/[Not applicable]
- (d) Knock-out Level /Knock-out Range Level: *[specify]*[FX Knock-out Level]
[If FX Knock-out Level is specified insert relevant provisions from Conditions]
- (e) Knock-out Period Beginning Date: *[specify]*
- (f) Knock-out Period Beginning Date Day Convention: [Applicable/Not applicable]
- (g) Knock-out Determination Period: *[specify]*/[See definition in Security Condition 14.7]
- (h) Knock-out Determination Day(s): *[specify]*/[Each [Scheduled Trading Day/Fund Business Day/Business Day] in the Knock-out Determination Period]
- (i) Knock-out Period Ending Date: *[specify]*
- (j) Knock-out Period Ending Date Day Convention: [Applicable/ Not applicable]
- (k) Knock-out Valuation Time: *[specify]*/[See definition in Security Condition 14.7]
 [Any time on a Knock-out Determination Day]/[Valuation Time]/[Not applicable]
- (l) Knock-out Observation Price Source: *[specify]*
- (m) Disruption Consequences: [Applicable/Not applicable]

50. **EXERCISE, VALUATION AND SETTLEMENT**

- (a) [Automatic Early Expiration²⁹: [Applicable/Not applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Automatic Early Expiration Event: [FI Underlying Automatic Early Expiration Payout [[Single] Standard Automatic Early Expiration [- Automatic Early Expiration Event 1]: "greater than"/"greater than or equal to"/"less than"/"less than or equal to"] [Standard Automatic Early Expiration – Automatic Early Expiration Event 2 Applicable: "greater than"/"greater than or equal to"/"less than"/"less than or equal to"]
- [Automatic Early Expiration Event 1 [and]/[or] Automatic Early Expiration Event 2]
- [As per Security Condition 19.9(c)]
- [Insert related provisions from Conditions.]*
- [AES Knock-out: [Knock-out Event]/
- [Knock-in Event]
- [Insert related provisions from Conditions.]*
- [Leveraged Automatic Early Expiration: Applicable]
- [Insert related provisions from Conditions, including Floating Rate Option, Designated Maturity and Reset Date for ISDA Determination]*
- (ii) Automatic Early Expiration Payout: [Automatic Early Expiration Payout Capitalised Call and Put Securities 1]
- [Insert related provisions from Formulas Condition 2.1(b).]*
- [SFP Automatic Early Expiration Payout]
- [Insert related provisions from Formulas Condition 2.1(c).]*
- [MFP Automatic Early Expiration Payout]
- [Insert related provisions from Formulas Condition 2.1(d).]*
- [Leveraged Warrants Automatic Early Expiration Payout]

²⁹ Only applicable in relation to Index Securities, Share Securities, ETI Securities, Currency Securities, Fund Securities, Futures Securities and, in the case of FI Underlying Automatic Early Expiration Payout, Currency Securities and Underlying Interest Rate Securities. In respect of OET Warrants, refer to paragraph 41(i) above.

[Insert related provisions from Formulas Condition 2.1(e).]

[FI Underlying Automatic Early Expiration Payout:

[Insert relevant provisions from Formulas Condition 2.1(g).]

(iii) Early Expiration Entitlement [Applicable]/[Not applicable]

[If applicable:

The Early Expiration Entitlement in relation to each Security is:

[an amount equal to: *specify*]/

[Entitlement Units; multiplied by the Entitlement Multiplier; [multiplied by the Weighting].]

[Entitlement Units: *specify*]

[Entitlement Multiplier: *specify*]

(iv) Automatic Early Expiration Date(s): *specify*

(v) Observation Price Source: *specify*/[Not applicable]

(vi) [Observation Time: [At any time during the opening hours of the Exchange]/*specify*]

(vii) Observation Price: [Official level]/[Opening price]/[Official close]/[Closing price]/[Purchase price]/[Sale price]/[Traded price]/[Bid price]/[Asked price]/[Last price]/[Official settlement price]/[Daily settlement price]/[Not applicable]

(viii) Capitalised Exercise Price Rounding Rule: [[upwards/downwards] [●] digits]/*specify*]

(ix) Underlying Reference Level [1]: *specify*/[Official level]/[Official close]/[Last Price]/[Bid price]/[Asked price]/[Standard Price]/[Not applicable]

MFP AES Valuation: [Applicable/Not applicable]

[If applicable Insert related provisions from Conditions]

(x) Underlying Reference Level [2]: *specify*/[Standard Price]/[Last Price]/[Not applicable]

(xi) MFP AES Valuation: [Not applicable]/[Applicable]:

[MFP AES Value [1]:

[insert relevant value(s) and related provisions from Conditions]

[MFP AES Value 2:

[insert relevant value(s) and related provisions from Conditions]]]

- (xii) [(A) Automatic Early Expiration Level [1]: *[specify]*
- [(B) Automatic Early Expiration Level [2]: *[specify]*
- [AES Range Level: *[specify]*
- [AES Range Level 1: *[specify]*
- [AES Range Level 2: *[specify]*
- (xiii) Automatic Early Expiration Percentage(s): per cent./[Not applicable]
- (xiv) AES Exit Rate: [Not applicable]
- [AES Rate]
- [Insert relevant provisions from Conditions]*
- [AES up Rate]
- [Insert related provisions from Conditions]*
- (xv) Automatic Early Expiration Valuation Date(s)/Time/Period(s): *[specify]*/[AES Knock-out Date]/[As per Security Condition 19.9(c)]
- [AES 1 Settlement Valuation [Date(s)/Period(s)]: *[specify]*
- [AES 2 Settlement Valuation [Date(s)/Period(s)]: *[specify]*
- [For Fixed Income payouts, consider whether this is the remuneration determination date (i.e. 2 business days prior to the Automatic Early Expiration Date)]*
- [(xvi) AES Event 1 Underlying[s]: [See item below]/[Not applicable]]
- [(xvii) AES Event 2 Underlying[s]: [See item below]/[Not applicable]]
- [(xviii) AES Event 1 Basket: [Applicable]/[Not applicable]]
- [(xix) AES Event 2 Basket: [Applicable]/[Not applicable]]]
- (e) [Strike Date:] *[specify]*/[Not applicable] [
- [Currency Convention: [As per Currency Security Condition 1]/[Preceding Currency Convention]/[Modified Following Currency Convention]]

- (f) [Strike Price:] [specify] / [see item [●] above] / [Not applicable]
- (g) [Settlement Valuation Date:] [specify]/[As specified in Condition [●] in relation to Open End Warrants] (N.B. *Where Non-Automatic Exercise does not apply the Securities are Share Securities and the Shares are traded on the Italian regulated market organised and managed by Borsa Italiana insert "the [Scheduled Trading Day] immediately preceding the Exercise Date"*)/[Not applicable]
- [Currency Convention: [As per Currency Security Condition 1]/[Preceding Currency Convention]/[Modified Following Currency Convention]]
- (h) [Averaging:] Averaging [applies/does not apply] to the Securities. [The Averaging Dates are [specify].] (*Not applicable to Inflation Index Securities*)
- [Currency Convention: [As per Currency Security Condition 1]/[Preceding Currency Convention]/[Modified Following Currency Convention]]
- [In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] (as defined in Security Condition 3) will apply.]
- (i) [Observation Dates:] [specify]/[Not applicable]
- [Currency Convention: [As per Currency Security Condition 1]/[Preceding Currency Convention]/[Modified Following Currency Convention]]
- [In the event that an Observation Date is a Disrupted Day [Omission/Postponement/Modified Postponement] will apply.] [Observation Day Disruption Consequences are not applicable.]
- (j) [Observation Period:] [specify]/[Not applicable] (Not applicable to Inflation Index Securities)
- (k) [Settlement Business Day:] "Settlement Business Day" for the purposes of Security Condition 4 means [specify]. [Not applicable] (N.B. Only applicable in the case of Physical Delivery Securities)
- (l) [Record date for the purposes of [specify]] [SeDeX][EuroTLX]:

RESPONSIBILITY

The information contained in these Final Terms [[●] has been extracted from [●]. [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]. [The Issuer [and the Guarantor] accept[s] responsibility for the information set out in these Final Terms.]

Signed on behalf of the relevant Issuer:

By:.....

By:

Duly authorised

Duly authorised

[Signed on behalf of the Guarantor:

By:.....

By:

Duly authorised

Duly authorised]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i) Listing³⁰: [Official List of the [Euronext Dublin] [Luxembourg Stock Exchange]] [SeDeX] [EuroTLX]/[specify other]/[None]

(ii) Admission to trading³¹: [Application [has been made][is expected to be made] by the relevant Issuer (or on its behalf) for the Securities to be admitted to trading on [[the regulated market [of the [Euronext Dublin] [Luxembourg Stock Exchange] [SeDeX multilateral trading facility which is not a regulated market for the purpose of Directive 2014/65/EU] [the multilateral trading facility of EuroTLX which is not a regulated market for the purpose of Directive 2014/65/EU] with effect from [●]]]/[specify other] [Not applicable]

[The Issuer reserves the right to make [further] application[s] for the Securities to be admitted to listing and/or trading on [additional] markets/trading venues.]

[[Mediobanca – Banca di Credito Finanziario S.p.A.]/[●] will act as Liquidity Provider with reference to the Securities traded on [●].]

(Where documenting a fungible issue need to indicate that original Securities are already admitted to trading.)

2. RATINGS

Ratings: The Securities to be issued have not been rated.

3. NOTIFICATION

[Not applicable.] [The Central Bank of Ireland [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the) [names of competent authorities of host member states] with a certificate of approval attesting that the Base Prospectus [and the supplement thereto dated [●]] has been drawn up in accordance with the Prospectus Regulation.] [These Final Terms have been submitted to [Commission de

³⁰ Where application is only made for the Securities to be admitted to trading on a multilateral trading facility and no application for the admission to trading on a regulated market in the European Economic Area nor any offer in the European Economic Area or the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation or the UK Prospectus Regulation are provided for, this document will not constitute the Final Terms for the purposes of Article 8 of the Prospectus Regulation or the UK Prospectus Regulation but will constitute a pricing supplement.

³¹ Where application is only made for the Securities to be admitted to trading on a multilateral trading facility and no application for the admission to trading on a regulated market in the European Economic Area nor any offer in the European Economic Area or the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation or the UK Prospectus Regulation are provided for, this document will not constitute the Final Terms for the purposes of Article 8 of the Prospectus Regulation or the UK Prospectus Regulation but will constitute a pricing supplement.

Surveillance du Secteur Financier (CSSF) [*Commissione Nazionale per la Società e la Borsa (CONSOB)*] [●] on [●].]

4. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER/LISTING**

[Not applicable] [Save for the fees payable to the [Dealer(s)/Distributors]/[include other entities],] so far as the relevant Issuer is aware, no [other] person involved in the [issue/offer/listing] of the Securities has an interest material to the [issue/offer/listing]. (*Amend as appropriate if there are other interests*)

5. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

(i) Reasons for the offer: [Not applicable] [●]

(See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

(ii) Estimated net proceeds: [Not applicable] [●]

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

(iii) Estimated total expenses: [Not applicable] [●]

*[Include breakdown of expenses.]^(***)*

6. **FURTHER INFORMATION PUBLISHED BY THE ISSUER**

[The Issuer does not intend to provide any further information on the past and future performance and/or volatility of the Underlying Reference. [The Issuer will provide further information relating to the past and future performance and/or volatility of the Underlying Reference on [insert source [●]] [and update the information on an ongoing basis following issuance of the Securities]. Such information will include [describe information: [●]]]

7. **INFORMATION RELATING TO THE UNDERLYING REFERENCE**

[Information on the past and future performance of the Underlying Reference[s] and [its][their] volatility can be obtained [free of charge] [at a charge] [●] /[[on the public website on www. [●][●] [and on the [Bloomberg] or [Reuters] page as provided for each Component composing the Underlying Reference. [NB ensure such page is given there] [If no public information exists, insert: in a physical form at the offices of [insert address/telephone number]]]

[If the relevant Underlying Reference is an index or basket of indices, insert:

*** It is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.

The sponsor of the, or each, index composing the Underlying Reference also maintains an Internet Site at [the following address] [●] where further information may be available in respect of the Underlying Reference.

[Name of Index Sponsor Website]

[Insert relevant disclaimer for each index:]]

8. **OPERATIONAL INFORMATION**

ISIN: [●]

Common Code: [●]

CFI: [●] [Not applicable]

FISN: [●] [Not applicable]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Initial Paying Agents: [●]

Names and addresses of additional Paying Agent(s) (if any): [●]

9. **DISTRIBUTION**

(i) If syndicated, names and addresses of Managers and underwriting commitments: [Not applicable/give names and addresses and underwriting commitments]

(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)

(ii) Date of Subscription Agreement: [Not applicable] [●]

(iii) Stabilising Manager(s) (if any): [Not applicable/give name]

(iv) If non-syndicated, name of Dealer: [Not applicable/give name]

(v) Non-exempt offer: [Not applicable] [An offer of the Securities may be made by [the Managers and] [Insert names and addresses of financial intermediaries receiving consent (specific consent)] other than pursuant to Article 1(4) of the Prospectus Regulation in [specify relevant member state(s) – which must be jurisdictions where the Prospectus and any supplements have been passported] ("Public Offer Jurisdictions") during the

period from [specify date] until [specify date] ("**Offer Period**"). See further Paragraph 12 (*Terms and Conditions of the Offer*) of Part B below.

(vi)	Prohibition of Sales to EEA Retail Investors:	[Applicable] [Not Applicable]
10.	TERMS AND CONDITIONS OF THE OFFER(*)	[Not applicable]
	Offer Period:	[specify]
	Offer Amount:	[give details]
	Offer Price:	[Issue Price][specify]
	Conditions to which the offer is subject:	[Not applicable/give details]
	Description of the application process:	[Not applicable/give details]
	Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not applicable/give details]
	Details of the minimum and/or maximum amount of application:	[Not applicable/give details]
	Details of the method and time limits for paying up and delivering the Securities:	[Not applicable/give details]
	Manner in and date on which results of the offer are to be made public:	[Not applicable/give details]
	Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not applicable/give details]
	Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not applicable/give details]
	Amount of any expenses and taxes specifically charged to the subscriber:	[Not applicable/give details]
	Name(s) and address(es), to the extent known to the relevant Issuer,	[None/give details]

* Not relevant for an issue of Securities with an issue price of equal to or greater than Euro 100,000 (or its equivalent in another currency).

of the placers in the various countries where the offer takes place.

Consent to use of Base Prospectus [None/give details]

Other intermediaries in case of public distribution through trading venues (including SeDeX) [None/give details]

11. **SECONDARY MARKET PRICING** [Applicable³²] [Not applicable]

(If not applicable, delete the remaining sub-paragraph of this paragraph)

[In the event that the Issuer decides to purchase the Securities from the Securityholder prior to the Settlement Date, the secondary market pricing provided by the Issuer on the Securities will reflect [●] *(give details of hedge unwinding costs and/or loss of profit related to such hedging portfolio)*

[A secondary market for the Warrants will be available [through the multilateral trading facility of [EuroTLX][SeDeX][●], where Mediobanca/[●] will act as Liquidity Provider with a maximum bid/ask spread of [●] per cent. [under normal market conditions]/[specify other].]

12. **[EU BENCHMARKS REGULATION**

[Benchmarks:

Amounts payable under the Securities will be calculated by reference to [●] which is provided by [●]. *(if more than one, specify in relation to each relevant Benchmark)*

As at [●],[●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**EU Benchmarks Regulation**"). [As far as the Issuer is aware [[insert name of Benchmark[s]/the [relevant] Benchmark] [does/do] not fall within the scope of the EU Benchmarks Regulation by virtue of Article 2 of the EU Benchmarks Regulation.]/[the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that [●] is not currently required to obtain authorisation or

³² Where application is only made for the Securities to be admitted to trading on a multilateral trading facility and no application for the admission to trading on a regulated market in the European Economic Area nor any offer in the European Economic Area or the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation or the UK Prospectus Regulation are provided for, this document will not constitute the Final Terms for the purposes of Article 8 of the Prospectus Regulation or the UK Prospectus Regulation but will constitute a pricing supplement.

registration (or, if located outside the European Union, recognition, endorsement or equivalence).]

[Amounts payable under the Securities will be calculated by reference to [●] which is provided by [●]. (*if more than one, specify in relation to each relevant Benchmark*)

As at [●],[●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 (*Register of administrators and benchmarks*) of Regulation (EU) No. 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**")/[As far as the Issuer is aware, as at the date hereof, [[*insert name of Benchmark[s]*]/the [relevant] Benchmark] [does/do] not fall within the scope of the UK Benchmarks Regulation/ [As far as the Issuer is aware, the transitional provisions in Article 51 of UK Benchmarks Regulation apply, such that [●] is not currently required to obtain authorisation or registration (or, if located outside the United Kingdom, recognition, endorsement or equivalence).]

PART C – OTHER APPLICABLE TERMS

[Insert other relevant information and provisions in accordance with Annex 28 of Commission Delegated Regulation (EU) 2019/980, such as (i) additional provisions, not required by the relevant securities notes, relating to the underlying country(ies) where the offer(s) to the public takes place, (ii) country(ies) where admission to trading on the regulated market(s) is being sought, (iii) country(ies) into which the relevant base prospectus has been notified, (iv) series number, (v) tranche number. Delete if not required.]

PART D – SUMMARY OF THE SPECIFIC ISSUE

[Insert Summary of the specific issue]

TAXATION

The following is a general summary of certain Italian, Luxembourg and Irish tax consequences of the purchase, the ownership and the disposal of the Securities. It does not purport to be a comprehensive description of all the tax aspects which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors and of Securities, some of which (such as dealers in securities or commodities and certain non-Italian resident Securityholders purchasing Securities convertible or exchangeable into shares) may be subject to special rules.

Prospective investors are advised to consult in any case their own tax advisers concerning the overall tax consequences of their purchase, ownership and disposal of the Securities. Only these advisers are in a position to duly consider the specific situation of the prospective investor.

This summary assumes that Mediobanca and Mediobanca International are resident for tax purposes in the Republic of Italy and in Luxembourg respectively and are structured and conduct their business in the manner outlined in this Prospectus. Changes in Mediobanca and/or Mediobanca International's organisational structure, tax residence or the manner in which each of them conducts its business may invalidate this summary. This summary also assumes that each transaction with respect to the Securities is at arm's length.

Where in this summary English terms and expressions are used to refer to Italian, Luxembourg and Irish concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian, Luxembourg and Irish concepts under Italian, Luxembourg and Irish tax laws.

This summary is based upon the laws and/or practice in force as at the date of this Prospectus, which are subject to any changes in laws and/or practice occurring after such date, which could be made on a retroactive basis.

Neither Mediobanca nor Mediobanca International will update this summary to reflect changes in laws and/or practice. If any such change should occur, the information in this summary could become obsolete.

(A) Italian tax regime of the Securities issued by Mediobanca

The Securities may be subject to different tax regimes depending on whether:

- (a) they represent derivative financial instruments or bundles of derivative financial instruments, through which the Securityholders purchase indirectly underlying financial instruments; or
- (b) they represent a debt instrument implying a "use of capital" (*impiego di capitale*), through which the Securityholders transfer to the Issuer a certain amount of capital, for the economic exploitation of the same, subject to the right to obtain a (partial or entire) reimbursement of such amount at maturity, not having 100 per cent. capital protection guaranteed by the Issuer.

Tax on income and capital gains

Securities representing derivative financial instruments or bundles of derivative financial instruments

Payments in respect of Securities qualifying as securitised derivative financial instruments as well as capital gains of the Securities received by Securityholders which are (a) Italian resident companies or similar entities (including Italian permanent establishments of a non-Italian residents to which the Securities are effectively connected), (b) Italian resident partnerships carrying out commercial activities or similar commercial entities (c) Italian resident individuals engaged in entrepreneurial activities to which the Securities are effectively connected, are included in the relevant holder's taxable business income and are therefore subject to the general Italian corporate tax ("IRES"), or to personal income taxation ("IRPEF") as business income, as the case may be, according to the ordinary rules. In certain cases, depending on the *status* of the Securityholder, such proceeds may also have to be included in its taxable base for regional income tax on business activities ("IRAP").

According to Article 5 of Legislative Decree No. 461 of 21 November 1997 ("**Decree No. 461**"), payments in respect to Securities as well as capital gains realised by (a) Italian resident individual not engaged in entrepreneurial activities to which the Securities are effectively connected, (b) an Italian partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership) or a *de facto* partnership not carrying out commercial activities or (c) an Italian private or public institution not carrying out mainly or exclusively commercial activities, upon the sale for consideration or redemption of the Securities are subject to a

substitute tax (*imposta sostitutiva*) currently at rate of 26 per cent.. Securityholders may generally set-off capital losses with gains of the same nature. In respect of the application of the substitute tax, said Securityholders listed above may opt for one of the three regimes described below:

- (a) under the tax declaration regime ("**Tax Declaration Regime**"), which is the standard regime for the taxation of capital gains for Italian resident individuals not engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, all capital gains, net of any incurred capital loss of the same nature, realised pursuant to all sales or redemptions of the Securities carried out during any given tax year. The overall capital gains realised in any tax year, net of any relevant incurred capital loss of the same nature, must be reported in the annual tax return and *imposta sostitutiva* must be paid on such gains together with any balance income tax due for the relevant year. Capital losses in excess of capital gains may be carried forward against capital gains of the same nature realised in any of the four succeeding tax years.
- (b) as an alternative to the Tax Declaration Regime, the Securityholders may elect to pay the *imposta sostitutiva* separately on payments received in respect of Securities and capital gains realised on each sale or transfer or redemption of the Securities under the so called "*regime del risparmio amministrato*" provided for by Article 6 of Decree No. 461 (the "**Administrative Savings Regime**"). Such separate taxation of capital gains is allowed subject to (i) the Securities being deposited with Italian banks, "*società di intermediazione mobiliare*" ("**SIMs**") or certain authorised financial intermediaries (or permanent establishments in Italy of foreign intermediaries) and (ii) an express election for the Administrative Savings Regime being timely made in writing by the relevant Securityholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Securities, as well as on capital gains realized as at revocation of its mandate, net of any relevant incurred capital loss of the same nature, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Where a sale or transfer or redemption of the Securities results in a capital loss, such loss may be offset against with capital gains of the same nature subsequently realised, within the same relationship of deposit, in the same tax year or in the following tax years up to the fourth. Under the Administrative Savings Regime, the Securityholder is not required to declare the capital gains in the annual tax return.
- (c) Where the Securities are part of a portfolio managed under the "**Asset Management Regime**" (pursuant to Article 7 of Decree No. 461) by an Italian asset management company or an authorized financial intermediary, following to an express election of the Securityholder, any payments received as well as capital gains realised upon sale, transfer or redemption of the Securities will not be subject to the substitute tax on capital gains but will contribute the determination of the annual accrued increase in value of the managed portfolio, subject to 26 per cent. annual substitutive tax, to be paid on behalf of the taxpayer by the managing authorised intermediary. Any decrease in value of the managed portfolio at year end may be carried forward against appreciation accrued in each of the following years up to the fourth. The Securityholder is not required to declare the capital gains realised in the relevant annual tax return if under the Asset Management Regime.

Subject to certain limitations and requirements (including a *minimum* holding period), capital gains in respect of the Securities realized upon sale, transfer or redemption by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity may be exempt from taxation, including the substitute tax of 26 per cent., if the Securities are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements applicable from time to time as set forth by Italian law.

Any capital gains on Securities (as well as increase or decrease of their relevant fair market value) held by Italian resident open-ended or closed-ended collective investment funds ("**Funds**"), SICAVs and non real-estate SICAFs contribute to determine the increase in value of the managed assets of the Funds, SICAVs or SICAFs accrued at the end of each tax year. The Funds, SICAVs or non real-estate SICAFs will not be subject to taxation on such increase, but a withholding tax of 26 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Where a Securityholder is an Italian resident real estate investment fund or an Italian resident real estate SICAF, to which the provisions of Law Decree No. 351 of 25 September, 2001, Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010, and Legislative Decree No. 44 of 4 March 2014, all as amended, apply, capital gains realised will be subject neither to substitute tax nor to any other income tax in the hands of

the real estate investment fund or the real estate SICAF. The income of the real estate investment fund or of the real estate SICAF is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Any capital gains on Securities held by a Securityholders who is an Italian resident pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. *ad hoc* annual substitute tax (the "Pension Fund Tax").

Subject to certain limitations and requirements (including *minimum* holding period), capital gains in respect of Securities realized upon sale, transfer or redemption by Italian resident pension fund may be excluded from the taxable base of the Pension Fund Tax, if the Securities are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements applicable from time to time as set forth by Italian law.

Capital gains realised by non-Italian-resident Securityholders without a permanent establishment in Italy to which the Securities are effectively connected from the sale or redemption of Securities traded on regulated markets in Italy or abroad are not subject to the substitute tax, regardless of whether the Securities are held in Italy. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Securityholders who hold the Securities with an Italian authorised financial intermediary and elect to be subject to the Asset Management Regime or are subject to the Administrative Savings Regime, may be required to file in due time to the Italian authorised financial intermediary an appropriate self-declaration (*autocertificazione*) that they are not resident in Italy for tax purposes.

Capital gains realised by non-Italian resident Securityholders without a permanent establishment in Italy to which the Securities are effectively connected from the sale or redemption of Securities not traded on regulated markets issued by an Italian or non-Italian resident issuer may in certain circumstances be taxable in Italy, if the Securities are held in Italy.

However, where the Securities are not traded on a regulated market in Italy or abroad, pursuant to the provisions of Decree No. 461, non-Italian resident beneficial owners of the Securities with no permanent establishment in Italy to which the Securities are effectively connected are exempt from the substitute tax in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Securities if they are resident for tax purposes in a state or territory included in the "**White List**" (i.e. Decree of the Minister of Finance dated 4 September, 1996, as amended and supplemented from time to time and to be updated every six months period according to Article 11, par. 4, let. c) of Legislative Decree April 1st, 1996, No. 239, last amendment made on 23 March 2017). The same exemption applies where the beneficial owners of the Securities are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors established in countries included in the White List, even if they do not have the status of taxpayers in their own country of residence; or (iii) Central Banks or entities which manage, inter alia, the official reserves of a foreign State. Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the Securities are effectively connected elect for the Asset Management Regime or are subject to the Administrative Savings Regime, exemption from Italian capital gains tax will apply upon condition that they provide in time with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirement indicated above. Additional statements may be required for non-Italian resident Securityholders who are institutional investors.

Non-Italian resident individuals or entities without a permanent establishment in Italy to which the Securities are connected that may benefit from a double taxation treaty with the Republic of Italy providing that capital gains realised upon the sale or redemption of Securities are to be taxed only in the country of tax residence of the recipient, will not be subject to the substitute tax in the Republic of Italy on any capital gains realised upon the sale or redemption of Securities. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Securityholders who hold the Securities with an Italian authorised financial intermediary and elect to be subject to the Asset Management Regime or are subject to the Administrative Savings Regime, may be required to produce in due time to the Italian authorised financial intermediary appropriate documents which include, inter alia, a statement from the competent tax authorities of the country of residence.

Please note that for a non-Italian resident Securityholder, the Administrative Savings Regime shall automatically apply, unless it is expressly waived this regime, where the Securities are deposited in custody or administration with an Italian resident authorised financial intermediary or permanent establishment in the Republic of Italy of a foreign intermediary.

Securities representing debt instruments implying a "use of capital" not having 100 per cent. capital protection guaranteed by the Issuer

Payments relating to Securities issued by Mediobanca that are not deemed to fall within the category of (a) bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) or of (b) shares or securities similar to shares (*azioni or titoli similari alle azioni*), may qualify as atypical securities (*titoli atipici*) for Italian tax purposes pursuant to Article 5 of Law Decree No. 512 of 30 September 1983 ("**Decree No. 512**"), and are subject to a withholding tax, levied at the rate of 26 per cent. For this purpose, pursuant to Article 44 of the TUIR, securities similar to bonds are securities that (i) incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and (ii) do not grant to the relevant holders any right to directly or indirectly participate to the management of the issuer or of the business in relation to which they are issued or to control the same management.

Where the Securityholder is (i) an Italian resident individual engaged in an entrepreneurial activity to which the Securities are connected, (ii) an Italian resident company or a similar Italian resident commercial entity, (iii) a permanent establishment in Italy of a foreign entity to which the Securities are effectively connected, (iv) an Italian resident commercial partnership or (v) an Italian resident commercial private or public institution, the 26 per cent. withholding tax is applied by the Italian-resident withholding agent as provisional withholding tax. In all other cases, including when the Securityholder is a non-Italian resident, the withholding tax is a final withholding tax.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the withholding tax on interest, premium and other income relating to the Securities (which qualify as "atypical" securities as defined above), if such Securities are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements applicable from time to time as set forth by Italian law.

Double taxation treaties entered into by Italy may apply allowing for a lower (generally 10 per cent. or, in certain cases, nil) rate of withholding tax in case of payments to non Italian resident Securityholders, subject to proper compliance with relevant subjective and procedural requirements.

(B) Tax regime of the Securities issued by Mediobanca International

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Securities should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

*Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding tax or a tax of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), employment fund's contribution (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, net wealth tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the employment fund's contribution. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.*

1. Tax treatment of the Securities in Luxembourg

Luxembourg tax residency of the holders of the Securities

A holder of the Securities will not become resident, or be deemed to be resident, in Luxembourg by reason only of the holding of the Securities, or the execution, performance, delivery and/or enforcement of the Securities.

Income taxation of the holders of the Securities

Taxation of Luxembourg non-residents

Under the existing laws of Luxembourg, the exercise or sale of Securities by a non-resident Holder does not give rise to taxable income in Luxembourg, unless such Securities were held as business assets by such non-resident through a permanent establishment or through a permanent representative in Luxembourg.

A non-resident corporate holder of the Securities or an individual holders of the Securities acting in the course of the management of a professional or business undertaking, that has a permanent establishment or permanent representative in Luxembourg to which or to whom such Securities are attributable, is subject to Luxembourg income tax on any gains realised upon the sale or disposal, in any form whatsoever, of the Securities.

Taxation of Luxembourg residents

Holders of Securities who are residents of Luxembourg will not be liable to any Luxembourg income tax on repayment of principal.

(a) Individual holders of Securities

Individual holders of Securities are not subject to taxation on capital gains upon the disposal of the Securities, unless the disposal of the Securities (whether by sale, redemption or exchange) precedes the acquisition of the Securities or the Securities are disposed of within six months of the date of acquisition of these Securities.

If an individual holder of Securities is acting in the course of management of a professional or business undertaking, he/she is then subject to Luxembourg tax as described below in the section "*Corporate holders of Securities*".

(b) Corporate holders of Securities

A corporate holder of Securities must include any gain realised on the sale or disposal (i.e. the difference between the disposal price and the fiscal value of the Securities disposed of) in any form whatsoever, of the Securities, in its taxable income for Luxembourg income tax assessment purposes.

Luxembourg resident companies holders of the Securities which are companies benefiting from a special tax regime, such as (i) family wealth management companies subject to the Luxembourg law of 11 May 2007 on family estate management companies, as amended; (ii) undertakings for collective investment subject to the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended; (iii) specialised investment funds subject to the Luxembourg law of 13 February 2007 on specialised investment funds, as amended; or (iv) companies regulated by the Luxembourg law of 23 July 2016 on reserved alternative investment funds, not investing in risk capital, are exempt from income tax in Luxembourg and thus, income derived from the Securities, as well as gains realised on the sale or disposal, in any form whatsoever, exempt from such tax (the "**Luxembourg Special Tax Regime Treatment**").

Net wealth tax

In respect of individuals, the Luxembourg law of 23 December 2005 abrogating the net wealth tax for individuals and adopting other measures, as amended, has abolished the net wealth tax with effect from 1 January 2006. Luxembourg net wealth tax will not be levied on a corporate holder of Securities unless: (i) such holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions; or (ii) such Security is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg.

A resident corporate holder of Securities or non-resident corporate holder of Securities that maintains a permanent establishment, permanent representative or a fixed place of business in Luxembourg to which such Securities are attributable, is subject to Luxembourg net wealth tax on such Securities, except if such holder is governed by (i) the Luxembourg law of 11 May 2007 on family estate management companies, as amended; (ii) the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended; (iii) the Luxembourg law of 13 February 2007 on specialised investment funds, as amended; (iv) the Luxembourg law of 22 March 2004 on securitisation, as amended; (v) the Luxembourg law of 15 June 2004 on venture capital vehicles, as amended; or

(vi) it is a company that is subject to the Luxembourg law of 23 July 2016 on reserved alternative investment funds.

However, further to the Luxembourg law of 18 December 2015 on net wealth tax aspects, as amended certain companies such as (i) securitisation companies governed by the Luxembourg law of 22 March 2004, as amended; (ii) risk capital companies governed by the Luxembourg law of 15 June 2004, as amended; (iii) professional pension institutions in the form of variable capital companies (*sociétés d'épargne-pension à capital variable* - SEPCAVs) or associations (*associations d'épargne-pension* - ASSEPs) governed by Luxembourg the law of 13 July 2005, as amended; and (iv) reserved alternative investment funds under the form of corporations which invest in risk capital, subject to the Luxembourg law of 23 July 2016, should fall within the scope of the minimum net wealth tax, which may vary depending on the total amount and type of assets held. Such minimum net wealth tax may either amount to EUR 4,815 or range between EUR 535 and EUR 32,100 (the "**Luxembourg Minimum Net Wealth Tax**").

Other taxes

1. Registration duties

It is not compulsory that the Securities or subject to any other formality in Luxembourg with any notary, court, or other authority in Luxembourg, in order to ensure the legality, validity, enforceability or admissibility as evidence of any of the Securities in Luxembourg, or that any registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty will be payable in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Securities, unless the Securities are registered (or lodged with a notary's records), either voluntarily or by order of a Luxembourg court or official authority, or if they are attached (*annexés*) to any document subject to mandatory registration in Luxembourg (such as a public deed).

2. VAT

There should not be any Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Securities or in respect of the payment of interest or principal under the Securities or the transfer of Securities, provided that Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the relevant Issuer, if for Luxembourg value added tax purposes such services are rendered, or are deemed to be rendered, in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

3. Inheritance and gift tax

No Luxembourg inheritance tax is levied on the transfer of Securities upon the death of a Securities holder in cases where the deceased was not a resident of Luxembourg at the time of his death for inheritance tax purposes.

Luxembourg gift tax will be levied in the event that the gift is made pursuant to a notarial deed signed before a Luxembourg notary or is otherwise registered in Luxembourg.

4. Tax treatment of the Securities in Italy for Italian resident investors

Any gain obtained from the sale or the exercise of the Securities representing derivative financial instruments or bundles of derivative financial instruments would be subject to the same tax regime as described under (A) "Italian tax regime of the Securities issued by Mediobanca", paragraph "*Tax on income and capital gains*", above.

Where an Italian resident Securityholder is an individual who was not tax resident of Italy for at least 9 of the past 10 years, transferred the tax residence to Italy and opted, through a ruling procedure, for the application of an EUR 100,000 substitute tax on his/her annual foreign-sourced income pursuant to Article 24-*bis* of Decree No. 917, as introduced by the Law No. 232 of 11 December 2016, the payment of such substitute tax will be substitutive of any income tax due on the foreign-sourced income, including capital gains on the sale or redemption of Securities held out of the Italian territory.

In case Securities representing debt instruments implying a "use of capital" do not guarantee the total reimbursement of the principal, under Italian tax law they should qualify as "atypical securities" pursuant to Law Decree No. 512, payments in respect of such Securities received by Italian resident individual Securityholders would be subject to the following regime:

- (a) if the Securities are placed (*collocati*) in Italy, payments made to individual investors holding the Securities not in connection with an entrepreneurial activity will be subject to a 26 per cent. final withholding tax. This withholding tax is levied by the entrusted Italian resident bank or financial intermediary, if any, that is involved in the collection of payments on the Securities, in the repurchase or in the transfer of the Securities. However, if the Securities are beneficially owned by non-Italian residents are deposited with an Italian bank or other resident financial intermediary (or permanent establishment in Italy of foreign financial intermediary) or are sold through an Italian bank or other resident financial intermediary (or permanent establishment in Italy of foreign financial intermediary) or in any case an Italian resident financial intermediary (or permanent establishment in Italy of foreign financial intermediary) intervenes in the payment relating to the Securities, to ensure payment without application of Italian taxation a non-Italian resident Securityholder may be required to produce to the Italian bank or other financial intermediary a statement (*autocertificazione*) stating that he or she is not resident in Italy for tax purposes;
- (b) if the Securities are not placed (*collocati*) in Italy or in any case where payments on the Securities are not received through an entrusted Italian resident bank or financial intermediary (that is involved in the collection of payments on the Securities, in the repurchase or in the transfer thereof) and no withholding tax is levied, the individual beneficial owners (not engaged in a business activity to which the Securities are effectively connected) will be required to declare the payments in their income tax return and subject them to a final substitute tax at a rate of 26 per cent. The Italian individual Securityholder may elect instead to pay ordinary personal income tax at the progressive rates applicable to them in respect of the payments; if so, the Italian individual Securityholder should generally benefit from a tax credit for withholding taxes applied outside Italy, if any.

The 26 per cent. withholding tax does not apply to payments made to an Italian resident Securityholder which is (i) an Italian resident commercial partnership, (ii) an Italian resident company or a similar Italian resident commercial entity (including the Italian permanent establishment of foreign entities to which the Program Securities are effectively connected) and (iii) a commercial private or public institution. In particular, in such cases, payments must be included in the relevant Securityholder's annual income tax return to be therefore subject to ordinary Italian business income taxation (and, in certain circumstances, depending on the status of the Securityholder, also to IRAP) and the beneficial owners should be generally entitled to a tax credit for any withholding tax applied outside Italy.

(C) Irish Taxation of the Securities issued by Mediobanca and Mediobanca International

The following is a summary of the Irish withholding tax treatment of the Securities. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities.

The summary is based upon the laws of Ireland and the published practices of the Revenue Commissioners of Ireland as in effect on the date of this Base Prospectus. Prospective investors in the Securities should consult their own advisers as to the Irish or other tax consequences of the purchase, beneficial ownership and disposition of the Securities including, in particular, the effect of any state or local law taxes, if applicable.

Irish Withholding Tax

Irish withholding tax applies to certain payments including payments of:

- Irish source yearly interest (yearly interest is interest that is capable of arising for a period in excess of one year);
- Irish source annual payments (annual payments are payments that are capable of being made for a period in excess of one year and are pure income-profit in the hands of the recipient); and
- Distributions (including interest that is treated as a distribution under Irish law) made by companies that are resident in Ireland for the purposes of Irish tax.

Such withholding tax applies at the standard rate of income tax (currently 20 per cent) to payments of Irish source yearly interest and Irish source annual payments, and at a prescribed rate of 25 per cent to distributions.

On the basis that the relevant Issuer is not resident in Ireland for the purposes of Irish tax, nor does the relevant Issuer operate in Ireland through a branch or agency with which the issue of the Securities is connected, nor are the Securities held in Ireland through a depository or otherwise located in Ireland, then to the extent that payments of interest or annual payments arise on the Securities, such payments should not be regarded as payments having an Irish source for the purposes of Irish taxation.

Accordingly, the relevant Issuer or any paying agent acting on behalf of the relevant Issuer (save as described at Irish Encashment Tax below) should not be obliged to deduct any amount on account of these Irish withholding taxes from payments made in connection with the Securities.

Separately, for as long as the Securities are quoted on a stock exchange, an investor should not be obliged to deduct any amount on account of Irish tax from a payment made by it in connection with the purchase of the Securities.

Irish Encashment Tax

Payments on any Securities paid by a paying agent in Ireland or collected or realised by an agent in Ireland acting on behalf of the beneficial owner of Securities will be subject to Irish encashment tax at a prescribed rate of 25 per cent. This is unless it is proved, on a claim made in the required manner to the Revenue Commissioners of Ireland, that the beneficial owner of the Securities entitled to the interest or distribution is not resident in Ireland for the purposes of Irish tax and such interest or distribution is not deemed, under the provisions of Irish tax legislation, to be income of another person that is resident in Ireland. In addition, an exemption applies where the payment is made to a company where that company is beneficially entitled to that income and is or will be within the charge to corporation tax in respect of that income.

5. Payments made by the Guarantor under the Guarantee

There is no express position of the Italian tax authorities on the tax treatment applicable on payments performed by a guarantor *in lieu* of the Issuer.

In principle, whilst payments made by the Italian Guarantor to the holders of Securities in order to refund the amount invested in the Securities should not give rise to any tax liability since they do not qualify as payments of income; payments made by the Italian Guarantor to the holders of Securities in relation to proceeds due on the Securities by the issuer, may give rise to Italian tax liability.

According to a certain interpretation of Italian tax law, payments of interest performed by the Guarantor would have the same legal nature of that originally payable by the issuer and thus could be treated, in certain circumstances, as a payment made by the issuer and thus be subject to the tax regime described in the previous paragraph (A) in case of an Italian issuer and paragraph (B) in case of a non-Italian issuer. Conversely, according to a different interpretation of the law the payments performed by the Guarantor change the nature of the amounts due since the Guarantor pays the relevant amount in relation to a different and new legal title and thus the relevant tax treatment of the payments shall be examined based on such new legal title and on the nature and residence of the recipient.

(D) General Provisions applicable in Italy to both Mediobanca and Mediobanca International Issues

Tax monitoring

Pursuant to Italian Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990, as amended from time to time, Italian tax resident individuals, non-commercial entities, non-commercial partnerships and similar entities, who are the beneficial owners of investments abroad or of foreign financial assets (including Securities held abroad and/or Securities issued by a non-Italian resident issuer), must, in certain circumstances, report the amount of Securities issued by Mediobanca or Mediobanca International held abroad during each tax year to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same deadline prescribed for the income tax return). Inbound and outbound transfers and other transfers occurring abroad in relation to investments should not be reported in the income tax return.

The requirement applies also where the persons above, being not the direct holders of the financial instruments, are the actual owners ("*titolari effettivi*") of the financial instruments in accordance with Articles 1(2)(pp) and 20, and with the Technical Annex, of the Decree No. 231 of 21 November 2007.

The above reporting requirement does not apply with respect to (i) foreign investments (including the Securities) deposited for management with Italian financial intermediaries or relevant contracts entered into through their intervention, upon condition that any related income has been subject to tax by such financial intermediaries, or (ii) if the foreign investments are exclusively composed of deposits and/or bank accounts and their aggregate value does not exceed EUR 15,000 threshold throughout the year.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, as converted in law, with amendments, by Law No. 286 effective from 24 November 2006, transfers of any valuable asset (including the Securities) as a result of death or donation (or other transfer for no consideration) of Italian residents and of non-Italian residents, but in such latter case limited to assets held within the Italian territory (which, for presumption of law, includes Securities issued by Italian resident issuers), are generally taxed in Italy as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding EUR 1,000,000.00 for each beneficiary;
- (ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift;
- (iii) transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000.00 for each beneficiary; and
- (iv) any other transfer is subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the beneficiary has a serious disability recognised by law, inheritance and gift taxes apply on its portion of the net asset value exceeding EUR 1,500,000.00.

The *mortis causa* transfer of financial instruments (including the Securities) as a result of death is exempt from inheritance tax when such financial instruments are included in a long-term savings account (*piano individuale di risparmio a lungo termine*), that meets the requirements applicable from time to time as set forth by Italian law.

A tax credit may be available for the inheritance and gift tax paid in Italy under the applicable double tax treaty on inheritance and gift, if any.

Transfer tax

Contracts relating to the transfer of Securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of EUR 200; (ii) private deeds are subject to registration tax at rate of EUR 200 only in case of use or voluntary registration or if the so-called "*caso d'uso*" or "*enunciazione*" occurs.

Stamp duty

Pursuant to Article 13 par. 2^{ter} of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to its clients in respect of any financial product and instrument, including the Securities, which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent., it cannot be lower than € 34.20, and, for taxpayers which are not individuals, it cannot exceed EUR 14,000. This stamp duty is determined on the basis of the market value or, if no market value figure is available, on the basis of face value or redemption value.

The statement is deemed to be sent at least once a year, including with respect to the instruments for which is not mandatory nor the deposit nor the release nor the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable based on the period accounted.

Pursuant to the law and the implementing decree issued by the Italian Ministry of Economy on 24th May, 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June, 2012) of an entity that exercises a banking, financial or insurance activity in any form within the Italian territory.

Wealth Tax on securities deposited abroad

Pursuant to Article 19 of Decree No. 201 of 6 December 2011, Italian resident individuals and, starting from fiscal year 2020, Italian non-commercial entities and Italian non-commercial partnerships and similar institutions (*società semplici* or similar partnerships in accordance with Article 5 of Presidential Decree No. 917 of 22 December 1986) holding financial instruments, including the Securities, outside the Italian territory are required to declare them in their own annual tax return and pay a wealth tax at the current rate of 0.20 per cent. Starting from fiscal year 2020, for taxpayers other than individuals, this wealth tax cannot exceed Euro 14,000 per year.

This tax is calculated on the market value of the Securities at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due). The financial assets held abroad are excluded from the scope of the wealth tax, if such financial assets are administered by Italian financial intermediaries pursuant to an administration agreement.

Italian Financial Transaction Tax

Where the Issuer decides to redeem the Securities at their maturity by delivering shares or other equity-like instruments to the investor, an Italian Financial Transaction Tax ("IFTT") may apply. In particular, Article 1(491) of Law No. 228 of 24 December 2012 (the "**Stability Law for 2013**") as amended by Law Decree of 21 June 2013, No. 69, introduced a stamp duty-like IFTT of 0.2 per cent. on the transfer of shares and other equity-like instruments issued by Italian resident entities (for this purpose, residence must be determined on the basis of the location of the entity's registered office). This also encompasses any financial instruments that have such shares or equity-like instruments as their underlying assets, irrespective of the issuer's residence. The IFTT applies even if the transfer takes place outside Italy and/or any of the parties to the transaction are not resident in Italy.

The IFTT rate is reduced by half to 0.1 per cent. if the transfer takes place on a regulated market or multilateral trading system. The IFTT is determined with reference to the net daily balance of purchase and sale transactions performed by the same person in the same financial instrument. In particular, the taxable base is determined by multiplying: (i) the number of securities corresponding to the sum of the net daily balance of purchase and sale transactions for each financial instrument for which there are net purchases (as opposed to net sales); and (ii) the weighted average price of the purchases of such financial instruments carried out on the relevant day.

Article 1(492) of the Stability Law for 2013 introduces a fixed levy IFTT that applies to all transactions involving equity derivatives which have Italian shares, Italian equity-like instruments or Italian equity-related instruments as their underlying assets. An equity derivative is subject to the IFTT if the underlying or reference value consists of more than 50 per cent., of the market value of Italian shares, Italian equity-like instruments or Italian equity-related instruments, as measured on either: (i) the date of issuance, for financial instruments traded on regulated markets or on multilateral trading systems; or (ii) the date when the relevant contract is entered into in all other cases. The IFTT applies even if the transfer takes place outside Italy and/or any of the parties to the transaction are not resident in Italy.

The amount of tax due depends on the type of derivative instrument and on the contract's value, but is subject to a maximum of EUR 200. This IFTT is reduced to 1/5 of the relevant amount if the transfer takes place on a regulated market or multilateral trading system. If a derivative is equity-settled, the consequent share transaction is ordinarily subject to the IFTT under Article 1(491) of the Stability Law for 2013.

The IFTT under Article 1(491) of the Stability Law for 2013 is due by and borne by the (ultimate) transferee of the shares or equity-like instruments. The IFTT under Article 1(492) of the Stability Law for 2013 is due by each party involved in the relevant transaction. The IFTT must be paid and accounted for to the Italian tax authorities by any intermediary intervening in any way in the execution of such transactions, e.g. banks, fiduciary companies

or investment firms licensed to provide investment services on a professional basis to the public in accordance with Article 18 of Italian Legislative Decree No. 58 of 24 February 1998, including non-Italian resident intermediaries. However, the Stability Law for 2013 provides that such an intermediary is permitted to refrain from executing the relevant transaction until they have received the amount of IFTT due on the transaction from the relevant person referred to above. Non-Italian resident intermediaries may appoint an Italian withholding agent as a tax representative in order to take care of the compliance regarding the IFTT. In the event that several financial intermediaries are involved, the obligation to make the payment of the IFTT to the Italian tax authorities falls on the party that directly receives the transaction order from the parties. If no intermediary is involved in a transaction, the relevant parties referred to above must pay the IFTT due directly to the Italian tax authorities.

A 0.02 per cent IFTT has also been introduced on high frequency trading carried out on the Italian financial market.

Some exemptions may apply.

IFTT should not apply to Securities which qualify as atypical securities (*titoli atipici*). However, an official position of the Italian tax authorities in this regard is not available.

(E) French Taxation of the Securities issued by Mediobanca and Mediobanca International

This summary is based on tax laws and taxation practice, as in effect and applied as at the date of this Base Prospectus and is intended to provide general information only. This section does not address all French tax considerations that may be relevant to an investor. In some cases, different rules and specific exemptions can be applicable, depending, in particular, on the characterisation of the Securities for French tax purposes or on the specific tax situation of the investor. Tax laws, taxation practices and their interpretation are constantly under change, which changes may sometimes have a retroactive effect and may change the conclusions set out in this summary. Investors should seek professional advice with respect to the tax consequences of an investment in the Securities, taking into account the particular aspects of their situation.

This summary assumes that the Securities will be treated as debt securities under French tax law and that the income and gains from the Securities do not have a French source. It does not discuss the taxation of derivatives, neither does it determine the conditions under which structured products can be treated differently from debt under French tax law. It also assumes that each Issuer is not a tax resident for French tax purposes and does not act through a permanent establishment in France in relation to the Securities. Finally, it is based on the assumption that there will be no substitution of the Issuers and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the terms and conditions of the Securities).

Withholding of French tax by Mediobanca and Mediobanca International

Income paid or accrued by the Issuers on the Securities will remain outside of the scope of the French withholding tax legislation to the extent such Securities are not issued through a French branch or permanent establishment of the Issuers.

Taxation of French tax resident individuals

Taxation of income

The income deriving from the Securities, including the sums that may be regarded as redemption premiums, are generally treated as interest from a French tax perspective.

Interest and other income received by individual holders of Securities who are French tax residents (*domiciliés fiscalement*) and who do not hold their Securities in connection with a business they carry on, are taxable in the hands of the investor to income tax and social surtaxes following a two-step process.

Interest and other similar revenues received by French tax resident individuals are first subject to a non-discharging withholding tax ("*prélèvement non libératoire de l'impôt sur le revenu*" - PFNL) withheld at a flat-rate of 12.8% as well as 17.2% of social surtaxes (CSG, CRDS and solidarity levy). The PFNL is considered to be an advance payment on the final tax liability. The PFNL must be withheld and reported by the paying agent of

such income in the meaning of the French withholding tax legislation, and usually is the financial institution keeping the bank or financial account of the investor.

If the paying agent is established outside France, the individual investor is responsible for paying the income tax prepayment and the social surtaxes directly to the French tax authorities no later than the 15th day of the month following the payment received under the Securities. If the paying agent is established outside France, in an EU or EEA member state, it can however be appointed by the taxpayer as tax representative to account for and pay the PFNL on behalf of the taxpayer.

Upon final taxation, the income paid to a French tax resident individual is then in principle taxed at a flat rate of 30% (12.8% of income tax and 17.2% of social surtaxes – together referred to as the “*prélèvement forfaitaire unique*” or PFU) or, upon election, under the ordinary progressive brackets of income tax (the election would apply on all investment income and capital gains) at a standard progressive rate of up to 45%. If the French tax resident individual elects for the application of the ordinary progressive brackets, a 6.8% portion of the aforementioned social surtaxes should be deductible from the taxable income of the following tax year.

Should the amount of the PFNL exceed the final tax liability, the difference would be refunded to the French resident individual.

If the French resident individual receives income subject to a withholding tax in the Issuers’ jurisdictions, a French tax credit may be available under the applicable tax treaty, if any.

Taxation of capital gains

Capital gains derived from the disposal of the Securities should be in principle subject to the PFU, at a global rate of 30% (12.8% of personal income tax and 17.2% of social surtaxes). If the French tax resident individual elects for the application of the ordinary progressive brackets, a 6.8% portion of the aforementioned social surtaxes should be deductible from the taxable income of the following tax year. Absent such election, no portion of social surtaxes will be deductible from the taxable income.

If French tax resident holders of Securities dispose of them at a loss, capital losses can in principle be offset against capital gains recognized during the same year and having the same nature, the excess being carried forward for a maximum of 10 years. Conversely, capital losses will not be otherwise deductible for income tax purposes.

In case of settlement, redemption or other forms of repayment by way of physical delivery of shares, the taxation of the corresponding income may, in certain circumstances, be deferred until the disposal of the received shares. French resident individuals should consult their advisors regarding these aspects.

Exceptional contribution on high income (“Contribution exceptionnelle sur les hauts revenus”)

An exceptional contribution on high income may be applicable to French tax resident holders of Securities, where their “reference income” exceeds EUR 250,000 for a single person or EUR 500,000 for a couple taxed on a joint basis.

The “reference income” for the relevant fiscal year would include income and gains realised in relation to the Securities.

This contribution is equal to 3% of the fraction of the “reference income” above EUR 250,000 for a single person (or EUR 500,000 for a couple) and, 4% on the “reference income” over EUR 500,000 for a single person (or EUR 1 million for a couple).

Gift and inheritance taxes

Subject to the provisions of the relevant bilateral tax treaty, French gift or inheritance taxes would be levied on the transfer of the Securities by way of gift by, or on the death of, French tax resident holder, if:

- a) the holder of Securities is a resident in France; or
- b) the beneficiary is resident in France and has been so resident for at least six years over the ten preceding years;
or
- c) if both the holder of Securities, and the beneficiary are non-French residents, the transferred assets are located

in France. Assets located in France for French gift/inheritance tax purposes would include receivables and other forms of debt instruments over a debtor established in France.

The tax bands and rates depend, in particular, on the kinship between the individuals concerned.

Taxation of French tax resident corporate investors

Corporate income tax and additional contribution – general aspects

As a general rule, income or capital gains in relation to the Securities are subject to corporate income tax at the standard rate of 26.5% (or to specific rates applicable depending on a company's turnover and the level of its taxable profits) on an accrual basis. An additional contribution of 3.3% of the amount of corporate income tax due by the taxpaying company may be due if that company is subject to a corporate income tax charge exceeding EUR 763,000.

For fiscal years beginning on or after 1 January 2022, the standard rate will be reduced to 25% (other rates may apply depending on a company's turnover and the level of its taxable profits).

Capital losses are generally treated as ordinary losses which may be set off against operational profits. The remaining losses may be carried forward indefinitely, but their use is limited, for a given year, to EUR 1 million plus 50% of the taxable profit exceeding this amount. Besides, an option can be made by the holders of Securities in order to carry back the losses against their prior taxable result but limited to the taxable profit of the previous year and up to the limit of EUR 1 million.

If the French corporate resident holder of Securities receives income subject to a withholding tax in the Issuers jurisdictions, a French tax credit may be available under the applicable tax treaty, if any.

Taxation of interest and redemption premiums

In principle, interest payments are taxed at the above-mentioned standard corporate income tax rate (or the reduced rate applicable to small companies where the relevant conditions are met) on an accrual basis.

If the French corporate resident holder of Securities receives income subject to a withholding tax in the Issuers jurisdictions, a French tax credit may be available under the applicable tax treaty, if any.

Any redemption premium would be taxed at the above-mentioned standard corporate income tax rate (or to reduced rates applicable to small and medium companies meeting certain requirements). However, if the estimated value of the redemption premium exceeds the purchase value of the Securities by 10% or more and the average issue price of the Securities is less than 90% of the estimated redemption value, the taxation of such premium is spread according to the actuarial method. The taxation of the premium is hence spread on an annual basis over the lifetime of the Securities until the maturity.

Taxation of Capital gains

Capital gains derived from the disposal of the Securities, by corporate resident holders should be taxable at standard rate of corporate income tax. The taxable gains should be reduced by the amount of the fraction of interest and redemption premiums taxed under the actuarial method.

In case of settlement, redemption or other forms or repayment by way of physical delivery of shares, the taxation of the corresponding income may, in certain circumstances, be deferred until the disposal of the received shares. French corporate resident holders of Securities should specifically consult their own tax advisors regarding these aspects.

Taxation of non-French tax resident investors

Income and capital gains derived from the Securities, received by individuals who are not residents of France for tax purposes are not taxable in France.

The income and capital gains derived from Securities by corporate investors who have neither their corporate seat nor their effective place of management in France, are not taxable in France unless the Securities form part of the business property of a French permanent establishment (these investors should instead generally refer to the "Taxation of French tax resident corporate investors" section above).

Transfer Taxes

The subscription, purchase or subsequent sale of Securities, is not in principle subject to transfer tax in France. However, the following may be relevant in connection with Securities, which are settled or redeemed by way of physical delivery of shares issued by a French company:

- a) The settlement, redemption or other forms or repayment by way of physical delivery of outstanding shares in French companies should generally give rise to French transfer taxes pursuant to administrative guidelines. The conversion or exchange of Securities against shares issued by a public company whose registered office is located in France for consideration is, in principle, subject to a 0.1% transfer tax³³ (the "French Transfer Tax"), provided, in the case of shares listed on a recognised stock exchange, that the transfer is evidenced by a written deed or agreement executed in France (BOI-ENR-DMTOM-40-10-10 n°50).
- b) A financial transaction tax (the "French Financial Transaction Tax") is imposed, subject to certain exceptions, on certain acquisitions of French shares (or certain assimilated securities) which are listed on a recognised stock exchange where the relevant issuer's stock market capitalisation exceeds EUR 1 billion (on 1st December of the previous calendar year). The rate of the French Financial Transaction Tax is 0.3% of the acquisition price. There are a number of exemptions from the French Financial Transaction Tax and investors shall revert to their counsel to identify whether they can benefit from them.
- c) If the French Financial Transaction Tax applies to a transaction that would normally trigger the payment of the French Transfer Tax mentioned in (a) above, an exemption in respect of the French Transfer Tax is applicable.

The settlement or redemption of Securities by way of physical delivery of shares issued by non-French companies will generally not be subject to French transfer taxes unless such transfer is evidenced by a written deed or agreement signed in France.

(F) Proposed European Financial Transactions Tax (FTT)

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances.

Under current Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be amended prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

³³ Other rates and specific rules may apply in specific circumstances (e.g. a 0.3% rate if the shares have been issued by a French private company or a French partnership, or a 5% rate if the shares have been issued by a company regarded as a "real estate company" for French transfer tax purposes).

(G) Exchange of Information

On 25 May 2018, the EU Council Directive 2018/822 (**DAC 6**) has been adopted. Under DAC 6, intermediaries which meet certain EU nexus criteria and taxpayers are required to disclose to the relevant tax authorities certain cross-border arrangements, which contain one or more of a prescribed list of hallmarks, performed from 25 June 2018 onwards. In specific cases, this obligation will shift to the taxpayer. Information with regard to reported arrangements will be automatically exchanged by the competent authority of each EU jurisdiction every 3 months. Under DAC 6, a cross-border arrangement has to be reported if (i) it is a cross-border arrangement which bears one or more of the hallmarks listed in DAC 6, (ii) in certain instances the main or expected benefit of the arrangement is a tax advantage and (iii) it concerns at least one EU jurisdiction. The Issuers or its intermediaries involved may be legally obliged to notify to tax authorities certain types of cross-border arrangements and proposals for implementing such arrangements.

(H) The Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuers are foreign financial institutions for these purposes.

A number of jurisdictions (including Ireland, Italy, France and Luxembourg) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, are uncertain and may be subject to change.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Securities, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional Securities (as described under "*Terms and Conditions – Further Issues*") that are not distinguishable from previously issued Securities are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all such Securities, including those Securities offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Securityholders should consult their own tax advisors regarding how these rules may apply to their investment in the Securities.

GENERAL INFORMATION

(1) Listing and Admission to Trading

The Central Bank of Ireland has approved this Base Prospectus as a base prospectus under the Prospectus Regulation. Application has also been made to the Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for Securities issued under the Programme to be listed on the Official List of Euronext Dublin and admitted to trading on the regulated market of Euronext Dublin. Euronext Dublin’s regulated market is a regulated market for the purposes of the Directive 2014/65/EU, as amended.

However, Securities may be issued pursuant to the Programme which will not be listed or admitted to trading on Euronext Dublin or any other stock exchange or trading venue or which will be listed or admitted to trading on such stock exchange or market or multilateral trading facility as the Issuers and the relevant Dealer(s) may agree.

The Central Bank of Ireland may, at the request of the relevant Issuer, send to the competent authority of another European Economic Area member state: (i) a copy of this Base Prospectus; and (ii) an Attestation Certificate.

- (2) Each Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in Ireland and the Republic of Italy in connection with the establishment and update of the Programme and the issue and performance of the Securities and the guarantee relating to them. The update of the Programme, including the giving of the Guarantee, was authorised by a resolution adopted by the Executive Committee of Mediobanca passed on 26 October 2021 and the decision (*determina*) assumed by the General Manager (*Direttore Generale*) of Mediobanca on 17 November 2021 and a resolution of the Board of Directors of Mediobanca International passed on 20 October 2021.
- (3) The price and amount of Securities to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
- (4) Save as disclosed in this Base Prospectus at page 425 (*Legal and arbitration proceedings*), Mediobanca International (where Mediobanca International is the relevant Issuer) is not and none of Mediobanca and its consolidated subsidiaries (where Mediobanca is the relevant Issuer or the Guarantor) is or has been involved in any governmental, legal, arbitration or administrative proceedings in the 12 months preceding the date of this document relating to claims or amounts which may have, or have had in the recent past, a significant effect on the Mediobanca Group’s financial position or profitability and, so far as Mediobanca or, as the case may be, Mediobanca International is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.
- (5) Neither Mediobanca nor Mediobanca International nor any of Mediobanca’s subsidiaries has entered into any contracts in the last two years outside the ordinary course of business that have been or may reasonably be expected to be material to such Issuer’s ability to meet its obligations to Securityholders.
- (6) Since 30 June 2021 (being the last day of the financial period in respect of which the most recent audited annual financial statements of Mediobanca have been prepared) there has been no material adverse change in the prospects of Mediobanca or its subsidiaries.
- (7) Since 30 June 2021 (being the last day of the financial period in respect of which the most recent audited annual financial statements of Mediobanca have been prepared) there has been no material adverse change in the prospects of Mediobanca International.
- (8) There have been no significant changes to the financial or trading position or to the financial performance of Mediobanca or the other companies forming part of the Group since the most recent unaudited financial information available was disclosed in the audited consolidated financial statements as at 30 June 2021;
- (9) There have been no significant changes to the financial or trading position or to the financial performance of Mediobanca International since the most recent audited financial information available was disclosed in the audited consolidated financial statements as at 30 June 2021.

- (10) For so long as the Programme remains in effect or any Securities remain outstanding, the following documents will be available in electronic form (unless the investor requests physical copies), and in the case of paragraphs (vi), (vii), (viii) and (ix) below, may be obtained free of charge during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent and the Paying Agent:
- (i) the Issue and Paying Agency Agreement. A copy of the Issue and Paying Agency Agreement will be electronically available for viewing on the website: <https://www.mediobanca.com/en/products-issued/documents/framework-documentation.html>;
 - (ii) the Deeds of Covenant. A copy of the Deeds of Covenant will be electronically available for viewing on the website: <https://www.mediobanca.com/en/products-issued/documents/framework-documentation.html>;
 - (iii) the Deed of Guarantee. A copy of the Deed of Guarantee will be electronically available for viewing on the website: <https://www.mediobanca.com/en/products-issued/documents/framework-documentation.html>;
 - (iv) the Programme Manual (being a manual signed for the purposes of identification by the Issuers and the Fiscal Agent, containing suggested forms and operating procedures for the Programme, including the forms of the Securities in global and definitive form). A copy of the Programme Manual will be electronically available for viewing on the website: <https://www.mediobanca.com/en/products-issued/documents/framework-documentation.html>;
 - (v) the By-laws (*Statuto*) of Mediobanca and articles of incorporation of Mediobanca International. A copy of the By-laws (*Statuto*) of Mediobanca and articles of incorporation of Mediobanca International will be electronically available for viewing on the Issuers' websites: <https://www.mediobanca.com/en/corporate-governance/governance-reports-and-documents/documents.html> (in respect of Mediobanca – Banca di Credito Finanziario S.p.A.) and <https://www.mediobancaint.lu/en/index.html> (in respect of Mediobanca International (Luxembourg) S.A.);
 - (vi) the published annual financial statements of Mediobanca International as at and for the years ended 30 June 2020 and 2021;
 - (vii) the consolidated annual financial statements of Mediobanca as at and for the years ended 30 June 2020 and 2021;
 - (viii) Final Terms for Securities which are listed on Euronext Dublin or any other stock exchange or market;
 - (ix) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus.

A copy of this Base Prospectus will also be electronically available for viewing on Euronext Dublin's website (www.euronext.com/en/markets/dublin).

In compliance with Article 21(3) of the Prospectus Regulation, a copy of this Base Prospectus along with the documents incorporated by reference in this Base Prospectus and any applicable supplement and final terms will be electronically available for viewing on Euronext Dublin website (www.euronext.com/en/markets/dublin).

- (11) Physical copies of the latest annual consolidated financial statements of Mediobanca and annual financial statements of Mediobanca International may be obtained upon request at the specified office of the Paying Agent during normal business hours, so long as any of the Securities is outstanding.
- (12) The Issuers do not intend to provide any post-issuance information in relation to any assets underlying issues of Securities constituting derivative securities, except if required by any applicable laws and regulations.

- (13) The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Securities allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Securities are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.
- (14) The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of Monte Titoli S.p.A. is Piazza degli Affari 6, 20123 Milan, Italy.
- (15) The websites of the Issuers are, respectively: www.mediobanca.it (in respect of Mediobanca – Banca di Credito Finanziario S.p.A.) and www.mediobancaint.lu (in respect of Mediobanca International (Luxembourg) S.A.). For the avoidance of doubts, unless specifically incorporated by reference in this Base Prospectus, information contained on any website indicated herein does not form part of this Base Prospectus.
- (16) Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, Mediobanca and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of Mediobanca or Mediobanca's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with Mediobanca routinely hedge their credit exposure to Mediobanca consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Securities issued under the Programme. Any such short positions could adversely affect future trading prices of Securities issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the purpose of this paragraph the term "affiliates" includes also parent companies.
- (17) With respect to Article 5(1) of the Prospectus Regulation the Issuers consent, to the extent and under the conditions, if any, indicated in the Final Terms, to the use of the Base Prospectus as long as the Base Prospectus is valid in accordance with Article 12 of the Prospectus Regulation and accept responsibility for the content of the Base Prospectus also with respect to subsequent resale or final placement of the Securities by any Dealer and/or financial intermediary which was given consent to use the prospectus.

Such consent may be given to all (general consent) or only one or more (individual consent) specified Dealers and/or financial intermediaries and/or for a limited or indefinite period, as stated in the Final Terms, and for France, Italy and/or Luxembourg (as indicated in the relevant Final Terms) as member states in which the Base Prospectus has been passported and which will be indicated in the relevant Final Terms.

Such consent by the Issuers is subject to each Dealer and/or financial intermediary complying with the terms and conditions described in this Base Prospectus and the relevant Final Terms as well as any applicable selling restrictions. The distribution of this Base Prospectus, any supplement to this Base Prospectus, if any, and the relevant Final Terms as well as the offering, sale and delivery of the Securities in certain jurisdictions may be restricted by law.

Each Dealer and/or each financial intermediary, if any, and/or each person into whose possession this Base Prospectus, any supplement to this Base Prospectus, if any, and the relevant Final Terms come are required to inform themselves about and observe any such restrictions. The Issuers reserve the right to withdraw its consent to the use of this Base Prospectus in relation to certain Dealers and/or each financial intermediary.

In case of an offer being made by a Dealer or a financial intermediary, such Dealer or financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.

If the Final Terms state that the consent to use the Base Prospectus is given to all Dealers or financial intermediaries (general consent), any Dealer or financial intermediary using the Base Prospectus is required to state on its website that it uses the Base Prospectus in accordance with the consent and the conditions attached thereto.

If the Final Terms state that the consent to use the prospectus is given to one or more specified Dealers or financial intermediaries (individual consent), any new information with respect to Dealers or financial intermediaries unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms will be published on the website www.mediobanca.com.

REGISTERED OFFICE

MEDIOBANCA - Banca di Credito Finanziario S.p.A. **Mediobanca International (Luxembourg) S.A.**
Piazzetta E. Cuccia, 1 4, Boulevard Joseph II
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Italy Grand Duchy of Luxembourg

ARRANGER

MEDIOBANCA - Banca di Credito Finanziario S.p.A.
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20121 Milan
Italy

MANDATED DEALER

MEDIOBANCA - Banca di Credito Finanziario S.p.A.
Piazzetta E. Cuccia, 1
20121 Milan
Italy

TAX AND LEGAL ADVISER TO MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.

GSK Stockmann SA
44, Avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

LEGAL ADVISERS TO THE ARRANGER

As to English and Italian law

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Italy

FISCAL AGENT AND PAYING AGENT

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Grand Duchy of Luxembourg

LISTING AGENT

McCann FitzGerald Listing Services Limited
Riverside One, Sir John Rogerson's Quay
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