BASE PROSPECTUS

INTESA SANPAOLO S.p.A.

(incorporated as a società per azioni in the Republic of Italy)

WARRANTS AND CERTIFICATES PROGRAMME
IMI CORPORATE & INVESTMENT BANKING

Under the terms of its Warrants and Certificates Programme IMI Corporate & Investment Banking (the "**Programme**"), Intesa Sanpaolo S.p.A. ("**Intesa Sanpaolo**" or the "**Issuer**" or the "**Bank**") may from time to time issue warrants or covered warrants (respectively, "**Warrants**" and "**Covered Warrants**", and together, save as otherwise specified in this Programme, "**Warrants**") or certificates ("**Certificates**" and, together with the Warrants, "**Securities**"). Depending on the type of financial asset used as Underlying(s), the Securities may be Index Securities, Share Securities, Exchange Rate Securities, Futures Contract Securities, Fund Securities, Govies Securities, Interest Rate Securities, Commodity Securities or Combined Securities (each as defined below). If so specified in the relevant Final Terms, the Issuer may issue Certificates under the Programme described as "green" ("**Green Certificates**"), "climate" ("**Climate Certificates**"), "social" ("**Social Certificates**"), "sustainability" ("**Sustainability Certificates**").

Each issue of Securities will be made on the terms set out herein which are relevant to such Securities under "*Terms and Conditions of the Securities*" (the "**Conditions**") and in the form of the relevant final terms document (the "**Final Terms**"). Securities may be issued in bearer form ("**Bearer Securities**") or registered form ("**Registered Securities**"). Securities may also be issued in bearer, uncertificated and dematerialised book-entry form in accordance with the applicable provisions of the Italian law, regulations and operating procedures applicable to and/or issued by the relevant Italian central securities depository ("**Italian Dematerialised Securities**").

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the *loi relative aux prospectus pour valeurs mobilières* dated 16 July 2019 as amended (the "**Prospectus Law 2019**"), which implements the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended (the "**Prospectus Regulation**") to approve this document as a base prospectus.

This Base Prospectus has been approved by the CSSF, as competent authority under the Prospectus Regulation. The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the securities that are the subject of this Base Prospectus; investors should make their own assessment as to the suitability of investing in the Securities. The CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality or solvency of the Issuer in line with the provisions of Article 6 (4) of the Prospectus Law 2019.

Application has also been made to the Luxemburg Stock Exchange for Securities issued under the Programme to be (i) listed on the official list of the Luxembourg Stock Exchange (the "**Official List**") and (ii) admitted to trading on the Luxembourg Stock Exchange's regulated market (the "**Luxembourg Stock Exchange Regulated Market**") (including the professional segment of the regulated market of the Luxembourg Stock Exchange) and the multilateral trading facilities, EuroMTF, of the Luxembourg Stock Exchange (the "**EuroMTF**") (including the professional segment of the Euro MTF). The Luxembourg Stock Exchange Regulated Market is a regulated market for the purposes of the Directive 2014/65/EU, as amended (the "**MiFID II**"). The EuroMTF is not a regulated market for the purposes of MiFID II, but it is subject to the supervision of the CSSF.

The CSSF has neither reviewed nor approved any information in this Base Prospectus concerning the Securities admitted to trading on the EuroMTF. The CSSF assumes therefore no responsibility in relation to the issues of Securities admitted to trading on the EuroMTF.

The Programme provides that Securities may be listed or admitted to trading, as the case may be, on such further or other stock exchanges or markets as the Issuer may determine. The applicable Final Terms will specify whether or not Securities are to be listed on the Luxembourg Stock Exchange and/or any other stock exchange(s). The Issuer may

also issue unlisted Securities and/or Securities not admitted to trading on any market.

Prospective purchasers of Securities should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Securities as an investment in the light of their own circumstances and financial condition. Securities involve a high degree of risk, including the risk of their expiring worthless. Potential investors should be prepared to sustain a loss of all or part of the purchase price of their Securities. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Securities and are not relying on the advice of the Issuer or, if relevant, any Manager in that regard. See Section "*Risk Factors*". 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.

IMPORTANT – RETAIL INVESTORS - If the Final Terms in respect of any Securities includes a legend entitled "Prohibition of Sales to 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 either in the European Economic Area (the "**EEA**") or in one or more specified jurisdictions in the EEA, and/or in one or more specified jurisdictions outside the 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 ("**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU ("**IDD**"), 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; or (iv) a retail client within the meaning of any equivalent definition under the applicable legislation of the specified jurisdiction outside the EEA. 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 and/or in the specified jurisdiction(s) only has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA and/or in the specified jurisdiction(s) only may be unlawful under the PRIIPS Regulation.

Amounts payable under the Securities may be calculated or otherwise determined by reference to one or more underlyings that may constitute "benchmarks" for the purposes of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the "**Benchmark Regulation**" or "**BMR**"). If any such underlying does constitute such a benchmark the applicable final terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the BMR. Not every underlying will fall within the scope of the Benchmark Regulation. Furthermore, pursuant to article 51 of the BMR, transitional provisions in the Benchmark Regulation 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 BMR is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the applicable final terms to reflect any change in the registration status of the administrator.

The Securities and, in case of Physical Delivery Securities, the Deliverable Asset (as defined herein) to be delivered upon the exercise of such 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 authority of any State or other jurisdiction of the U.S., and trading in the Securities has not been approved by the Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended (the "**Commodity Exchange Act**"). The Securities and the Deliverable Asset may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States or to a U.S. person unless such offer or sale has been registered under the Securities Act or pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act.

The Securities and the Deliverable Asset are being offered and sold outside the U.S. to persons that are not U.S. persons (as defined in Regulation S ("**Regulation S**") under the Securities Act) in reliance on Regulation S. No Securities of any series, or interests therein, or Deliverable Asset may at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, any U.S. person and any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. The Securities and the Deliverable Asset may not be legally or beneficially owned at any time by any U.S. person. For a description of certain further restrictions on offers and sales of the Securities and on the

distribution of this Base Prospectus, see "*Offering and Sale*" below.

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 has any of the foregoing authorities passed upon or endorsed the merits of the offering of Securities or the accuracy or the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

This Base Prospectus is valid for a period of twelve months from the date of its approval (*i.e.* 12 June 2025). For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies when this Base Prospectus is no longer valid.

The date of this Base Prospectus is 12 June 2024.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation.

The Issuer (the Responsible Person) accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Securities are the Issuer, the persons named in the applicable Final Terms as the relevant Manager(s) and the persons named in or identifiable following the applicable Final Terms as the Authorised Offerors, as the case may be.

This Base Prospectus is to be read and construed in conjunction with any supplement hereto and with all documents which are deemed to be incorporated herein by reference (see "*Information Incorporated by Reference*" below) and, in relation to any Securities, should be read and construed together with the applicable Final Terms. This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

A description of the Final Terms is set out herein at Section "*Form of Final Terms*" and will specify with respect to the issue of Securities to which it relates, *inter alia*, the specific designation of the Securities, the aggregate number and type of the Securities, the date of issue of the Securities, the issue price, the credit event of the specified entity or entities to which the Certificates relate, certain other terms relating to the offering and sale of the Securities including whether they bear remuneration and the exercise date.

The applicable Final Terms will (if applicable) contain information relating to the underlying asset, index or other item(s) (each an Underlying) to which the Securities relate and which is contained in such Final Terms. However, unless otherwise expressly stated in the applicable Final Terms, any information contained therein relating to an Underlying will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such Underlying. The Issuer will, unless otherwise expressly stated in the applicable Final Terms, confirm that such extracts or summaries have been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the issuer, owner or sponsor, as the case may be, of such Underlying, no facts have been omitted that would render the reproduced inaccurate or misleading, but the Issuer does not accept any further or other responsibility in respect of such information.

As specified in the applicable Final Terms, each issue of Securities will entitle the holder thereof to receive from the Issuer the Cash Settlement Amount (if positive), or in the case of Physical Delivery Securities, the Entitlement to be delivered upon the exercise of such Securities, calculated in accordance with the Conditions on such terms as are set out in the Conditions, all as set forth in the Conditions.

To purchase any Security or, upon exercise of Physical Delivery Securities, in order to receive the relevant Entitlement, each Securityholder will be required to certify (in accordance with the provisions outlined in "Offering and Sale" below) that it is not a U.S. person or a person who has purchased such Security or received such Entitlement for resale to, or for the account or benefit

of, U.S. persons and that it is not receiving such Security or exercising a Physical Delivery Security on behalf, or for the account or benefit, of a U.S. person.

Copies of Final Terms will be available from the registered office of the Issuer and, in respect of Securities which are not Italian Dematerialised Securities, also from the specified offices set out below of the Security Agents (as defined below).

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or in the Final Terms or any other information supplied in connection with the Programme or the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any other manager of an issue of Securities (each a Manager).

No Manager has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any Manager as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

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

Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Securities shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same or that there has been no material adverse change in the prospects of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented. Investors should review, inter alia, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Securities.

Warrants create options which are exercisable by the relevant holder and/or will be automatically exercised as provided herein. There is no obligation on the Issuer to pay any amount to any holder of a Warrant or to deliver any asset to any holder of a Warrant unless the relevant holder duly exercises such Warrant or such Securities are automatically exercised and, in certain circumstances, an Exercise Notice is duly delivered. Securities will be exercised or exercisable in the manner set forth herein and in the applicable Final Terms.

Bearer Securities 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 United States persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 as amended (the "Code") and the U.S. Treasury regulations promulgated thereunder.

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

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Securities may be restricted by law in certain jurisdictions. The Issuer does 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. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer which is intended to permit a public offering of any Securities or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Securities or Deliverable Asset may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any 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, there are restrictions on the distribution of this Base Prospectus and the offer or sale of the Securities or the Deliverable Asset in the United States or its possession and the European Economic Area (including Luxembourg, Austria, Belgium, Croatia, France, Greece, Hungary, Ireland, Italy, Portugal, Slovakia, Slovenia and Spain) (see "*Offering and Sale*").

The Securities of each issue may be sold by the Issuer and/or any Manager at such time and at such prices as the Issuer and/or the Manager(s) may select. There is no obligation upon the Issuer or any Manager to sell all of the Securities of any issue. The Securities of any issue may be offered or sold from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer.

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Securities in any Member State of the European Economic Area (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Regulation, from the requirement to publish a prospectus for offers of Securities. Accordingly any person making or intending to make an offer in that Relevant Member State of Securities which are the subject of an offering contemplated in this Base Prospectus as completed by the Final Terms in relation to the offer of those Securities may only do so (i) in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3(1) of the Prospectus Regulation or publish a supplement to a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer, or (ii) if a prospectus for such offer 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 (in either case) published, all in accordance with the Prospectus Regulation, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant Member State, such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Manager have authorised, nor do they authorise, the making of any offer of Securities in

circumstances in which an obligation arises for the Issuer or any Manager to publish or supplement a prospectus for such offer.

In connection with the issue of any Securities, the person or persons (if any) named as 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 final terms of the offer of the relevant 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 Securities and 60 days after the date of the allotment of the relevant Securities. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION CONTAINED OR REFERRED TO IN THIS BASE PROSPECTUS IS NOT INTENDED TO BE RELIED UPON BY PROSPECTIVE INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE; AND (B) PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

All references to "USD", "U.S.$", "$", "US Dollars", "US dollars" and "U.S. dollars" are to United States dollars and references to "euro", "EUR" and "€" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

CERTAIN DEFINITIONS

Intesa Sanpaolo is the surviving entity from the merger between Banca Intesa S.p.A. and Sanpaolo IMI S.p.A., which was completed with effect from 1 January 2007. Pursuant to the merger, Sanpaolo IMI S.p.A. merged by incorporation into Banca Intesa S.p.A. which, upon completion of the merger, changed its name to Intesa Sanpaolo S.p.A. Accordingly, in this Base Prospectus:

- references to "**Intesa Sanpaolo**" are to Intesa Sanpaolo S.p.A. in respect of the period since 1 January 2007 and references to the "**Intesa Sanpaolo Group**" are to Intesa Sanpaolo and its subsidiaries in respect of the same period;
- references to "**Banca Intesa**" or "**Intesa**" are to Banca Intesa S.p.A. in respect of the period prior to 1 January 2007 and references to the "**Banca Intesa Group**" are to Banca Intesa and its subsidiaries in respect of the same period; and
- references to "**Sanpaolo IMI**" are to Sanpaolo IMI S.p.A. in respect of the period prior to 1 January 2007 and references to "**Sanpaolo IMI Group**" are to Sanpaolo IMI and its subsidiaries in respect of the same period.

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

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GENERAL DESCRIPTION OF THE PROGRAMME

The following general description of the programme does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Securities, the applicable Final Terms. The Issuer may determine that Securities shall be issued in a form other than that contemplated in the Terms and Conditions, in which case, in relation to listed Securities only and if appropriate, a supplement to this Base Prospectus will be published.

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

Words and expressions defined in the Terms and Conditions of the Securities and in the remainder of this Base Prospectus shall have the same meanings in this general description.

Issuer:	Intesa Sanpaolo S.p.A.
Description:	Warrants and Certificates Programme IMI Corporate & Investment Banking
Certain Restrictions:	Each issue of Securities denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Offering and Sale*").
Principal Security Agent, Registrar and Luxembourg Listing Agent:	BNP Paribas, Luxembourg Branch.
Calculation Agent:	The Issuer or such other calculation agent specified in the applicable Final Terms.
Settlement Currencies:	Euro, U.S. dollars or any other currency or currencies selected by the Issuer or any Manager, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. The Issuer may issue Securities in respect of which the Cash Settlement Amount and/or Early Redemption Amounts and/or Remuneration Amounts may be payable, as specified in the applicable Final Terms, in one or more currencies (**Settlement Currency** as specified in the applicable Final Terms) which may be different from the currency in which the Issue Price was denominated (**Issue Currency** as specified in the applicable Final Terms) (**Dual Currency Securities**).
Issue Price:	Certificates may be issued at such price as shall be determined by the Issuer or any Manager appointed in respect of the issue subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. The Issue Price will be specified in the applicable Final Terms. If the applicable Final Terms provide for the Reduced Initial Listing Price, the Issue Price will be considered in order to calculate the Multiplier.

Offer Price:

Certificates may be offered in the context of an offer other than pursuant to Article 1(4) of the Prospectus Regulation (a "**Non-exempt Offer**") or in circumstances where there is an exemption from the obligation under the Prospectus Regulation to publish a prospectus (an "**Exempt Offer**" and, together with the Non-Exempt Offer, the "**Offers**"), at such price (the "**Offer Price**") that may be equal to the Issue Price, or such other price as specified in the applicable Final Terms, in case of Offers in the primary market, or that will be equal to the market price of the Securities applicable from time to time, in case of Offers in the secondary market.

Reduced Initial Listing Price:

If specified in the applicable Final Terms, the initial price at which the Securities will be traded on the market will be determined on the basis of the Reduced Initial Listing Price. The Reduced Initial Listing Price may be different from the initial trading price of the Securities and will be lower than the Issue Price. The Reduced Initial Listing Price will be applicable only in relation to Securities to be admitted to listing and/or trading without prior offer.

Purchase Price:

The Digital Certificates may be subscribed by the investor in an Exempt Offer at the Purchase Price, if so specified in the applicable Final Terms. The Purchase Price will be lower than the Issue Price.

Premium:

Warrants may be issued at such price (premium) as shall be determined by the Issuer or any Manager appointed in respect of the issue subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. The Premium will be specified in the applicable Final Terms.

Form of Securities:

Bearer Securities

Each issue of Bearer Securities will, on issue, be represented by either 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.

Registered Securities

Registered Securities will be represented by definitive registered certificates registered in the name of the beneficial owner thereof ("**Registered Securities**") and/or a registered certificate in global form (a "**Global Registered Security**") which will be registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg or in any clearing system specified in the applicable Constituting Instrument. Definitive Exchangeable Bearer Securities will be exchangeable for definitive

	Registered Securities only if and to the extent so specified in the relevant Final terms. Registered Securities will not be exchangeable for Bearer Securities or an interest therein. *Italian Dematerialised Securities* Italian Dematerialised Securities will be issued in bearer (*al portatore*), uncertificated and dematerialised book-entry form into Monte Titoli S.p.A. (with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy, or any successor clearing system thereto) ("**Monte Titoli**") pursuant to Italian legislative decree no. 58/1998, as amended and implemented and subsequent implementing provisions ("**Italian Dematerialised Securities**"). Italian Dematerialised Securities will not be issued in definitive form. However, the holder still has the right to obtain the release of the certificate pursuant to articles 83-*quinquies* and 83-*novies*, paragraph 1, letter b), of the Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions.
Type of Securities:	The Issuer may issue Warrants or Certificates (together, **Securities**) including Index Securities, Share Securities, Exchange Rate Securities, Futures Contract Securities, Fund Securities, Interest Rate Securities, Commodity Securities, Govies Securities and Combined Securities, as specified below. Remuneration Amount(s) may be payable in respect of Securities, if so specified in the applicable Final Terms. Warrants may be European Style Warrants or American Style Warrants.
Settlement:	Settlement will be by cash payment (**Cash Settled Securities**) or physical delivery (**Physical Delivery Securities**). The method of settlement will be specified in the applicable Final Terms. In relation to Certificates only, the applicable Final Terms may also specify that such Certificates are either cash settled of physically settled depending upon the occurrence or not of a specific event (e.g. the Barrier Event). Italian Dematerialised Securities may be issued as Cash Settled Securities only and relevant settlement and payments shall be by way of cash payment only.
How the value of the investment in the Securities is affected by the value of the underlying assets:	The Cash Settlement Amount, the Entitlement, the Early Redemption Amount (if any) and any Remuneration Amount (if any) due under the Securities may be affected by the value of the Underlying or the Underlyings specified in the applicable Final Terms and will depend on the type of Securities issued, as specified in Condition 23 "*Pay-out provisions*".
Index Securities:	The amounts or the occurrence of any event in respect of

Index Securities will be calculated by reference to one or more indexes or basket of indices or one or more baskets of baskets of indices, provided that any of such indexes will not be composed by the Issuer or by any legal entity belonging to the same group.

Share Securities (including GDRs/ADRs Securities):

The amounts or the occurrence of any event in respect of Share Securities will be calculated by reference to one or more shares or basket of shares or one or more baskets of baskets of shares or to one or more GDRs/ADRs or baskets of GDRs/ADRs or one or more baskets of baskets of GDRs/ADRs.

In case of Physical Delivery Securities, the Deliverable Asset will be a specified amount of shares of one or more companies or an amount of GDRs/ADRs of one or more issuers of GDRs/ADRs, as applicable, subject to payment of the Expenses and any other sums payable.

The Share used as Underlying will not:

- issued by the Issuer nor by an entity belonging to the group of the Issuer, and / or
- be converted or exchanged into shares or other transferable securities equivalent to shares issued by the Issuer or by an entity belonging to the group of that Issuer.

Exchange Rate Securities:

The amounts or the occurrence of any event in respect of Exchange Rate Securities will be calculated by reference to one or more exchange rates or basket of exchange rates or one or more baskets of baskets of exchange rates.

Futures Contract Securities:

The amounts or the occurrence of any event in respect of Futures Contract Securities will be calculated by reference to one or more future contracts or a basket of future contracts or one or more baskets of baskets of future contracts.

Interest Rate Securities:

The amounts or the occurrence of any event in respect of Interest Rate Securities will be calculated by reference to one or more interest rates or a basket of interest rates or one or more baskets of baskets of interest rates.

Commodity Securities:

The amounts or the occurrence of any event in respect of Commodity Securities will be calculated by reference to one or more commodities or a basket of commodities or one or more baskets of baskets of commodities.

Govies Securities:

The amounts or the occurrence of any event in respect of Govies Securities will be calculated by reference to:

(i) one or more government or supranational bonds or a basket of government or supranational bonds or one or more baskets of baskets of government or supranational bonds; or
(ii) the yield of one or more government or supranational bonds or the yield of a basket of

government or supranational bonds or one or more baskets of baskets of government or supranational bonds.

Govies Securities, only in case of point (i) above, may also be issued as Physical Delivery Securities. In such case, the Deliverable Asset will be a specified amount of Govies, subject to payment of the Expenses and any other sums payable.

Fund Securities: The amounts or the occurrence of any event in respect of Fund Securities will be calculated by reference to units or shares in one or more funds or a basket of funds or one or more baskets of baskets of funds.

In case of Physical Delivery Securities, the Deliverable Asset will be a specified amount of fund shares or units, subject to payment of the Expenses and any other sums payable. In any case, no fund units, exclusively reserved for qualified investors and prohibited to retail investors in any Relevant Member States, can be physically settled to retail investors in such Relevant Member State.

Combined Securities: The amounts or the occurrence of any event in respect of Combined Securities will be calculated by reference to two or more Underlyings belonging to different asset class.

Combine Securities may also be issued as Physical Delivery Securities, in relation to the Underlying(s) that can be physically settled.

Exercise of Certificates: Each Certificate shall be automatically redeemed on the Exercise Date, unless an Early Redemption Event occurred (if applicable), or a Call Option is exercised by the Issuer (if applicable), or a Put Option is exercised by the Securityholder (if applicable), or an Open End Feature is applicable (in case of Benchmark Certificates, Constant Leverage Certificates and Turbo Certificates), as specified in the relevant Final Terms, or unless a Termination Event or an Adjustment Event or a Market Disruption Event has occurred.

In relation to Certificates that qualify as eligible liabilities, the early exercise of such Certificates shall be subject to the extent such Certificates qualify at such time as liabilities that are eligible to meet the MREL Requirements or, in case of a redemption pursuant to Condition 22(C)(ii) (*Exercise due to a MREL Disqualification Event*) of Certificates qualified as liabilities that are eligible to meet the MREL Requirements before the occurrence of the MREL Disqualification Event, to the condition that the Issuer has obtained the prior permission of the Relevant Authority in accordance with Article 78a of the CRR.

In the case of Certificates listed on the regulated market of jurisdictions other than Luxembourg, Securityholders may be entitled to waive the automatic exercise in accordance with the specific requirements of such regulated market, as

	specified in the applicable Final Terms.
Exercise of Warrants:	European Style Warrants are only exercisable on the Exercise Date or, if such day is not an Exercise Business Day, the immediately succeeding Exercise Business Day (the **Actual Exercise Date** and the **Expiration Date**), unless a Termination Event, or an Adjustment Event, or a Market Disruption Event has occurred. Only in case of Warrants to be admitted to listing and/or trading without prior offer, the relevant Final Terms may specify an Early Redemption Event. American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period (with the last Exercise Business Day of the Exercise Period being (the **Expiration Date**), unless a Termination Event, or an Adjustment Event, or a Market Disruption Event has occurred. Only in case of Warrants to be admitted to listing and/or trading without prior offer, the relevant Final Terms may specify an Early Redemption Event. If Automatic Exercise is not specified in the applicable Final Terms, any Warrant which has not been duly exercised by the relevant Securityholder, at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Expiration Date shall become void. If Automatic Exercise is specified in the applicable Final Terms, any Warrant which has not been duly exercised by the relevant Securityholder, at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Expiration Date and which is, in the determination of the Calculation Agent, "In-The-Money" shall be automatically exercised on the Expiration Date. In the case of Italian Traded Warrants, automatic exercise can be waived by serving a Renouncement Notice, which shall be substantially in the form set out in the Agency Agreement, copies of which may be obtained from the specified office of the Principal Security Agent and the registered office of the Issuer.
MREL Disqualification Event:	Certificates that qualify as eligible liabilities may be redeemed before their stated maturity at the option of Intesa Sanpaolo if the Issuer determines that a MREL Disqualification Event has occurred and is continuing. Any such redemption shall be subject to the circumstances described in "Exercise of Certificates" above.
Modification or Substitution of Certificates:	The Issuer may, without the consent of the holders of Certificates that qualify as eligible liabilities, substitute new securities for such Certificates whereby such new securities shall replace such Certificates, or vary the terms of such Certificates, as fully specified in Condition 8(D)(ii) of the Terms and Conditions.
Return on the Securities:	Cash Settled Securities entitle the holder to payment on the Settlement Date of the Cash Settlement Amount, if positive.

	Physical Delivery Securities entitle the holder to payment on the Settlement Date of the Entitlement, consisting of the Deliverable Asset and, if any, the Residual Amount. If so specified in the relevant Final Terms the Certificates entitle the holder to payment of one or more Remuneration Amounts. The payment of one or more Remuneration Amounts may depend on the value of one or more Underlyings which may be different from the Underlying(s) whose value is calculated for the purpose of other Remuneration Amounts, or whose value is calculated for the purpose of the same Remuneration Amount but in relation to a different valuation period, or whose value is calculated for the purpose of the occurrence of the relevant event(s), or of the Cash Settlement Amount. Only in the case of Warrants to be admitted to listing and/or trading without prior offer, upon the occurrence of an Early Redemption Event, the Securities are deemed to be early redeemed and the Securityholders are not entitled to receive any amount and the Early Redemption Amount will be equal to 0 (zero).
Status of the Securities:	The Securities constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and rank, unless provided otherwise by law, *pari passu* among themselves and, (save for certain obligations required to be performed by law), equally with all other unsecured obligations other than subordinated obligations, if any, of the Issuer from time to time outstanding.
Substitution of the Issuer:	Unless otherwise indicated in the relevant Final Terms, the Issuer is entitled, subject to the Conditions of the Securities, to substitute any other company as principal debtor in respect of all obligations arising from or in connection with any Securities or to change the branch through which it is acting for the purpose of any Securities. Upon any such substitution of the Issuer or branch, the Conditions of the Securities will be amended in all consequential respects.
Listing and Admission to Trading:	Application has been made to the Luxembourg Stock Exchange for Securities issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the Luxembourg Stock Exchange's Regulated Market. The Securities may also be unlisted or admitted to listing and trading on such other or further stock exchange or market or trading venues, as the Issuer may specify in the applicable Final Terms. After the Issue Date, application may be made to list the Securities on other stock exchanges or regulated markets or to admit to trading on other trading venues as the Issuer may decide.
Governing Law:	The Securities and any non-contractual obligations arising out

of or in connection with the Securities will be governed by, and shall be construed in accordance with, English Law. Notwithstanding this, (i) in respect of Italian Dematerialised Securities, the registration and transfer of the Italian Dematerialised Securities in Monte Titoli will be governed by, and will be construed in accordance with, Italian law, and (ii) in respect of the loss absorption provisions described in Condition 17 (*Acknowledgement of Italian Bail-in Power*) and any non-contractual obligations arising out of or in connection with such provisions will be governed by, and will be construed in accordance with, Italian law.

RISK FACTORS

The Issuer believes that the following risk factors may affect its ability to fulfil its obligations in respect of Securities issued under the Programme and are material and specific to the Issuer and the Securities issued under the Programme.

The Issuer believes that the factors described below, represent the principal risks inherent in investing in Securities issued under the Programme, but the inability of the Issuer to pay the Cash Settlement Amounts in respect of the Cash Settled Securities or deliver the Entitlement in respect of Physical Delivery Securities may occur or arise for other unknown reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently believes to be immaterial could also have a material impact on its business operations or the Securities.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. An investment in relatively complex securities such as the Securities involves a greater degree of risk than investing in less complex securities. In some cases, investors may stand to lose the value of their entire investment or part of it, as the case may be.

Terms used in this section and not otherwise defined shall have the meanings given to them in "Terms and Conditions of the Securities".

1. RISK FACTORS RELATING TO THE ISSUER

Prospective investors are invited to carefully read this chapter on the risk factors before making any investment decision, in order to understand the risks related to the Intesa Sanpaolo Group and obtain a better appreciation of the Intesa Sanpaolo Group's abilities to satisfy the obligations related to the Securities issued and described in the relevant Final Terms. The Issuer deem that the following risk factors could affect its ability to satisfy their obligations arising from the Securities.

The risks below have been classified into the following categories:

1) *Risks relating to the financial situation of Intesa Sanpaolo Group;*

2) *Risks related to legal proceedings;*

3) *Risks related to the business sector of Intesa Sanpaolo;*

4) *Risk related to the development of the banking sector regulation and the changes in the regulation on the solution of banking crises;*

5) *Reputational and ESG Risk of Intesa Sanpaolo; and*

6) *Risks related to the entry into force of new accounting principles and the amendment of the applied accounting principles.*

1.1. Risks related to the financial situation of Intesa Sanpaolo Group

Risk exposure to debt securities issued by sovereign States

As at 31 December 2023, based on management data, the exposure to securities issued by Italy

amounted to €22.5 billion. It compared to approximately €27 billion as at 31 December 2022.

The market tensions regarding government bonds and their volatility, as well as Italy's rating downgrading or the forecast that such downgrading may occur, might have negative effects on the assets, the economic and/or financial situation, the operational results and the perspectives of the Bank.

Intesa Sanpaolo Group results are and will be exposed to sovereign debtors, in particular to Italy and certain major European Countries.

As at 31 December 2023, based on management data, the exposure to securities issued by Italy amounted to €22.5 billion (2.3% of the total assets of the Intesa Sanpaolo Group) excluding the insurance business, to which should be added approximately €8.2 billion represented by loans. On the same date, the investments in sovereign debt securities issued by EU countries, Italy included, corresponded to €65.4 billion (6.8% of the total assets of the Intesa Sanpaolo Group) excluding the insurance business, to which should be added €10.7 billion represented by loans. On the whole, the securities issued by governments, central banks and other public entities represented approximately 13% of the total financial assets (calculated excluding the insurance business and including financial assets represented by due from banks and loans to customers).

As at 31 December 2022, based on management data, the exposure to securities issued by Italy amounted to approximately €27 billion (3% of the total assets of the Intesa Sanpaolo Group) excluding the insurance business, to which should be added approximately €8 billion represented by loans. On the same date, the investments in sovereign debt securities issued by EU countries, Italy included, corresponded to €56 billion (6% of the total assets of the Intesa Sanpaolo Group) excluding the insurance business, to which should be added approximately €10 billion represented by loans. On the whole, the securities issued by governments, central banks and other public entities represented 11% of the total financial assets (calculated excluding the insurance business and including financial assets represented by due from banks and loans to customers).

1.2. Risks related to legal proceedings

As at 31 December 2023, there were a total of around 11,000 non-tax related disputes – excluding those involving Risanamento S.p.A., which is not subject to management and coordination by Intesa Sanpaolo – pending at Group level (in addition to around 23,400 "mass" disputes at the international subsidiary banks, which limited aggregate represent a very small remedy sought), with a total remedy sought of around 3,300 million euro. This amount includes all disputes for which the risk of a disbursement of financial resources resulting from a potential negative outcome has been deemed possible or likely and therefore does not include disputes for which risk has been deemed remote. The risks associated with these disputes are thoroughly and individually analysed by the Bank and the Intesa Sanpaolo Group companies. Specific and appropriate provisions have been made to the Allowances for Risks and Charges in the event of disputes for which there is an estimated probability of a disbursement of more than 50% and where the amount of the disbursement may be reliably estimated (disputes with likely risk). Without prejudice to the uncertainty inherent in all litigation, the estimate of the obligations that could arise from the disputes and hence the amount of any provisions recognised are based on the forward-looking assessments of the outcome of the trial. These forward-looking assessments are, in any event, prepared on the basis of all information available at the time of the estimate. The disputes with likely risk are about 26,300 (of which around 19,200 relating to the above-mentioned "mass" disputes) with a remedy sought of 1,775 million euro and provisions of 695 million euro. Compared to last year, there was a decrease in the number of disputes, which mainly concerned disputes certain loan contractual topics relating to the subsidiary Banca Intesa Beograd, details of which are provided in a specific section. The component referring to the Bank, which also includes the dispute relating to the subsidiary Intesa Sanpaolo Provis S.p.A. merged in April, totals around 5,690 disputes, with a remedy sought of 1,516 million euro and provisions of 496 million euro. In Italy, most of them relate to issues of anatocism (2,900 positions).

There were around 600 disputes relating to other Italian subsidiaries, with a remedy sought of 144 million euro and provisions of 77 million euro. With regard to the international subsidiaries, there were around 20,000 disputes with a remedy sought of 115 million euro and provisions of 121 million euro, impacted by the mass disputes. Specifically, there were around 16,400 disputes referring to the subsidiary Banca Intesa Beograd, regarding two areas of litigation that have involved the entire Serbian banking system. The first concerns processing fees charged by banks when granting loans and the second relates to real estate loans insured through the National Housing Loan Insurance Corporation (NKOSK).

Legal risks are thoroughly analysed by the Parent Company and Group companies. Provisions are made to the allowances for risks and charges in the event of disputes for which it is probable that funds will be disbursed and where the amount of the disbursement may be reliably estimated.

For the main pending disputes, the significant developments in 2023 are described below. For previous disputes and a detailed illustration of significant individual disputes, see the Notes to the 2023 Consolidated Financial Statements of the Intesa Sanpaolo Group.

The risk arising from legal proceedings consists of the possibility of the Bank being obliged to pay any sum in case of unfavourable outcome.

The most common legal disputes are related to invalidity, cancellation, inefficacy actions or compensation for damages as a consequence of transactions related to the ordinary banking and financial activity carried out by the Bank.

For any individual assessment regarding legal disputes please refer to the section entitled "*Description of the Issuer – Legal Proceedings*" of this Base Prospectus. Such paragraph also includes information concerning the disputes on the marketing of convertible and/or subordinated shares/bonds issued by *Banca Popolare di Vicenza* or *Veneto Banca*, which filed against respectively *Banca Nuova* and *Banca Apulia* (both subsequently merged by incorporation in Intesa Sanpaolo).

1.3. Risks related to the business sector of Intesa Sanpaolo

Risks related to the economic/financial crisis and the impact of current uncertainties of the macro-economic context

The future development in the macro-economic context may be considered as a risk as it may produce negative effects and trends in the economic and financial situation of the Bank and/or the Group.

Any negative variations of the factors described hereafter, in particular during periods of economic - financial crisis, could lead the Bank and/or the Group to suffer losses, increases of financing costs, and reductions of the value of the assets held, with a potential negative impact on the liquidity of the Bank and/or the Group and its financial soundness.

The trends of the Bank and the Group are affected by the general, national and economic situation of the Eurozone, the dynamics of financial markets and the soundness and growth prospects of the economy of other geographic areas in which the Bank and/or the Group operates.

In particular, the profitability capacity and solvency of the Bank and/or the Group are affected by the trends of certain factors, such as the investors' expectations and trust, the level and volatility of short-term and long-term interest rates, exchange rates, financial markets liquidity, availability and cost of capital, sustainability of sovereign debt, household incomes and consumer spending, unemployment levels, business profitability and capital spending, inflation and housing prices.

The macro-economic framework is currently characterised by significant profiles of uncertainty, in relation to: (a) the Russia-Ukraine conflict and, also in relation to the worsening of the crisis in the

Middle East; (b) the outbreak of COVID-19, which caused a major decline in economic activity in 2020 and may have had persistent effects on the labour market and the business sector; (c) the future developments of ECB monetary policies in the Euro area and of the FED in the dollar area; (d) the tensions observed, on a more or less recurrent basis, on the financial markets; (e) the risk that in the future holders of Italian government debt lose confidence in the credit standing of Republic of Italy, owing to political developments or changes in budgetary policies affecting the sustainability of government debt; (f) the risk of energy supply disruptions and their effects on economic activity and prices.

With reference to the exit of the United Kingdom from the single market on 1 January 2021, changes in the relationship of the UK with the EU may affect the business of the Bank. On 29 March 2017, the UK invoked Article 50 of the Treaty on the European Union and officially notified the EU of its decision to withdraw from the EU. On 31 January 2020 the UK withdrew from the EU and the transition period ended on 31 December 2020 at 11pm. Therefore, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK. The European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) and secondary legislation made under it ensure there is a functioning statute book in the UK.

The EU-UK Trade and Cooperation Agreement (the "**Trade and Cooperation Agreement**"), which governs relations between the EU and UK following the end of the Brexit transition period and which had provisional application pending completion of ratification procedures, entered into force on 1 May 2021. The Trade and Cooperation Agreement does not create a detailed framework to govern the cross-border provision of regulated financial services from the UK into the EU and from the EU into the UK.

The precise impact on the business of the Issuer and the Group is difficult to determine. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Securities and/or the market value and/or the liquidity of the Securities in the secondary market.

Credit risk

As of 31 December 2023, Intesa Sanpaolo recorded a gross NPL ratio (based on EBA metrics) of 1.8%. On 31 December 2022, the same data corresponded to 1.9%, well below the threshold which identify banks in Member States across the Euro area with high levels of non-performing loans. In this regard the credit institutions which recorded a gross NPL ratio higher than 5% are required – on the grounds of the "Guidelines on management of non-performing and forborne exposures" of EBA – to prepare specific strategic and operative plans for the management of such exposures.

Taking into consideration the pattern of the main credit risk indicators in 2023 and the improvement of the Gross NPL ratio well below the 5% threshold, Intesa Sanpaolo deems that the risk related to credit quality is of low relevance.

The economic and financial activity and soundness of the Bank depends on its borrower's creditworthiness. The Bank is exposed to the traditional risks related to credit activity. Therefore, the clients' breach of the agreements entered into and of their underlying obligations, or any lack of information or incorrect information provided by them as to their respective financial and credit position, could have negative effects on the economic and/or financial situation of the Bank. Furthermore, any exposures in the bank portfolio towards counterparties, groups of connected counterparties and counterparties of the same economic sector, which perform the same activity or belong to the same geographic area, could increase the Bank concentration risk.

More generally, the counterparties may not satisfy their respective obligations towards the Bank by reason of bankruptcy, absence of liquidity, operational disruption or any other reason. The bankruptcy of an important stakeholder, or any concerns about its default, could cause serious liquidity issues, losses or defaults by other institutions, which, in turn, could negatively affect the Bank. The Bank may

also be subject to the risk, under specific circumstances, that some of its credits towards third parties are no longer collectable. Furthermore, a decrease of the creditworthiness of third parties, including sovereign States, of which the Bank holds securities or bonds, might cause losses and/or negatively affect the ability of the Bank to invest again or use in a different way such securities or bonds for liquidity purposes. A significant decrease of the creditworthiness of the counterparties of the Bank might, therefore, have a negative impact on the results of the Bank's performances. Albeit, in many cases, the Bank could require further guarantees to the counterparties which are in financial difficulties, certain disputes may arise with respect to the amount of guarantee that the Bank is entitled to receive and the value of the assets which are object of guarantee. The default rates, counterparties rating deterioration and disputes in relation to counterparties on the guaranteed appraisal could be significantly increased during periods of market tensions and illiquidity.

Intesa Sanpaolo has always managed its risk portfolio proactively and prudently, overcoming the various crises of recent years unscathed. Over the 2022-25 planning horizon, the Group intends to pursue a modular de-risking strategy – which was already launched in the last Business Plan with significant results – ranking among the best in Europe in terms of NPL ratios and stock (a Zero-NPL Bank) and generating a sharp drop in the cost of risk. The latter will, in fact, always be maintained at a conservative level, thanks to both substantial reserves for provisions on receivables and ongoing prudent credit management. The de-risking strategy will be ensured also thanks to the supervision and monitoring activities performed by the "Group NPL Plan Control Room". Deleveraging will make use of additional selected partnerships and targeted portfolio disposals.

The results for 2023 confirm that Intesa Sanpaolo is able to generate sustainable profitability even in complex environments thanks to its well-diversified and resilient business model. As at 31 December 2023, the Group's gross non-performing loans amounted to 9.9 billion euro, a decrease of 0.7 billion euro (-7%) over the twelve months, of which 0.6 billion euro attributable to the fourth quarter. In December 2023, their ratio to total loans was 2.3%, in line with the December 2022 figure. Based on EBA definition, on the same date the NPL ratio fell to 1.8% in gross terms and 0.9% in net terms (respectively, 1.9% and 1% at the end of 2022). The process of reducing non-performing loans benefited from modest inflows from performing loans, due to the performances of non-performing loans prevention initiatives, as well as the de-risking initiatives carried out during the year.

Net non-performing loans of the Group for 2023 (bad, unlikely-to-pay, and past due) amounted to €5 billion, down 9.7% from €5.5 billion at year-end 2022, as a result of the continued de-risking. The ratio of net non-performing loans to total net loans to customers came to 1.2% (0.9% according to the EBA definition) with the coverage of non-performing loans amounting to 49.8% compared to 48.4% at the end of 2022. In further detail, in December 2023 bad loans amounted to €937 million (-17.2%), net of adjustments, representing 0.2% of total net loans with a coverage ratio of 72.4%. Loans included in the unlikely-to-pay category amounted to 3.6 billion euro, down by 9.6%, accounting for 0.9% of total net loans to customers, with a coverage ratio of 39.3%. Past due loans amounted to 457 million euro (+10.7%), with a coverage ratio of 27%.

Intesa Sanpaolo continues to operate as a growth accelerator in the real economy in Italy: in 2023, medium/long-term new lending granted by the Group to Italian households and businesses amounted to around €40 billion. In 2023, the Group facilitated the return to performing status of around 3,600 companies, thus safeguarding 18,000 jobs. This brought the total to 140,800 companies since 2014, with 704,000 jobs safeguarded over the same period.

For more information on European legislative initiatives on Non-Performing Loans, please refer to the "Regulatory Section" of this Base Prospectus.

For further information on the management of the "credit risk", please refer to Part E of the Notes to the 2023 Consolidated Financial Statements of the Intesa Sanpaolo Group, incorporated by reference in this Base Prospectus.

Market risk

In 2023, with regard to the use of the overall limit relating to trading and the hold to collect and sell (HTCS) business model, there was an overall reduction in the market managerial VaR from 155 million euro (average managerial VaR fourth quarter 2022) to 116 million euro (average managerial VaR fourth quarter 2023).

Regarding held for trading portfolio only, managerial VaR has recorded in the fourth quarter of 2023 an average value of € 26.4 million in line with the average of the fourth quarter of 2022 (26.6 million).

The market risk is the risk of losses in the value of financial instruments, including the securities of sovereign States held by the Bank, due to the movements of market variables (by way of example and without limitation, interest rates, prices of securities, exchange rates), which could determine a deterioration of the financial soundness of the Bank and/or the Group. Such deterioration could be produced either by negative effects on the income statement deriving from positions held for trading purposes, or from negative changes in the FVOCI (Fair Value through Other Comprehensive Income) reserve, generated by positions classified as financial Activities evaluated at fair value, with an impact on the overall profitability.

The Bank is therefore exposed to possible changes of the financial instruments value, including the securities issued by sovereign States, due to fluctuations of interest rates, exchange rates of currencies, prices of the securities listed on the markets, commodities and credit spreads and/or other risks. Such fluctuations could be caused by changes in the general economic trend, the investors' propensity to investments, monetary and tax policies, liquidity of the markets on a global scale, availability and capital cost, interventions of rating agencies, political events both at social and international level, war conflicts and acts of terrorism.

For further information please refer to Part E of the Notes to the 2023 Consolidated Financial Statements of the Intesa Sanpaolo Group, incorporated by reference in this Base Prospectus.

Liquidity risk of Intesa Sanpaolo

*As at 31 December 2023, the ratio between the loans to customers and the direct deposits from banking business ("**Loan to deposit ratio**"), was at 74.6%, compared to 81.9% on 31 December 2022.*

Both regulatory indicators, LCR and NSFR, were well above the minimum regulatory requirements (100%). At the end of December 2023, the Liquidity Coverage Ratio (LCR) of the Intesa Sanpaolo Group, measured according to Delegated Regulation (EU) 2015/61, amounted to an average of 168.1[1] (181.9% in 2022). At the same date, the Intesa Sanpaolo Group's NSFR, measured in accordance with regulatory instructions, was 121.1% (126% at the end of 2022).

The participation of the Intesa Sanpaolo Group to TLTRO funding transactions with ECB at the end of 2023 was equal to approximately nominal €45.1 billion.

Although the Bank constantly monitors its own liquidity risk, any negative development of the market situation and the general economic context and/or creditworthiness of the Bank, may have negative effects on the activities and the economic and/or financial situation of the Bank and the Group. In particular, in light of the findings set forth in the EBA third report on LCR and NSFR monitoring[2], the Issuer remains attentive to the evolution of the funding market to ensure that its ordinary refinancing strategies and normal business are not affected by the cumulative effect of the maturity of all the remaining central bank funding and additional outflows due to the impact of adverse market liquidity scenarios.

[1] The LCR ratio refers to the simple average of the last 12 months of monthly observations, as per Regulation (EU) 2021/637.
[2] EBA Report on "Monitoring of liquidity coverage ratio and net stable funding ratio implementation in the EU" of 15 June 2023.

The liquidity risk is the risk that the Bank is not able to satisfy its payment obligations at maturity, both due to the inability to raise funds on the market (funding liquidity risk) and of the difficulty to disinvest its own assets (market liquidity risk).

The liquidity of the Bank may be prejudiced by the temporary impossibility of accessing capital markets by the issuance of debt securities (both guaranteed and not guaranteed), the inability to receive funds from counterparties which are external to or of the Intesa Sanpaolo Group, the inability to sell certain assets or redeem its investments, as well as unexpected cash outflows or the obligation to provide more guarantees. Such a situation may occur by reason of circumstances that are independent from the control of the Bank, such as a general market disruption or an operational issue which affects the Bank or any third parties, or also by reason of the perception among the participants in the market that the Bank or other participants in the market are experiencing a higher liquidity risk. The liquidity crisis and the loss of trust in the financial institutions may increase the Bank's cost of funding and limit its access to some of its traditional liquidity sources.

Examples of liquidity risk manifestation are the bankruptcy of an important participant to the market, or concerns about its possible default, which may cause serious liquidity issues, losses or defaults of other banks which, in turn, could negatively affect the Bank; and a decrease of the creditworthiness of third parties of which the Bank holds securities or bonds, that may determine losses and/or negatively affect the ability of the Bank to invest again or use in a different way such securities or bonds for liquidity purposes.

For further information please see Part E of the Notes to the 2023 Consolidated Financial Statements of the Intesa Sanpaolo Group, incorporated by reference in this Base Prospectus.

Operational risk

The Bank is exposed to several categories of operational risk which are intrinsic to its business, among which those mentioned herein, by way of example and without limitation: frauds by external persons, frauds or losses arising from the unfaithfulness of the employees and/or breach of control procedures, operational errors, defects or malfunctions of computer or telecommunication systems, computer virus attacks, default of suppliers with respect to their contractual obligations, terrorist attacks and natural disasters. The occurrence of one or more of said risks may have significant negative effects on the business, the operational results and the economic and financial situation of the Bank. The capital absorption amounts to € 2,278 million as at 31 December 2023 and represents approximately 9.4% of the total value of the Intesa Sanpaolo Group requirement.

The operational risk may be defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk includes the following risks: legal, conduct, compliance, financial crime, fiscal, IT and Cyber, physical security, business continuity, third-party, data quality, fraud, process and employer risks; strategic and reputational risk are not included.

The Bank has defined a framework for the operational, ICT and security risks management which consists of the following phases:

- identification: the detection and description of potential operational, ICT and security risk areas (e.g. operational events, presence of issues, applicability of risk factors, significant risk scenarios);

- assessment and measurement: this phase includes the activities aimed at the qualitative/quantitative determination of the Group operational, ICT and security risk exposure and the transformation of the evaluations collected (e.g. internal and external operational loss data, management levels of risk factors, probability and impact in case of realisation of risk scenarios) in synthetic risk measures;

- monitoring and control: continuous management of changes in the operational, ICT and security risk exposure, also to prevent the occurrence of harmful events and to promote active risk management;

- mitigation: operational, ICT and security risk containment through appropriate mitigation actions and suitable risk transfer strategies, based on a risk-driven approach;

- reporting: preparation of information flows related to operational, ICT and security risk management, designed to ensure adequate knowledge of the exposure to this risk.

Although the Bank constantly supervises its own operational, ICT and security risks, certain unexpected events and/or events out of the Bank's control may occur (including those mentioned above by way of example and without limitation), with possible negative effects on the business and the economic and/or financial situation of the Bank and the Group, as well as on its reputation.

For further information please see Part E of the Notes to the 2023 Consolidated Financial Statements of the Intesa Sanpaolo Group, incorporated by reference in this Base Prospectus.

Foreign exchange risk

The Bank is exposed to several categories of foreign exchange risk which are intrinsic to its business and are lied in foreign currency loans and deposits held by customers, purchases of securities, equity investments and other financial instruments in foreign currencies, conversion to domestic currency of assets, liabilities and income of branches and subsidiaries abroad, trading of foreign currencies and banknotes, and collection and/or payment of interest, commissions, dividends and administrative costs in foreign currencies. Although the Bank constantly monitors its exposure to foreign currencies, any negative development of the foreign rates may have negative effects on activities and the economic and/or financial situation of the Bank and the Group.

"Foreign exchange risk" is defined as the potential loss resulting from changes in the exchange rate that could have a negative impact on the valuation of the assets and liabilities in the financial statements and on earnings and capital ratios. Two types of Foreign Exchange Risk are identified: Structural and Transaction risk. Structural Foreign Exchange Risk is defined as the potential loss resulting from changes in the exchange rate that could have a negative impact on the foreign exchange reserves that are part of the Group's consolidated shareholders' equity, and includes the foreign exchange risk associated with hybrid capital instruments. The key sources of structural foreign exchange risk are therefore the investments in associates and companies subject to joint control.

The Intesa Sanpaolo Group's management of the Structural Foreign Exchange Risk assigns the Parent Company the related management and coordination powers in order to achieve a consistent Group strategy. This choice, which is consistent with the Parent Company's role as the liaison with the Supervisory Authority, allows the activities to be performed based on the specific responsibilities set out in the prudential supervision regulations, in addition to suitably mitigating and/or managing this type of risk. Transaction Foreign Exchange Risk is defined as the potential loss resulting from changes in the exchange rate that may have a negative impact both on the valuation of the assets and liabilities in the financial statements and on the earnings from funding and lending transactions in currencies other than the euro.

The main sources of this foreign exchange risk consist of: non-euro loans and deposits held by corporate and/or retail customers; conversion into domestic currency of assets, liabilities and income of the international branches; trading of foreign currencies; collection and/or payment of interest, commissions, dividends and administrative expenses in foreign currencies; purchase and sale of securities and financial instruments for the purpose of resale in the short term; etc. Transaction foreign exchange risk also includes the risk related to transactions connected to operations that generate the type of structural foreign exchange risk represented, for example, by dividends, earnings in the process

of being generated, and corporate events.

1.4. Risk related to the development of the banking sector regulation and the changes in the regulation on the solution of banking crises

The Bank is subject to a complex and strict regulation, as well as to the supervisory activity performed by the relevant institutions (in particular, the European Central Bank, the Bank of Italy and CONSOB). Both the aforementioned regulation and supervisory activity are subject, respectively, to continuous updates and practice developments.

Furthermore, as a listed Bank, the Bank is required to comply with further provisions issued by CONSOB.

The Bank, besides the supranational and national rules and the primary or regulatory rules of the financial and banking sector, is also subject to specific rules on anti-money laundering, usury and consumer protection.

Although the Bank undertakes to comply with the set of rules and regulations, any changes of the rules and/or changes of the interpretation and/or implementation of the same by the competent authorities could give rise to new burdens and obligations for the Bank, with possible negative impacts on the operational results and the economic and financial situation of the Bank.

Regulatory framework

Starting from 1 January 2014, a part of the prudential rules has been amended on the grounds of the Directions deriving from the so-called Basel III agreements, mainly with the purpose to significantly strengthen the minimum capital requirements, the restraint of the leverage degree and the introduction of policies and quantitative rules for the mitigation of the liquidity risk of the banks.

As for the capital requirements, the prudential provisions in force provide for minimum capitalisation levels. In particular, the banks are required to have a Common Equity Tier 1 (CET 1) ratio at least equal to 7% of the risk-weighted assets, a Tier 1 ratio equal at least to 8.5% of the risk-weighted assets and a Total Capital ratio equal at least to 10.5% of the risk-weighted assets (such minimum levels include the so-called "capital conservation buffer", namely a "buffer" of further mandatory capitalisation).

As known, Intesa Sanpaolo, as a bank of significant importance for the European financial system, is subject to direct supervision of the European Central Bank (ECB). Following the Supervisory Review and Evaluation Process (SREP) the ECB provides, on an annual basis, a final decision of the capital requirement that Intesa Sanpaolo must comply with at consolidated level.

On 30 November 2023, Intesa Sanpaolo announced that it had received the final decision of the ECB concerning the capital requirement that the Bank has to meet, on a consolidated basis, as of 1 January 2024. The overall capital requirement the Bank is required to meet in terms of Common Equity Tier 1 ratio is 9.33%.

This is the result of: a) the SREP requirement in terms of Total Capital ratio equal to 9.50%, which includes a Pillar I minimum requirement of 8%, of which 4.5% in terms of Common Equity Tier 1, and an additional Pillar II requirement of 1.50%[3], of which 0.84% in terms of Common Equity Tier 1 applying the regulatory amendment introduced by the ECB and effective from 12 March 2020; b) the additional requirements, entirely in terms of Common Equity Tier 1, relating to: a Capital Conservation Buffer of 2.5%; an O-SII Buffer (Other Systemically Important Institutions Buffer) of 1.25% and a

[3] Following the additional Article 3 CRR deduction made to Own funds in June 2023 (for the calendar provisioning on exposures included in the scope of Pillar 2), the Supervisor updated the Pillar 2 Requirement (P2R) applicable in 2023 (SREP 2022). As a result, from the second half of 2023, the P2R on Total Capital is 1.50% (compared to 1.72% previously).

Countercyclical Capital Buffer of 0.24%[4].

As for the liquidity, the European rules envisage, inter alia, a short-term indicator (**Liquidity Coverage Ratio** or **LCR**), aimed at creating and maintaining a liquidity buffer able to allow the survival of the bank for a period of thirty days in case of serious market stress, and a structural liquidity indicator (**Net Stable Funding Ratio** or **NSFR**) with a temporal horizon longer than a year, introduced to ensure that the assets and liabilities have a sustainable maturity structure.

Both indicators of the Group are widely above the minimum limits provided by the Rules.

Despite the overall liquidity situation of the Group is more than safe and under constant control, some risks may materialize in the horizon, depending on the economic recovery. An important mitigating factor to these risks are the contingency management policies in place in the Group system of rules.

With regard to the Russia-Ukraine conflict, currently, in light of the low exposure to Russian and Ukrainian counterparties, there were no significant impacts on the Group's consolidated liquidity position. See: "*Description of the Issuer – Exposure to Russia*".

Furthermore, the Capital Requirement Regulation (CRR2, transposing Basel III Accord) introduced the financial Leverage Ratio, which measures the coverage degree of Class 1 Capital compared to the total exposure of the Bank Group. Such index is calculated by considering the assets and exposures out of the budget. The objective of the indicator is to contain the degree of indebtedness in the balance sheets of the banks. The ratio is subject to a minimum regulatory limit of 3%.

Although the above-mentioned regulatory evolution (further described under the "Regulatory Section" of this Base Prospectus) envisages a gradual adaptation to the new prudential requirements, the impacts on the management dynamics of the Bank could be significant.

In this context, a few other relevant provisions are the implementation of Directives 2014/49/EU (Deposit Guarantee Schemes Directive) of 16 April 2014 and the adoption of the (EU) Regulation no. 806/2014 of the European Parliament and the Council of 15 July 2014 (Single Resolution Mechanism Regulation, – so-called "SRMR"), which may determine a significant impact on the economic and financial position of the Bank and the Group, as such rules set the obligation to create specific funds with financial resources that shall be provided, starting from 2015, by means of contributions by the credit institutions.

Moreover, the Directive 2014/59/EU of the European Parliament and the Council (**Bank Recovery and Resolution Directive**, "**BRRD**", as amended by Directive 879/2019/EU, "**BRRD II**"), which, inter alia, introduced the so-called "bail-in", Regulation 2019/876/EU of the European Parliament and the Council, which amends Regulation 575/2013/EU (s.c. "**CRR II**") and the Directive of the Parliament and the Council 2019/878/EU (s.c. "**CRD V**"), which amends Directive 2013/36/EU must be taken into consideration and put in force by Intesa Sanpaolo Group.

The Intesa Sanpaolo Group is subject to the BRRD, as subsequently amended, which is intended to enable a wide range of actions that could be taken towards institutions considered to be at risk of failing (i.e., the sale of business, the asset separation, the bail-in and the bridge bank). The execution of any action under the BRRD towards the Intesa Sanpaolo Group could materially affect the value of, or any repayments linked to the Securities.

On 15 October 2013, the Council of the European Union adopted the Council Regulation (EU) No.

[4] Countercyclical Capital Buffer calculated taking into account the exposure as at 31 December 2023 in the various countries where the Group has a presence, as well as the respective requirements set by the competent national authorities and relating to 2025, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for 2023 and for the first quarter of 2024).

1024/2013 granting specific tasks to the ECB as per prudential supervision policies of credit institutions (the "**SSM Regulation**") in order to establish a single supervisory mechanism (the "**Single Supervisory Mechanism**" or "**SSM**"). From 4 November 2014, the SSM Regulation has conferred to the ECB, in conjunction with the national regulatory authorities of the Eurozone and participating Member States, direct supervisory responsibility over "banks of significant importance" in the Eurozone.

In this respect, "banks of significant importance" include any Eurozone bank in relation to which (i) the total value of its assets exceeds €30 billion or – unless the total value of its assets is below €5 billion – the ratio of its total assets over the national gross domestic product exceeds 20%; (ii) is one of the three most significant credit institutions established in a Member State; (iii) has requested, or is a recipient of, direct assistance from the European Financial Stability Facility or the European Stability Mechanism; (iv) is considered by the ECB to be of significant relevance where it has established banking subsidiaries in more than one participating Member State and its cross-border assets/liabilities represent a significant part of its total assets/liabilities.

Notwithstanding the fulfilment of the relevant criteria, the ECB, on its own initiative after consulting with each national competent authority or upon request by a national competent authority, may declare an institution significant to ensure the consistent application of high-quality supervisory standards. Intesa Sanpaolo and the Intesa Sanpaolo Group have been classified, respectively, as a significant supervised entity and a significant supervised group within the meaning of Regulation (EU) No. 468/2014 of the European Central Bank of 16 April 2014 establishing the framework for co-operation within the Single Supervisory Mechanism between the European Central Bank and each national competent authority and with national designated authorities (the "**SSM Framework Regulation**") and, as such, are subject to direct prudential supervision by the ECB in respect of the functions granted to ECB by the SSM Regulation and the SSM Framework Regulation.

Moreover, as of the date of this Base Prospectus, the Bank of Italy's authority to introduce a systemic risk buffer and borrower-based measures has recently been introduced into the Circular No 285 (as defined below) and there is uncertainty as to how (and if) the Italian regulator would exercise such authority. Therefore, it is not yet clear what impact these regulatory changes will have on Group's operations. Moreover, as at the date of this Base Prospectus, the European co-legislators have recently reached a provisional agreement on the 2021 Banking Reform Package (as defined below) but there is uncertainty as to its adoption and implementation, and thus it is not yet clear how and to what extent the entering into force of this legislative package may impact the Group's operations. Finally, as at the date of this Base Prospectus, the CMDI Reform (as defined below) has been recently proposed. The CMDI Reform includes, among other things, the amendment of the ranking of claims in insolvency ensuring a general depositor preference with a single-tier depositor preference. The implementation of the CMDI Proposal is subject to further legislative procedures and, as at the date of this Base Prospectus, there is still legal uncertainty as to what extent its adoption and implementation would impact on the Issuer's operation.

For further details, please see the "Regulatory Section" of this Base Prospectus.

1.5. Reputational and ESG Risk of Intesa Sanpaolo

*Financial institutions are facing increased scrutiny on climate and broader environmental, social and governance ("**ESG**")-related issues from governments, regulators, shareholders and other bodies. This focus on ESG may lead to reputational risks if the Bank is not perceived to support the transition to a lower carbon economy, as well as to protect biodiversity and human rights. The Bank is also required to review and enhance our ESG risk management frameworks in alignment with emerging regulatory guidance and to ensure that we accurately portray the ESG aspects of our activities.*

Within the Bank the governance of Reputational and ESG risks is carried out in close integration due to the strong interconnections between these risk profiles.

Reputational risk is the current or prospective risk of a decline in profits or enterprise value (capitalization) resulting from a negative perception of the Group's image by customers, counterparties, Group shareholders, investors, or regulatory authorities. While ESG risks include all risks arising from potential negative impacts, direct or indirect, on the environment, people and communities and more generally all stakeholders, in addition to those arising from corporate governance. Within this category of risk climate change risk is of significant relevance.

The Bank is exposed to risks arising from climate change either directly through its own operations or indirectly through its financing and investment activities. The taxonomy adopted by Intesa Sanpaolo divides climate change risks into physical and transition risks.

Physical risks represent the negative financial impact from climate change, including more frequent extreme weather events and gradual climate change, as well as environmental degradation, i.e. air, water and soil pollution, water stress, biodiversity loss, and deforestation. These types of risks – which can usually arise in both the short/medium and long term – can be broken down into acute and chronic risks:

- acute physical risks refer to specific events that have the potential to create significant physical damage (e.g. flooding of rivers and oceans, tropical storms). These events are occurring more frequently, on both a regional and global basis;

- chronic physical risks involve a series of physical impacts of considerably longer duration than those posed by acute risks. They are identifiable as processes of change rather than single events. In most cases, the impacts are localised (e.g., drought) but chronic risks are likely to become more significant in the long term.

Transition risks are the negative financial impacts that an institution may incur, directly or indirectly, as a result of the process of adjustment to a low-carbon and more environmentally sustainable economy, arising from:

- public policy and legal risks: this category includes policies that attempt to limit actions that contribute to the negative effects of climate change or political actions that seek to promote adaptation to climate change and the legal risk arising from the inability of organisations to mitigate/adapt to climate change;

- technological developments: these include innovations that support the transition to a low-carbon and energy-efficient economic system;

- consumer preferences: changes in the demand and supply of certain goods, products and services;

- reputational risk arising from changes in customer or community perceptions of an organisation’s contribution to the transition to a low-carbon economy.

Even though the Bank is working on the identification of the potential impact and the mitigation action to be taken to address both transition and physical risks, climate change could nonetheless have a material adverse effect on our business, results of operations and financial condition. In our Business Plan, we aim at creating strong and sustainable value for our shareholders, further increasing our solid capital position and our ESG commitment. We are also working to achieve a net-zero emission target, in terms of own emissions by 2030, and in terms of loan and investment portfolios, asset management and insurance sectors by 2050. This includes the ability to identify, monitor and manage ESG-related risks associated with the activities of customer companies in the investment and lending decisions by the Group. Both rapidly changing regulatory as well as stakeholder demands, combined with significant focus by stakeholders, may materially affect our businesses if we fail to adopt such demands or appropriately implement our strategic plans.

1.6. Risks related to the entry into force of new accounting principles and the amendment of the applied accounting principles

The Bank is exposed, as well as any other entity operating within the bank sector, to the effects deriving from both the entry into force of new accounting principles and the amendment of the existing ones, in particular with respect to the International Accounting Standards and International Financial Reporting Standards (IAS/IFRS), as approved and adopted within the European legal system.

It is primarily noted that IFRS 17 Insurance Contracts, published by the IASB in May 2017 and subject to subsequent amendments, endorsed with Regulation (EU) no. 2036/2021 of 19 November 2021, is applicable from 1 January 2023.

The insurance companies of the Intesa Sanpaolo Group also applied for the first time IFRS 9 Financial Instruments, the application of which was deferred by virtue of the application of the deferral approach[5].

With regard to the effects of the application of IFRS 17, at the transition date (1 January 2022), the Shareholders' Equity in the Intesa Sanpaolo Group Consolidated Financial Statements decreased by 985 million euro, net of the tax effect, due to greater insurance liabilities for 731 million euro (505 million euro net of the tax effect) due to the different measurement criteria set out in IFRS 17 in place of the previous IFRS 4 and to the derecognition of intangible assets (new business and distribution) with a finite useful life, for a total of 685 million euro (480 million euro net of the tax effect). The total effect on shareholders' equity as at 31 December 2022 deriving from the combined application of IFRS 9 and IFRS 17 was a negative 552 million euro net of the tax effect. That effect is due to the impacts of transition to IFRS 17/IFRS 9 as at 1 January 2022 (a negative 985 million euro), partially offset during the year by greater income (25 million euro) and greater reserves (408 million euro) expressed in accordance with the new standards.

Shareholders' Equity in terms of own funds decreased as at 31 December 2022 by 408 million euro, with an impact of -11 basis points on the CET 1 ratio. Note that, for the purpose of the prudential calculation, the investment in the insurance companies falls under the Danish Compromise regime, which allows the investment to be weighted at 370% instead of deducting it from CET1.

For further details on the first adoption of the new principles or amendment to existing international IAS/IFRS accounting principles please refer to the specific information included in the chapter "*Notes to the consolidated financial statements – Part A – Accounting policies*" of the 2022 Annual Report and the 2023 Annual Report.

2. MATERIAL RISKS THAT ARE SPECIFIC TO THE SECURITIES BEING OFFERED AND/OR ADMITTED TO TRADING

Prospective investors are invited to carefully read this chapter on the risk factors before making any investment decision, in order to understand the risks related to the Securities issued under this Base Prospectus to be offered and/or admitted to trading.

The risks below have been classified into the following categories:

1) *Risks related to the nature of the Securities;*

2) *Risks related to the Underlying;*

[5] Note that, by virtue of the application of the Deferral Approach, the financial assets and liabilities of the subsidiary insurance companies continued to be recognised in accordance with the provisions of IAS 39, while awaiting the entry into force of the new international financial reporting standard on insurance contracts (IFRS 17).

3) *Specific risks related to Certificates;*

4) *Specific risks related to Warrants;*

5) *Risks related to Securities generally; and*

6) *Risks related to the offer to the public and/or admission of the Securities to trading on a regulated market.*

2.1. Risks related to the nature of the Securities

The Certificates may not be a suitable investment for all investors

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

(i) have sufficient knowledge and experience to evaluate the Certificates, the merits and risks of investing in the Certificates and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to the Base Prospectus and all information contained in the applicable Final Terms;

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

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates, including Certificates with amounts payable in one or more currencies, or where the Settlement Currency is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Certificates and be familiar with any relevant indices and financial markets; and

(v) 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, Futures Contract Securities, Interest Rate Securities, Exchange Rate Securities, Fund Securities, Commodity Securities, Govies Securities or Combined 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.

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

Resolution Powers and contractual recognition of the BRRD

Under the BRRD framework the Relevant Authorities have the power to apply "resolution" tools if the relevant Issuer is failing or likely to fail, as an alternative to compulsory liquidation proceedings. Specifically, these tools are: (1) the sale of business assets or shares of the relevant Issuer; (2) the establishment of a bridging institution; (3) the separation of the unimpaired assets of the relevant Issuer from those which are deteriorated or impaired; and (4) a bail-in, through write-down/conversion into equity of regulatory capital instruments as well as other liabilities of the Issuer if the relevant conditions are satisfied and in accordance with the creditors' hierarchy provided under the relevant provisions of Italian law.

Furthermore, Article 33a of BRRD II introduces a new pre-resolution moratorium tool as a temporary measure in an early stage and new suspension powers, which the resolution authority can use within the resolution period. Any suspension of activities can, as stated above, result in the partial or complete suspension of the performance of agreements (including any payment or delivery obligation) entered into by the respective credit institution. The exercise of any such power or any suggestion of such exercise could materially adversely affect the rights of the holders of securities issued by the Issuer, the price or value of their investment in any such security and/or the ability of the credit institution to satisfy its obligations under any such security.

In particular, by its acquisition of a Security (whether on issuance or in the secondary market), each holder of the Securities acknowledges, accepts, agrees to be bound by and consents to the exercise of any resolution power by a Relevant Authority that may result in the cancellation of all, or a portion, of the principal amount of, or any amount due on, the Securities and/or the conversion of all, or a portion, of the principal amount of, or any amount due on, the Securities into equity or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the Securities, to give effect to the exercise by a Relevant Authority of such resolution power. Each holder of the Securities acknowledges, accepts and agrees that its rights as a holder of the Securities are subject to, and will be varied, if necessary, so as to give effect to, the exercise of any such power by any Relevant Authority. The exercise of the resolution power by the Relevant Authority will not constitute an event of default under the Securities.

The exercise of any resolution power, which could result in the Securities being written down or converted into equity pursuant to such statutory measures, or any suggestion of such exercise could, therefore, materially adversely affect the rights of the Securityholders, the price or value of their investment in the Securities, the ability of the Issuer to satisfy its obligations under the Securities, and may have a negative impact on the market value of the Securities.

Regulatory restrictions with regard to certain types of Certificates

The BRRD II and the SRMR II have detailed the scope of liabilities that are intended to be eligible for the purposes of the minimum requirement for own funds and eligible liabilities ("**MREL**"). In particular, according to Article 45b para. 2 of the BRRD II and Article 12c par. 2 of the SRMR II, certain types of Certificates may be considered as eligible liabilities available to meet the MREL Requirements (as defined below).

As a consequence, in relation to Certificates that may be considered as eligible liabilities according to such Articles, all the provisions concerning the eligible liabilities set out in the BRRD II, in the SRMR II and in the CRR II, should be deemed applicable for the Certificates which satisfy the conditions set out the in the MREL Requirements.

Certificates intended to be eligible are subject to certain restrictions. In particular, the respective Securityholders are not entitled to set off claims arising from such Certificates against any of the Issuer’s claims. No security of whatever kind and no guarantee is, or shall at any time be, provided by

the Issuer or other entities related to the Issuer, which enhances the seniority of the claims under these Certificates. Furthermore, the early redemption and the repurchase of Certificates that are intended to be eligible for the purposes of MREL are subject to specific restrictions such as the prior consent of the competent authority. Further, termination rights, if any, are excluded for the respective Securityholders, other than in the case of the insolvency or liquidation of the Issuer, under all relevant laws and regulations amended from time to time, which are and will be applicable to it.

These restrictions limit the rights of the Securityholders and might expose them to the risk that their investment will have a lower potential return than expected.

In addition, the BRRD II, the SRMR II and the CRR II have been recently adopted and there is uncertainty as to their implementation and interpretation in the relevant Member States.

Option risk

The Certificates are derivative financial instruments which may include an option right and which, therefore, have many characteristics in common with options. Transactions in options involve a high level of risk. An investor who intends to trade in options must first of all understand the functioning of the types of contracts which he intends to trade in (for example, call options and put options). An investment in options constitutes a highly volatile investment and there is a high likelihood that the option may have no value whatsoever at expiration. In such case, the investor would lose the entire amount used to purchase the option (known as the "*premium*").

An investor who is considering the purchase of a call option over an Underlying, the market price of which is much lower than the price at which the exercise of the option would be opportune (known as "*deep out of the money*"), must consider that the possibility that the exercise of the option will become profitable is remote. Likewise, an investor who is considering the purchase of a put option over an Underlying, the market price of which is much higher than the price at which the exercise of the option would be opportune, must consider that the possibility that the exercise of the option will become profitable is remote.

The Certificates include some options on the Underlying(s). The amount potentially paid or deliverable on exercise will depend on the value of such options. Prior to the expiration of a Certificate, a variation in the value of the relevant options may involve a reduction in the value of such Certificate.

Exchange rate risks and exchange controls

The Issuer will pay any cash amount in respect of the Securities in the Settlement Currency specified in the applicable Final Terms. 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) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Settlement Currency would decrease (i) the Investor's Currency-equivalent yield on the Securities, (ii) the Investor's Currency equivalent value of the cash amount in respect of 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, the cash amount that investors may receive may be less than expected or zero.

The above risks may be increased for currencies of emerging market jurisdictions.

2.2. Risks related to the Underlying

General risks and risks relating to the Underlying

The Securities involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Purchasers should be prepared to sustain a partial or total loss of the purchase price of their Securities. This risk reflects the nature of a Security as an asset which, other factors held constant, tends to decline in value over time and which may become worthless on expiration. See "*Certain Factors Affecting the Value and Trading Price of Securities*" below. Prospective purchasers of Securities 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, the information regarding the relevant Securities and the particular Underlying.

The risk of the loss of some or all of the purchase price of a Security upon expiration means that, in order to recover and realise a return upon his or her investment, a purchaser of a Security must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant Underlying. Assuming all other factors are held constant, the lower the value of a Security and the shorter its remaining term to expiration, the greater the risk that purchasers of such Security will lose all or part of their investment. The only means through which a holder can realise value from such Security prior to the Exercise Date in relation to such Security is to sell it at its 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 Underlying will affect the value of the Securities. Purchasers of Securities risk losing their entire investment if the value of the relevant underlying basis of reference does not move in the anticipated direction.

The Issuer may issue several issues of Securities relating to various reference indices, exchange rates, shares, funds, interest rates, commodities, or future contracts, as may be specified in the applicable Final Terms. 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. In general, certain of the risks associated with the Securities are similar to those generally applicable to other options of private corporate issuers. Options or Securities on equities or debt securities are priced primarily on the basis of the value of underlying securities. The trading value of Commodity Securities is likely to reflect primarily present and expected values of the commodity (or basket of commodities).

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

Risk arising from the Benchmark Regulation

The Underlying or a Basket Constituent may qualify as a benchmark (the "**Benchmark**") within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council dated 8 June

2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**"). According to the Benchmark Regulation, a Benchmark could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the "equivalence" conditions (according to Article 30 of the BMR), is not "recognised" pending such a decision (according to Article 32 of the BMR) and is not "endorsed" for such purpose (according to Article 33 of the BMR). Consequently, it might be not possible to further utilise a Benchmark as Underlying or Basket Constituent of the Securities. In such event, depending on the particular Benchmark and the applicable terms of the Securities, the Securities could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted.

Any changes to a Benchmark as a result of the Benchmark Regulation could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with the Benchmark Regulation. Such factors may have the following effects on certain Benchmarks: (i) discourage market participants from continuing to administer or contribute to such Benchmark; (ii) trigger changes in the rules or methodologies used in the Benchmarks; or (iii) lead to the disappearance of the Benchmark. Any of the above changes or any other consequential changes as a result of international, national or other proposal for reform or other initiatives or investigations, could have a material adverse effect on the value of and the amount payable under the Securities.

The potential elimination of a Benchmark, or changes in the manner of administration of such Benchmark, as a result of the Benchmark Regulation or otherwise, could require an adjustment to the terms and conditions, or result in other consequences. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or be discontinued. The application of the fallback methods may expose investors to certain risks including, but not limited to (i) conflicts of interest of the Calculation Agent when making the required adjustments to the Securities, or (ii) the replacement of the Underlying or Basket Constituent with a different Underlying or Basket Constituent which could perform differently than the original Underlying or Basket Constituent and therefore affect amounts payable in respect of the Securities, or (iii) the early redemption of the Securities.

Investors should be aware that they face the risk that any changes to the relevant Benchmark may have a material adverse effect on the value of and the amount payable under the Securities.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Securities linked to a Benchmark.

Certain factors affecting the value and trading price of the Securities

The Cash Settlement Amount (in the case of Cash Settled Securities) or the value of the Deliverable Asset and, if any, of the Residual Amount (the quantities of which are determined by reference to the Entitlement) (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 Deliverable Asset and, if any, of the Residual Amount, 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 of the Underlying. 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 of the Underlying, as well as by a number of other

interrelated factors, including those specified herein.

Before exercising (in the case of Warrants) or selling Securities, Securityholders should carefully consider, among other things, (i) the trading price of the Securities, (ii) the value and volatility of the Underlying, (iii) the time remaining to expiration, (iv) in the case of Cash Settled Securities, the probable range of Cash Settlement Amounts, (v) any change(s) in interim interest rates and dividend yields if applicable, (vi) any change(s) in currency exchange rates, (vii) the depth of the market or liquidity of the Underlying and (viii) any related transaction costs.

Certain considerations regarding hedging

Prospective purchasers intending to purchase Securities to hedge against the market risk associated with investing in an underlying asset, 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 asset 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 asset 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 index or basket.

The Issuer and/or any of its respective Affiliates or agents may from time to time hedge the Issuer's obligations under such Securities (and under other instruments and OTC contracts issued by or entered into from time to time by the Issuer and/or any of its respective Affiliates or agents relating to such securities) by taking positions, directly or indirectly, in the underlying asset. Although the Issuer has no reason to believe that such hedging activities will have a material impact on the price of any underlying, there can be no assurance that such hedging activities will not adversely affect the value of the Securities.

Certain considerations associated with Share Securities

An investment in Share Securities will entail significant risks not associated with an investment in a conventional debt security. On redemption or exercise, as the case may be, of Share Securities, Holders 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 ADR/s. Accordingly, an investment in Share Securities may bear similar market risks to a direct equity investment and investors should take advice accordingly. Share Securities pay amounts calculated by reference to the value of the underlying share(s), GDRs and/or ADRs.

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 neither the Issuer nor any Manager 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 in relation to Physical Delivery Securities, 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.

Certain considerations associated with Exchange Rate Securities

An Investment in Exchange Rate Securities will entail significant risks not associated with an investment in a conventional debt security. Fluctuations in exchange rates will affect the value of Exchange Rate Securities. Currency values related to the exchange rates may be affected by complex political and economic factors, including governmental action to fix or support the value of an exchange rate, regardless of other market forces (see "*Exchange rate risks and exchange controls*" below). Purchasers of Securities risk losing their entire investment if the relevant exchange rates do not move in the anticipated direction.

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. An investment in Fund Securities may bear similar market risks to a direct investment in the relevant fund(s) and investors should take advice accordingly.

The Issuer or any of its Affiliate have agreements in place with the Management Company and/or with the Fund Manager of a Fund pursuant to which they undertake to provide, on a continuous basis, to the Issuer or any of its Affiliate the information of the Fund which allows the Issuer to apply the lookthrough of the Fund, pursuant to the Fundamental Review of the Trading Book (FRTB), as amended from time to time. In case of any breach by the Management Company and/or by the Fund Manager of such obligations, a negative change in the accounting treatment of the Fund (and, therefore, a higher capital absorption requirement for the Issuer) may occur. In such case, investors should consider that the Issuer may early redeem the Securities by paying to the Securityholders the market value of such Securities, as determined by the Calculation Agent in accordance with Paragraph 15(2)(F) ("*Adjustment Events in relation to Fund Securities*").

In case of Fund Securities whose Underlying is a Fund investing in cryptocurrencies or other digital assets, investors should also consider that these investment products entail unique and substantial risks, may be more volatile than other types of investments and that the value of the Fund could decline significantly and without warning. In addition, compare to other financial assets, digital assets are more expose to other risks, such as technology risk, legal and regulatory risk and liquidity risk.

Certain considerations associated with Futures Contract Securities

An investment in Futures Contract Securities will entail significant risks not associated with an investment in a conventional debt security. The yield on Securities which are linked to futures contracts may not be perfectly correlated to the trend in the price of the underlying asset of the future contract, as the use of futures contracts generally involves a rolling mechanism. This means that any futures contracts which expire prior to the relevant payment date under the applicable underlying securities are replaced with futures contracts that have a later expiry date. Investors may, therefore, only marginally benefit from any rise or fall in the price of the underlying asset of the future contract.

In addition, the trend of futures contracts may differ significantly from that of the underlying asset's spot markets. In relation to commodity futures contracts, the trend in the price of a futures contracts compared to the underlying commodity is closely linked to the present and future level of production of the underlying commodity, or to the level of estimated natural reserves, particularly in the case of energy linked products. In addition, the price of the relevant commodity futures contract may not be considered an accurate prediction of a market price, since it also includes so-called "carrying costs" (for

example, warehouse or insurance costs). These factors substantially explain the imperfect correlation between commodity spot markets and commodity futures contracts.

If the Futures Contract N-th Near-by Feature is specified as applicable, it will be specified in the relevant Final Terms if the Issuer will be entitled to determine, on the basis of a Futures Contract N-th Near-by, the Initial Reference Value and/or the Reference Value and/or the Final Reference Value, if the feature Rolling is also specified as applicable. The Futures Contract N-th Near-by is the n-th futures contract that has the same features of the Futures Contract indicated as Underlying.

Therefore, in the Final Terms will be specified:

1) the ordinal number of the Futures Contract N-th Near-by to be used for the determination of the Initial Reference Value and/or only the Reference Value and the Final Reference Value; and

2) if the Initial Reference Value will be determined on the basis of the Futures Contract N-th Near-by. In such case, the Futures Contract N-th Near-by will be the n-th futures contract that has an expiration date which is the closest (but beyond) to the Determination Date; and/or

3) if the feature Rolling is also applicable. In such case, the Reference Value and/or the Final Reference Value will be determined on the basis of the Futures Contract N-th Near-by that will have an expiration date which is the closest (but beyond) to any valuation period/date during the lifetime of the Certificates and/or to the Valuation Date.

Since the Issuer will not make any adjustment to the price of the Securities following such rollover, investors should consider that the price of the futures contract used before the rollover may be different from the price of the futures contract used after the rollover.

Certain considerations associated with Commodity Securities

An investment in Commodity Securities may bear similar market risks to a direct commodity investment and potential investors should take advice accordingly. The movements in the price of the Commodity may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices.

The price of Commodities may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which the relevant Commodities may be traded.

Certain considerations associated with Index Securities

Securities that are linked to an Index as Underlying or Basket Component are associated with risks for the Securityholders comparable to those of a direct investment in a comparable portfolio of asset classes underlying the respective Index. The development of the price of the Index depends on the individual index components of which the relevant Index is comprised. The development of the price of the individual index components depends on macroeconomic factors, such as interest rates and price levels on the capital markets, currency developments, political factors as well as, in the case of shares as index components, company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. In the case of an adverse development of such macroeconomic factors this may adversely affect the price development of the index components and the Index as a whole and accordingly, the value of the Securities and/or any other payments to be made under the Securities.

In case of Index Securities whose Underlying is an Index composed by cryptocurrencies or other digital assets, investors should also consider that these investment products entail unique and substantial risks, may be more volatile than other types of investments and that the value of the Index could decline significantly and without warning. In addition, compare to other financial assets, digital assets are more expose to other risks, such as technology risk, legal and regulatory risk and liquidity risk.

Certain considerations associated with Interest Rate Securities

An investment in Interest Rate Securities will entail significant risks not associated with an investment in a conventional debt security. On exercise of Interest Rate Securities, Securityholders will receive an amount (if any) determined by reference to the value of the underlying interest rate(s). Accordingly, an investment in Interest Rate Securities may bear similar market risks to a direct investment in the underlying interest rate and investors should take advice accordingly.

Certain considerations associated with Govies Securities

An investment in Govies Securities may bear similar market risks to a direct investment in the relevant government/supranational bond. The movements in the value of such bond or in its yield may be affected by economic, financial and political events in the relevant country or regional area. The credit ratings of the relevant country may change and any ratings downgrade could adversely affect the value of the underlying bond and, therefore, the value of the Securities.

Certain considerations associated with Combined Securities

An investment in Combined Securities will entail significant risks depending on the specific underlying assets. The risk associated with the aforementioned types should be considered in accordance with the specific financial assets of each issue and investors should take advice accordingly.

2.3. Specific risks related to Certificates

Loss risk in relation to the investment

The investor shall consider that, in relation to their investment, there is a risk of loss of the capital invested depending on the performance of the underlying asset. In particular, if the relevant Final Terms provides a Barrier Level, the investor shall consider that, in the event of a negative performance of the underlying asset at the Valuation Date or a negative Spread or a negative Cumulated Performance (in the case of Multiperformance Certificates), in the event a Barrier Event or a Barrier Gap Event (in the case of Gap Certificates) has occurred, a loss will occur in respect of the capital invested. If the Final Reference Value of the underlying asset is equal to zero, the investor might suffer a total loss of the capital. Moreover, if prior to the exercise the investor decides to terminate the investment in the Certificates, the investor might be subject to the loss of the value of the certificate and, therefore, might be subject to the total or partial loss of the investment.

Risk related to the determination of the Multiplier or the Initial Reference Value

The Securities may have a determination of the Multiplier that may increase or decrease the percentage of the Underlying(s) used to determine the amount(s) payable or deliverable to investors. In such case, investors should consider that, due to the determination of the Multiplier, the amount(s) payable or deliverable may be decreased.

In addition, the Securities may have a determination of the Initial Reference Value whereby the percentage of the Value of the Underlying(s) to be considered is higher than, equal to or lower than

100% of the Value of the Underlying on the Determination Date(s). In such case, investors should consider that, due to the determination of the Initial Reference Value, the amount(s) payable or deliverable may be decreased if (i) in relation to Securities with Long Strategy, the Initial Reference Value is calculated as a percentage of the Value of the Underlying higher than 100% or (ii) in relation to Securities with Short Strategy, the Initial Reference Value is calculated as a percentage of the Value of the Underlying lower than 100%.

Certain considerations associated with Securities providing for the application of a cap

The Securities may provide for the application of a maximum return payable to investors or of a maximum value or level to the relevant Underlying(s).

In such case, the amounts payable to Securityholders will be subject to the predetermined maximum. If the relevant Underlying(s) outperforms the predetermined maximum, this will not be taken into consideration when calculating the amount payable or deliverable in respect of the Securities.

The Cash Settlement Amount or the Entitlement may be less than the value of an investment in the Securities

Securityholders may receive the Cash Settlement Amount and/or physical delivery of the Deliverable Asset and, if any, the payment of the Residual Amount (the quantities of which are determined by reference to the Entitlement), the aggregate value of which may be less than the value of the Securityholder's investment in the relevant Securities. In certain circumstances Securityholders may lose the entire value of their investment.

Risk related to a protection level lower than 100% or a protection amount lower than the Issue Price

The Certificates may provide a protection level or a protection amount. The protection level represents the protection percentage of the Initial Reference Value of the Certificate and that the Cash Settlement Amount will not fall below such protection level. The protection amount represents the minimum amount of Cash Settlement Amount that the Securityholders will receive. The lower the protection level or the protection amount, the higher the loss (if any) that the Securityholders might suffer given that the Issue Price of the Certificate will not be entirely protected and the Cash Settlement Amount at the Exercise Date might be lower than the Issue Price.

Exchange Rate risk related to the absence of a Quanto Option

The investment in Cash Settled Securities which do not provide a Quanto Option (i.e. Non Quanto Securities) when the Underlying Reference Currency of the underlying asset differs from the Settlement Currency may entail risks related to the exchange rate.

In such case, the Cash Settlement Amount or Early Redemption Amounts or Remuneration Amounts or Corridor Early Amounts or Early Partial Capital Payment and the relevant events will be determined by exchanging the Underlying Reference Currency in the Settlement Currency at the applicable Exchange Rate. Therefore, without a Quanto Option, any adverse variation of the Exchange Rate might frustrate either the performance of the underlying asset at maturity and the returns linked to a remuneration amount and might determine a loss of the capital invested.

In the case of Cash Settled Securities without a Quanto Option (i.e. Non Quanto Securities), any adverse variation of the exchange rate might also reduce the effect of total or partial protection on the capital invested (depending on the structure of the product) represented by such protection. In fact, the Cash Settlement Amount at the maturity (and, therefore, the protection level that is part of the

calculation of such amount of Settlement, subject to certain conditions) shall be determined by exchanging the Underlying Reference Currency into the Settlement Currency at the applicable Exchange Rate with the consequence of suffering the decrease in value of the Underlying Reference Currency of the underlying asset in respect of the Settlement Currency.

Conversely, in case of Quanto Securities, the Underlying Reference Currency is in any case conventionally denominated in the Settlement Currency and the Exchange Rate is not applicable and therefore the effects of the Exchange Rates on the amount paid in relation to the Securities are neutralised. However, it cannot be excluded that the variations on the Exchange Rates might have negative effects on the performance of the underlying asset and therefore, indirectly, also on the Securities with the Quanto Option.

Risk relating to Dual Currency Securities

An investment in Dual Currency Securities will entail significant risks not associated with an investment in a conventional debt security. In particular, the Cash Settlement Amount and the Remuneration Amount(s) are payable in a currency specified in the applicable Final Terms (the Settlement Currency) which is different from the currency in which the Certificates are denominated (the Issue Currency).

Currency exchange rates may be subject to significant fluctuations that may not correlate with changes in the Cash Settlement Amount and/or Remuneration Amount(s) and the timing of changes in the exchange rates may affect the actual return to investors.

Therefore, fluctuations in exchange rates of the relevant currencies (i.e. the Issue Currency and the Settlement Currency) will affect the value of Dual Currency Securities, and may determine a loss of the capital invested.

Risk relating to Dual Currency FX Certificates

An investment in Dual Currency FX Certificates will entail significant risks not associated with an investment in a conventional debt security. In particular, upon occurrence of a Barrier Event, the Cash Settlement Amount may be payable in a currency specified in the applicable Final Terms (the Dual Currency) which is different from the currency in which the Certificates are denominated (the Issue Currency).

Currency exchange rates may be subject to significant fluctuations that may not correlate with changes in the Cash Settlement Amount and the timing of changes in the exchange rates may affect the actual return to investors.

Therefore, fluctuations in exchange rates of the relevant currencies (i.e. the Issue Currency and the Dual Currency) will affect the value of Dual Currency FX Certificates, and may determine a loss of the capital invested.

Price risk and components that determine the value of the Certificates

The Certificates are composed of a combination of several options and the Securityholder shall take into account that the value of the Certificates will depend on the value of each option composing the certificate. The fluctuation over time of the value of each optional components (and therefore of the Certificates) mostly depends on the current value of the underlying asset to which the Certificates relate, the volatility of the underlying asset, the residual life of the options composing the Certificates, the levels of the interest rates of the monetary markets, the expected dividends (in the case of Share

Securities), the correlation (in the event that the underlying asset is a Basket or a Basket of Baskets) as well as the business of the Issuer of the underlying asset, speculative contractions and other factors.

An increase in the value of the underlying asset might determine an increase in the price of the Certificates. Moreover, such determinations are uncertain as the effect on the price of the Certificates is given by the implicit optional structure that takes into account the possibility that an event linked to the payment of a Remuneration Amount as well as a Barrier Event (or a Barrier Gap Event) may occur during the life of the certificate. Prior to the maturity of the certificate, the value of the options might decrease and therefore it will affect the value of the certificate or some of them might expire.

The value of the Underlying may vary during the course of time and may increase or decrease as the consequence of several factors including corporate transactions, distribution of dividends, microeconomic factors and speculative negotiations. Changes in the value of the underlying asset may affect the trading price of the Certificates but it not possible to foresee if the value of the Underlying will suffer from decreasing or increasing variations. Furthermore, the price of the Certificates might be influenced (in case of listing after offering) by the underwriting and/or placement commissions that will be paid to the Managers and/or the Lead Manager and/or the or distribution commissions that will be paid to the Distributor. The price of the Certificates might be negatively influenced by the worsening of the asset stability of the Issuer.

Risk related to the Participation Factor, the Up Participation Factor and Down Participation Factor

If the Participation Factor, which is a value predetermined by the Issuer in the relevant Final Terms that may be lower than, equal to or higher than 100%, is specified in the relevant Final Terms, such Participation Factor determines the potential return of the Certificates. If it is lower than 100%, the Securityholders will partially benefit from the positive performance (or from the negative performance in case of Short Strategy) of the Underlying.

If the Up Participation Factor and Down Participation Factor are specified in the relevant Final Terms, the return deriving from the positive performance of the Underlying (respectively, positive performance in case of Long Strategy and negative performance in case of Short Strategy) will depend on the Up Participation Factor, which may be lower than 100%. If it is lower than 100%, the Securityholders will partially benefit from the positive performance of the Underlying. Conversely, the return deriving from the negative performance of the Underlying (respectively, negative performance in case of Long Outperformance Certificates and positive performance in case of Short Outperformance Certificates) will depend on the Down Participation Factor, which may be higher than 100%. If it is higher than 100%, the negative impact of the negative performance of the Underlying will be amplified.

Risk related to the Digital Level

In relation to the Certificates, the Issuer may set, at its own discretion, one or more Digital Levels higher, equal or lower than the Initial Reference Value. In particular, the higher the Digital Level is set in respect of the Initial Reference Value (or the lower, in case of Short Strategy), the greater the possibility that a Digital Event will not occur and therefore that the relevant Digital Amount will not be paid.

In relation to the Cliquet Feature, the investor should also consider that the Digital Level might change in relation to one or more Digital Valuation Periods and, in relation to each Digital Level, a different Digital Amount may be provided.

If an Up Range Digital Level and a Down Range Digital Level are specified in the relevant Final Terms, the possibility that a Digital Event will not occur and therefore that the relevant Digital Amount will not be paid will depend on how the Up Range Digital Level and the Down Range Digital Level

will be set by the Issuer in the relevant Final Terms and on whether the value of the Underlying will be closer (in case it is represented by a value falling within the range) or more distant (in case it is represented by a value falling out of the range) in respect of the Initial Reference Value.

Risk related to the Participation Remuneration Level

In relation to the Certificates to be issued, the Issuer may set, at its own discretion, one or more Participation Remuneration Levels higher or lower than the Initial Reference Value of the relevant underlying asset. In particular, the higher the Participation Remuneration Level is set in respect of the Initial Reference Value (or the lower, in case of Short Strategy), the greater the possibility that a Participation Remuneration Event will not occur and therefore that the relevant Participation Remuneration Amount will not be paid.

In relation to the Cliquet Feature, the investors should also consider that the Participation Remuneration Level might change in relation to one or more Participation Remuneration Event Valuation Periods.

If an Up Range Participation Remuneration Level and a Down Range Participation Remuneration Level are specified in the relevant Final Terms, the possibility that a Participation Remuneration Event will not occur and therefore that the relevant Participation Remuneration Amount will not be paid will depend on how the Up Range Participation Remuneration Level and the Down Range Participation Remuneration Level will be set by the Issuer in the relevant Final Terms and on whether the value of the Underlying will be closer (in case it is represented by a value falling within the range) or more distant (in case it is represented by a value falling out of the range) in respect of the Initial Reference Value.

Risk related to the Knock-out Feature

In relation to any Remuneration Amount, a Knock-out Feature may be applicable if specified in the relevant Final Terms. In this case, if the Knock-out Event occurs, the Remuneration Amount provided in relation to either such Knock-out Valuation Period and/or the valuation period(s) following such Knock-out Valuation Period will be deactivated and will not be paid. In relation to the Knock-out Feature, the Issuer will set, at its own discretion, one or more Knock-out Levels higher, equal or lower than the Initial Reference Value of the relevant underlying asset. In particular, the closer the Knock-out Level is set in respect of the Initial Reference Value, the greater the possibility that a Knock-out Event will occur and therefore that the relevant Remuneration Amount will not be paid.

Risk related to the Knock-in Feature

In relation to any Remuneration Amount, a Knock-in Feature may be applicable if specified in the relevant Final Terms. In this case, if the Knock-in Event does not occur, the Remuneration Amount provided will not be activated and therefore will not be paid. In relation to the Knock-in Feature, the Issuer will set, at its own discretion, one or more Knock-in Levels higher, equal or lower than the Initial Reference Value of the relevant underlying asset. In particular, the higher the Knock-in Level is set in respect of the Initial Reference Value (or the lower, in case of Short Strategy), the greater the possibility that a Knock-in Event will not occur and therefore that the relevant Remuneration Amount will not be paid.

Risk related to the occurrence of an Early Redemption Event

If an Early Redemption Event occurs, the Certificates will be redeemed earlier than the Exercise Date (and therefore terminated). In such case, the Securityholders will receive the relevant Early Redemption Amount on the relevant Early Payment Date and no other amounts will be paid. Investors should

consider that the Early Redemption Amount to be paid to the Securityholder may be either an amount predetermined by the Issuer in the relevant Final Terms or an amount that will depend on the value of the relevant underlying asset.

If the Early Redemption Amount is an amount predetermined by the Issuer in the relevant Final Terms, such amount will not depend on the value of the relevant underlying asset and, therefore, the potential positive performance (or the negative performance, in case of Short Strategy) of such underlying asset will not be considered. If the Early Redemption Amount is an amount that depends on the value of the relevant underlying asset, the investor shall consider that there is a risk of loss of the capital invested depending on the performance of the underlying asset. In addition, in the event that the relevant underlying asset is registering a positive performance when and Early Redemption Event occurs, investors should consider that it may not be possible to reinvest in such underlying asset at the same conditions applied to the initial investment made in the Certificates.

In relation to Turbo Certificates, investors should also consider that there is a risk of total loss of the capital invested depending on the performance of the underlying asset. In particular, if an Early Redemption Event occurs, the Certificates will be exercised automatically and will expire worthless immediately. The Securityholder will not receive any amount and the Early Redemption Amount will be always equal to 0 (zero).

Furthermore, if the value of the Underlying is calculated as Intraday Value, the Underlying will be observed on a continuous basis and the probability that an Early Redemption Event occurs may be magnified.

Risk related to the Early Partial Capital Payment

The Securities may provide for the application of an Early Partial Capital Payment. In such case, the Securityholder will receive part of the Issue Price on the Early Partial Capital Payment Date specified in the Final Terms.

The investors should therefore consider that, in relation to their investment, the Cash Settlement Amount will be adjusted relative to the Outstanding Amount after the relevant Early Partial Capital Payment Date. Therefore, Early Partial Capital Payment might frustrate investment strategies pursued by the investors, by reducing their exposure (proportionately to the Early Partial Capital Payment Amount paid from time to time) to any potential gain arising out of the positive performance of the Underlying.

Risk related to the Barrier Event and the Barrier Gap Event

The Barrier Event or the Barrier Gap Event (in the case of Gap Certificates) indicates the achievement by one or more underlying assets of a value equal to, higher than or lower than the Barrier Level or below the Lower Barrier Level or higher than the Upper Barrier Level, or the Barrier Gap Level, respectively, on the Barrier Event Determination Period (or/and on a Valuation Date) or on a Barrier Gap Observation Date, as specified in the relevant Final Terms. If a Barrier Event or a Barrier Gap Event occurs, the Cash Settlement Amount will be determined in accordance with a calculation method other than the calculation method applicable if the Barrier Event or the Barrier Gap Event does not occur and such circumstance may have a negative influence on the price. For example, if the relevant Final Terms do not provide a Protection Level or an Air Bag Factor or other similar features, upon occurrence of the Barrier Event, the Cash Settlement Amount will be linked only to the performance of the underlying asset. This may entail the risk of partial or total loss of the investment.

The Securityholder shall consider that the occurrence of a Barrier Event or the Barrier Gap Event will

also depend on the volatility of the underlying asset i.e. the more frequent and intense the fluctuations in the value of the underlying asset during the life of the Certificates are, the higher the volatility will be and the greater the chance that the value of the underlying asset will reach the Barrier Level or the Barrier Gap Level and therefore a Barrier Event or a Barrier Gap Event will occur. In relation to the Certificates to be issued, the Issuer might set, at its own discretion, a Barrier Level or a Barrier Gap Level.

Furthermore, if the value of the Underlying is calculated as Intraday Value, the underlying asset(s) will be observed on a continuous basis and the probability that a Barrier Event or a Barrier Gap Event occurs may be magnified.

Finally, if the applicable Final Terms provide for the payment of one or more Premium Gap Amount payable to the Securityholders during the life of the Gap Certificates, the investor should consider that after the occurrence of the Barrier Gap Event the Premium Gap Amount will be determined on the basis of the actual number of days within the relevant Premium Gap Observation Period and not on the basis of all the days of the relevant Premium Determination Period and after the payment of the Premium Gap Amount that will be paid on the first Premium Payment Date following the Barrier Gap Event Date on which a Barrier Gap Event has occurred, no further Premium Gap Amount will be paid to the Securityholders.

Risk related to the Predetermined Loss Percentage

In relation to the Certificates, the Predetermined Loss Percentage option may be also included together with the Barrier Level. If a Barrier Event has occurred, the Cash Settlement Amount will depend on the Predetermined Loss Percentage. Consequently, the lower the Predetermined Loss Percentage the smaller the Cash Settlement Amount that the Securityholders will receive on the Settlement Date.

Risk related to Digital Certificates

The investor shall consider that, in relation to the Digital Certificates, there is a risk of total loss of the capital invested depending on the performance of the underlying asset. In particular, if the Settlement Event does not occur, the Securityholders will not receive any Settlement Amount and will lose the entire capital invested.

Furthermore, if a Settlement Event occurs, the Cash Settlement Amount to be paid to the Securityholder will not depend on the value of the Underlying, but it will be a predetermined amount dependant on a percentage of the Issue Price specified as "Digital Percentage" in the applicable Final Terms.

Risk related to the Best Of Feature and Worst Of Feature

In relation to the Best Of Feature, for the purposes of the calculation of the Settlement Amount and/or a Remuneration Amount and/or the determination of the Early Redemption Event, the Issuer will indicate in the relevant Final Terms whether it will be considered the underlying financial asset with the first best performance, second best performance or third best performance and so on.

In the case of Best Of Feature, the lower the Issuer selects the performance among the financial activities (First Best Of, Second Best Of, etc.), the lower will be the amount that the Securityholders will receive.

In relation to the Worst Of Feature, for the purposes of the calculation of the Settlement Amount and/or a Remuneration Amount and/or the determination of the Early Redemption Event, the Issuer will indicate in the relevant Final Terms whether it will be considered the underlying financial asset with the first worst performance, second worst performance or third worst performance and so on.

In the case of Worst Of Feature, the higher the Issuer selects the performance among the financial activities (First Worst Of, Second Worst Of, etc.), the lower will be the amount that the Securityholders will receive.

Risk related to Baskets – Risk related to the Rainbow Feature – Correlation risk

The investor shall take into account that in the case of a Basket, the value and the return of the Certificates depends on the value of each Basket Constituents, the weighting allocated to each Basket Constituents and the correlation between the Basket Constituent. The investor shall consider that in the case of a Basket, a different weighting allocated to the Basket Constituents entails a higher or lower value of the Basket. In the case of a Rainbow Feature, unlike the financial instruments that normally are linked to one or more Basket(s), the Issuer will indicate in the relevant Final Terms (i) the financial assets that represent the Basket Constituents, (ii) the relative weighting within the Basket without a preliminary indication of the relevant allocation to a specific financial asset and (iii) the predetermined criteria pursuant to which the allocation among the weights will be made by the Calculation Agent (providing, for instance, in a Basket composed of three financial assets, the Basket would be weighted as follows: 50% for the Basket Constituent with the best performance; 30% for the Basket Constituent with the worst performance; and 20% for a Basket Constituent with the second best performance). For each determination period (during the life of the Certificates and at the exercise date) the Calculation Agent will allocate the weights to the relevant Basket Constituents on the basis of the performance recorded in that relevant determination period and in accordance with the objective criteria provided in the relevant Final Terms. The allocation of the weights might result differently on each determination date pursuant to the performance of each Basket Constituents. Once the Calculation Agent has determined the weighting of the Basket on the relevant determination date, the Calculation Agent will determine the total value of the Basket in accordance with the methods applied for the financial instruments normally linked to the Baskets. Therefore the Rainbow Feature entails that the Basket will have a variable weighting for all the life of the Certificates depending on the performance of the Basket Constituents and, consequently, it will affect the total value of the Basket. The investor shall consider that in the case of Rainbow Feature, upon variation of even only one Basket Constituent, the Reference Value of Basket recorded on a determination date might be completely different from a Reference Value recorded on a prior date.

Furthermore, the higher the correlation between the Basket Constituents the higher the volatility of the value of the Basket and therefore the price of the Certificates. In particular, it will broaden on account of the bullish and bearish effects of the Basket Constituents on the value of such Basket.

Risk related to management fees applied by the Issuer

The Issuer may apply to Benchmark Certificates an Annual Management Fee ("**AMF**") which will be determined on the basis of the AMF Percentage indicated in the applicable Final Terms. Such fee will accrue proportionally to the tenor of the Certificates and will not be affected in any way by the performance of the Underlying. The AMF will be deducted from the Cash Settlement Amount and, in case of listing of the Certificates on an exchange, the price of the Certificates will include such AMF, as accrued progressively.

Moreover, the Issuer may also apply to Benchmark Certificates or to Constant Leverage Certificates a Variable Management Fee ("**VMF**"), whose VMF Percentage$_x$ (specified as a range in the relevant Final Terms) may vary during the life of the Certificates. Any variation of the VMF Percentage$_x$ will be published by the Issuer on its website and by appropriate communication to the relevant exchange where the Certificates are listed/traded. The VMF will be deducted from the Cash Settlement Amount and, in case of listing of the Certificates on an exchange, the price of the Certificates will include such VMF, as accrued progressively.

Prospective investors should consider that, if the AMF is applicable (in case of Benchmark Certificates) or the VMF is applicable (in case of Benchmark Certificates or Constant Leverage Certificates), pursuant to the relevant Final Terms, the daily value of the Certificates will be affected by such fees and, consequently, at maturity, the positive (or negative) performance of the Underlying during the life of the Certificates shall be considered net of the AMF or net of the VMF.

Risks related to Turbo Certificates

In relation to Turbo Certificates, the return on the Securities depends on the performance of the Underlying(s) and whether early redemption features apply. Additionally, the return may depend on other market factors such as interest rates, the implied volatility of the Underlying(s) and the time remaining until redemption. Turbo Certificates include a leverage feature that magnifies gains and losses. If the Underlying moves against expectations, Securityholders risk losing a greater proportion of their investment than if they had invested in a Security that is not leveraged. As a consequence, investors may be exposed to a partial or total loss of their investment.

Risks related to Reverse Split

In relation to Turbo Certificates, Benchmark Certificates and Constant Leverage Certificates, if Reverse Split is specified as applicable in the relevant Final Terms, investors should also be aware that the Issuer may, at its discretion, perform the Reverse Split. In such case the number of Certificates will be aggregated and these Certificates will be converted into a smaller number of Certificates calculated by dividing the number of Pre-Conversion Certificates by the Reverse Split Ratio. Although Reverse Splits are intended to provide additional liquidity to holders and to prevent the forced liquidation (and therefore complete exit) of a Certificate, Securityholders of such Certificates should be aware that if such conversion entitles the Securityholder to a fraction of a Certificate, such fraction will be settled in cash.

Risks related to Constant Leverage Certificates

Constant Leverage Certificates are financial instruments without capital protection and the return on the Certificates depends, in case of Type A Constant Leverage Certificates, on the performance of a reference asset (i.e. the Reference Underlying) to which the index sponsor of the Index used as Underlying applies the Index Leverage Factor (with an upward or downward strategy) in order to calculate the Value of such Underlying and, in case of Type B Constant Leverage Certificates, on the performance of the Underlying to which a Constant Leverage Factor applies (with an upward or downward strategy).

In case of Type A Constant Leverage Certificates, in the event of significant and adverse changes in the performance of the Reference Underlying, an intra-day recalculation mechanism (intra-day reset) is provided by the index sponsor to prevent that the value of the Index used as Underlying will become negative due to the Index Leverage Factor. Specifically, when the performance of the Reference Underlying is lower (in case of Underlying with long leverage) or higher (in case of Underlying with short leverage) than a certain threshold (i.e. the Trigger Value), the index sponsor of the Index used as Underlying sets a new base value for the calculation of the daily performance of the Reference Underlying and, consequently, will result in an adjustment of the value of the of the Index used as Underlying. Therefore, in such case the performance of the of the Index used as Underlying could differ significantly from the performance of the Reference Underlying multiplied by the Index Leverage Factor. Investors should be aware that following the intra-day reset made by the index sponsor, the Certificates may price at a lower level than the last price recorded by the Certificate and, therefore, any subsequent recovery of potential losses may be difficult.

In case of Type B Constant Leverage Certificates, in the event of significant and adverse changes in the performance of the Underlying, an Intraday Reset Event is provided to prevent that the Payout Value Long or the Payout Value Short will become negative due to the Constant Leverage Factor. Specifically, when the performance of the Underlying is lower (in case of Long Constant Leverage Certificates) or higher (in case of Short Constant Leverage Certificates) than the Trigger Value, the Calculation Agent sets a new base value for the calculation of the daily performance of the Underlying and, consequently, will result in an adjustment of the value of the Certificates. Therefore, in such case the performance of the Certificates could differ significantly from the performance of the Underlying multiplied by the Constant Leverage Factor. Investors should be aware that following the Intraday Reset Event, the Certificates may price at a level lower than the last price recorded by the Certificate and, therefore, any subsequent recovery of potential losses may be difficult.

The calculation of the value of the Underlying by the relevant index sponsor of the Index used as Underlying is based on the daily performance of the Reference Underlying (in case of Type A Constant Leverage Certificates) or the calculation of the Payout Value Long or the Payout Value Short by the Calculation Agent (in case of Type B Constant Leverage Certificates), takes also into consideration certain figurative financial costs (in case of Type A Constant Leverage Certificates) or Cost Component (in case of Type B Constant Leverage Certificates). Therefore, investors should be also aware that the performance of the Underlying/Certificates will be different from the performance of the Reference Underlying multiplied by the Index Leverage Factor (in case of Type A Constant Leverage Certificates) or of the Underlying multiplied by the Constant Leverage Factor (in case of Type B Constant Leverage Certificates).

The performance of Constant Leverage Certificates over a period longer than one day may be derived from the compounded daily performance of the relevant Reference Underlying as calculated by the relevant index sponsor (in case of Type A Constant Leverage Certificates) or of the relevant Underlying as calculated by the Calculation Agent (in case of Type B Constant Leverage Certificates). Therefore, their performance could differ significantly from the performance of the Reference Underlying multiplied by the Index Leverage Factor (in case of Type A Constant Leverage Certificates) or of the relevant Underlying multiplied by the Constant Leverage Factor (in case of Type B Constant Leverage Certificates) during that period. The investors shall take into account that they are exposed to the risk that an investment in Constant Leverage Certificates may perform worse than a direct investment in the relevant Reference Underlying/Underlying and such risk increases the longer the period that Securityholders hold Constant Leverage Certificates and the more volatility the Reference Underlying/Underlying experiences during the holding period.

Constant Leverage Certificates 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. As a consequence, investors may be exposed to a partial or total loss of their investment.

Moreover, investors should also consider that the Constant Leverage Certificates provide for a fee charged to the Securityholders called Variable Management Fee or VMF_t which is calculated by applying a predetermined formula that takes into account the AMF Percentage and the VMF Percentage. Being calculated progressively and daily, it affects the market value of the Certificate throughout its entire life. Therefore, the Securityholders will receive a settlement amount linked to the performance of the Underlying (in case of Type A Constant Leverage Certificates) or linked to the Payout Value Long or the Payout Value Short (in case of Type B Constant Leverage Certificates) that, however, will be reduced by the application of such Variable Management Fee.

Risk related to the Restrike Feature

In relation to the Restrike Feature, if a Restrike Event has occurred, the Initial Reference Value will be recalculated and set at the Restrike Percentage. Therefore, the amounts that the Securityholders may receive, in case of Restrike Feature and upon occurrence of the Restrike Event, depend on the Restrike Percentage defined in the relevant Final Terms.

Risk related to the Call Option

Prospective investors should consider that if the Certificates will be exercised upon the exercise of the Call Option by the Issuer. Therefore, the exercise of the Call Option by the Issuer might frustrate long term investment strategies pursued by the investors.

In relation to Certificates that qualify as eligible liabilities under the MREL Requirements, the exercise of the Call Option by the Issuer may be subject to particular restrictions prescribed by the applicable laws and regulations at the relevant time, as described in Risk Factor "*Early redemption and repurchase of the Certificates which qualify as MREL eligible liabilities may be restricted"* below.

Risk related to the early exercise of the Certificates following a MREL Disqualification Event

If the Securities qualified as MREL eligible liabilities at the time of the issuance and subsequently become ineligible due to a change in MREL Requirements, then a MREL Disqualification Event will occur.

If a MREL Disqualification Event occurs and is continuing in relation to any Series of such Certificates, the Issuer in its discretion may redeem all, but not some only, of the Certificates of such Series.

If the Issuer should redeem such Certificates, the Securityholders will receive an amount which shall be equal to the fair market value of the Certificates (the bid-value in case of Italian Traded Securities). Such Certificates may only be redeemed by the Issuer subject to compliance by the Issuer with any conditions or restrictions to such redemption or repurchase prescribed by the MREL Requirements at the relevant time. See "*Early redemption and purchase of the Certificates which qualify as MREL eligible liabilities may be restricted*" below.

A MREL Disqualification Event shall be deemed to have occurred if, by reason of the introduction of, or a change in, the MREL Requirements, which was not reasonably foreseeable by the Issuer at the Issue Date of the Certificates initially qualified as MREL eligible liabilities, all or part of the aggregate outstanding nominal amount of such Certificates are or will be excluded fully or partially from the liabilities that are eligible to meet the MREL Requirements.

In such case the Securityholders may be exposed to the risk that, due to the early redemption, their investment may have a lower than expected potential return and that it may not be possible to reinvest the amount received at the same conditions applied to the initial investment made in the Certificates.

Early redemption and repurchase of the Certificates which qualify as MREL eligible liabilities may be restricted

Any early redemption or repurchase of Certificates intended to qualify as eligible liabilities under the MREL Requirements, is subject to compliance by the Issuer with any conditions or restrictions to such redemption or repurchase prescribed by the applicable laws and regulations at the relevant time, including any requirements applicable to such redemption due to the qualification of such Securities at such time as eligible liabilities available to meet the MREL Requirements.

The new regulatory framework, set out in Articles 77 and 78a of CRR II, provides that the relevant resolution authority shall grant permission to call, redeem, repay or repurchase liabilities that are eligible to meet the MREL Requirements (eligible liabilities instruments), prior their contractual maturity.

In particular, according to such provisions the relevant resolution authority would approve an early redemption of the eligible liabilities in accordance with Article 78a of the CRR where one of the following conditions is met:

(i) on or before such call, redemption, repayment or repurchase (as applicable), the Issuer replaces the eligible liabilities with own funds instruments or eligible liabilities instruments of equal or higher quality at terms that are sustainable for its income capacity; or

(ii) the Issuer has demonstrated to the satisfaction of the resolution authority that its own funds and eligible liabilities would, following such call, redemption, repayment or repurchase, exceed the requirements for own funds and eligible liabilities laid down in the applicable MREL Requirements by a margin that the Relevant Authority considers necessary; or

(iii) the Issuer has demonstrated to the satisfaction of the resolution authority that the partial or full replacement of the eligible liabilities with own funds instruments is necessary to ensure compliance with the own funds requirements laid down in the applicable MREL Requirements actions for continuing authorization,

subject in any event to any different conditions or requirements as may be provided from time to time under the applicable laws and regulations, as adopted by the Republic of Italy.

The BRRD II, the SRMR II and CRR II have been recently adopted and there are still some provisions related to Article 78a CRR II that need to be specified in Regulatory Technical Standards ("**RTS**") to be adopted by the European Banking Authority ("**EBA**"). The RTS require the EBA to develop the procedure — in terms of coordination between competent and resolution authorities, timelines and information — for relevant resolution authorities to follow to provide prior permission to banks to replace or reduce eligible liabilities instruments. Such new regulatory framework recently adopted leaves uncertainty as to its interpretation in the relevant Member States.

Risks related to Certificates qualifying as eligible liabilities instruments according to the MREL Requirements which may be subject to modification without the Securityholders' consent

If (i) at any time a MREL Disqualification Event occurs and is continuing in relation to any Series of Certificates qualifying as eligible liabilities instruments according to the MREL Requirements and/or (ii) in order to ensure the effectiveness and enforceability of Condition 17 (*Acknowledgement of the Italian Bail-in Power*), then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the competent authority and/or as appropriate the Relevant Authority (without any requirement for the consent or approval of the holders of the Securities of that Series), at any time vary the terms of such Securities so that they remain or, as appropriate, become, Qualifying Certificates (as defined below), provided that such variation does not itself give rise to any right of the Issuer to redeem the varied securities.

Qualifying Certificates are securities issued by the Issuer that, other than in respect of the effectiveness and enforceability of Condition 17 (*Acknowledgement of the Italian Bail-in Power*), have terms not materially less favourable to the Securityholders (as reasonably determined by the Issuer) than the terms of the Securities qualifying as eligible liabilities instruments according to the MREL Requirements. However, no assurance can be given as to whether any of these changes will negatively

affect any particular Securityholders. In addition, the tax and stamp duty consequences of holding such varied securities could be different for some categories of Securityholders from the tax and stamp duty consequences for them of holding the securities prior to such variation.

Risk related to the Accumulated Amount's payment contingent upon occurrence of an Early Redemption Event

If an Early Redemption Level is applicable under the relevant Final Terms, and if so specified in such Final Terms, the Accumulated Amount will be paid only upon occurrence of an Early Redemption Event. As a result, even if one or more Accumulating Events have occurred, the Securityholders will not receive any Accumulated Amount unless an Early Redemption Event has occurred.

Risks associated with Certificates with Open End Feature

Certificates with Open End Feature do not have a pre-determined Exercise Date and may be redeemed upon exercise of the Call Option by the Issuer or the exercise of the Put Option by the Securityholder, as specified in the applicable Final Terms. Investment in Certificates with Open End Feature will entail additional risks compared with other Certificates, due to the fact that they do not have a prescribed tenor and Securityholders may receive a lower return than expected and depending on when the Certificates with Open End Feature are redeemed.

Risk related to the Strike Percentage

If the Cash Settlement Amount is calculated also on the basis of the Strike Percentage, which is a value predetermined by the Issuer in the relevant Final Terms that may be lower than, equal to or higher than 100%, such Strike Percentage contributes to the determination of the potential return of the Certificates. If it is higher than 100%, the positive performance of the Underlying will be considered partially in order to calculate the Cash Settlement Amount. Furthermore, in case of negative performance of the Underlying, if the Strike Percentage is equal to or higher than 100% the Cash Settlement Amount will be equal to zero.

Impact of running structuring fees on the value of the Securities

Investors should also note that running structuring fees may be applied by the Issuer in respect of the value of the Securities.

Such running structuring fees will not be affected in any way by the performance of the relevant Underlying.

The Issuer will specify in the relevant Final Terms the running structuring fee (and, in the case, how such structuring fee will be charged). Prospective investors should consider that, if the running structuring fees are applicable, the value of the Securities will be affected by such fees also on the secondary markets.

Impact of running commissions and costs on the value of the Securities

Investors should be aware that, if so provided in the applicable Final Terms, there may be running commissions/costs, fixed or variable. In this case, the applicable Final Terms will specify any applicable details of such commissions/costs and to whom they will be due, if applicable.

Prospective investors should consider that, if the running commissions/costs are applicable, the value of the Securities will be affected by such commissions/costs also on the secondary markets.

Certificates issued as "Green Certificates", "Social Certificates", "Sustainability Certificates" or "Climate Certificates" may not be a suitable investment for all investors seeking exposure to green assets or social assets or sustainable assets

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

In such a case, prospective investors should have regard to the information set out at "Reasons for the Offer, estimated net proceeds and total expenses" in the applicable Final Terms and must determine for themselves the relevance of such information for the purpose of any investment in the Certificates together with any other investigation such investors deem necessary, and must assess the suitability of that investment in light of their own circumstances. In particular, no assurance is given by the Issuer or the Manager that the use of such proceeds for the funding of any green project or social project or combination of any green and social project, as the case may be, will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations (including, amongst others, Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy Regulation**")) and the Sustainable Finance Taxonomy Regulation Delegated Acts for climate change adaptation and mitigation objectives (the "**EU Taxonomy Regulation Delegated Acts**") approved in principle by the EU Commission on 21 April 2021 and formally adopted on 4 June 2021 (the EU Taxonomy Regulation and the EU Taxonomy Regulation Delegated Acts, jointly, the ("**EU Taxonomy Framework**")) or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, the relevant Eligible Green Projects, Eligible Social Projects or Eligible Sustainable Projects). On 9 December 2021, a first delegated act on sustainable activities for climate change mitigation and adaptation objectives of the EU Taxonomy ("**Climate Delegated Act**") was published in the Official Journal and is applicable from 1 January 2022. On 6 July 2021 the European Commission adopted the delegated act supplementing Article 8 of the EU Taxonomy Regulation ("**Disclosure Delegated Act**") which was then published in the Official Journal on 10 December 2021 and is applicable since January 2022. This delegated act specifies the content, methodology and presentation of information to be disclosed by financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities. On 9 March 2022, the European Commission adopted a complementary climate delegated act including, under strict conditions, specific nuclear and gas energy activities in the list of economic activities covered by the EU taxonomy. It was published in the Official Journal on 15 July 2022 and is applicable from January 2023. The criteria for the specific gas and nuclear activities are in line with EU climate and environmental objectives and will help accelerate the shift from solid or liquid fossil fuels, including coal, towards a climate-neutral future. On 21 November 2023, a delegated act and annexes containing the technical screening criteria of the remaining four environmental objectives and the amendments to the Disclosure Delegated Act were published in the Official Journal; on the same day, a delegated act amending the Climate Delegated Act, was published in the Official Journal.

On 18 June 2019, the Commission Technical Expert Group on sustainable finance published its final report on a future European standard for green bonds (the "**EU Green Bond Standard**"). In the context of the public consultation on the renewed sustainable finance strategy, the European Commission launched a targeted consultation on the establishment of an EU Green Bond Standard, that builds and

consults on the work of the Commission Technical Expert Group and has run between 12 June and 2 October 2020. On 19 October 2020, the European Commission published the Commission Work Programme 2021, in which expressed the intention to deliver a legislative proposal by the end of the second quarter of 2021. On 6 July 2021, the European Commission officially adopted a legislative proposal for a EU Green Bond Standard setting out four main requirements: (i) allocation of the funds raised by the green bond should be made in compliance with the EU Taxonomy (as defined below); (ii) full transparency on the allocation of the green bond proceeds; (iii) monitoring and compliance activities to be carried out by an external reviewer; and (iv) registration of external reviewers with the ESMA and subject to its supervision. The European Commission, the European Council and the European Parliament entered into trilogue negotiations and reached a provisional agreement on 28 February 2023 on the legislative proposal for an EU Green Bond Standard introducing a voluntary standard. On 10 May 2023, a version of the regulation adopted by the legislative bodies of the European Union was published. Finally, on 30 November 2023, the regulation on the "European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds" was published in the Official Journal (the "**EU Green Bond Regulation**"); the Regulation entered into force on the 20 December 2023 and applied from 21 December 2024.

The securities issued, as Green Certificates, under this Programme may not at any time be eligible for the Issuer to be entitled to use the designation of "European Green Bond" or "EuGB" nor is the Issuer under any obligation to take steps to have any such green bonds become eligible for such designation.

Furthermore, it should be noted that there is currently no clearly established definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, respectively "green" or a "social" or a "sustainable" project or as to what precise attributes are required for a particular project to be defined as "green" or "social" or "sustainable" or such other equivalent label. The EU Taxonomy Regulation is nevertheless subject to further developments. Accordingly, no assurance is or can be given to investors that any green or social project, as the case may be, towards which proceeds of the Certificates are to be applied will meet the investor expectations regarding such "green" or "social" performance objectives (including those set out under the EU Taxonomy Regulation and any related technical screening criteria, the European Green Bond Regulation, SFDR – the Sustainable Finance Disclosure Regulation EU 2019/2088 on sustainability related disclosures in the financial services sector – and any implementing legislation and guidelines, or any similar legislation in the United Kingdom) or that any adverse social, green, sustainable and/or other impacts will not occur during the implementation of any green or social or combination of any green and social project.

Further, no assurance can be given that Eligible Loans (as defined in "Use of Proceeds" below) will meet investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels (including in relation to the EU Taxonomy Regulation and any related technical screening criteria, SFDR, and any implementing legislation and guidelines, or any similar legislation in the United Kingdom) or any requirements of such labels as they may evolve from time to time. Green Certificates issued under the Programme are only intended to comply with the requirements and processes in the Issuer's Green, Social and Sustainability Bond Framework and will not be compliant with the European Green Bond Regulation. It is yet to be verified whether the establishment of the EuGB label and the optional disclosures regime for bonds issued as "environmentally sustainable" under the European Green Bond Regulation could have an impact on investor demand for, and pricing of, green use of proceeds bonds that do not comply with the requirements of the EuGB label or the optional disclosures regime, such as the Green Certificates issued under this Programme. Should there be an impact, it could result in reduced liquidity or lower demand or could otherwise affect the market price of any Green Certificates issued under this Programme that do not comply with the standards under the European Green Bond Regulation.

While it is the intention of the Issuer to apply an amount equivalent to the proceeds of Social Certificates, Green Certificates, Climate Certificates or Sustainability Certificates in, or substantially in, the manner described in the applicable Final Terms, there can be no assurance that the green, low carbon, social or combination of any green and social projects (either resulting from the original application of the proceeds of the Certificates or a subsequent reallocation of such proceeds), as the case may be, will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly the proceeds of the relevant Green Certificates, Climate Certificates, Social Certificates or Sustainability Certificates will be totally or partially disbursed for such projects. Nor can there be any assurance that such green, low carbon, social or combination of any green and social projects will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer, or that the originally designated green, low carbon, social or combination of any green and social project (or any project(s) resulting from any subsequent reallocation of some or all of the proceeds of the relevant Green Certificates, Climate Certificates, Social Certificates or Sustainability Certificates) will not be disqualified as such.

The Issuer does not undertake to ensure that there are at any time sufficient Eligible Loans to allow for allocation of an amount equal to the net proceeds of the issue of such Green/Social/Sustainable Certificates in full.

An amount equal to the net proceeds of the issue of any Green/Social/Sustainable Certificates which, from time to time, are not allocated as funding for Eligible Loans is intended by the Issuer to be held pending allocation.

The Issuer's Green, Social and Sustainability Bond Framework may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Base Prospectus. A withdrawal of the Issuer's Green, Social and Sustainability Bond Framework may affect the value of such Green Certificates, Climate Certificates, Social Certificates or Sustainability Certificates and/or may have consequences for certain investors with portfolio mandates to invest in green or social or sustainable assets. The Issuer's Green, Social and Sustainability Bond Framework does not form part of, nor is incorporated by reference, in this Base Prospectus.

No assurance of suitability or reliability of any Second Party Opinion or any other opinion or certification of any third party relating to any Green/Social/Sustainable Certificates

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

that formed the basis of the Second Party Opinion and any other such opinion or certification may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. A withdrawal of the Second-party Opinion may affect the value of such Green Certificates, Climate Certificates, Social Certificates or Sustainability Certificates and/or may have consequences for certain investors with portfolio mandates to invest in green or social or sustainable assets.

No representation or assurance is given as to the suitability or reliability of any Second-party Opinion or certification of any third party made available in connection with an issue of Certificates issued as "Green Certificates", "Social Certificates", "Sustainability Certificates" or "Climate Certificates". For the avoidance of doubt, any such Second-party Opinion or certification is not incorporated in this Base Prospectus. Any such Second-party Opinion or certification is not a recommendation by the Issuer, the Managers or any other person to buy, sell or hold any such Certificates and is current only as of the date it was issued. As at the date of this Base Prospectus, the providers of any such Second-party Opinion and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors must determine for themselves the relevance of any such Second-party Opinion or certification and/or the information contained therein.

No assurance that Green/Social/Sustainable Certificates will be admitted to trading on any dedicated "green", "sustainable", "social" (or similar) segment of any stock exchange or market, or that any admission obtained will be maintained

In the event that any such Certificates are listed or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently labelled segment of a stock exchange or securities market, no representation or assurance is given by the Issuer, the Managers or any other person that such listing or admission satisfies any present or future investment criteria or guidelines with which such investor is required, or intends, to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Issuer, the Managers or any other person that any such listing or admission to trading will be obtained in respect of any such Certificates or that any such listing or admission to trading will be maintained during the life of the Certificates.

ESG Ratings

ESG ratings may vary amongst ESG ratings agencies as the methodologies used to determine ESG ratings may differ. The Issuer's ESG ratings are not necessarily indicative of its current or future operating or financial performance, or any future ability to service the Certificates and are only current as of the dates on which they were initially issued. ESG ratings shall not be deemed to be a recommendation to buy, sell or hold the Certificates. Currently, the providers of such ESG ratings are not subject to any regulatory or other similar oversight in respect of their determination and award of ESG ratings. Prospective investors must determine for themselves the relevance of any such ESG rating information contained in this Base Prospectus or elsewhere in making an investment decision.

Specific risks related to Warrants

Loss risk in relation to the Covered Warrants

An investment in Covered Warrants entails the risk of loss of the capital invested.

In relation to Call Covered Warrants, in case of negative performance of the Underlying, if the Final Reference Value is lower than the Exercise Price, Securityholders will bear a total loss of the capital invested. Furthermore, if the Final Reference Value is higher than the Exercise Price, but not enough to

offset the price paid for the purchase of the Covered Warrants, Securityholders will bear a partial loss of the capital invested.

In relation to Put Covered Warrants, in case of positive performance of the Underlying, if the Final Reference Value is higher than the Exercise Price, Securityholders will bear a total loss of the capital invested. Furthermore, if the Final Reference Value is lower than the Exercise Price, but not enough to offset the price paid for the purchase of the Covered Warrants, Securityholders will bear a partial loss of the capital invested.

Risk related to the Exercise Price

The Cash Settlement Amount of the Covered Warrants will be calculated also on the basis of the Exercise Price, which is a value either predetermined by the Issuer in the relevant Final Terms or communicated to Securityholders on the date(s) specified in the relevant Final Terms through the relevant notice. Such Exercise Price contributes to the determination of the potential return of the Covered Warrants.

Risk related to the Strike Percentage

The Cash Settlement Amount will be calculated on the basis of the Strike Percentage, which is a value predetermined by the Issuer in the relevant Final Terms that may be lower than, equal to or higher than 100%. Such Strike Percentage contributes to the determination of the potential return of the Warrants.

In particular, in relation to Call Warrants, if it is higher than 100%, the positive performance of the Underlying will be considered partially in order to calculate the Cash Settlement Amount. Furthermore, in case of negative performance of the Underlying, if the Strike Percentage is equal to or higher than 100% the Cash Settlement Amount will be equal to zero.

In relation to Put Warrants, if it is lower than 100%, the negative performance of the Underlying will be considered partially in order to calculate the Cash Settlement Amount. Furthermore, in case of positive performance of the Underlying, if the Strike Percentage is lower than 100% the Cash Settlement Amount will be equal to zero.

Risk related to the Interest Rate Warrants

Prospective investors should consider that the payment of the Floating Amount and the Cash Settlement Amount will depend, among other things, on the Interest Cap. In particular, such rate will be detracted from the Reference Rate, reducing therefore the potential amount of the Floating Amount and/or the Cash Settlement Amount, as the case may be.

The Floating Amount will also depend on the Notional Amount specified for the relevant Floating Amount Determination Period. In particular, the Notional Amount may vary on each Floating Amount Determination Period and the Floating Amount received at a later Floating Amount Payment Date may differ considerably from the Floating Amount received on the First Floating Amount Payment Date. Furthermore, for the purposes of the calculation of the Cash Settlement Amount, also the Final Notional Amount is different from the Notional Amount considered for the purposes of the calculation of the Floating Amounts.

Risk related to the Barrier Event (in case of Corridor Warrants)

The Barrier Event indicates the achievement by one or more underlying assets of a value below the Lower Barrier Level or higher than the Upper Barrier Level, on the Barrier Event Determination Period.

If a Barrier Event occurs, the term of the Securities will end immediately and the Securityholders will only receive the Corridor Early Amount which can be equal to zero. This may entail the risk of partial or total loss of the investment.

The Securityholder shall consider that the occurrence of a Barrier Event will also depend on the volatility of the underlying asset i.e. the more frequent and intense the fluctuations in the value of the underlying asset during the life of the Warrants are, the higher the volatility will be and the greater the chance that the value of the underlying asset will be below the Lower Barrier Level or higher than the Upper Barrier Level and therefore a Barrier Event will occur. In relation to the Warrants to be issued, the Issuer might set, at its own discretion, the Lower Barrier Level and the Upper Barrier Level.

The Barrier Event could occur on any day within the Barrier Valuation Period. Furthermore, if the value of the Underlying is calculated as Intraday Value, the underlying asset(s) will be observed on a continuous basis and the probability that a Barrier Event occurs may be magnified.

Time lag after exercise

In the case of any exercise of Warrants, there will be a time lag between the time a Warrant holder gives instructions to exercise, or the time the Warrant is automatically exercised, and the time the applicable Cash Settlement Amount (in the case of Warrants that are Cash Settled Securities) 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 Warrants. 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 Amount

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 Warrants that are Cash Settled Securities) or the Deliverable Asset constituting part or all of the Entitlement (in the case of Warrants that are Physical Delivery Securities) of such Warrants.

Limitations on exercise

In the case of American Style Warrants, if so indicated in the applicable Final Terms, the 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 Issuer elects to limit the number of American Style Warrants exercisable on such date, a Warrant holder 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 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.

2.4. Risks related to Securities generally

Option to vary Settlement

The Issuer may have an option to vary settlement in respect of the Securities, at its sole and unfettered discretion and may elect (1) not to pay the relevant Securityholders the Cash Settlement Amount, but to deliver or procure delivery of the Entitlement or (2) not to deliver or procure delivery of the Entitlement, but to make payment of the Cash Settlement Amount on the Settlement Date to the relevant Securityholders.

Modification

The Conditions 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 Conditions also provide that the Principal Security Agent and the Issuer may, without the consent of Securityholders, agree to (i) any modification (subject to certain specific exceptions) of the Securities or the Agency Agreement which is not prejudicial to the interests of the Securityholders or (ii) any modification of the Securities or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of law.

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, 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 pursuant to the terms of such Securities as more fully set out in Condition 10.

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 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.

U.S. Foreign Account Tax Compliance Withholding

The Issuer and other financial institutions through which payments on the Securities are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, "foreign passthru payments" (a term not yet defined) made two years after the date of publication of final U.S. Treasury Regulations defining the term “foreign passthru payment”, or later. This withholding would potentially apply to payments in respect of (i) any 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 after the "grandfathering date" which (A) with respect to Securities that give rise solely to foreign passthru payments, is the date that is six months after the date on which final U.S. Treasury Regulations defining the term foreign passthru payment are filed with the Federal Register, and (B) with respect to Securities that give rise to a dividend equivalent pursuant to Section 871(m) of the Code as discussed below (and therefore do not give rise to foreign passthru payments), is the date that is six months after the date on which obligations of their type are first treated as giving rise to dividend equivalents, or in either case are issued on or before the grandfathering date and are materially modified thereafter, and (ii) any Securities characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Securities are issued on or before the grandfathering date, and additional Securities of the same series are issued after that date, the additional Securities may not be treated as grandfathered, which may have negative consequences for the existing Securities, including a negative impact on market price.

While the Securities are in global form and held within the clearing systems, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. FATCA also may affect payment to any ultimate investor that is a financial institution not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose their custodians and intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Securities are discharged once it has paid the common depositary for the clearing systems (as bearer or registered holder of the Securities) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the hands of the clearing systems and custodians or intermediaries. The documentation expressly contemplates the possibility that the Securities may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA withholding.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from payments on the Securities, none of the Issuer, any paying agent or any other person would, pursuant to the conditions of the Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive a lesser amount than expected. Holders of Securities should consult their own tax advisers for a more detailed explanation of FATCA and how FATCA may apply to payments they receive under the Securities.

FATCA is particularly complex and its application to the Issuer, the Securities, and investors in the Securities is uncertain at this time. The application of FATCA to "foreign passthru payments" on the Securities or to Securities issued or materially modified after the grandfathering date may be addressed in the relevant Final Terms or a supplement to the Base Prospectus, as applicable.

On 10 January 2014, representatives of the Governments of Italy and the United States signed an intergovernmental agreement to implement FATCA in Italy (the "**IGA**"), which entered into force on 1st July 2014. The IGA ratification law entered into force on 8 July 2015. Under these rules, the Issuer, as a reporting financial institution, will be required to collect and report certain information in respect of its account holders and investors to the Italian tax authorities, which would automatically exchange

such information periodically with the U.S. Internal Revenue Service.

U.S. Dividend Equivalent Payments

U.S. Treasury Regulations under Section 871(m) of the Code imposing a withholding tax on certain "dividend equivalents" under certain "equity linked instruments" exclude from their scope instruments issued before calendar year 2021 that do not have a "delta of one" with respect to underlying securities that could pay U.S.-source dividends for U.S. federal income tax purposes (each an "Underlying Security"). Subject to this pre-2021 exemption, Section 871(m) of the Code will apply to a financial instrument (a "Specified Security") if it meets either (i) a "delta" test, if it is a "simple" contract, or (ii) a "substantial equivalence" test, if it is a "complex" contract. Section 871(m) of the Code provides certain exceptions to this withholding regime, in particular for instruments linked to certain broad-based indices that meet requirements set forth in the applicable Treasury regulations, as well as instruments that track such indices. If the terms of a financial instrument issued before calendar year 2021 (that is exempt from withholding under Section 871(m) of the Code) are "significantly modified" sometime after calendar year 2020 such that the financial instrument is treated as retired and reissued for U.S. federal income tax purposes, it will lose this exemption. Withholding in respect of dividend equivalents will generally be required when cash payments are made on a Specified Security or upon the date of maturity, lapse or other disposition by the non-U.S. holder of the Specified Security. If U.S. Underlying Equities are expected to pay dividends during the term of the Specified Security, withholding generally will still be required even if the Specified Security does not provide for payments explicitly linked to dividends. If the Issuer or any other relevant withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

Section 871(m) of the Code is complex and its application may depend on your particular circumstances, including whether you enter into other transactions with respect to an Underlying Security. You should consult your tax advisor regarding the potential application of Section 871(m) of the Code to 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.

Illegality and cancellation

If the Issuer determines that its performance under any Securities has, or that any arrangements made to hedge the Issuer's obligations under any 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, impossible or impracticable, the Issuer may cancel such Securities. The Issuer may also cancel the Securities upon the occurrence of certain adjustment events as set out in Condition 15 (*Market Disruption Events and Adjustment Events*). If the Issuer cancels the Securities, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security held by such holder, equal to the fair market value the Securities (the bid-value in case of Italian Traded Securities), notwithstanding such illegality, force majeure event or act of state, less the cost to the 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 Calculation Agent in its sole and absolute discretion (such cost shall not be applicable in case of Italian Traded Securities). Payment will

be made in such manner as shall be notified to the Securityholders in accordance with Condition 9 (*Notices*).

Hedging disruption

In respect of the Securities linked to one or more Underlying(s), the Issuer or one of its affiliates may be unable, after using commercially reasonable efforts, to either (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to the Securities; or (b) freely realize, recover, receive, repatriate, remit or transfer the proceeds of hedge positions as the case may be between accounts within the jurisdiction of the hedge position (the "**Affected Jurisdiction**") or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction.

In connection with such hedging activities, the Issuer and/or its affiliates may enter into transactions which may affect the liquidity or value of the Securities and which could be deemed to be adverse to the interests of the relevant Securityholders.

If an Hedging Disruption occurs, the Calculation Agent may consider such event as a Termination Event and the Issuer shall pay or cause to be paid an amount on the basis of the fair market value of the Securities (the bid-value in case of Italian Traded Securities).

Change of law

The Conditions are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

Potential conflicts of interest

The 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 Issuer and/or any of its Affiliates may act as paying agent for the Italian Dematerialised Securities. In case of Fund Securities or in case of Index Securities when the Underlying is one or more fund indices, the Issuer or any of its Affiliate have agreements in place with the Management Company or the Fund Manager (or the Index Sponsor) pursuant to which such entities have the obligation to provide the Issuer or any of its Affiliate, on a continuous basis, with the information of the Fund(s) (or of the funds composing the Index) that the Issuer is required to receive in order to apply the lookthrough approach pursuant to the Fundamental Review of the Trading Book (FRTB). In such case, the Management Company or the Fund Manager (or the Index Sponsor) may be an Affiliate of the Issuer. The 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 Conditions of the Securities, the Calculation Agent may make certain determinations in respect of the Securities which could affect the amount payable by the Issuer on the Securities. In

exercising its right to make such determinations the Calculation Agent is entitled to act in its sole and absolute discretion. Where the 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 amount payable in relation to such Securities.

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

Risk related to Physical Delivery Securities

If the Securities are Physical Delivery Securities, the Securityholder may receive the Deliverable Asset constituting part or all of the Entitlement, as specified in the relevant Final Terms. In such case, the Securityholders will be exposed to the risk that the market value of the Deliverable Asset is less than the market value of the Securities.

There is a risk of price losses of the Deliverable Asset constituting part or all of the Entitlement in the event that the Securityholders sell such Deliverable Asset. In particular, should the value of the Deliverable Asset constituting the Entitlement continues to fall between the time of its delivery and the sale by the Securityholder, the loss of the Securityholder increases accordingly, and Securityholders may not subsequently be able to realise any cash value from the assets comprising the Entitlement.

Investors should also take into consideration that, the holding or sale of the Deliverable Asset may result in fees (for example, custody fees) or other costs which reduce the potential return or increase the loss of the Securityholder.

Physical Delivery requirements and settlement risk

In relation to Physical Delivery Securities, in order to receive the Entitlement, Securityholders shall follow the exercise procedures specified under Condition 19 (*Exercise rights and procedures (only applicable to Warrants)*) or Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*) and detailed in the applicable Final Terms. Failure to do so will result (i) in the case of a Warrant where Automatic Exercise is not specified in the applicable Final Terms, the relevant Warrant's becoming void or (ii) in the case of a Warrant where Automatic Exercise is specified in the applicable Final Terms, or (iii) in the case of a Certificate, the Securityholder receiving the Assessed Value Payment Amount instead of the Entitlement. The Assessed Value Payment Amount will be determined by the Calculation Agent by reference to the fair market value of the Deliverable Asset constituting part or all of the Entitlement.

In connection with the exercise of Physical Delivery Securities, unless otherwise indicated in the Final Terms, the Calculation Agent may determine that a Settlement Disruption Event or, if applicable, a Failure to Deliver due to Illiquidity has occurred. 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 particular, if a Settlement Disruption Event occurs or exists on the Settlement Date, settlement will be postponed until the next Settlement Business Day on which no Settlement Disruption Event occurs. The Issuer in these circumstances has also the right to pay the Settlement Disruption Amount (as defined in the Conditions) in lieu of delivering the Entitlement. Such a determination may have an adverse effect on the value of the relevant Securities since the Settlement Disruption Amount may be less than the fair market value of the Entitlement and could be less than the return that the investor had anticipated.

If so indicated in the applicable Final Terms, the Issuer has an option to vary settlement in respect of the Securities. If exercised by the Issuer, this option will lead to Physical Delivery Securities being cash settled or Cash Settled Securities being physically settled. Exercise of such option may affect the value of the Securities.

Exercise risk

Exercise of the Securities is subject to all applicable laws, regulations and practices in force on the Exercise Date and none of the Issuer, any of its Affiliates, the Security 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 Issuer, any of its Affiliates, the Security Agents, the Registrar and the Calculation Agent shall under any circumstances be liable for any acts or defaults of Euroclear or Clearstream, Luxembourg in relation to the performance of their duties in relation to the Certificates.

European financial transactions tax

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the **Commission Proposal**), for a financial transaction tax (**FTT**) to be adopted in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**)[6]. However, Estonia has since stated that it will not participate. If the Commission's Proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which could include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Certificates 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 may give rise to tax liabilities for the relevant Issuer with respect to certain transactions if it is adopted based on the Commission's Proposal. Examples of such transactions are the conclusion of a derivative contract in the context of the relevant Issuer's hedging arrangements or the purchase or sale of securities (such as charged assets) or the exercise/settlement of a warrant. The relevant Issuer is, in certain circumstances, able to pass on any such tax liabilities to holders of the Securities and therefore this may result in investors receiving less than expected in respect of the Securities. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Securities (including secondary market transactions) if conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's Proposal. Primary market transactions referred to in Article 5(c) of Regulation EC No 1287/2006 are expected to be exempt. There is however some uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to implementation, the timing of which remains unclear. Additional Member States may decide to participate. Prospective Securityholders are advised to seek their own

[6] Several EU Member States (e.g. France, Italy and Spain) have already introduced national FTTs.

professional advice in relation to the FTT.

United Kingdom's exit from the European Union

On 23 June 2016, the United Kingdom (the "**UK**") held a referendum on the UK's membership of the EU. The result of the referendum's vote was to leave the EU and the UK Government invoked article 50 of the Lisbon Treaty. On 24 January 2020, it was announced that the government of the UK and the EU had executed and entered into to a withdrawal agreement (the "**Withdrawal Agreement**"). On 29 January 2020, the European Parliament voted to consent to the Withdrawal Agreement, and on 30 January 2020, the European Council (the "**EU Council**") adopted, by written procedure, the decision on the conclusion of the Withdrawal Agreement on behalf of the EU. On 31 January 2020, upon the United Kingdom's exit from the EU, the Withdrawal Agreement entered into force. A transition period begins following the date of the United Kingdom's withdrawal until 31 December 2020 (the "**Transition Period**"). During the Transition Period, the UK was bound by EU rules despite not being its member state and remained in the single market area, while the future terms of the UK's relationship with the EU were being negotiated.

On 24 December 2020, the EU and the UK reached an agreement on the Trade and Cooperation Agreement (the "**Trade and Cooperation Agreement**"), which sets out the principles of the relationship between the EU and the UK following the end of the Transition Period. The Trade and Cooperation Agreement was signed on 30 December 2020. The Trade and Cooperation Agreement has provisional application until the EU and UK complete their ratification procedures. On 29 April 2021, the EU Council ratified the Trade and Cooperation Agreement. The Trade and Cooperation Agreement does not create a detailed framework to govern the cross-border provision of regulated financial services from the UK into the EU and from the EU into the UK. Notwithstanding the conclusion of the Withdrawal Agreement, the application of the Trade and Cooperation Agreement by the EU and the UK and the implementation by the UK of retained EU law, there remain significant uncertainties with regard to the political and economic outlook of the UK and the EU.

There are a number of areas of uncertainty in connection with the future of the UK and its relationship with the European Union and the negotiation of the UK's exit terms and related matters may take several years. Given this uncertainty and the range of possible outcomes, it is not currently possible to determine the impact that the referendum, the UK's departure from the European Union and/or any related matters may have on general economic conditions in the UK and the European Union. It is also not possible to determine the impact that these matters will have on the Issuer or any other party to the transaction documents, or on the regulatory position of any such entity or of the transactions contemplated by the transaction documents under EU regulation or more generally.

Legal risks

Legal investment considerations may restrict certain investments

Each prospective purchaser of Securities must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Securities (i) is fully consistent with its (or if it is acquiring the Securities in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Securities as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Securities in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Securities. Potential investors should consult with their own tax, legal, accounting and/or financial advisers before considering investing in the Securities.

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 (1) Securities are legal investments for it, (2) Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

No reliance

A prospective purchaser may not rely on the Issuer, the Managers, if any, or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Securities or as to the other matters referred to above. None of the Issuer, the Managers, if any, or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Securities by a prospective purchaser of the Securities, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

2.5. Risks related to the offer to the public and/or admission of the Securities to trading on a regulated market

Impact of implicit fees on the Issue Price / Offer Price

Investors should note that implicit fees (e.g. placement commissions/distribution commissions, structuring fees) may be a component of the Issue Price / Offer Price of the Securities, but such fees will not be taken into account for the purposes of determining the price of the relevant Securities in the secondary market.

The Issuer will specify in the relevant Final Terms the type and amount of any implicit fees which are applicable from time to time.

Investors should also take into consideration that if Securities are sold on the secondary market immediately following the offer period relating to such Securities, the implicit fees included in the Issue Price /Offer Price on initial subscription for such Securities will be deducted from the price at which such Securities may be sold in the secondary market.

Certain considerations associated with Offers of Securities

If Securities are distributed by means of an Offer, under certain circumstances indicated in the relevant Final Terms, the 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.

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 (in the case of Certificates) will not receive any remuneration that may have accrued in the period between their payment or delivery of subscription monies and the reimbursement of the Securities.

Possible illiquidity of the Securities in the secondary market

It is not possible 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 admit to trading

Securities on a stock exchange or market. If the Securities are not listed or admitted to trading on any exchange or market, pricing information for the Securities may be more difficult to obtain and the liquidity of the Securities may be adversely affected. If the Issuer does list or admit to trading an issue of Securities, there can be no assurance that at a later date, the Securities will not be delisted or that trading on such exchange or market will not be suspended. In the event of a delisting or suspension of listing or trading on a stock exchange or market, the Issuer will use its reasonable efforts to list or admit to trading the Securities on another exchange or market. Also, (in the case of Warrants) to the extent Warrants of a particular issue are exercised, the number of Warrants of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Warrants of such issue. A decrease in the liquidity of an issue of Warrants may cause, in turn, an increase in the volatility associated with the price of such issue of Warrants.

The Issuer, or 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 treaty. Any Securities so purchased may be held or resold or surrendered for cancellation. The Issuer or any of its Affiliates may, but is not obliged to, be a market-maker for an issue of Securities. Even if the 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, Securityholders 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 and Certificates) to realise value.

Finally, 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.

Listing of Securities

In respect of Securities which are (in accordance with the applicable Final Terms) to be listed on a stock exchange, market or quotation system, the Issuer shall use all reasonable endeavours to maintain such listing, provided that if it becomes impracticable or unduly burdensome or unduly onerous to maintain such listing, then the 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, trading and/or quotation by a stock exchange, market or quotation system 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 Issuer, impracticable or unduly burdensome, an alternative admission will not be obtained.

In case of Offers in the secondary market, the Securities may be purchased upon payment of the Offer Price, which will be equal to the market price of the Securities applicable from time to time and, in addition, any costs and commissions payable to the relevant Authorised Offeror (if applicable).

Only in case of Securities to be admitted to listing and/or trading without prior offer, the applicable Final Terms may specify the Reduced Initial Listing Price. In such case, the initial price at which the Securities will be traded on the market will be determined on the basis of the Reduced Initial Listing Price. Investors should take into account that the Reduced Initial Listing Price may be lower or higher than the initial trading price of the Securities.

INFORMATION INCORPORATED BY REFERENCE

The following information, which has previously been published and filed with the CSSF is incorporated by reference in, and forms part of, this Base Prospectus:

(i) the press release issued by Intesa Sanpaolo on 3 May 2024 and entitled "*Intesa Sanpaolo: Consolidated Results as at 31 March 2024*" (the "**3 May 2024 Press Release**"), available at the following website:

https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/comunicati-stampa-en/2024/05/20240503_Ris1Q24_uk.pdf

(ii) the press release issued by Intesa Sanpaolo on 24 April 2024 and entitled "*Intesa Sanpaolo: Shareholders' Meeting*" (the "**24 April 2024 Press Release**"), available at the following website:

https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/comunicati-stampa-en/2024/04/20240424_Ass_uk.pdf

(iii) the English translation of the audited consolidated annual financial statements of the Intesa Sanpaolo Group as at and for the year ended 31 December 2023, as shown in the Intesa Sanpaolo Group 2023 Annual Report;

https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/bilanci-relazioni-en/2023/2023_Annual__report.pdf

(iv) the English translation of the audited consolidated annual financial statements of the Intesa Sanpaolo Group as at and for the year ended 31 December 2022, as shown in the Intesa Sanpaolo Group 2022 Annual Report;

https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/investor-relations/bilanci-relazioni-en/2022/2022_Annual__report.pdf

(v) the section "Terms and Conditions of the Securities" contained in the Base Prospectus dated 30 May 2023 from page 65 to and including page 277, available at the following website:

https://www.prodottiequotazioni.intesasanpaolo.com/en/Documentazione-Emissioni

This Base Prospectus will be available, in electronic format, on the website of the Luxembourg Stock Exchange (https://www.luxse.com) and at the following website: www.prodottiequotazioni.intesasanpaolo.com.

Any information contained in or incorporated by reference in any of the documents specified above which is not included in the cross-reference list below is not incorporated by reference and is either not relevant to investors or is covered elsewhere in this Base Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

The Issuer declares that the English translation of each of the Intesa Sanpaolo Group's financial statements incorporated by reference in this Base Prospectus is an accurate and not misleading translation in all material respect of the Italian language version of the Intesa Sanpaolo Group's financial statements. Intesa Sanpaolo takes responsibility for the accuracy of such translations.

Cross-reference list

The following table shows where the information required under article 19(2) of Regulation (EU) 2017/1129 can be found in the above-mentioned documents.

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24 April 2024 Press Release	***Page number(s)***
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TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the Terms and Conditions (the Conditions) of the Securities which will apply to each issue of Securities and, except in the case of Italian Dematerialised Securities, be incorporated by reference into each Global Security. The terms of the Final Terms (the "Final Terms") applicable to the respective issue of Securities complete and specify the Terms and Conditions of the Securities. The completed and specified Final Terms together with the Terms and Conditions of the Securities represent the conditions applicable to the relevant issue of Securities

Securities other than Italian Dematerialised Securities are issued by Intesa Sanpaolo S.p.A. (the **Issuer**) pursuant to an Agency Agreement dated on or about 12 June 2024 (as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) between the Issuer and BNP Paribas, Luxembourg Branch[7], acting as principal security agent (the **Principal Security Agent**, which expression shall include any successor principal security agent and, together with any additional security agents appointed pursuant to Clause 17 of the Agency Agreement, the **Security Agents**, which expression shall include any additional or successor security agents) and as registrar (the **Registrar**, which expression shall include any successor registrar).

The Issuer shall undertake the duties of calculation agent (in this capacity, the **Calculation Agent**) in respect of the Securities (including Italian Dematerialised Securities) unless another entity is so specified as the calculation agent in the applicable Final Terms. The expression Calculation Agent shall, in relation to the relevant Securities, include such other specified Calculation Agent.

The Securities (including Italian Dematerialised Securities) will be either warrants (**Warrants**) or certificates (**Certificates**), as specified in the applicable Final Terms, and references in these Conditions to **Security** and **Securities** will be construed accordingly. Conditions 19 and 20 apply only to Warrants and Condition 21 applies only to Certificates. Other Conditions apply to Warrants and/or Certificates, as applicable. References herein to the **applicable Final Terms** or **relevant Final Terms** are to the Final Terms or to each Final Terms (in the case of any further securities issued pursuant to Condition 11 and forming a single series with the Securities) in relation to each single issuance made under this Programme, which for the avoidance of doubt may be issued in respect of more than one series of Securities.

In respect of Securities other than Italian Dematerialised Securities, the applicable Final Terms is attached to the Global Security or Global Registered Security or any Securities in definitive form.

Bearer Securities

Each series of Securities that are not Registered Securities (as defined below in these Terms and Conditions of Securities) (**Bearer Securities**) will on issue be constituted by either (a) in the case of Bearer Securities with a maturity of more than one year, a temporary global security in bearer form (**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 (**Permanent Global Security** and together with the Temporary Global Security, **Global Securities** and each a **Global Security**) as indicated in the applicable Final Terms which, in either case, will be deposited with a depositary (**Common Depositary**) common to Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, S.A. (**Clearstream, Luxembourg**).

[7] *BNP Paribas, 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.*

On or after the 40th day following the Issue Date of the Temporary Global Securities (the Exchange Date) the Temporary Global Security will be exchangeable (a) for a Permanent Global Security or (b) for bearer securities in definitive form (Definitive Securities, and the expression Definitive Certificates or Definitive Warrants shall be construed accordingly), 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 Bearer Security are not United States persons or persons who have purchased for resale directly or indirectly to any United States person or to a person within the United States or its possessions, 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 Principal Security 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) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) and have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (ii) as a result of a change in law, the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Securities represented by the Securities in definitive form. The Issuer will promptly give notice to Securityholders in accordance with Condition 9 (*Notices*) if an Exchange Event occurs.

Bearer Securities will only be delivered outside the United States and its possessions.

With respect to any Bearer Security, payments of principal and interest in all cases will be made only outside the United States and its possessions, and if a payment of interest is made before the Exchange Date, only to the extent that certification of non-U.S. beneficial ownership, as described above, has been received.

The following legend will appear on all Bearer Securities with a maturity of more than one year:

"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."

Registered Securities

Any Securities that are "registration-required obligations" under the Code and US Treasury Regulations will be issued in "registered form" for US federal income tax purposes (**Registered Securities**). Registered Securities will be represented by definitive registered certificates registered in the names of the beneficial owners thereof (**Registered Certificates** or **Registered Securities**) and/or a registered certificate in global form (a **Global Registered Certificate**) which will be registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg or in any clearing system specified in the applicable Final Terms. Definitive Securities will be exchangeable for definitive Registered Securities only if and to the extent so specified in the relevant Final Terms. Definitive Registered Securities will not be exchangeable for Definitive Securities or an interest therein.

Italian Dematerialised Securities

Italian Dematerialised Securities will be issued in bearer (*al portatore*), uncertificated and dematerialised form evidenced at any time through book-entries into Monte Titoli S.p.A. (with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy, or any successor clearing system thereto) (**Monte Titoli**) pursuant to Italian legislative decree no. 58/1998, as

amended and implemented and subsequent implementing provisions and in accordance with CONSOB and Bank of Italy Joint Regulation dated 13 August 2018 ("**Italian Dematerialised Securities**"). Italian Dematerialised Securities will not be issued in definitive form. However, the holder still has the right to obtain the release of the certificate pursuant to articles 83-*quinquies* and 83-*novies*, paragraph 1, letter b), of the Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions. While the Italian Dematerialised Securities are represented by book entries, investors will be able to trade their beneficial interests only through Monte Titoli and the authorized 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 Issuer.

General

Copies of the Agency Agreement (which contains the form of the Final Terms) and the applicable Final Terms are available at the specified office of the Principal Security Agent, and in the case of Registered Securities, the Registrar, save that if the Securities 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, the applicable Final Terms will only be made available to Securityholders holding one or more Securities and such Securityholder must produce evidence satisfactory to the Issuer or the relevant Security Agent as to its holding of such Securities and identity.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated.

The holders of Securities other than Italian Dematerialised Securities are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Agency Agreement (insofar as they relate to the Securities) and the applicable Final Terms, which are binding on them.

1. Type, Title and Transfer

(A) *Type*

Depending on the type of financial asset used as Underlying(s), the Securities may be Index Securities, Share Securities, Exchange Rate Securities, Futures Contract Securities, Fund Securities, Govies Securities, Interest Rate Securities, Commodity Securities or Combined Securities (i.e. a combination of two or more of the foregoing), as specified in the applicable Final Terms. The Securities may also be Dual Currency Securities if so specified in the applicable Final Terms.

The applicable Final Terms will also indicate *inter alia*:

1) Both in relation to Certificates and Warrants, whether settlement shall be by way of cash payment (**Cash Settled Securities**) and/or physical delivery (**Physical Delivery Securities**) or whether the method of settlement (i.e. cash settlement or physical settlement) will depend upon the occurrence of a specific event (e.g. the Barrier Event). Italian Dematerialised Securities may be issued as Cash Settled Securities only and relevant settlement and payments shall be by way of cash payment only;

2) In the case of Warrants only:

(i) whether the Warrants are American style Warrants, being Warrants which are exercisable during a specified period (**American Style Warrants**) or European style Warrants, being Warrants which are exercisable on a specified date (**European Style Warrants**) and whether automatic exercise (**Automatic Exercise**) applies to Warrants;

(ii) whether the Warrants are call Warrants (**Call Warrants**) or put Warrants (**Put Warrants**);

(iii) whether the Warrants are corridor Warrants (**Corridor Warrants**) being Warrants which allow to obtain a fixed Cash Settlement Amount, specified in the Final Terms, if the value of the Underlying remains within a range (a corridor) defined by two Barrier (the Lower Barrier Level and the Upper Barrier Level). Otherwise, if the value of the Underlying, on any day within the Barrier Valuation Period, falls below the Lower Barrier Level or above the Upper Barrier Level, the Corridor Warrants will expire immediately and the Securityholder is entitled to receive the Corridor Early Amount, specified in the applicable Final Terms, instead of the Cash Settlement Amount and such Corridor Early Amount can be equal to zero; and

3) in the case of Certificates only, whether Remuneration Amount(s) and/or Early Redemption Amount(s) shall be payable in respect of the Securities.

References in these Conditions, save for the Italian Dematerialised Securities and 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 Issuer's election to request cash settlement of such Security and where settlement is to be by way of cash payment. References in these Conditions, save for the Italian Dematerialised Securities and 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 Issuer election to request physical delivery of the relevant Underlying in settlement of such Security and where settlement is to be by way of Physical Delivery.

Securities may, if so specified and provided for in the applicable Final Terms, allow Securityholders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those Securities where the holder has elected for cash payment will be Cash Settled Securities and those Securities where the holder has elected for physical delivery will be Physical Delivery Securities. The rights of a holder as described in this paragraph may be subject to the Issuer's right to vary settlement if so indicated in the applicable Final Terms.

(B) *Title to Securities other than Registered Securities*

For so long as the Securities are represented by a Global Security, each person (other than Euroclear or Clearstream Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular number of Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg 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 Issuer, the Security Agents and the Calculation Agent as the holder of such number of Securities for all purposes (and the expressions **Securityholder** and **holder of Securities** and related expressions shall be construed accordingly).

For so long as any of the Securities are represented by an Italian Dematerialised Securities, the person who is for the time being shown in the records of Monte Titoli as the holder of a particular amount of Securities (in which regard any certificate, record or other document issued by Monte Titoli 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 and all other persons dealing with such person as the holder thereof and as the person entitled to exercise the rights represented thereby notwithstanding any notice to the contrary (and the expressions **Securityholder** and **holder of Securities** and related expressions shall be construed accordingly, except where Italian law is applicable, in which case **Securityholder** and **holder of Securities** will be exclusively deemed to be the beneficial owner of the Italian Dematerialised Securities). The Issuer shall cause Italian Dematerialised Securities to be dematerialised and centralised with Monte Titoli, pursuant to Italian legislative decree no. 58/1998 as amended and integrated by subsequent implementing provisions.

(C) *Title to Registered Certificates*

For so long as the Securities are represented by a Global Registered Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, each person (other than Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of such Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as to the amount of Certificates 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 Issuer, the Security Agents and the Calculation Agent as the holder of such amount of such Certificates for all purposes other than with respect to the payment of cash settlement amounts, remuneration amounts and/or interest with respect to such Certificates for which purpose the registered holder (as shown in the register kept at the principal office of the Registrar (the **Register**), of the relevant Global Registered Certificate shall be treated by the Issuer, the Security Agents and the Calculation Agent as the holder of such amount of such Certificates in accordance with and subject to the terms of the relevant Global Registered Certificate (and the expressions **Securityholder** and **holder of Securities** and related expressions shall be construed accordingly).

In the case of definitive Registered Certificates, the Issuer shall cause to be kept at the principal office of the Registrar, a Register on which shall be entered the names and addresses of all Securityholders, the amount and type of the Certificates held by each Securityholder and details of all transfers of the Certificates. Each person who is for the time being shown in the Register as the holder of a particular amount of Certificates shall (except as otherwise required by law) be treated as the absolute owner of such amount of Certificates for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating such person (and the expressions **Securityholder** and **holder of Securities** and related expressions shall be construed accordingly).

(D) *Transfers of Securities other than Registered Securities*

For so long as the Securities are represented by 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 Euroclear or Clearstream, Luxembourg, subject to and in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg (as the case may be).

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Security Agent from time to time and notified to the Securityholders in accordance with Condition 9 (*Notices*).

Any transfer or attempted transfer in or into 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.

For so long as the Securities are represented by Italian Dematerialised Securities, the Securities are held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli account holders. Italian Dematerialised Securities will at all times be held in book entry form and title to the Italian Dematerialised Securities will be evidenced by 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 CONSOB and Bank of Italy Joint Regulation dated 13 August 2018, as amended and integrated by subsequent implementing provisions. The Securityholders may not require physical delivery of the Italian Dematerialised Securities. However, the Securityholders may ask the relevant intermediaries for certification pursuant to Article 83-quinquies of Italian legislative decree no. 58/1998, as amended and integrated by subsequent implementing provisions. Italian Dematerialised Securities will be transferable only in accordance with the rules and procedures for the time being of Monte Titoli. In particular, the transfer of the Italian Dematerialised Securities operates by way of registration in the accounts opened with Monte Titoli by the intermediaries adhering to the clearing system. As a consequence, the subject who from time to time is the owner of the account held with an intermediary adhering, directly or indirectly, to Monte Titoli, in which the Italian Dematerialised Securities are credited, is considered as the legitimate beneficial owner of the Italian Dematerialised Securities and is authorised to exercise all rights related to them.

(E) *Transfers of Registered Securities*

Global Registered Securities may be transferred only to a successor clearing organization. Transfers of beneficial interests in the underlying Registered Certificates represented by a Global Registered Security will be effected only through the book-entry system maintained by Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, and may be effected by such clearing systems or by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. Title will pass upon registration of the transfer in

the books of Euroclear or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be.

Title to definitive Registered Certificates will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement. A definitive Registered Certificate may be transferred by the transferor or a person duly authorised on behalf of the transferor depositing at the specified office of the Registrar a duly completed transfer certificate (a **Transfer Certificate**) in the form set out in the Agency Agreement (copies of which are available from the Registrar) signed by or on behalf of the transferor and upon the Registrar after due and careful enquiry being satisfied with the documents of title and the identity of the person making the request and subject to the regulations set out under the Agency Agreement, the Registrar should enter the name of the transferee in the Register for the definitive Registered Certificates as the Securityholder of the Registered Certificate specified in the form of transfer.

Securityholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum determined by the Calculation Agent sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

Registered Certificates and interests therein may not be transferred at any time, directly or indirectly, in or into the United States or to or for the benefit of a U.S. person, and any such transfer shall not be recognised.

2. Status of the Securities

The Securities constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and rank, unless provided otherwise by law, *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations other than subordinated obligations, if any, of the Issuer from time to time outstanding.

Certificates that are intended to be eligible for the purposes of the minimum requirement for own funds and eligible liabilities ("**MREL**") are subject to certain restrictions which will increase in the future – following the full applicability of the relevant provisions arising from the MREL Requirements.

In particular, in relation to Series of Certificates issued in order to satisfy the MREL Requirements:

i. the Securityholders unconditionally and irrevocably waive any right of set-off, netting, counterclaim, abatement or other similar remedy which they might otherwise have under the laws of any jurisdiction or otherwise in respect of such Certificates;

ii. claims arising from such Certificates are neither secured, nor subject to a guarantee or any other arrangement that enhances the seniority of the claims by the Issuer or by other entities related to the Issuer;

iii. to the extent that the Issuer intends to qualify Series of Certificates as eligible liabilities in accordance with article 45 c paragraph 2 lett. b) of the BRRD II and 12c paragraph 2 lett. b) of the SRMR II, the value of the claim arising from such Series of Certificates in

cases of the insolvency and of the resolution of the Issuer is fixed or increasing, and does not exceed the initially paid-up amount of Certificates, under all relevant laws and regulations amended from time to time, which are and will be applicable to the Issuer;

iv. The Securityholders are not entitled to accelerate the payments under the Certificates, other than in the case of the insolvency or liquidation of the Issuer, under all relevant laws and regulations amended from time to time, which are and will be applicable to it. For the avoidance of doubt, resolution proceeding(s) or moratoria imposed by a resolution authority in respect of the Issuer shall not constitute an event of default for the Certificates for any purpose and shall not entitle to accelerate the payments under the Certificates.

v. for the avoidance of doubt, there is no negative pledge in respect of the Certificates.

3. Definitions

For the purposes of these Conditions, the following definitions will apply. Each of these definitions may be set as 'Applicable' or 'Not applicable' in the relevant Final Terms, as the case may be.

Accumulated Amount means, in relation to one or more Accumulated Valuation Dates, the amount in the Settlement Currency to be paid to the Securityholders on the relevant Accumulated Payment Date per each Minimum Exercise Amount pursuant to Condition 23 (*Pay-out provisions*).

Each Accumulated Amount, in relation to the relevant Accumulated Valuation Date, will be equal to the product between (i) the Accumulating Amount provided in relation to such Accumulating Valuation Period and (ii) the total number of Accumulating Events occurred during the relevant Accumulating Valuation Period.

If an Early Redemption Level is specified as applicable under the relevant Final Terms, and if so specified in such Final Terms, the Accumulated Amount will be paid only upon occurrence of an Early Redemption Event. In such case, the Accumulated Amount will be paid on the Accumulated Payment Date coinciding with, or immediately after, the Early Payment Date in relation to which an Early Redemption Event has occurred;

Accumulated Payment Date means the Business Day, specified in the applicable Final Terms, on which the Issuer shall pay the Accumulated Amount to the Securityholders.

If the Early Redemption Event is specified as applicable in the relevant Final Terms, and if so specified in such Final Terms, the Accumulated Amount will be paid only upon occurrence of the Early Redemption Event. In such case, the Accumulated Amount will be paid on the Accumulated Payment Date coinciding with, or immediately after, the Early Payment Date in relation to which the Early Redemption Event has occurred.

If an amount shall be paid on an Accumulated Payment Date, should the valuation date in which the Calculation Agent determines the Reference Value for the purposes of the calculation of such amount be postponed (by way of example and without limitation, for the occurrence of a Market Disruption Event), the relevant Accumulated Payment Date may be postponed accordingly. The Accumulated Payment Date shall not, in any case, be postponed beyond ten Business Days;

Accumulated Valuation Date means the Business Day, specified in the applicable Final Terms, in which the Calculation Agent determines how many times the relevant Accumulating Event has occurred during the relevant Accumulating Valuation Period and therefore it determines the amount of

the relevant Accumulated Amount. In the event of more Accumulating Valuation Periods, the relevant Final Terms will indicate the **First Accumulated Valuation Date**, the **Second Accumulated Valuation Date**, and so on.

If the applicable Final Terms specifies the Accumulating Autocallable Trigger as applicable, in the Accumulated Valuation Date following the relevant Accumulating Valuation Period, the Calculation Agent will determine also whether an Early Redemption Event has occurred;

Accumulating Amount means, in relation to the relevant Accumulating Valuation Period, the amount in the Settlement Currency set out in the relevant Final Terms;

Accumulating Autocallable Trigger means the amount in the Settlement Currency set out in the relevant Final Terms in relation to the relevant Accumulated Valuation Date. If on an Accumulated Valuation Date the Accumulated Amount payable to Securityholders is lower than, equal to or higher than (as specified in the applicable Final Terms) the relevant Accumulating Autocallable Trigger, such event will be considered as an Early Redemption Event and, therefore, the Certificates are deemed to be early redeemed and the Securityholders are entitled to receive the payment of the relevant Early Redemption Amount on the relevant Early Payment Date;

Accumulating Event means the event occurring if the Calculation Agent determines that the Reference Value or the Spread or the Cumulated Performance (in the case of Multiperformance Certificates), as specified in the relevant Final Terms:

(i) is equal to, higher than or lower than the relevant Accumulating Level on the relevant Accumulating Valuation Period; and/or

(ii) has been, at least once during the relevant Accumulating Valuation Period, equal to, higher than or lower than the relevant Accumulating Level; and/or

(iii) has never been equal to, higher than or lower than the relevant Accumulating Level during the relevant Accumulating Valuation Period; and/or

(iv) has fallen or has not fallen within or out of a range between the relevant Up Range Accumulating Level and the relevant Down Range Accumulating Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Accumulating Valuation Period.

In case of Securities linked to more than one Underlying, the Accumulating Event may be determined in relation to at least one, any or all the Underlyings, as specified in the applicable Final Terms. In case of Securities linked to a Basket, the Accumulating Event may be determined in relation to the Basket or to at least one, any or all the Basket Constituents, as specified in the applicable Final Terms. In these cases, the applicable Final Terms will also specify the Accumulating Level (or the Up Range Accumulating Level and the Down Range Accumulating Level) of each Underlying or Basket Constituent that will be considered for the purposes of the determination of the Accumulating Event.

Securityholders will be notified of the number of Accumulating Events occurred during the relevant Accumulating Valuation Period through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Accumulating Level means one or more values that may be specified for one or more Underlyings or Basket Constituents in the applicable Final Terms that determines the occurrence of the Accumulating Event in relation to the relevant Underlying or Basket Constituent in the relevant Accumulating Valuation Period.

Such value(s) may be set as:

(i) a percentage of the Initial Reference Value and/or of the Reference Value; or

(ii) a value expressed as a percentage (in relation to Spread Certificates and Multiperformance Certificates); or

(iii) a predetermined value and/or a percentage of a predetermined value,

as specified in the applicable Final Terms in relation to the relevant Accumulating Valuation Period.

In case of more than one Underlying or in case of a Basket, the applicable Final Terms will also specify whether, for the purpose of the determination of such event, the applicable condition has to be satisfied in relation to at least one, any or all the Underlyings or Basket Constituents. In this case, the Accumulating Level will be specified for each Underlying or Basket Constituent;

Accumulating Valuation Period means the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms, in which the Calculation Agent determines the occurrence of an Accumulating Event. In the event of more Accumulating Valuation Periods, the relevant Final Terms will indicate the **First Accumulating Valuation Period**, the **Second Accumulating Valuation Period**, and so on.

In the event that a Market Disruption Event has occurred on the Accumulating Valuation Period or on one Exchange Business Day of the Accumulating Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply.

For the avoidance of doubt, the beginning of any Accumulating Valuation Period may not occur before the Issue Date;

Actual Exercise Date, in respect of an American Style Warrant or European Style Warrant, has the meaning set out under Condition 19 (*Exercise rights and procedures (only applicable to Warrants)*);

Adjusted Price, in relation to Share Securities, is equal to the greater of (i) 0 (zero) and (ii) the amount calculated in accordance with the following formula:

$$AP_i = Underlying_i - SSD_i + SDD_i$$

Where:

"**Underlying$_i$**" is the Value of the Underlying on the Exchange Business Day "i";

"**SSD$_i$**" or "**Sum of Synthetic Dividends**" means, in respect of the Exchange Business Day "i", the sum of all the Synthetic Dividends for which the Synthetic Ex-Dividend Date falls in the period commencing on, but excluding, the Dividend Period Start Date and ending on, and including, the relevant day "i". Any adjustment for corporate actions would be carried out before any coupon payment. The adjustments would be carried out on any or all the Underlyings (if basket), based on the nature of the corporate action;

"**SDD$_i$**" or "**Sum of Detached Dividends**" means, in respect of the Exchange Business Day "i", the sum (gross amounts) of all the actual cash or cash equivalent dividends (excluding extraordinary dividends) for which the Ex-Dividend Date falls in the period commencing on, but excluding, the Dividend Period Start Date and ending on, and including, the relevant day "i".

ADR means an American Depositary Receipt which will be specified as the underlying asset or a Basket Constituent, from time to time in the relevant Final Terms.

Save where specifically provided under the applicable Final Terms, all references in the Conditions or, as applicable, to the "Shares" shall be deemed to be to the GDRs or ADRs, as applicable, and/or the underlying shares, references to the issuer of the Share, 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 holders of Securities;

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;

Air Bag Factor means the value, which will always be higher than 1, specified in the applicable Final Terms or determined according to the method of calculation specified in the applicable Final Terms;

Annual Management Fee or AMF means, if applied by the Issuer in relation to Benchmark Certificates, a fee charged to the Securityholders at the particular time "t" which, irrespective of the performance of the Underlying, will accrue gradually and proportionally to the tenor of the Certificates and will be determined according to the formula set out below.

The Calculation Agent will deduct the accrued AMF from the Cash Settlement Amount pursuant to Condition 23 (*Pay-out provisions*). If the Certificates are listed or admitted to trading, their price for trading purposes will include the AMF gradually accrued on each Exchange Business Day.

In particular, the AMF will be determined on the basis of the AMF Percentage. The AMF will be calculated as follows:

$$AMF_t = \prod_{x \in (t_0, t_0+1, \ldots\ldots, t)} \left(100\% - \frac{AMF\,Percentage}{365.25}\right)$$

Where:

"**x**" means each calendar day from t_0 to t;

"**t_0**" means the Issue Date or any calendar day indicated in the applicable Final Terms;

"**t**" can be any calendar day before the Valuation Date or the Valuation Date;

"**AMF Percentage**" means the value expressed as a percentage indicated in the applicable Final Terms;

Annual Valuation Period means, in relation to the Internal Return Amount, the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms in which the Calculation Agent determines the Reference Value for the purposes of the calculation of the Internal Return Amount.

For the avoidance of doubt, the beginning of any Annual Valuation Period may not occur before the Issue Date;

Annual Remuneration Payment Date means, in relation to the Internal Return Amount, one or more Business Days specified in the applicable Final Terms on which the Issuer shall pay the Internal Return Amount to the Securityholders. If there are more Annual Remuneration Payment Dates, the relevant Final Terms will specify the **First Annual Remuneration Payment Date**, the **Second Annual Remuneration Payment Date** and so on.

If an amount shall be paid on an Annual Remuneration Payment Date, should the valuation date in which the Calculation Agent determines the Reference Value for the purposes of the calculation of such amount be postponed (by way of example and without limitation, for the occurrence of a Market Disruption Event), the relevant Annual Remuneration Payment Date may be postponed accordingly. The Annual Remuneration Payment Date shall not, in any case, be postponed beyond ten Business Days;

Barrier Event means the event occurring if the Calculation Agent determines that the Reference Value or the Final Reference Value or the Spread or the Cumulated Performance (in the case of Multiperformance Certificates), as specified in the relevant Final Terms:

(i) is equal to, higher than or lower than the relevant Barrier Level on the relevant Barrier Event Determination Period; and/or

(ii) has been, at least once during the relevant Barrier Event Determination Period, equal to, higher than or lower than the relevant Barrier Level; and/or

(iii) has never been equal to, higher than or lower than the relevant Barrier Level during the relevant Barrier Event Determination Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Upper Barrier Level and the relevant Lower Barrier Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Barrier Event Determination Period.

If the applicable Final Terms provide for more than one Barrier Valuation Period, the applicable Final Terms will specify if the Barrier Event will occur in at least one, any or all the Barrier Valuation Periods.

In case of Securities linked to more than one Underlying, the Barrier Event may be determined in relation to at least one, any or all the Underlyings, as specified in the applicable Final Terms. In case of Securities linked to a Basket, the Barrier Event may be determined in relation to the Basket or to at least one, any or all the Basket Constituents, as specified in the applicable Final Terms. In these cases, the applicable Final Terms will also specify the Barrier Level (or the Upper Barrier Level and the Lower Barrier Level) of each Underlying or Basket Constituent that will be considered for the purposes of the determination of the Barrier Event.

If the Barrier Event occurs, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Barrier Event Determination Period means the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms in which the Calculation Agent determines the occurrence of the Barrier Event.

In the event of more Barrier Event Determination Periods, the relevant Final Terms will specify the **First Barrier Event Determination Period**, the **Second Barrier Event Determination Period**, and so on.

In the event that a Market Disruption Event has occurred on the Barrier Event Determination Period or on one Exchange Business Day of the Barrier Event Determination Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

Barrier Gap Event means, in the case of Gap Certificates and in relation to the Premium Gap Amount, the event occurring if the Calculation Agent determines that, during the Barrier Gap Observation Period, the Gap Daily Performance, as calculated in accordance with the terms of the relevant Final Terms, is equal to, higher than or lower than the Barrier Gap Level specified in the applicable Final Terms.

If the Barrier Gap Event occurs, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com.

In relation to the calculation of the Premium Gap Amount(s) payable to the Securityholders during the life of the Gap Certificates, the investor should consider that after the occurrence of the Barrier Gap Event:

(i) the Premium Gap Amount will be determined on the basis of the actual number of days within the relevant Premium Gap Observation Period and not on the basis of all the days of the relevant Premium Determination Period; and

(ii) after the payment of the Premium Gap Amount that will be paid on the first Premium Payment Date following the Barrier Gap Event Date on which a Barrier Gap Event has occurred, no further Premium Gap Amount will be paid to the Securityholders;

Barrier Gap Event Date means, in the case of Gap Certificates, the Exchange Business Day on which a Barrier Gap Event has occurred;

Barrier Gap Leverage means, in the case of Gap Certificates, the value expressed as a percentage indicated in the relevant Final Terms;

Barrier Gap Level means one or more values that may be specified for one or more Underlyings or Basket Constituents in the applicable Final Terms that determines the occurrence of the Barrier Gap Event in relation to the relevant Underlying or Basket Constituent in the relevant Barrier Gap Observation Period.

Such value(s) may be set as:

(i) a percentage of the Initial Reference Value and/or of the Reference Value; or

(ii) a value expressed as a percentage (in relation to Spread Certificates and Multiperformance Certificates); or

(iii) a predetermined value and/or a percentage of a predetermined value,

as specified in the applicable Final Terms in relation to the relevant Barrier Gap Observation Period.

In case of more than one Underlying or in case of a Basket, the applicable Final Terms will also specify whether, for the purpose of the determination of such event, the applicable condition has to be satisfied in relation to at least one, any or all the Underlyings or Basket Constituents. In this case, the Barrier Gap Level will be specified for each Underlying or Basket Constituent.

Barrier Gap Observation Period means the period composed of one or more Exchange Business Days or the Specific Period indicated in the relevant Final Terms on which the Calculation Agent determines if the Gap Daily Performance of the Underlying, as calculated in accordance with the terms of the relevant Final Terms, is equal to, higher than or lower than the Barrier Gap Level as specified from time to time in the relevant Final Terms.

In relation to the Intraday Value, in the event that a Market Disruption Event has occurred on an Exchange Business Day of the Barrier Gap Observation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

Barrier Level means one or more values that may be specified for one or more Underlyings or Basket Constituents in the applicable Final Terms that determines the occurrence of the Barrier Event in relation to the relevant Underlying or Basket Constituent in the relevant Barrier Valuation Period.

Such value(s) may be set as:

(i) a percentage of the Initial Reference Value and/or of the Reference Value; or

(ii) a value expressed as a percentage (in relation to Spread Certificates and Multiperformance Certificates); or

(iii) a predetermined value and/or a percentage of a predetermined value; or

(iv) a percentage of the Strike; or

(v) a percentage of the highest or the lowest (as specified in the applicable Final Terms) Reference Value registered during the Barrier Selection Period,

as specified in the applicable Final Terms in relation to the relevant Barrier Valuation Period.

In case of more than one Underlying or in case of a Basket, the applicable Final Terms will also specify whether, for the purpose of the determination of such event, the applicable condition has to be satisfied in relation to at least one, any or all the Underlyings or Basket Constituents. In this case, the Barrier Level will be specified for each Underlying or Basket Constituent;

Barrier Selection Period means, when the Barrier Level is determined as specified at point (iv) of the definition of "Barrier Level", the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the relevant Final Terms, on which the Calculation Agent determines the highest or the lowest Reference Value (as specified in the applicable Final Terms) of the Underlying in order to determine the Barrier Level;

Barrier Valuation Period means, in relation to Corridor Warrants, the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms, in which the Calculation Agent determines the occurrence of the Barrier Event;

Base Premium Percentage means the value expressed as a percentage specified from time to time in the relevant Final Terms;

Basket means a portfolio composed of two or more financial assets comprised in the same basket. A Basket may represent the Underlying of the Securities or it may constitute a Basket Constituent of another Basket (the Underlying of the Securities), as specified in the relevant Final Terms;

Basket Constituent means, in relation to each Series, each financial asset specified as such in the relevant Final Terms;

Basket Constituent Weight means, in respect of each Basket Constituent, the value specified in the applicable Final Terms;

Basket Value means the value of the Basket calculated by the Calculation Agent in order to determine the Initial Reference Value, the Reference Value and Final Reference Value.

In relation to all the values determined as specified below, only the changes published by the Issuer with a notice on its website www.prodottiequotazioni.intesasanpaolo.com shall be taken into account.

In particular, at any time, the Basket Value is equal to the sum of the single Values of the Basket Constituents at such time, divided by the single Values of the Basket Constituents at time "0", and multiplied by the relevant Basket Constituent Weight of each Basket Constituent comprised in the same Basket, in accordance with one of the following formulas:

a) $Basket_t = \sum_{i=1}^{n} \frac{C_t^i}{C_0^i} \times W^i$

Where:

"$\boldsymbol{Basket_t}$" is the Basket Value at time "*t*", as specified in the applicable Final Terms;

"$\boldsymbol{t}$" means the date(s) specified in the applicable Final Terms;

"$\boldsymbol{C_t^i}$" is the Value of the Basket Constituent "*i*" at time "*t*", as specified in the applicable Final Terms or, if the relevant Final Terms provide for a $Local\ CAP_r^i$:

$$C_t^i = \frac{1}{y}\ x \sum_{r=1}^{y} Min\ [\ C_0^i\ x\ Local\ CAP_r^i;\ C_r^i]$$

Where:

"$\boldsymbol{Local\ CAP_r^i}$" is the percentage applied to the Basket Constituent "*i*" at time "*r*", specified in the relevant Final Terms, for each Basket Constituent "*i*";

"$\boldsymbol{C_r^i}$" is the Value of the Basket Constituent "*i*" at time "*r*", as specified in the applicable Final Terms;

"$\boldsymbol{y}$" is the number of Valuation Dates and/or the number of the dates of the relevant valuation period, if applicable, specified as such in the relevant Final Terms;

"$\boldsymbol{C_0^i}$" is the Value of the Basket Constituent "*i*" at time "*0*", which is the date(s) specified in the applicable Final Terms;

"$\boldsymbol{W^i}$" is the Basket Constituent Weight of each Basket Constituent; and

"$\boldsymbol{n}$" is the number of the Basket Constituents, as specified in the applicable Final Terms;

b) $Basket_t = \sum_{i=1}^{n} Min(Cap_i ; \frac{C_t^i}{C_0^i}) \times W^i$

Where:

"$\boldsymbol{Basket_t}$" is the Basket Value at time "*t*", as specified in the applicable Final Terms;

"$\boldsymbol{t}$" means the date(s) specified in the applicable Final Terms;

"$\boldsymbol{Cap_i}$" is the maximum performance of the Basket Constituent "*i*", specified in the applicable Final Terms for each Basket Constituent;

"$\boldsymbol{C_t^i}$" is the Value of the Basket Constituent "*i*", at time "*t*", as specified in the applicable Final Terms;

"$\boldsymbol{C_0^i}$" is the Value of the Basket Constituent "*i*" at time "*0*", which is the date(s) specified in the applicable Final Terms;

"$\boldsymbol{W^i}$" is the Basket Constituent Weight of each Basket Constituent; and

"$\boldsymbol{n}$" is the number of the Basket Constituents, as specified in the applicable Final Terms.

In the case of Securities linked to a Basket of Baskets, the value of the Basket Constituent(s) will also be determined according to the above formulas;

Best Of Feature means the determination method that may be specified as applicable in the relevant Final Terms. If the Best Of Feature applies, the Calculation Agent will select the Best Of Underlying to determine:

(i) the relevant Remuneration Amount and/or the occurrence of the event that triggers such Remuneration Amount; and/or

(ii) the Early Redemption Amount and/or the occurrence of the Early Redemption Event; and/or

(iii) the Settlement Amount and/or the occurrence of any event(s) on which depends the calculation of such Settlement Amount; and/or

(iv) the occurrence of the Barrier Event or any other event or effect.

In addition, as specified in the applicable Final Terms, the Best Of Feature may apply in relation to any or all the relevant valuation periods;

Best Of Underlying means, in the case of Best Of Feature, the Underlying with the first, second or third (and so on, depending on the number of the underlying assets) best performance of the Underlying in respect of the performance of the other Underlying(s), determined pursuant to the formula set out in the applicable Final Terms. In the applicable Final Terms, the Issuer will indicate if it will take into account the Underlying with the first best performance (in such case this will be named Best Of Underlying), the second best performance (in such case this will be named **Second Best Of Underlying**) or the third best performance (in such case this will be named **Third Best Of Underlying**) and so on, determined pursuant to the formula set out in the applicable Final Terms. Upon determination of the Best Of Underlying, the Issuer will inform the Securityholders pursuant to Condition 9 (*Notices*);

Bonus Observation Date means, in relation to Multiple Strike Certificates, each date specified in the applicable Final Terms on which the $Bonus_t$ is determined for the purposes of the calculation of the Cumulated Bonus Amount.

For the avoidance of doubt, any Bonus Observation Date may not occur before the Issue Date;

Bonus Payment Date means, in relation to Multiple Strike Certificates, each Business Day specified in the applicable Final Terms on which the Issuer shall pay the Cumulated Bonus Amount to the Securityholders.

If an amount shall be paid on a Bonus Payment Date, should the valuation date in which the Calculation Agent determines the Reference Value for the purposes of the calculation of such amount be postponed (by way of example and without limitation, for the occurrence of a Market Disruption Event), the relevant Bonus Payment Date may be postponed accordingly. The Bonus Payment Date shall not, in any case, be postponed beyond ten Business Days;

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

Buffer Event means, in relation to Buffer Protection Certificates, the event occurring when the Calculation Agent determines that, in the Buffer Valuation Period, the Performance Sum is lower than, equal to or higher than the Buffer Percentage, as specified in the relevant Final Terms;

Buffer Percentage means in relation to Buffer Protection Certificates, the value expressed as a percentage specified in the relevant Final Terms;

Buffer Valuation Period means, in relation to Buffer Protection Certificates, the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the relevant Final Terms, in which the Calculation Agent determines if the Performance Sum is lower than, equal to or higher than the Buffer Percentage and therefore if a Buffer Event has occurred;

Business Day means

(i) where the securities are represented by a Global Security or a Global Registered Security, a day on which the T2 System is open and Euroclear and Clearstream, Luxembourg are open for business;

(ii) where the Securities are Italian Dematerialised Securities, a day on which the T2 System is open and Monte Titoli is open for business.

In the event that one or more dates specified in the applicable Final Terms do not fall on a Business Day, such dates shall shift to a Business Day in accordance with the Business Day Convention;

Business Day Convention means the convention specified in the relevant Final Terms;

Butterfly Level means, in relation to Reverse Butterfly Certificates, the value specified in the applicable Final Terms. The Butterfly Level is represented by a percentage of the Initial Reference Value or by a predetermined value;

Calculation Agent means Intesa Sanpaolo S.p.A. or such other calculation agent specified in the applicable Final Terms;

Calculation Entity means, in the case of Certificates on Interest Rates, the entity responsible for the calculation and publication of the Interest Rate that will be indicated from time to time in the relevant Final Terms;

Calendar Performance means, in the case of Calendar Certificates, the performance of each Underlying or Basket Constituent determined by the Calculation Agent according to the following formula:

Max {Calendar Floor Percentage; Min [Calendar Cap Percentage; (RV_y - RV_x) / RV_x]}

Where:

"**RV_y**" means the Reference Value of the Underlying at time "y" specified in the relevant Final terms;

"**RV_x**" means the Reference Value of Underlying at time "x" specified in the relevant Final terms;

"**Calendar Cap Percentage**" means the value expressed as a percentage specified from time to time in the relevant Final Terms. The Calendar Cap Percentage will always be equal to or higher than 0 per cent;

"**Calendar Floor Percentage**" means the value expressed as a percentage specified from time to time in the relevant Final Terms. The Calendar Floor Percentage will always be equal to or lower than 0 per cent;

Call Exercise Date means the Exchange Business Day on which the Certificates are exercised, following the exercise of the Call Option. If the Call Valuation Period is applicable, the Call Exercise Date coincides with the last Exchange Business Day of the relevant Call Valuation Period or with the Call Valuation Period, if it is composed by one Exchange Business Day. If the Call Valuation Period is specified as 'not applicable', the Call Exercise Date is the date specified in the applicable Final Terms;

Call Notice Period means the date(s) – indicated in the applicable Final Terms – by which the Issuer shall notify, in accordance with Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*) below, the intention to exercise the Call Option in the relevant Call Exercise Date;

Call Option means, if the Call Option is specified as applicable in the relevant Final Terms, the option to redeem the Certificates which can be irrevocably exercised by the Issuer during the Call Notice Period specified in the applicable Final Terms pursuant to Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*) below. Following the exercise of the Call Option, the Certificates will be exercised and the Securityholders will be entitled to receive the Cash Settlement Amount specified in the applicable Final Terms;

Call Valuation Period means, in relation to the Call Option and if specified as applicable in the relevant Final Terms, one or more periods composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms, on which the Calculation Agent determines the Reference Value or, in case of Type B Constant Leverage Certificates (Long/Short), respectively the Payout Value Long or the Payout Value Short.

If the applicable payout formula of the Cash Settlement Amount includes the Final Reference Value, if the Call Option is exercised by the Issuer, the Reference Value determined by the Calculation Agent in the relevant Call Valuation Period will be considered as Final Reference Value.

If the applicable payout formula of the Cash Settlement Amount does not include the Final Reference Value (and the Typology is different from Type B Constant Leverage Certificates (Long/Short)), the Call Valuation Period will be specified as 'not applicable' in the relevant Final Terms.

The Call Valuation Period, if applicable, may only begin after the Call Notice Period.

In the event that a Market Disruption Event has occurred on a Call Valuation Period or on one Exchange Business Day of the Call Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

CAP means either the Cap Amount, the Cap Percentage, the Cap Barrier Amount, the Cap Level, the Performance Cap, the Calendar Cap Percentage, the Early Cap Percentage, the Cap Consolidation Amount, or the Cap Down Amount as specified in the relevant Final Terms;

Cap Amount means the amount indicated as such in the relevant Final Terms;

Cap Barrier Amount means the amount indicated as such in the relevant Final Terms;

Cap Consolidation Amount means the amount that may be considered, if indicated in the relevant Final Terms, for the purpose of the calculation of the Cash Settlement Amount of Max Consolidation Long Cap Certificates;

Cap Down Amount means the amount that may be considered, if indicated in the relevant Final Terms, for the purpose of the calculation of the Cash Settlement Amount of Twin Win Certificates when the Final Reference Value is lower than the Initial Reference Value multiplied by the Strike Percentage;

Cap Level means one or more values specified in the relevant Final Terms, expressed as either (i) the product between the Cap Percentage and the Initial Reference Value, or (ii) a value predetermined by the Issuer, specified in the relevant Final Terms. If more values are provided, the applicable Final Terms will also specify the relevant details;

Cap Percentage means the value expressed as a percentage indicated in the relevant Final Terms;

Cap Style 1 means in relation to a Cap Level and if the Restrike Feature is indicated as applicable in the relevant Final Terms, the calculation method pursuant to which, if the Restrike Event has occurred, the Cap Level will be determined in accordance with the Restrike Percentage;

Cap Style 2 means in relation to a Cap Level and if the Restrike Feature is indicated as applicable in the relevant Final Terms, the calculation method pursuant to which, if the Restrike Event has occurred, the Cap Level will not be taken into consideration for the purposes of the Cash Settlement Amount;

Cash Settled Securities means Securities that entitle their holders to receive from the Issuer on the Settlement Date the Cash Settlement Amount, if it results in an amount higher than zero;

Cash Settlement Amount means, in relation to a Cash Settled Securities, the amount in the Settlement Currency which the Securityholder is entitled to receive on the Settlement Date in relation to each Security, as determined by the Calculation Agent pursuant to the provisions under the section "Settlement Amount" of Condition 23 (*Pay out provisions*). 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. Securities exercised or redeemed, as the case may be, at the same time by the same Securityholder will be aggregated for the purpose of determining the aggregate Cash Settlement Amount payable;

Cash Settlement Amount Combo Feature means, in relation to Certificates linked to more Underlyings or to a Basket, that the Calculation Agent will determine, as specified in the applicable Final Terms, the Cash Settlement Amount as either (i) the arithmetic mean of the Cash Settlement Amounts due in relation to each single Underlying or each single Basket Constituent or (ii) the weighted average of the Cash Settlement Amounts due in relation to each single Underlying or each single Basket Constituent or (iii) the sum of the Cash Settlement Amounts due in relation to each single Underlying or each single Basket Constituent. If the Cash Settlement Amount Combo Feature applies, the relevant Final Terms will specify for each single Underlying or each single Basket Constituent the relevant payout formula among those set out in Condition 23 and all the relevant details for its determination (e.g. Barrier Level, Multiplier, Initial Reference Value, Final Reference Value, etc.);

Clearing System shall mean Euroclear or Clearstream, Luxembourg or such other clearing system as may be specified in the applicable Final Terms;

Click-on Effect means the feature that may be specified as applicable in the relevant Final Terms if the Worst Of Feature and the Early Redemption Event are applicable.

In such case, several Click-on Valuation Periods will be specified in the applicable Final Terms and the Calculation Agent will determine, as specified below, the Underlying(s) that will be considered for the purpose of the determination of the Worst of Underlying in relation to:

(i) the relevant Remuneration Amount specified in the applicable Final Terms and/or the occurrence of the event that triggers such Remuneration Amount; and/or

(ii) the Early Redemption Amount and/or the occurrence of the Early Redemption Event; and/or

(iii) the Settlement Amount and/or the occurrence of any event(s) on which depends the calculation of such Settlement Amount; and/or

(iv) the occurrence of the Barrier Event or any other event or effect.

In relation to each Underlying, the Click-on Effect will occur if the Calculation Agent determines that, on at least one Click-on Valuation Period, the Value of the Underlying has been equal to or higher than the relevant Click-on Level, as specified in the applicable Final Terms.

After the occurrence of the Click-on Effect in relation to one or more Underlyings, the Underlying(s) that will be considered for the purpose of the determination of the Worst of Underlying, will be only the one(s) for which the Click-on Effect has not been occurred in all the Click-on Valuation Periods.

If the Click-on Effect occurs for any Underlying, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com.

If the Click-on Effect occurs for all the Underlyings, the Certificates will be early redeemed;

Click-on Level means the value specified in the applicable Final Terms for each Underlying for the purpose of the occurrence of the Click-on Effect.

The Click-on Level is represented by a percentage of the Initial Reference Value of the relevant Underlying and/or of the Reference Value of the relevant Underlying or by a predetermined value as specified in the applicable Final Terms in relation to the relevant Click-on Valuation Period.

Click-on Valuation Period means the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms, in which the Calculation Agent determines

the occurrence of the Click-on Effect.

In the event of more Click-on Valuation Periods, the relevant Final Terms will specify the **First Click-on Valuation Period**, the **Second Click-on Valuation Period** and so on.

In the event that a Market Disruption Event has occurred on a Click-on Valuation Period or on one Exchange Business Day of the Click-on Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply.

For the avoidance of doubt, the beginning of any Click-on Valuation Period may not occur before the Issue Date;

Cliquet Feature means the method for changing the Digital Level and the Participation Remuneration Level on, respectively, any Digital Valuation Period and Participation Remuneration Event Valuation Period, as specified by the Issuer in the relevant Final Terms, pursuant to which the Digital Level and the Participation Remuneration Level will be changed, either automatically or upon occurrence of the condition(s) specified from time to time in the applicable Final Terms. Such method may indicate:

(i) in relation to each Cliquet Valuation Period, the relevant Reference Value or Spread or Cumulated Performance (in the case of Multiperformance Certificates), for the determination of the applicable Digital Level or the applicable Participation Remuneration Level; and/or

(ii) different percentage(s) to be applied to the Initial Reference Value and/or Reference Value(s) or Spread or Cumulated Performance (in the case of Multiperformance Certificates) for the determination of the applicable Digital Level or the applicable Participation Remuneration Level, as specified in the applicable Final Terms.

Moreover, in relation to each different Digital Level the Issuer will also specify the related applicable Digital Amount.

The Securityholders will be informed of the update of the Digital Level and the Participation Remuneration Level in accordance with Condition 9 (*Notices*);

Cliquet Valuation Period means, if the Cliquet Feature is applicable, the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms, in which the Calculation Agent determines the Reference Value or the Spread or the Cumulated Performance (in the case of Multiperformance Certificates).

In the event of more Cliquet Valuation Periods, the relevant Final Terms will specify the **First Cliquet Valuation Period**, the **Second Cliquet Valuation Period**, and so on.

In the event that a Market Disruption Event has occurred on the Cliquet Valuation Period or on one Exchange Business Day of the Cliquet Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

Combined Amount means, in relation to Combined Amount Certificates, the amount equal to the product of the Multiplier of the Underlying specified in the applicable Final Terms and the relevant Final Reference Value, which may differ from the Underlying used to determine the occurrence of the Barrier Event and/or from the Underlying used to the determine the Cash Settlement Amount;

Combined Securities means the type of Securities which is a combination of two or more of the following types, as specified from time to time in the relevant Final Terms: Index Securities, Share

Securities, Exchange Rate Securities, Futures Contract Securities, Govies Securities, Fund Securities, Interest Rate Securities and Commodity Securities;

Commodity means, in relation to each Series, either as single or as a Basket Constituent, the commodity indicated as Underlying in the relevant Final Terms;

Commodity Securities means Securities that have as Underlying one or more specified Commodities or one or more Baskets of Commodities;

Consolidation Effect means the feature that may be specified as applicable in relation to the Digital Amount and the Participation Remuneration Amount if there are several Digital Valuation Periods or several Participation Remuneration Event Valuation Periods.

The Consolidation Effect will occur if the Calculation Agent determines that the Reference Value or the Spread, or the Cumulated Performance (in the case of Multiperformance Certificates), as specified in the relevant Final Terms:

(i) is equal to, higher than or lower than the relevant Consolidation Level on the relevant Consolidation Valuation Period; and/or

(ii) has been, at least once during the relevant Consolidation Valuation Period, equal to, higher than or lower than the relevant Consolidation Level; and/or

(iii) has never been equal to, higher than or lower than the relevant Consolidation Level during the relevant Consolidation Valuation Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Consolidation Level and the relevant Down Range Consolidation Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Consolidation Valuation Period.

In case of Securities linked to more than one Underlying, the Consolidation Effect may be determined in relation to at least one, any or all the Underlyings, as specified in the applicable Final Terms. In case of Securities linked to a Basket, the Consolidation Effect may be determined in relation to the Basket or to at least one, any or all the Basket Constituents, as specified in the applicable Final Terms. In these cases, the applicable Final Terms will also specify the Consolidation Level (or the Up Range Consolidation Level and the Down Range Consolidation Level) of each Underlying or Basket Constituent that will be considered for the purposes of the determination of the Consolidation Effect.

If the Consolidation Effect occurs, the Digital Event/Participation Remuneration Event will automatically occur without further determinations for all the Digital Valuation Periods/Participation Remuneration Event Valuation Periods following such Consolidation Valuation Period and, therefore, the Securityholders will receive all the relevant Digital Amounts/Participation Remuneration Amounts (if positive).

If the Consolidation Effect occurs, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Consolidation Floor Event means the event that may be specified as applicable in relation to Max Long Certificates and Max Short Certificates, occurring if the Calculation Agent determines that the Reference Value or the Spread, or the Cumulated Performance (in the case of Multiperformance Certificates), as specified in the relevant Final Terms:

(i) is equal to, higher than or lower than the relevant Consolidation Floor Level on the relevant Consolidation Floor Valuation Period; and/or

(ii) has been, at least once during the relevant Consolidation Floor Valuation Period, equal to, higher than or lower than the relevant Consolidation Floor Level; and/or

(iii) has never been equal to, higher than or lower than the relevant Consolidation Floor Level during the relevant Consolidation Floor Valuation Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Consolidation Floor Level and the relevant Down Range Consolidation Floor Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Consolidation Floor Valuation Period.

If the applicable Final Terms provide for more than one Consolidation Floor Valuation Period, the applicable Final Terms will specify if the Consolidation Floor Event will occur in at least one, any or all the Consolidation Floor Valuation Periods.

In case of Securities linked to more than one Underlying, the Consolidation Floor Event may be determined in relation to at least one, any or all the Underlyings, as specified in the applicable Final Terms. In case of Securities linked to a Basket, the Consolidation Floor Event may be determined in relation to the Basket or to at least one, any or all the Basket Constituents, as specified in the applicable Final Terms. In these cases, the applicable Final Terms will also specify the Consolidation Floor Level (or the Up Range Consolidation Floor Level and the Down Range Consolidation Floor Level) of each Underlying or Basket Constituent that will be considered for the purposes of the determination of the Consolidation Floor Event.

Upon the occurrence of the Consolidation Floor Event, the Cash Settlement Amount of the Max Long Certificates and Max Short Certificates, will be determined in accordance with a calculation method different from the calculation method applicable if the Consolidation Floor Event does not occur, as detailed in Condition 23 (*Pay-out provisions*).

If the Consolidation Floor Event occurs, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Consolidation Floor Level means the value or the values specified in the relevant Final Terms that may be set as:

(i) a percentage of the Initial Reference Value (or as a value expressed as a percentage, in relation to Spread Certificates and Multiperformance Certificates) specified in the applicable Final Terms; or

(ii) a predetermined value specified in the applicable Final Terms.

For the avoidance of doubt, the Consolidation Floor Level in relation to the occurrence of the Consolidation Floor Event may be different to the Consolidation Floor Level set for the purposes of the calculation of the Cash Settlement Amount (if so specified in the applicable Final Terms);

Consolidation Floor Valuation Period means the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms in which the Calculation Agent determines the occurrence of a Consolidation Floor Event.

In the event of multiple Consolidation Floor Valuation Periods, the relevant Final Terms will indicate the **First Consolidation Floor Valuation Period**, the **Second Consolidation Floor Valuation Period**, and so on;

In the event that a Market Disruption Event has occurred on the Consolidation Floor Valuation Period or on one Exchange Business Day of the Consolidation Floor Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

Consolidation Level means one or more values that may be specified for one or more Underlyings or Basket Constituents in the applicable Final Terms that determines the occurrence of the Consolidation Effect in relation to the relevant Underlying or Basket Constituent in the relevant Consolidation Valuation Period.

Such value(s) may be set as:

(i) a percentage of the Initial Reference Value and/or of the Reference Value; or

(ii) a value expressed as a percentage (in relation to Spread Certificates and Multiperformance Certificates); or

(iii) a predetermined value and/or a percentage of a predetermined value,

as specified in the applicable Final Terms in relation to the relevant Consolidation Valuation Period.

The Consolidation Level may be identical for all the Consolidation Valuation Periods or it may differ for each Consolidation Valuation Period, as specified in the applicable Final Terms. If there are more Consolidation Levels, the Issuer will indicate in the relevant Final Terms the **First Consolidation Level**, the **Second Consolidation Level** and so on.

In case of more than one Underlying or in case of a Basket, the applicable Final Terms will also specify whether, for the purpose of the determination of such event, the applicable condition has to be satisfied in relation to at least one, any or all the Underlyings or Basket Constituents. In this case, the Consolidation Level will be specified for each Underlying or Basket Constituent;

Consolidation Participation Factor means the value expressed as a percentage indicated in the applicable Final Terms;

Consolidation Valuation Period means the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms, in which the Calculation Agent determines the occurrence of a Consolidation Effect.

In case of more Consolidation Valuation Periods, the relevant Final Terms will specify the **First Consolidation Valuation Period**, the **Second Consolidation Valuation Period**, and so on.

The applicable Final Terms may provide for different Underlyings in relation to each Consolidation Valuation Period.

In the event that a Market Disruption Event has occurred on the Consolidation Valuation Period or on one Exchange Business Day of the Consolidation Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply.

For the avoidance of doubt, the beginning of any Consolidation Valuation Period may not occur before the Issue Date;

Constant Leverage Factor or **K** means, in relation to Type B Constant Leverage Certificates, the fixed leverage factor which applies to the Underlying, specified in the applicable Final Terms;

Conversion Rate means, in relation to Dual Currency FX Certificates, the rate specified in the applicable Final Terms;

Converted Certificates means, in relation to Turbo Certificates, Benchmark Certificates and Constant Leverage Certificates, if Reverse Split is specified as applicable in the relevant Final Terms, the amended Certificates after the application of the Reverse Split calculated by dividing the number of Pre-Conversion Certificates by the Reverse Split Ratio;

Corridor Early Amount means, in relation to Corridor Warrants, the amount specified in the relevant Final Terms to be paid to the Securityholder on the Corridor Early Payment Date per each Minimum Exercise Amount if a Barrier Event has occurred. The Corridor Early Amount could be also equal to zero;

Corridor Early Payment Date means, in relation to Corridor Warrants, the date specified in the applicable Final Terms. In the event that the Corridor Early Amount is set equal to zero, the Corridor Early Payment Date will be specified as not applicable in the relevant Final Terms;

Coupon Determination Period means the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms, in which the Calculation Agent determines whether the Coupon Event has occurred.

In case of more Coupon Determination Periods, the relevant Final Terms will specify the **First Coupon Determination Period**, the **Second Coupon Determination Period**, and so on;

In the event that a Market Disruption Event has occurred on the Coupon Determination Period or on one Exchange Business Day of the Coupon Determination Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply.

For the avoidance of doubt, the beginning of any Coupon Determination Period may not occur before the Issue Date;

Coupon Event means the event occurring when the Calculation Agent determines that, during the relevant Coupon Determination Period, the Reference Value of one or more Underlying(s), or the Spread, or the Cumulated Performance (in the case of Multiperformance Certificates) is equal to, higher than or lower than the relevant Coupon Level, as specified in the relevant Final Terms.

The occurrence of the Coupon Event will determine the amount of the Digital Amounts, if applicable, and/or of the Early Redemption Amounts, if applicable, payable during the life of the Certificates.

Therefore, if on the Coupon Valuation Date, the Calculation Agent determines that the Coupon Event has occurred, the Digital Amounts and/or the Early Redemption Amounts will be determined on the basis of the Coupon Premium 1. Conversely, if on the Coupon Valuation Date, the Calculation Agent determines that the Coupon Event has not occurred, the Digital Amounts and/or the Early Redemption Amounts will be determined on the basis of the Coupon Premium 2;

Coupon Level means, if applicable under the relevant Final Terms, the value specified in the relevant Final Terms determined as a percentage of the Initial Reference Value or as a value expressed as a percentage (in relation to Spread Certificates and Multiperformance Certificates) or as a predetermined value, which determines the occurrence of the Coupon Event.

In case of more than one Underlying or in case of a Basket, the applicable Final Terms will also specify whether, for the purpose of the determination of such event, the applicable condition has to be satisfied in relation to at least one, any or all the Underlyings or Basket Constituents. In this case, the Coupon Level will be specified for each Underlying or Basket Constituent;

Coupon Premium 1 means the amount in the Settlement Currency set out in the relevant Final Terms that, if the Coupon Event has occurred, will be used for the determination of the amount of the Digital Amounts, if applicable, and/or of the Early Redemption Amounts, if applicable, payable during the life of the Certificates;

Coupon Premium 2 means the amount in the Settlement Currency set out in the relevant Final Terms that, if the Coupon Event has not occurred, will be used for the determination of the amount of the Digital Amounts, if applicable, and/or of the Early Redemption Amounts, if applicable, payable during the life of the Certificates;

Coupon Valuation Date means the Exchange Business Day, specified in the applicable Final Terms, on which the Calculation Agent determines if the Coupon Event has occurred during the Coupon Determination Period and therefore if the Digital Amounts, if applicable, and/or of the Early Redemption Amounts, if applicable, payable during the life of the Certificates will be determined on the basis of the Coupon Premium 1 or on the basis of the Coupon Premium 2;

Cross Currency Rate or **XCCY** means, in relation to Type B Constant Leverage Certificates, the cross currency rate specified in the applicable Final Terms and available on the source specified in the applicable Final Terms;

Cumulated Bonus Amount means, in relation to Multiple Strike Certificates, the amount that will be determined as specified under Condition 23 (*Pay-out provisions*);

Cumulated Performance means, in relation to the Multiperformance Long/Short Certificates and the Multiperformance Max Long/Short Certificates, the sum of the performances of each Underlying calculated as follows:

$$\sum_{i=1}^{n}\left(\frac{Final\ Reference\ Value_i}{Initial\ Reference\ Value_i}-1\right)$$

Where:

"***Final Reference Value****i*" means the Final Reference Value of Underlying "*i*";

"***Initial Reference Value****i*" means the Initial Reference Value of Underlying "*i*";

"***n***" means the number of the Underlyings;

Darwin Feature means the determination method that may be specified as applicable in the relevant Final Terms in relation to the occurrence of an event and/or the determination of an amount to be paid.

If the Darwin Feature applies, the applicable Final Terms will specify in relation to each valuation period of each event and/or in relation to each amount to be paid (Remuneration Amount and/or the Settlement Amount and/or the Early Redemption Amount), the Underlying value to be considered (i.e. Best of Underlying, Worst of Underlying, Basket Value or as otherwise specified in the applicable Final Terms).

In the same way, if the Darwin Feature applies, the applicable Final Terms will specify the determination method of the Reference Value to be considered for the occurrence of the Barrier Event (by way of example, Worst Of Underlying) and the determination method of the Initial Reference Value and the Final Reference Value to be considered for the calculation of the Settlement Amount, that can be different from the method used for the determination of the occurrence of the Barrier Event;

Day Count Fraction or **DCF** means, in relation to Interest Rate Warrants, Type B Constant Leverage Certificates and to the calculation of Premium Gap Amounts:

- in relation to Type B Constant Leverage Certificates, the actual number of calendar days between "t" (being any Exchange Business Day from and including the Determination Date to and including the Valuation Date) and "t-1" (being the Exchange Business Day prior to "t"), divided by the number specified in the applicable Final Terms;
- if "**ACT/360**" is specified as applicable in the relevant Final Terms, the actual number of days in the relevant Floating Amount Determination Period or Settlement Determination Period or Premium Gap Observation Period, respectively, divided by 360;
- if "**Actual/Actual**" is specified as applicable, means:

  (i) in relation to the calculation of the Premium Gap Amounts, the actual number of days in the relevant Premium Gap Observation Period divided by the number of days comprised in the relevant Premium Determination Period;

  (ii) in relation to Interest Rate Warrants, the actual number of days in the Floating Amount Determination Period, or Settlement Determination Period divided by number of days comprised in the relevant Floating Amount Determination Period, or Settlement Determination Period;

- if "**30/360**" is specified as applicable, means the number of days in the Premium Gap Observation Period or Floating Amount Determination Period, or Settlement Determination Period, calculated as follows:

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

Where:

"Y_1" is the year, expressed as a number, in which the first day of the Premium Gap Observation Period, Floating Amount Determination Period or Settlement Determination Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Premium Gap Observation Period, Floating Amount Determination Period or Settlement Determination Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Premium Gap Observation Period, Floating Amount Determination Period or Settlement Determination Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Premium Gap Observation Period, Floating Amount Determination Period or Settlement Determination Period falls;

"D_1" is the first calendar day, expressed as a number, of the Premium Gap Observation Period, Floating Amount Determination Period or Settlement Determination Period, unless such number is 31, in which case D_1 will be 30;

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Premium Gap Observation Period, Floating Amount Determination Period or Settlement Determination Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

Deliverable Asset means, in case of Physical Delivery Securities, the quantity of the Relevant Asset capable of being delivered, which constitutes part or all of the Entitlement, as determined in accordance with the applicable Final Terms;

Delivery Date means, in the case of an offer of Securities and if applicable, the Business Day that may be specified in the relevant Final Terms and on which the Securities are delivered to the Securityholder. Delivery shall mean the relevant accounting evidence of such Securities in the securities depository account or such other account of the relevant investor (as indicated by the investor in the relevant subscription module) or of the relevant Manager;

Determination Date means one or more Exchange Business Days on which the Value of the Underlying(s) is registered for the purpose of the calculation of the Initial Reference Value (pursuant to the terms set out in the definition of Initial Reference Value), as specified in the relevant Final Terms;

Digital Amount means, upon occurrence of the relevant Digital Event in relation to the relevant Digital Valuation Period, the amount in the Settlement Currency to be paid to the Securityholder on the relevant Digital Payment Date per each Minimum Exercise Amount pursuant to Condition 23 (*Pay-out provisions*).

If the Multiple Level Option is applicable, the relevant Final Terms will specify the Digital Amount 1 and the Digital Amount 2, and so on, which will be respectively linked to the Digital Level 1, the Digital Level 2 and so on. In this case, the holders of the Securities will be entitled to receive the Digital Amount relating to the higher Digital Level reached by the Reference Value.

If the Cliquet Feature is applicable, in relation to each different Digital Level, the Issuer will also specify the related applicable Digital Amount;

Digital Combo Feature means, in relation to Certificates linked to a Basket or to more Underlyings that are not a Basket, the feature in relation to the calculation of a Digital Amount, pursuant to which the Calculation Agent will determine the occurrence of the Digital Event (and eventually will determine the Consolidation Level, the Memory Level, the Knock-out Level and the Knock-in Level) in the Digital Valuation Period(s) specified in the applicable Final Terms in relation to each Basket Constituent or each Underlying. Therefore, the Digital Amount payable will be either, as specified in the applicable Final Terms, (i) the arithmetic mean of the Digital Amounts due in relation to each single Basket Constituent or each single Underlying for which the relevant Digital Event has occurred, or (ii) the weighted average of the Digital Amounts due in relation to each single Basket Constituent or each single Underlying for which the relevant Digital Event has occurred, or (iii) the sum of the Digital Amounts due in relation to each single Basket Constituent or each single Underlying for which the relevant Digital Event has occurred. If the Digital Combo Feature applies, the applicable Final Terms will specify for each single Basket Constituent or each single Underlying the relevant Digital Level;

Digital Event means the event occurring if the Calculation Agent determines that the Reference Value or the Spread, or the Cumulated Performance (in the case of Multiperformance Certificates), as

specified in the relevant Final Terms:

(i) is equal to, higher than or lower than the relevant Digital Level on the relevant Digital Valuation Period; and/or

(ii) has been, at least once during the relevant Digital Valuation Period, equal to, higher than or lower than the relevant Digital Level; and/or

(iii) has never been equal to, higher than or lower than the relevant Digital Level during the relevant Digital Valuation Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Digital Level and the relevant Down Range Digital Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Digital Valuation Period.

In case of Securities linked to more than one Underlying, the Digital Event may be determined in relation to at least one, any or all the Underlyings, as specified in the applicable Final Terms. In case of Securities linked to a Basket, the Digital Event may be determined in relation to the Basket or to at least one, any or all the Basket Constituents, as specified in the applicable Final Terms. In these cases, the applicable Final Terms will also specify the Digital Level (or the Up Range Digital Level and the Down Range Digital Level, or, if Multiple Level Option is applicable, the Digital Level 1, the Digital Level 2 and so on) of each Underlying or Basket Constituent that will be considered for the purposes of the determination of the Digital Event.

If a Digital Event occurs, the Securityholders are entitled to receive the payment of the relevant Digital Amount specified in the applicable Final Terms.

If the Digital Event occurs, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Digital Level means one or more values that may be specified for one or more Underlyings or Basket Constituents in the applicable Final Terms that determines the occurrence of the Digital Event in relation to the relevant Underlying or Basket Constituent in the relevant Digital Valuation Period.

Such value(s) may be set as:

(i) a percentage of the Initial Reference Value and/or of the Reference Value; or

(ii) a value expressed as a percentage (in relation to Spread Certificates and Multiperformance Certificates); or

(iii) a predetermined value and/or a percentage of a predetermined value,

as specified in the applicable Final Terms in relation to the relevant Digital Valuation Period.

The Digital Level may be identical for all the Digital Valuation Periods or it may differ for each Digital Valuation Period, as specified in the applicable Final Terms. If there are more Digital Levels, the Issuer will indicate in the relevant Final Terms: (i) the First Digital Level, the Second Digital Level and so on, in relation to the relevant Digital Valuation Period, and/or, if Multiple Level Option is applicable, (ii) the Digital Level 1, the Digital Level 2, and so on, in relation to the same Digital Valuation Period.

In the case of Cliquet Feature, the applicable Final Terms will specify the method for changing the Digital Level in relation to one or more Digital Valuation Periods.

In case of more than one Underlying or in case of a Basket, the applicable Final Terms will also specify whether, for the purpose of the determination of such event, the applicable condition has to be satisfied in relation to at least one, any or all the Underlyings or Basket Constituents. In this case, the Digital Level will be specified for each Underlying or Basket Constituent;

Digital Payment Date means the Business Day specified in the applicable Final Terms on which the Issuer shall pay the relevant Digital Amount to the Securityholders.

If an amount shall be paid on a Digital Payment Date (i.e. Digital Amount or Extra Consolidation Digital Amount), should the valuation date in which the Calculation Agent determines the Reference Value for the purposes of the calculation of such amount be postponed (by way of example and without limitation, for the occurrence of a Market Disruption Event), the relevant Digital Payment Date may be postponed accordingly. The Digital Payment Date shall not, in any case, be postponed beyond ten Business Days;

Digital Percentage means, in relation to the Digital Certificates, the value expressed as a percentage specified in the relevant Final Terms;

Digital Valuation Period means the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms, in which the Calculation Agent determines the occurrence of a Digital Event.

In the event of more Digital Valuation Periods, the relevant Final Terms will specify the **First Digital Valuation Period**, the **Second Digital Valuation Period**, and so on.

The applicable Final Terms may provide for different Underlyings in relation to each Digital Valuation Period.

In the event that a Market Disruption Event has occurred on the Digital Valuation Period or on one Exchange Business Day of the Digital Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply.

For the avoidance of doubt, the beginning of any Digital Valuation Period may not occur before the Issue Date;

Disrupted Day means any Exchange Business Day on which a Market Disruption Event has occurred;

Dividend Period Start Date means, in respect of a Share, the date specified as such in the relevant Final Terms;

Dividend Publication means, in respect of Type B Constant Leverage Certificates, the source specified in the relevant Final Terms that may be, without limitation, the website or other media or electronic page where the dividend related to the Underlying is published;

Down Participation Factor means the value expressed as a percentage indicated in the applicable Final Terms;

Down Range Level means one or more values that may be specified in the applicable Final Terms that determines the occurrence of: (i) the Accumulating Event (the "**Down Range Accumulating Level**"); or (ii) the Consolidation Effect (the "**Down Range Consolidation Level**"); or (iii) the Consolidation Floor Event (the "**Down Range Consolidation Floor Level**"); or (iv) the Digital Event (the "**Down Range Digital Level**"); or (v) the Knock-in Event (the "**Down Range Knock-in Level**"); or (vi) the

Knock-out Event (the "**Down Range Knock-out Level**"); or (vii) the Memory Effect (the "**Down Range Memory Level**"); or (viii) the Participation Remuneration Event (the "**Down Range Participation Remuneration Level**"); or (ix) the Early Redemption Event (the "**Down Range Early Redemption Level**"); or (x) the Switch Event (the "**Down Range Switch Level**"); or (xi) the Multiple Strike Event$_i$ (the "**Down Range Multiple Strike Level$_i$**"); or (xii) the Participation Rebate Event (the "**Down Range Participation Rebate Level**"). The Down Range Level is represented by a percentage of the Initial Reference Value and/or of the Reference Value or as a value expressed as a percentage (in relation to Spread Certificates and Multiperformance Certificates) or by a predetermined value. If there are more Underlyings, the applicable Final Terms will specify the relevant Down Range Level for each Underlying;

Dropdown Protection Amount means, in relation to Short Lucky Protection Certificates, the amount (always higher than 0) specified from time to time in the relevant Final Terms;

Dropdown Protection Level means, in relation to Long Lucky Protection Certificates, the value (always higher than 0) specified from time to time in the relevant Final Terms. The Dropdown Protection Level is represented by a percentage of the Initial Reference Value (or as a value expressed as a percentage, in relation to Spread Certificates and Multiperformance Certificates) or by a predetermined value;

Dynamic Protection Level means, in relation to Dynamic Protection Certificates, the value specified from time to time in the relevant Final Terms. The Dynamic Protection Level is represented by a percentage of the Initial Reference Value or by a predetermined value;

Dual Currency means the currency specified in the applicable Final Terms;

Early Partial Capital Payment Amount means the amount paid to the Securityholder for each Minimum Exercise Amount on the relevant Early Partial Capital Payment Date;

Early Partial Capital Payment Date means the Business Day specified in the applicable Final Terms on which the Issuer shall pay the relevant Early Partial Capital Payment Amount to the Securityholder;

Early Participation Factor means the value expressed as a percentage specified in the relevant Final Terms;

Early Payment Date means the Business Day specified in the applicable Final Terms on which the Issuer shall pay the Early Redemption Amount to the Securityholders.

If an amount shall be paid on an Early Payment Date, should the valuation date in which the Calculation Agent determines the Reference Value for the purposes of the calculation of such amount be postponed (by way of example and without limitation, for the occurrence of a Market Disruption Event), the relevant Early Payment Date may be postponed accordingly. The Early Payment Date shall not, in any case, be postponed beyond ten Business Days;

Early Redemption Amount means, upon occurrence of the Early Redemption Event in the relevant Early Redemption Valuation Period, (i) in relation to Certificates, the amount in the Settlement Currency to be paid to the Securityholder on the relevant Early Payment Date per each Minimum Exercise Amount pursuant to Condition 23 (*Pay-out provisions*); (ii) in relation to Turbo Certificates, an amount that will be equal to 0 (zero); (iii) in relation to Warrants (only applicable to Warrants to be admitted to listing and/or trading without prior offer), an amount that will be equal to 0 (zero).

The Early Redemption Amount may be the amount specified in the applicable Final Terms or may be an amount determined on the basis of the performance of the Underlying specified in the applicable Final Terms, in accordance with one of the calculation methods of the Early Redemption Amount described in Condition 23 (*Pay-out provisions*).

If the Early Redemption Amount is an amount determined on the basis of the performance of the Underlying specified in the applicable Final Terms, the Early Redemption Amount may be, as indicated in the relevant Final Terms, "**Long Early Redemption Amount**" or "**Long Cap Early Redemption Amount**" or "**Short Early Redemption Amount**" or "**Short Cap Early Redemption Amount**";

Early Redemption Event means the event occurring if the Calculation Agent determines that the Reference Value or the Spread, or the Cumulated Performance (in the case of Multiperformance Certificates), as specified from time to time in the relevant Final Terms:

(i) is equal to, higher than or lower than the relevant Early Redemption Level on the relevant Early Redemption Valuation Period; and/or

(ii) has been, at least once during the relevant Early Redemption Valuation Period, equal to, higher than or lower than the relevant Early Redemption Level; and/or

(iii) has never been equal to, higher than or lower than the relevant Early Redemption Level during the relevant Early Redemption Valuation Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Early Redemption Level and the relevant Down Range Early Redemption Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Early Redemption Valuation Period.

In case of Securities linked to more than one Underlying, the Early Redemption Event may be determined in relation to at least one, any or all the Underlyings, as specified in the applicable Final Terms. In case of Securities linked to a Basket, the Early Redemption Event may be determined in relation to the Basket or to at least one, any or all the Basket Constituents, as specified in the applicable Final Terms. In these cases, the applicable Final Terms will also specify the Early Redemption Level (or the Up Range Early Redemption Level and the Down Range Early Redemption Level) of each Underlying or Basket Constituent that will be considered for the purposes of the determination of the Early Redemption Event.

If the applicable Final Terms provide for one or more Accumulating Autocallable Trigger, an Early Redemption Event occurs if, on the Accumulated Valuation Date, the Calculation Agent determines that the relevant Accumulated Amount payable to the Securityholders is lower than, equal to or higher than, as specified in the applicable Final Terms, the relevant Accumulating Autocallable Trigger.

If the applicable Final Terms provide for the Tarn Amount, an Early Redemption Event occurs if, on a Participation Performance Period, the Calculation Agent determines that the Remuneration Sum exceeds the Tarn Amount.

If the applicable Final Terms provide for the Magnet Feature, an Early Redemption Event occurs if the Magnet Worst Of Performance is equal to, higher than or lower than the relevant Magnet Floored Performance, as specified in the applicable Final Terms.

If the Early Redemption Event occurs, the Securities are deemed to be early redeemed on either (i) the last Exchange Business Day of the Early Redemption Valuation Period on which the Early Redemption Event has occurred, or (ii) if the Intraday Value is applicable and in any case in relation to Turbo

Certificates, the Exchange Business Day on which the Early Redemption Event occurred. In such case, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Early Redemption Level means one or more values that may be specified for one or more Underlyings or Basket Constituents in the applicable Final Terms that determines the occurrence of the Early Redemption Event in relation to the relevant Underlying or Basket Constituent in the relevant Early Redemption Valuation Period.

Such value(s) may be set as:

(i) a percentage of the Initial Reference Value and/or of the Reference Value; or

(ii) a value expressed as a percentage (in relation to Spread Certificates and Multiperformance Certificates); or

(iii) a predetermined value and/or a percentage of a predetermined value,

as specified in the applicable Final Terms in relation to the relevant Early Redemption Valuation Period.

The Early Redemption Level may be identical for all the Early Redemption Valuation Periods or it may differ for each Early Redemption Valuation Period, as specified in the applicable Final Terms. If there are more Early Redemption Levels, the Issuer will indicate in the relevant Final Terms the **First Early Redemption Level**, the **Second Early Redemption Level** and so on.

In case of more than one Underlying or in case of a Basket, the applicable Final Terms will also specify whether, for the purpose of the determination of such event, the applicable condition has to be satisfied in relation to at least one, any or all the Underlyings or Basket Constituents. In this case, the Early Redemption Level will be specified for each Underlying or Basket Constituent.

In relation to Turbo Certificates, the Early Redemption Level is equal to the Strike Price;

Early Redemption Valuation Period means the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms, in which the Calculation Agent determines the occurrence of a Early Redemption Event.

If the applicable Final Terms provide for one or more Accumulating Autocallable Trigger, the occurrence of an Early Redemption Event will be determined by the Calculation Agent on the relevant Accumulated Valuation Date specified in the applicable Final Terms (i.e. the Early Redemption Valuation Period will coincide with the Accumulated Valuation Date).

If the applicable Final Terms provide for the Tarn Amount, the occurrence of an Early Redemption Event will be determined by the Calculation Agent on the relevant Participation Performance Period specified in the applicable Final Terms (i.e. the Early Redemption Valuation Period will coincide with the Participation Performance Period).

If the applicable Final Terms provide for the Click-on Effect, in relation to the First Early Redemption Valuation Period, all the Underlyings will be considered for the purpose of the determination of the Worst Of Underlying.

In the event of more Early Redemption Valuation Periods, the relevant Final Terms will specify the

First Early Redemption Valuation Period, the **Second Early Redemption Valuation Period** and so on.

In the event that a Market Disruption Event has occurred on the Early Redemption Valuation Period or on one Exchange Business Day of the Early Redemption Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply.

For the avoidance of doubt, the beginning of any Early Redemption Valuation Period may not occur before the Issue Date;

Electronic Page means, in respect of an Underlying or a Basket Constituent, the electronic page or source specified for such Underlying or Basket Constituent in the applicable Final Terms, or either (i) any successor electronic page or source or information vendor or provider that has been designated by the sponsor of the original electronic page or source; or (ii) if such sponsor has not officially designated a successor electronic page or source or information vendor or provider, the successor electronic page or source or information vendor or provider designated by the relevant information vendor or provider (if different from such sponsor) or any alternative electronic page or source designated by the Calculation Agent, provided that, if, in the case of (i) and (ii), the Calculation Agent determines that it is not necessary or appropriate for the Electronic Page to be any such successor electronic page or source or information vendor or provider, then the Electronic Page may be either the originally designated electronic page or source or such other electronic page or source as selected by the Calculation Agent. Where more than one Electronic Page is specified in respect of an Underlying or a Basket Constituent, then the provisions of the preceding sentence shall be construed accordingly and (i) if there is any discrepancy between any relevant price or level displayed on the relevant Electronic Pages for any Exchange Business Day, the relevant price or level selected by the Calculation Agent shall be used for such Exchange Business Day; and (ii) if any relevant price or level is not published on all of such Electronic Pages but is published on one or more of such Electronic Pages, the Calculation Agent shall use such published price or level for the purpose of determining any calculation or determination in respect of the Certificates and no Market Disruption Event shall be deemed to have occurred in respect of the failure to publish on the other Electronic Page(s);

Entitlement means, in relation to Physical Delivery Securities, (i) the Deliverable Asset and, if any, (ii) the Residual Amount, which a Securityholder is entitled to receive on the Settlement Date, as provided in Condition 19 (*Exercise rights and procedures (only applicable to Warrants)*) and in Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*), and as determined by the Calculation Agent in accordance with the method of calculation specified in the applicable Final Terms;

Ex-Dividend Date means, in respect of a Share, the date on which such Share has commenced trading ex – dividend on the Exchange of such Share specified in the applicable Final Terms;

Exchange means each reference exchange or quotation system, on which the Underlying, the Reference Underlying or related components are principally listed and traded, as specified 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/commodities comprising such Underlying or Reference Underlying has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities or commodities comprising such Underlying or Reference Underlying on such temporary substitute exchange or quotation system as on the original Exchange);

Exchange Business Day means, in relation to:

(A) *Share Securities, Commodity Securities, Exchange Rate Securities:*

any day (i) which is considered an exchange business day by the Reference Source, provided that on that day such Reference Source is open for trading, except for the days on which trading sessions close earlier than the regular closing hours and (ii) on which the Reference Source is open for trading during the regular trading hours;

(B) *Index Securities:*

the day on which (i) the Index Sponsor determines and publishes the Index level and/or (ii) the Exchange is open for trading during the regular trading hours;

(C) *Futures Contract Securities:*

any day on which the Futures Contract is regularly listed on the Reference Source. If on such a day a Market Disruption Event occurs, such day will not be considered as Exchange Business Day;

(D) *Fund Securities:*

(i) in the case of unlisted Funds: any day on which the Net Asset Value of each Fund is (or would have been if a Market Disruption Event had not occurred) determined and/or published by the Management Company or the Fund Manager; and

(ii) in the case of listed Funds: any day on which the price relating to each Fund is (or would have been if a Market Disruption Event had not occurred) regularly determined and published by the relevant Reference Source;

(E) *Interest Rate Securities:*

any day on which the Interest Rate is determined and/or published by the relevant Calculation Entity;

(G) *Govies Securities:*

any day (i) which is considered an exchange business day by the Reference Source, provided that on that day such Reference Source is open for trading, except for the days on which trading sessions close earlier than the regular closing hours and (ii) on which the Reference Source is open for trading during the regular trading hours; and, only in the case of Govies Securities linked to the Yield of Government Bond, (iii) on which the information source specified in the applicable Final Terms publishes the value of such yield(s);

(H) *if the Underlyings are Baskets:*

the day which is an Exchange Business Day for all the relevant Basket Constituents or, in case of Baskets of Baskets, the day which is an Exchange Business Day for all the relevant financial assets composing each of the Baskets representing the Baskets Constituent;

In the event that one or more dates specified in the applicable Final Terms do not fall on an Exchange Business Day, such dates shall shift to an Exchange Business Day in accordance with the convention specified in the relevant Final Terms (the **Exchange Business Day Convention**), provided however that, if such new Exchange Business Day is already a date relevant for the fixing of the Value of the Underlying, the date originally specified shall shift again to an Exchange Business Day which is not a date relevant for the fixing of the Value of the Underlying.

In the case of a Basket, or in the case of Best Of Feature and Worst Of Feature, if one or more dates specified in the applicable Final Terms do not fall on an Exchange Business Day for one or more Basket Constituents or for one or more Underlyings such dates will be postponed to (i) the immediately following or previous day (as specified in the relevant Final Terms from time to time) which is an Exchange Business Day for all the Basket Constituents or for all the Underlyings or (ii) (a) for each Basket Constituent or for each Underlying in relation to which such date is not an Exchange Business Day, the immediately following or previous day (as specified in the relevant Final Terms from time to time) which is an Exchange Business Day and (b) for all the Basket Constituents or for all the Underlyings in relation to which such date is an Exchange Business Day, the date originally scheduled;

Exchange Rate means either:

(i) in case of Exchange Rate Securities, the exchange rate between currencies constituting the Underlying (as single or as a Basket Constituent) of the Securities if specified in the relevant Final Terms; or

(ii) in relation to Non Quanto Securities in general with reference to the relevant Underlying, the exchange rate on a given date between the Underlying Reference Currency and the Settlement Currency (expressed as a number of units or portion of the Underlying Reference Currency necessary to purchase a unit in the Settlement Currency), determined by the Calculation Agent for the purpose of the determination of the Cash Settlement Amount or Early Redemption Amounts or Remuneration Amounts or Corridor Early Amounts or Early Partial Capital Payment and the relevant events. The Calculation Agent will determine the Exchange Rate by making reference to the exchange rate (fixing) between the Underlying Reference Currency and the Settlement Currency determined by the information source specified in the applicable Final Terms or, if the exchange rate is not published or announced at the relevant time on such information source, either (i) the successor or alternative information source or (ii) the determination method to be carried out by the Calculation Agent in its sole and absolute discretion, in each case as specified in the applicable Final Terms;

Exchange Rate Securities means Securities that have as Underlying one or more specified Exchange Rates or one or more Baskets of Exchange Rates;

Exchange Rate Weights means in relation to Currency Certificates the weight for each exchange rate Underlying expressed as a percentage, as specified in the applicable Final Terms;

Exercise Business Day means, in respect of Warrants:

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

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

Exercise Date means the Business Day on which the Securities are exercised, as specified in the applicable Final Terms. In the case of Physical Delivery Securities, the Exercise Date will be a day which is both a Business Day and an Exchange Business Day;

Exercise Price means, in relation to Call Covered Warrants and Put Covered Warrants the amount or the value specified as such in the applicable Final Terms or determined in the Exchange Business Day(s) specified in the applicable Final Terms;

Extra Consolidation Digital Amount means, in relation to one or more Extra Consolidation Digital Valuation Periods, the amount(s) in the Settlement Currency to be paid to the Securityholders on the relevant Digital Payment Date (or the other date specified in the relevant Final Terms) per each Minimum Exercise Amount, if an Extra Consolidation Digital Event has occurred;

Extra Consolidation Digital Event means, in relation to an Extra Consolidation Digital Valuation Period, the event occurring if:

(a) prior to the relevant Extra Consolidation Digital Valuation Period, a Consolidation Effect has occurred; and

(b) the Calculation Agent determines that in the relevant Extra Consolidation Digital Valuation Period, the Reference Value or the Spread, or the Cumulated Performance (in the case of Multiperformance Certificates) is lower than, equal to or higher than the relevant Extra Consolidation Digital Level or, in relation to Securities with more than one Underlying, the Reference Value of each Underlying has been on at least one Extra Consolidation Digital Valuation Period, equal to, higher than or lower than the relevant Extra Consolidation Digital Level, as indicated in the relevant Final Terms.

In that case the Securityholders are entitled to receive the payment of the relevant Extra Consolidation Digital Amount specified in the relevant Final Terms in connection to such Extra Consolidation Digital Valuation Period.

If the Extra Consolidation Digital Event occurs, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Extra Consolidation Digital Feature means, if the Consolidation Effect is specified as applicable, the feature pursuant to which the Extra Consolidation Digital Amount potentially payable in case of Extra Consolidation Digital Event, after the occurrence of a Consolidation Effect, will be eventually due and payable to the Securityholders;

Extra Consolidation Digital Level means one or more values that may be specified for one or more Underlyings or Basket Constituents in the applicable Final Terms that determines the occurrence of the Extra Consolidation Digital Event in relation to the relevant Underlying or Basket Constituent in the relevant Extra Consolidation Digital Valuation Period.

Such value(s) may be set as:

(i) a percentage of the Initial Reference Value and/or of the Reference Value; or

(ii) a value expressed as a percentage (in relation to Spread Certificates and Multiperformance Certificates); or

(iii) a predetermined value and/or a percentage of a predetermined value,

as specified in the applicable Final Terms in relation to the relevant Extra Consolidation Digital Valuation Period.

If there are Extra Consolidation Digital Levels, the Issuer will indicate in the relevant Final Terms, in relation to the relevant Extra Consolidation Digital Valuation Period, the **First Extra Consolidation Digital Level**, the **Second Extra Consolidation Digital Level** and so on.

In case of more than one Underlying or in case of a Basket, the applicable Final Terms will also specify whether, for the purpose of the determination of such event, the applicable condition has to be satisfied in relation to at least one, any or all the Underlyings or Basket Constituents. In this case, the Extra Consolidation Digital Level will be specified for each Underlying or Basket Constituent;

Extra Consolidation Digital Valuation Period means the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms, in which the Calculation Agent determines the occurrence of an Extra Consolidation Digital Event. In the event of more Extra Consolidation Digital Valuation Periods, the relevant Final Terms will indicate the **First Extra Consolidation Digital Valuation Period**, the **Second Extra Consolidation Digital Valuation Period**, and so on.

In the event that a Market Disruption Event has occurred on the Extra Consolidation Digital Valuation Period or on one Exchange Business Day of the Extra Consolidation Digital Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply.

For the avoidance of doubt, the beginning of any Extra Consolidation Digital Valuation Period may not occur before the Issue Date;

Final Gearing means, in relation to Dynamic Protection Certificates, the percentage equal to the Gearing multiplied by the number of Gearing Events occurred during the life of the Certificates;

Final Leverage means, in relation to Lucky Protection Certificates, the value determined according to one of the following formulas:

(i) In case of Long Lucky Protection Certificates:

Final Leverage = Initial Leverage – (Adjust Factor x Negative Performance)

(ii) In case of Short Lucky Protection Certificates:

Final Leverage = Initial Leverage – (Adjust Factor x Positive Performance)

Where:

"**Initial Leverage**" means the value expressed as a percentage specified in the applicable Final Terms;

"**Adjust Factor**" means the value expressed as a percentage specified in the applicable Final Terms;

"**Negative Performance**" means the performance of the Underlying, determined according to the following formula and always represented by a positive value:

Max [0; 1 – (Final Reference Value / Initial Reference Value)]

"**Positive Performance**" means the performance of the Underlying, determined according to the following formula:

Max [0; (Final Reference Value / Initial Reference Value) – 1]

Final Notional Amount means, in relation to Interest Rate Warrants, the amount specified as such in the applicable Final Terms;

Final Reference Value or **FRV** means the value or the values calculated by the Calculation Agent pursuant to the following provisions, in accordance with the relevant Final Terms.

In relation to all the values determined as specified below, only the changes published by the Issuer with a notice on its website www.prodottiequotazioni.intesasanpaolo.com shall be taken into account.

If the Underlying is one or more financial asset(s) (and not a Basket):

(A) the Value of the Underlying (or, in case of more than one Underlying, the Value of any or all Underlying(s) as specified in the applicable Final Terms) on the Valuation Date or on the Specific Period, determined by the Calculation Agent, as specified in the applicable Final Terms; or

(B) the arithmetic mean or a percentage of such arithmetic mean of the Values of the Underlying (or, in case of more than one Underlying, the arithmetic mean or a percentage of such arithmetic mean of the Values of each Underlying or of the Underlying(s) specified in the applicable Final Terms) on the Valuation Dates or on the Specific Periods, ascertained by the Calculation Agent, respectively, on the last Valuation Date or on the last of such Specific Periods, as specified in the relevant Final Terms, and determined pursuant to the following formula:

$$\boldsymbol{FRV} = Final\ Arithmetic\ Percentage\ \times (\frac{1}{x} \times \sum_{j=1}^{x} Underlying_j)$$

Where:

"**Final Arithmetic Percentage**" means the value expressed as a percentage specified in the applicable Final Terms (if not specified, the Final Arithmetic Percentage will be equal to 100%);

"***x***" is the number of Valuation Dates or Specific Periods specified as such in the applicable Final Terms;

"$\boldsymbol{Underlying_j}$" is the Value of the Underlying as determined on the Valuation Date "j" or on the Specific Period "j", as specified in the applicable Final Terms; or

(C) the minimum or maximum Value as specified in the applicable Final Terms (or, in case of more than one Underlying, the maximum or minimum Value of the Underlying(s) specified in the applicable Final Terms) recorded in relation to the Underlying during one or more Final Reference Value Determination Period(s) ascertained by the Calculation Agent on the Valuation Date(s) or on the Specific Period(s), as specified in the applicable Final Terms; or

(D) in case of Exchange Rate Securities and if so specified in the relevant Final Terms, the amount equal to the quotient of (a) 1 (as numerator) and (b) the Value calculated pursuant to (A), (B) or (C) above (as denominator); or

(E) when the Underlying is represented by a Futures Contract and if the Futures Contract N-th Near-by Feature and Rolling are specified as applicable in the relevant Final Terms, the Value of the Futures Contract N-th Near-by on the Valuation Date (only applicable when the Valuation Date is set as a single date); or

(F) in case of Share Securities and if so specified in the relevant Final Terms, either:

(i) the Adjusted Price on the Valuation Date or on the Specific Period; or

(ii) the arithmetic mean of the Adjusted Price on the Valuation Dates or on the Specific Periods, ascertained by the Calculation Agent, respectively, on the last Valuation Date or on the last of such Specific Periods, specified in the relevant Final Terms, and determined pursuant to the following formula:

$$\boldsymbol{FRV} = \frac{1}{x} \times \sum_{j=1}^{x} AP_j$$

Where:

"***x***" is the number of Valuation Dates or Specific Periods specified as such in the relevant Final Terms;

"$\boldsymbol{AP_j}$" is the Adjusted Price of the Underlying(s) as determined on the Valuation Date "j" or on the Specific Period "j", as specified in the applicable Final Terms.

If the Underlying is a Basket:

(A) the Basket Value on the Valuation Date or on the Specific Period, as ascertained by the Calculation Agent, as specified in the applicable Final Terms; or

(B) the arithmetic mean of the Basket Values on the Valuation Dates or on the Specific Periods indicated in the applicable Final Terms, as ascertained by the Calculation Agent, and determined pursuant to the following formula:

$$\boldsymbol{FRV} = \frac{1}{x} \times \sum_{j=1}^{x} Basket_j$$

Where:

"***x***" is the number of Valuation Dates or Specific Periods specified as such in the relevant Final Terms; and

"$\boldsymbol{Basket_j}$" is the Basket Value calculated on the Valuation Date "j" or on the Specific Period "*j*", as specified in the applicable Final Terms; or

(C) the minimum or maximum Basket Value (as specified in the applicable Final Terms) recorded in relation to the Basket during one or more Final Reference Value Determination Period(s), ascertained by the Calculation Agent on the Valuation Date or on the Specific Period, as set out in the relevant Final Terms; or

(D) the Value of one or more or each Basket Constituent (as specified in the applicable Final Terms) on the Valuation Date or on the Specific Period, determined by the Calculation Agent, as specified in the applicable Final Terms.

If the Call Option/Put Option is exercised by the Issuer/the Securityholder, the Reference Value determined by the Calculation Agent in the related Call Valuation Period/Put Valuation Period will be considered as Final Reference Value, if applicable.

For the avoidance of doubt, the Final Reference Value may also be set as 'Not applicable' in the relevant Final Terms;

Final Reference Value Determination Period means one or more period composed of one or more Exchange Business Days or the Specific Period, as specified in the relevant Final Terms;

Floating Amount(s) means, in relation to Interest Rate Warrants, the amount(s) in the Settlement Currency to be paid, if positive, to the Securityholder on the Floating Amount Payment Date per each Minimum Exercise Amount pursuant to Condition 23 (*Pay-out provisions*).

Floating Amount Determination Date means, in relation to Interest Rate Warrants, each date specified in the applicable Final Terms on which the relevant Floating Amount is determined in relation to the relevant Floating Amount Determination Period.

In the event that a Market Disruption Event has occurred on the Floating Amount Determination Date, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

Floating Amount Determination Period means, in relation to Interest Rate Warrants, each period specified in the applicable Final Terms related to each Floating Amount. In case of more Floating Amount Determination Periods, the relevant Final Terms will indicate the **First Floating Amount Determination Period**, the **Second Floating Amount Determination Period**, and so on.

For the avoidance of doubt, the beginning of any Floating Amount Determination Period may not occur before the Issue Date;

Floating Amount Payment Date means, in relation to Interest Rate Warrants, the Business Day specified in the applicable Final Terms on which the Issuer shall pay the Floating Amount to the Securityholders.

If an amount shall be paid on a Floating Amount Payment Date, should the valuation date in which the Calculation Agent determines the Reference Value for the purposes of the calculation of such amount be postponed (by way of example and without limitation, for the occurrence of a Market Disruption Event), the relevant Floating Amount Payment Date may be postponed accordingly. The Floating Amount Payment Date shall not, in any case, be postponed beyond ten Business Days;

Floor Percentage means the value expressed as a percentage specified in the applicable Final Terms. The Floor Percentage will always be equal to or higher than 0 per cent.;

Fund means, in respect of each Series, the fund specified in the relevant Final Terms as Underlying. The Fund may be either unlisted or listed (e.g. Exchange Traded Funds - ETF). In any case, no fund units, exclusively reserved for qualified investors and prohibited to retail investors in any Relevant Member States, can be physically settled to retail investors in such Relevant Member State;

Fund Manager means the Management Company (as defined below), the director, the manager or other entity which is responsible for publishing the Net Asset Value on behalf of the Management Company, as specified in the applicable Final Terms;

Fund Securities means Securities that have as Underlying one or more specified Funds or one or more Baskets of Funds;

Futures Contract means either as single or as a Basket Constituent, the future contract specified as Underlying in the relevant Final Terms. In the case of Futures Contract Securities, the lifetime of such

instruments will reflect the lifetime of the related underlying futures. However, if the Futures Contract N-th Near-by Feature is specified as applicable in the relevant Final Terms, the Issuer will be entitled to determine the Initial Reference Value and/or, if the feature Rolling is also specified as applicable in the relevant Final Terms, the Reference Value in relation to any valuation period during the lifetime of the Certificates and/or the Final Reference Value on the basis of a Futures Contract N-th Near-by. In such case, the applicable Final Terms will specify the relevant N-th Near-by Initial Date and/or only the relevant Rollover Date(s);

Futures Contract N-th Near-by means, if the Futures Contract N-th Near-by Feature is specified as applicable, the n-th futures contract that has the same features of the Futures Contract indicated as Underlying.

The relevant Final Terms will specify:

(i) the ordinal number of the Futures Contract N-th Near-by to be used for the determination of the Initial Reference Value and/or the Reference Value and/or the Final Reference Value; and

(ii) if the Initial Reference Value of the Underlying will be determined on the basis of a Futures Contract N-th Near-by. In such case, the Futures Contract N-th Near-by will be the n-th futures contract that has an expiration date which is the closest (but beyond) to the Determination Date; and/or

(iii) if Rolling is also specified as applicable. In such case, the Reference Value and/or the Final Reference Value will be determined on the basis of the Futures Contract N-th Near-by that will be the n-th futures contract with an expiration date which is the closest (but beyond) to any valuation period/date during the lifetime of the Certificates and/or to the Valuation Date.

When the Futures Contract N-th Near-by replaces the Futures Contract, the applicable Final Terms will specify the relevant N-th Near-by Initial Date and/or the relevant Rollover Date(s) only. On the N-th Near-by Initial Date and/or the Rollover Dates, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Futures Contract N-th Near-by Feature means, if specified as applicable and when the Underlying is represented by a Futures Contract, the feature pursuant to which the Calculation Agent will be entitled to determine, as specified in the applicable Final Terms:

(i) if the Initial Reference Value will be determined on the basis of a Futures Contract N-th Near-by; and/or

(ii) if Rolling is also specified as applicable. In such case, the Reference Value in relation to any valuation period during the lifetime of the Certificates and/or the Final Reference Value will be determined on the basis of a Futures Contract N-th Near-by;

Futures Contract Securities means Securities that have as Underlying one or more specified Futures Contracts or one or more Baskets of Futures Contracts;

Gap Daily Performance means, in the case of Gap Certificates, the daily performance of the relevant Underlying as determined by the Calculation Agent on each day of the Barrier Gap Observation Period, as follows:

$$Gap\ Daily\ Performance_t = \frac{RV_t}{RV_{t-1}} - 1$$

Where:

"$\mathbf{RV_t}$" means the Reference Value determined on the Exchange Business Day "t"

"$\mathbf{RV_{t-1}}$" means the Reference Value determined on the Exchange Business Day "t-1";

GDR means a Global Depositary Receipt which will be specified as the underlying asset or a Basket Constituent, from time to time in the relevant Final Terms.

Save where specifically provided under the applicable Final Terms, all references in the Conditions or, as applicable, to the "Shares" shall be deemed to be to the GDRs or ADRs, as applicable, and/or the underlying shares, references to the issuer of the Share, 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 holders of Securities;

Gearing means, in relation to Dynamic Protection Certificates, the value expressed as a percentage specified in the applicable Final Terms;

Gearing Event means the event occurring when the Reference Value is lower than, equal to or higher than, as specified in the applicable Final Terms, the relevant Gearing Level;

Gearing Factor means the value expressed as a percentage specified in the applicable Final Terms;

Gearing Level means, in relation to Dynamic Protection Certificates, one or more values specified in the applicable Final Terms as a percentage of the Initial Reference Value or by a predetermined value;

Global Performance means, in relation to the Global Performance Certificates, the sum or the average/mean, as specified in the relevant Final Terms, of the performances of the relevant Underlying as determined, in respect of any Performance Observation Date, by the Calculation Agent as follows:

$$\sum_{t=1}^{n} \text{Max}\left[\text{Local Floor Percentage}_t;\ \left(\frac{\text{RV}_t - (\text{RV}_s \text{x Global Strike Percentage}_t)}{\text{RV}_s}\right) \text{x Participation Factor}_t\right]$$

Or, if the relevant Final Terms provide a Cap Level:

$$\sum_{t=1}^{n} \text{Min}\left\{\text{CAP}_t; \text{Max}\left[\text{Local Floor Percentage}_t\ ;\left(\frac{\text{RV}_t - (\text{RV}_s \text{x GlobalStrike Percentage}_t)}{\text{RV}_s}\right) \text{x Partecipation Factor}_t\right]\right\}$$

Where:

"**n**" means the number of the Performance Observation Dates;

"$\mathbf{RV_t}$" means the Reference Value calculated on the Performance Observation Date "**t**" specified in the relevant Final Terms;

"$\mathbf{RV_s}$" means the Reference Value calculated on the Performance Observation Date "s" specified in the relevant Final Terms;

"**Participation Factor$_t$**" means the Participation Factor corresponding to the relevant Participation Observation Date "t" specified in the relevant Final Terms;

"**CAP$_t$**" means the value expressed as a percentage specified in the relevant Final Terms in relation to the relevant Participation Observation Date "t";

"**Global Strike Percentage$_t$**" means the value expressed as a percentage specified in the relevant Final Terms in relation to the relevant Participation Observation Date "t"; and

"**Local Floor Percentage$_t$**" means the value expressed as a percentage, specified in the relevant Final Terms, in relation to the relevant Participation Observation Date "t". Such percentage may also be negative;

Government Bond means, either as single or as a Basket Constituent, a bond issued by a national government of an OECD member country or by an international public organisation established by (or mainly represented by) OECD member countries, listed on a liquid regulated market (for the purposes of Directive 2014/65/EU as amended) or multilateral trading facility, that may constitute the Underlying of Govies Securities from time to time and as specified in the relevant Final Terms;

Govies Securities means Securities that have as Underlying one or more specified Government Bonds or one or more Baskets of Government Bonds or the Yield of Government Bond or the yield of one or more Baskets of Government Bonds. For avoidance of any doubt, in case of Physical Delivery Securities, only Government Bonds that are (i) settled through the Clearing System(s) and (ii) listed on stock exchanges that are regulated markets, can be physically settled. In such case, in relation to govies listed on stock exchanges in EU countries, regulated markets are those markets which fall within the definition of Art. 4(1) 21 of Directive 2014/65/EU, in relation to govies listed on stock exchanges in non-EU countries, regulated markets are those markets regulated by a local financial regulator or monetary authority or institute, in accordance with the law applicable under the relevant jurisdiction;

In-The-Money means:

(a) in the case of a Warrant which is a Cash Settled Security, the Cash Settlement Amount in respect of such Warrant is greater than zero; and

(b) in the case of a Warrant which is a Physical Delivery Security, the value of the Entitlement on the Actual Exercise Date for such Warrant is greater than the Premium as determined by the Calculation Agent;

Index means, either as single or as a Basket Constituent, the Italian or foreign indices constituting the Underlying from time to time and as specified in the relevant Final Terms;

Index Leverage Factor means, in relation to Type A Constant Leverage Certificates, the fixed leverage factor which applies to the Reference Underlying, specified in the applicable Final Terms;

Index Securities means Securities that have as Underlying one or more specified Indexes or one or more Baskets of Indexes, provided that any of such Indexes will not be composed by the Issuer or by any legal entity belonging to the same group or by a legal entity or a natural person acting in association with, or on behalf of, the Issuer;

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 Exchange Business Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms.

Indicative Price means, in relation to Warrants, the price of the Warrants as admitted to listing/negotiations specified in the applicable Final Terms and determined on the basis of the market parameters registered on a date around the Issue Date specified in the applicable Final Terms;

Initial Gearing means, in relation to Dynamic Protection Certificates, the value expressed as a percentage specified in the relevant Final Terms;

Initial Percentage means the value or the values expressed as a percentage indicated in the relevant Final Terms;

Initial Reference Value or **IRV** means, as specified in the relevant Final Terms:

I. the predetermined value or values (or, in case of more than one Underlying, the predetermined value or values of the Underlying(s) specified in the applicable Final Terms) indicated in the applicable Final Terms; or

II. without prejudice to the adjustments set out in the Terms and Conditions, the value or values calculated by the Calculation Agent pursuant to the following provisions, in accordance with the relevant Final Terms.

In relation to all the values determined as specified below, only the changes published by the Issuer with a notice on its website www.prodottiequotazioni.intesasanpaolo.com shall be taken into account.

If the Underlying is one or more financial asset(s) (and not a Basket):

(A) the Value of the Underlying (or, in case of more than one Underlying, the Value of any or all Underlying(s) as specified in the applicable Final Terms) on the Determination Date or on the Specific Period, determined by the Calculation Agent, as specified in the applicable Final Terms; or

(B) the arithmetic mean or a percentage of such arithmetic mean of the Values of the Underlying (or, in case of more than one Underlying, the arithmetic mean or a percentage of such arithmetic mean of the Values of each Underlying or of the Underlying(s) specified in the applicable Final Terms) on the Determination Dates or on the Specific Periods, ascertained by the Calculation Agent, respectively, on the last Determination Date or on the last of such Specific Periods, as specified in the relevant Final Terms, and determined pursuant to the following formula:

$$\boldsymbol{IRV} = Initial\ Arithmetic\ Percentage \times \left(\frac{1}{x} \times \sum_{t=1}^{x} Underlying_t\right)$$

Where:

"**Initial Arithmetic Percentage**" means the value expressed as a percentage specified in the applicable Final Terms (if not specified, the Initial Arithmetic Percentage will be equal to 100%);

"***x***" is the number of Determination Dates or Specific Periods specified as such in the applicable Final Terms;

"***Underlying$_t$***" is the Value of the Underlying as determined on the Determination Date "*t*" or on the Specific Period "*t*", as specified in the applicable Final Terms; or

(C) the minimum or maximum Value as specified in the applicable Final Terms (or, in case of more than one Underlying, the maximum or minimum Value of the Underlying(s) specified in the applicable Final Terms) recorded in relation to the Underlying during one or more Initial Reference Value Determination Period(s) ascertained by the Calculation Agent on the Determination Date(s) or on the Specific Period(s), as specified in the applicable Final Terms; or

(D) in case of Exchange Rate Securities and if so specified in the relevant Final Terms, the amount equal to the quotient of (a) 1 (as numerator) and (b) the Value calculated pursuant to (A), (B) or (C) above (as denominator); or

(E) when the Underlying is represented by a Futures Contract and the Futures Contract N-th Near-by Feature is specified as applicable, if in the relevant Final Terms is specified that the Initial Reference Value will be determined on the basis of the Futures Contract N-th Near-by, the Value of such Futures Contract N-th Near-by on the Determination Date (only applicable when the Determination Date is set as a single date); or

(F) in case of Share Securities and if so specified in the relevant Final Terms, either:

(i) the Adjusted Price on the Determination Date or on the Specific Period; or

(ii) the arithmetic mean of the Adjusted Price on the Determination Dates or on the Specific Periods, ascertained by the Calculation Agent, respectively, on the last Determination Date or on the last of such Specific Periods, specified in the relevant Final Terms, and determined pursuant to the following formula:

$$\boldsymbol{IRV} = \frac{1}{x} \times \sum_{t=1}^{x} AP_t$$

Where:

"***x***" is the number of Determination Dates or Specific Periods specified as such in the relevant Final Terms;

"***AP$_t$***" is the Adjusted Price of the Underlying(s) as determined on the Determination Date "t" or on the Specific Period "t" as specified in the applicable Final Terms.

If the Underlying is a Basket:

(A) the Basket Value on the Determination Date or on the Specific Period, as ascertained by the Calculation Agent as specified in the applicable Final Terms. If so specified in the applicable Final Terms, the Basket Value on the Determination Date or on the Specific Period indicated in the applicable Final Terms may be equal to 1;

(B) the arithmetic mean of the Basket Values on the Determination Dates or on the Specific Periods indicated in the applicable Final Terms, as ascertained by the Calculation Agent, and determined pursuant to the following formula:

$$\boldsymbol{IRV} = \frac{1}{x} \times \sum_{t=1}^{x} Basket_t$$

Where:

"***x***" is the number of Determination Dates or Specific Periods specified as such in the relevant Final Terms;

"***Basket$_t$***" is the Basket Value as calculated on the Determination Date "t" or on the Specific Period "t" as specified in the applicable Final Terms; or

(C) the amount corresponding to the minimum or maximum Basket Value (as specified in the applicable Final Terms) recorded in relation to the Basket during one or more Initial Reference Value Determination Period(s), ascertained by the Calculation Agent (pursuant to the terms specified in the foregoing definition of "Basket Value") on the Determination Date or on the Specific Period, as set out in the relevant Final Terms; or

(D) the Value of one or more or each Basket Constituent (as specified in the applicable Final Terms) on the Determination Date or on the Specific Period, determined by the Calculation Agent as specified in the applicable Final Terms.

For the avoidance of doubt, the Initial Reference Value may also be set as 'Not applicable' in the relevant Final Terms. The Initial Reference Value will always be 'Not applicable' in relation to Discount Certificates;

Initial Reference Value Determination Period means the period composed of one or more Exchange Business Days or the Specific Period, as specified in the relevant Final Terms;

Interest Cap means, in relation to the Interest Rate Warrants, and for the purposes of the calculation of the Floating Amount and the Cash Settlement Amount, the rate specified as such in the applicable Final Terms;

Interest Rate means, either as single or as a Basket Constituent, the interest rate representing the Underlying from time to time and as specified in the relevant Final Terms;

Interest Rate Securities means Securities that have as Underlying one or more specified Interest Rates or one or more Baskets of Interest Rates;

Internal Return Amount (which can be IRA Compound or IRA Simple) means the amount linked to the performance of the Underlying as indicated in the relevant Final Terms (if applicable);

Internal Return Amount (IRA) Cap means the value expressed as a percentage indicated in the relevant Final Terms in relation to the Internal Return Amount (if applicable);

Intraday Reset Event means, in case of Type B Constant Leverage Certificates (Long/Short), the event occurring if the Calculation Agent determines at any time during an Exchange Business Day "t" that:

1) <u>In case of Type B Long Constant Leverage Certificates on Index:</u>

(i) For the first Intraday Reset Event (i=1),

$$\frac{UL_{t,\theta}}{UL_{IRE_{i-1}}} < 1 - TV$$

Where:

"$\boldsymbol{UL_{t,\theta}}$" means Intraday Value at the moment θ (being the moment in which the Intraday Reset Event Observation Period starts);

"$\boldsymbol{UL_{IRE_{i-1}}}$" = UL_{t-1};

"**TV**" means the Trigger Value specified in the applicable Final Terms.

(ii) After the occurrence of the first Intraday Reset Event and the relative Intraday Reset Event Observation Period (i >1),

$$\frac{UL_{t,\theta}}{UL_{IRE_{i-1}}} < 1 - TV$$

Where:

"$\boldsymbol{UL_{t,\theta}}$" means Intraday Value at the moment θ (being the moment in which the Intraday Reset Event Observation Period starts);

"$\boldsymbol{UL_{IRE_{i-1}}}$" = $min_{v\in[\theta,\theta^+]}\left[UL_{t,v}\right]$

Where:

"$\boldsymbol{UL_{t,v}}$" means the Intraday Value at a time *v*;

"$\boldsymbol{v}$" means an instant of time within the period $[\theta, \theta^+]$;

"[$\boldsymbol{\theta}$, $\boldsymbol{\theta^+}$]" means the Intraday Reset Event Observation Period;

"**TV**" means the Trigger Value specified in the applicable Final Terms.

2) <u>In case of Type B Long Constant Leverage Certificates on Share:</u>

(i) For the first Intraday Reset Event (i=1),

$$\frac{UL_{t,\theta}}{UL_{IRE_{i-1}}} < 1 - TV - \frac{(1-TaxAF_t)\cdot Div_t}{UL_{IRE_{i-1}}}$$

Where:

"$\boldsymbol{UL_{t,\theta}}$" means Intraday Value at the moment θ (being the moment in which the Intraday Reset Event Observation Period starts);

"$\boldsymbol{UL_{IRE_{i-1}}}$" = UL_{t-1};

"**TV**" means the Trigger Value specified in the applicable Final Terms;

"**TaxAF$_t$**" means the Tax Adjustment Factor on Exchange Business Day "t";

"**$TaxAF_0$**" means the Tax Adjustment Factor on the Issue Date, as specified in the applicable Final Terms;

"**Div_t**" means any ordinary gross cash dividend distributed in relation to the relevant Share on the Exchange Business Day "t". The Div_t will be available from time to time on the Dividend Publication specified in the applicable Final Terms.

(ii) After the occurrence of the first Intraday Reset Event and the relative Intraday Reset Event Observation Period (i >1),

$$\frac{UL_{t,\theta}}{UL_{IRE_{i-1}}} < 1 - TV$$

Where:

"$\boldsymbol{UL_{t,\theta}}$ " means Intraday Value at the moment θ (being the moment in which the Intraday Reset Event Observation Period starts);

"$\boldsymbol{UL_{IRE_{i-1}}}$" = $min_{v\in[\theta,\theta^+]}\left[UL_{t,v}\right]$

Where:

"$\boldsymbol{UL_{t,v}}$" means the Intraday Value at a time *v*;

"$\boldsymbol{v}$" means an instant of time within the period $[\theta, \theta^+]$;

"[$\boldsymbol{\theta}$, $\boldsymbol{\theta^+}$]" means the Intraday Reset Event Observation Period;

"**TV**" means the Trigger Value specified in the applicable Final Terms.

3) <u>In case of Type B Short Constant Leverage Certificates on Index:</u>

(i) For the first Intraday Reset Event (i=1),

$$\frac{UL_{t,\theta}}{UL_{IRE_{i-1}}} > 1 + TV$$

Where:

"$\boldsymbol{UL_{t,\theta}}$ " means Intraday Value at the moment θ (being the moment in which the Intraday Reset Event Observation Period starts);

"$\boldsymbol{UL_{IRE_{i-1}}}$" = UL_{t-1};

"**TV**" means the Trigger Value specified in the applicable Final Terms.

(ii) After the occurrence of the first Intraday Reset Event and the relative Intraday Reset Event Observation Period (i >1),

$$\frac{UL_{t,\theta}}{UL_{IRE_{i-1}}} > 1 + TV$$

Where:

"$\boldsymbol{UL_{t,\theta}}$ " means Intraday Value at the moment θ (being the moment in which the Intraday Reset Event Observation Period starts);

"$\boldsymbol{UL_{IRE_{i-1}}}$" = $max_{v\in[\theta,\theta^+]}\left[UL_{t,v}\right]$

Where:

"$\boldsymbol{UL_{t,v}}$" means the Intraday Value at a time *v*;

"$\boldsymbol{v}$" means an instant of time within the period $[\theta,\theta^+]$;

"$[\boldsymbol{\theta}, \boldsymbol{\theta^+}]$" means the Intraday Reset Event Observation Period;

"**TV**" means the Trigger Value specified in the applicable Final Terms.

4) <u>In case of Type B Short Constant Leverage Certificates on Share:</u>

(i) For the first Intraday Reset Event (i=1),

$$\frac{UL_{t,\theta}}{UL_{IRE_{i-1}}} > 1 + TV - \frac{Div_t}{UL_{IRE_{i-1}}}$$

Where:

"$\boldsymbol{UL_{t,\theta}}$ " means Intraday Value at the moment θ (being the moment in which the Intraday Reset Event Observation Period starts);

"$\boldsymbol{UL_{IRE_{i-1}}}$" = UL_{t-1};

"**TV**" means the Trigger Value specified in the applicable Final Terms;

"**Div$_t$**" means any ordinary gross cash dividend distributed in relation to the relevant Share on the Exchange Business Day "t". The Div_t will be available from time to time on the Dividend Publication specified in the applicable Final Terms.

(ii) After the occurrence of the first Intraday Reset Event and the relative Intraday Reset Event Observation Period (i >1),

$$\frac{UL_{t,\theta}}{UL_{IRE_{i-1}}} > 1 + TV$$

Where:

"$\boldsymbol{UL_{t,\theta}}$ " means Intraday Value at the moment θ (being the moment in which the Intraday Reset Event Observation Period starts);

"$\boldsymbol{UL_{IRE_{i-1}}}$" = $max_{v\in[\theta,\theta^+]}\left[UL_{t,v}\right]$

Where:

"$\boldsymbol{UL_{t,v}}$" means the Intraday Value at a time *v*;

"$\boldsymbol{v}$" means an instant of time within the period $[\theta,\theta^+]$;

"[θ, θ^+]" means the Intraday Reset Event Observation Period;

"**TV**" means the Trigger Value specified in the applicable Final Terms.

Intraday Reset Event Observation Period means, in relation to Type B Constant Leverage Certificates (Long/Short), the period starting from (and including) the moment θ and ending on (and including) the moment θ^+, which falls 10 minutes after θ or at the end of the relevant Exchange Business Day, in case there are less than 10 minutes between θ and the end of such Exchange Business Day.

In case θ^+ coincides with the end of the Exchange Business Day, $PAVL_t$ or $PAVS_t$ will coincides with the last calculated $PAVL_{IREi}$ or $PAVS_{IREi}$.

During an Intraday Reset Event Observation Period only one Intraday Reset Event can occur;

Intraday Value means, if specified as applicable in the relevant Final Terms and in order to calculate the Reference Value, the official level published by the Index Sponsor, the official traded price, quoted on the relevant Exchange, the Exchange Rate value quoted on the relevant over-the-counter or quotation-based market indicated in the relevant Final Terms, the official Interest Rate value, the Net Asset Value of such Underlying or Basket Constituent (without limitation, as the case may be and as specified in the applicable Final Terms) continuously observed on such day by the Calculation Agent on the applicable Electronic Page, subject as provided in Condition 15(2) (*Adjustment Events relating to the Underlying and correction provisions in relation to the Securities*);

Issue Currency means the currency specified from time to time in the applicable Final Terms;

Issue Date means the Business Day on which the Securities are issued. Such a date is specified from time to time in the relevant Final Terms. For the avoidance of doubt, the beginning of any valuation period, as indicated in the applicable Final Terms, in which the Calculation Agent may determine the occurrence of any event that triggers the payment of a Remuneration Amount, any Early Redemption Event and any other event on which depends the calculation of the Settlement Amount, may not occur before the Issue Date;

Issue Price means the price of issue of the Certificates indicated in the relevant Final Terms. In relation to Discount Certificates, the Issue Price indicated in the relevant Final Terms will always be set as a discounted price compared to the value of the relevant Underlying;

Issuer means Intesa Sanpaolo S.p.A. with registered office at Piazza San Carlo, 156 - 10121 Turin, Italy;

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);

Italian Resolution Authority means the Bank of Italy or other governmental authority in Italy (or other country in which the Issuer is then domiciled) or in the European Union having primary

responsibility for the prudential oversight and supervision of the Issuer acting in its capacity as resolution authority within the meaning of Article 2(18) of the BRRD;

Italian Traded Securities means Securities in respect of which the applicable Final Terms state that an application will be made to admit such Securities to trading on an Italian multilateral trading facility and the expression **Italian Traded Warrants** and **Italian Traded Certificates** shall be construed accordingly;

Knock-in Event means the event occurring if the Calculation Agent determines that the Reference Value or the Spread, or the Cumulated Performance (in the case of Multiperformance Certificates), as specified in the relevant Final Terms:

(i) is equal to, higher than or lower than the relevant Knock-in Level on the relevant Knock-in Valuation Period; and/or

(ii) has been, at least once during the relevant Knock-in Valuation Period, equal to, higher than or lower than the relevant Knock-in Level; and/or

(iii) has never been equal to, higher than or lower than the relevant Knock-in Level during the relevant Knock-in Valuation Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Knock-in Level and the relevant Down Range Knock-in Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Knock-in Valuation Period.

If the applicable Final Terms provide for more than one Knock-in Valuation Period, the applicable Final Terms will specify if the Knock-in Event will occur in at least one, any or all the Knock-in Valuation Periods.

In case of Securities linked to more than one Underlying, the Knock-in Event may be determined in relation to at least one, any or all the Underlyings, as specified in the applicable Final Terms. In case of Securities linked to a Basket, the Knock-in Event may be determined in relation to the Basket or to at least one, any or all the Basket Constituents, as specified in the applicable Final Terms. In these cases, the applicable Final Terms will also specify the Knock-in Level (or the Up Range Knock-in Level and the Down Range Knock-in Level) of each Underlying or Basket Constituent that will be considered for the purposes of the determination of the Knock-in Event.

If the Knock-in Event occurs, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Knock-in Feature means, if specified as applicable in the relevant Final Terms and in respect of the calculation of any Remuneration Amount, the feature pursuant to which the relevant Remuneration Amount becomes payable to the Securityholders after the occurrence of a Knock-in Event. In particular, if Knock-in Event occurs during a Knock-in Valuation Period, the Securityholder will benefit from the payment of the Remuneration Amount(s) specified in the applicable Final Terms, which may be either the Remuneration Amount related to the valuation period on which the Knock-in Event has occurred and/or the Remuneration Amount(s) related to the valuation period(s) following the Knock-in Valuation Period in which the Knock-in Event has occurred;

Knock-in Level means one or more values that may be specified for one or more Underlyings or Basket Constituents in the applicable Final Terms that determines the occurrence of the Knock-in Event in relation to the relevant Underlying or Basket Constituent in the relevant Knock-in Valuation Period.

Such value(s) may be set as:

(i) a percentage of the Initial Reference Value and/or of the Reference Value; or

(ii) a value expressed as a percentage (in relation to Spread Certificates and Multiperformance Certificates); or

(iii) a predetermined value and/or a percentage of a predetermined value,

as specified in the applicable Final Terms in relation to the relevant Knock-in Valuation Period.

The Knock-in Level may be identical for all the Knock-in Valuation Periods or it may differ for each Knock-in Valuation Period, as specified in the applicable Final Terms. If there are more Knock-in Levels, the Issuer will indicate in the relevant Final Terms the **First Knock-in Level**, the **Second Knock-in Level** and so on.

In case of more than one Underlying or in case of a Basket, the applicable Final Terms will also specify whether, for the purpose of the determination of such event, the applicable condition has to be satisfied in relation to at least one, any or all the Underlyings or Basket Constituents. In this case, the Knock-in Level will be specified for each Underlying or Basket Constituent;

Knock-in Valuation Period means the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms, in which the Calculation Agent determines the occurrence of a Knock-in Event.

In the event of more Knock-in Valuation Periods, the relevant Final Terms will specify the **First Knock-in Valuation Period**, the **Second Knock-in Valuation Period**, and so on.

The applicable Final Terms may provide for different Underlyings in relation to each Knock-in Valuation Period.

In the event that a Market Disruption Event has occurred on the Knock-in Valuation Period or on one Exchange Business Day of the Knock-in Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply.

For the avoidance of doubt, the beginning of any Knock-in Valuation Period may not occur before the Issue Date;

Knock-out Event means the event occurring if the Calculation Agent determines that the Reference Value or the Spread, or the Cumulated Performance (in the case of Multiperformance Certificates), as specified in the relevant Final Terms:

(i) is equal to, higher than or lower than the relevant Knock-out Level on the relevant Knock-out Valuation Period; and/or

(ii) has been, at least once during the relevant Knock-out Valuation Period, equal to, higher than or lower than the relevant Knock-out Level; and/or

(iii) has never been equal to, higher than or lower than the relevant Knock-out Level during the relevant Knock-out Valuation Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Knock-out Level and the relevant Down Range Knock-out Level (included or excluded

in the range as specified in the relevant Final Terms) on/during the relevant Knock-out Valuation Period.

If the applicable Final Terms provide for more than one Knock-out Valuation Period, the applicable Final Terms will specify if the Knock-out Event will occur in at least one, any or all the Knock-out Valuation Periods.

In case of Securities linked to more than one Underlying, the Knock-out Event may be determined in relation to at least one, any or all the Underlyings, as specified in the applicable Final Terms. In case of Securities linked to a Basket, the Knock-out Event may be determined in relation to the Basket or to at least one, any or all the Basket Constituents, as specified in the applicable Final Terms. In these cases, the applicable Final Terms will also specify the Knock-out Level (or the Up Range Knock-out Level and the Down Range Knock-out Level) of each Underlying or Basket Constituent that will be considered for the purposes of the determination of the Knock-out Event.

If the Knock-out Event occurs, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Knock-out Feature means, if specified as applicable in the relevant Final Terms and in respect of the calculation of any Remuneration Amount, the feature pursuant to which the Remuneration Amount potentially payable after the occurrence of a Knock-out Event will cease to be due and payable to the Securityholders. In particular, if the Knock-out Event occurs during a Knock-out Valuation Period, the Securityholder will not benefit from the payment of the Remuneration Amount(s) specified in the applicable Final Terms, which may be either the Remuneration Amount related to the valuation period on which the Knock-out Event has occurred and/or the Remuneration Amount(s) related to the valuation period(s) following the Knock-out Valuation Period in which the Knock-out Event has occurred;

Knock-out Level means one or more values that may be specified for one or more Underlyings or Basket Constituents in the applicable Final Terms that determines the occurrence of the Knock-out Event in relation to the relevant Underlying or Basket Constituent in the relevant Knock- out Valuation Period.

Such value(s) may be set as:

(i) a percentage of the Initial Reference Value and/or of the Reference Value; or

(ii) a value expressed as a percentage (in relation to Spread Certificates and Multiperformance Certificates); or

(iii) a predetermined value and/or a percentage of a predetermined value,

as specified in the applicable Final Terms in relation to the relevant Knock-out Valuation Period.

The Knock- out Level may be identical for all the Knock-out Valuation Periods or it may differ for each Knock-out Valuation Period, as specified in the applicable Final Terms. If there are more Knock-out Levels, the Issuer will indicate in the relevant Final Terms the **First Knock-out Level**, the **Second Knock-out Level** and so on.

In case of more than one Underlying or in case of a Basket, the applicable Final Terms will also specify whether, for the purpose of the determination of such event, the applicable condition has to be satisfied

in relation to at least one, any or all the Underlyings or Basket Constituents. In this case, the Knock-out Level will be specified for each Underlying or Basket Constituent;

Knock-out Valuation Period means the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms, in which the Calculation Agent determines the occurrence of a Knock-out Event.

In the event of more Knock-out Valuation Periods, the relevant Final Terms will specify the **First Knock-out Valuation Period**, the **Second Knock-out Valuation Period**, and so on.

The applicable Final Terms may provide for different Underlyings in relation to each Knock-out Valuation Period.

In the event that a Market Disruption Event has occurred on the Knock-out Valuation Period or on one Exchange Business Day of the Knock-out Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply.

For the avoidance of doubt, the beginning of any Knock-out Valuation Period may not occur before the Issue Date;

Listing Agent means the Luxembourg Listing Agent and/or any other listing agent specified as such in the applicable Final Terms;

Long Strategy means the financial strategy which gives to the investor the possibility to benefit from the positive (increasing) performance of the Underlying(s) in relation to the amount(s) or occurrence of event(s) specified in the applicable Final Terms;

Lower Barrier Level means the value specified in the applicable Final Terms that determines the occurrence of the Barrier Event. Such value may be set as:

(i) a percentage of the Initial Reference Value specified in the applicable Final Terms; or

(ii) a number specified in the applicable Final Terms.

Luxembourg Listing Agent means BNP Paribas, Luxembourg Branch, acting as listing agent in Luxembourg;

Lower One Star Trigger Level means the value specified in the applicable Final Terms that determines the occurrence of the One Star Event. Such value may be set as:

(i) a percentage of the Initial Reference Value specified in the applicable Final Terms; or

(ii) a number specified in the applicable Final Terms;

Magnet Feature means the feature that may be specified as applicable in the relevant Final Terms.

If the Magnet Feature is specified as applicable in the relevant Final Terms, the Certificates will be early redeemed on the Early Redemption Valuation Period in which the related Magnet Worst Of Performance (Magnet Worst Of Performance$_i$) is equal to, higher than or lower than (as specified in the applicable Final Terms) the relevant Magnet Floored Performance.

The Magnet Feature may not apply to the First Early Redemption Valuation Period. On the First Early Redemption Valuation Period or on the Early Redemption Valuation Period preceding the application of the Magnet Feature, as specified in the applicable Final Terms, the Certificates may be early redeemed without considering the Magnet Feature;

Magnet Floored Performance means, in relation to the Magnet Feature, the value expressed as a percentage determined by the Calculation Agent on an Early Redemption Valuation Period, as follows:

$$Magnet\ Floored\ Performance\ =\ Max(Magnet\ Floor;\ Magnet\ Worst\ Of\ Performance_{i-1})$$

Where:

"**Magnet Floor**" means the value expressed as a percentage specified in the applicable Final Terms;

"**Magnet Worst Of Performance$_{i-1}$**" means the performance of the Worst Of Underlying in the Early Redemption Valuation Period "i-1" calculated on the basis of the following formula:

$$\frac{RV_{i-1}}{IRV}$$

Where:

"**RV$_{i-1}$**" means the Reference Value on the Early Redemption Valuation Period "i-1" specified in the relevant Final Terms;

"**IRV**" means the Initial Reference Value of the relevant Worst of Underlying;

Magnet Worst Of Performance$_i$ means the performance of the Worst Of Underlying in the Early Redemption Valuation Period "i" calculated on the basis of the following formula:

$$\frac{RV_i}{IRV}$$

Where:

"**RV$_i$**" means the Reference Value on the Early Redemption Valuation Period "i" specified in the relevant Final Terms;

"**IRV**" means the Initial Reference Value of the relevant Worst of Underlying;

Management Company is the entity responsible for the management of the Fund;

Market Disruption means any event occurring on a Relevant Exchange Business Day that is deemed to be a Market Disruption pursuant to Condition 15(1) (*Market Disruption Event*);

Market Value means, in the case of a Market Disruption Event or Adjustment Event that as a consequence of which the Issuer redeems early the Securities, an amount at the market value, as determined by the Calculation Agent acting in good faith pursuant to reasonable market practice and aiming to neutralise the effects which the Market Disruption Event or Adjustment Event cause to the Certificates;

Margin means the value expressed as percentage, which may also be equal to zero, specified in the relevant Final Terms;

Maximum Exercise Number means the maximum number of Warrants that may be exercised by the Securityholder, as specified in the applicable Final Terms.

Maximum Level means, in relation to each Series, the value of the Underlying, specified in the applicable Final Terms and determined by the Calculation Agent, upon which the Issuer can opt to not carry out the issue of the Certificates and the relevant offer shall be deemed consequently cancelled pursuant to the applicable Final Terms;

Memory Effect means the feature that may be specified as applicable in relation to the Digital Amount and the Participation Remuneration Amount if there are several Digital Valuation Periods or several Participation Remuneration Event Valuation Periods.

The Memory Effect will occur if the Calculation Agent determines that the Reference Value or the Spread, or the Cumulated Performance (in the case of Multiperformance Certificates), as specified in the relevant Final Terms:

(i) is equal to, higher than or lower than the relevant Memory Level on the relevant Memory Valuation Period; and/or

(ii) has been, at least once during the relevant Memory Valuation Period, equal to, higher than or lower than the relevant Memory Level; and/or

(iii) has never been equal to, higher than or lower than the relevant Memory Level during the relevant Memory Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Memory Level and the relevant Down Range Memory Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Memory Valuation Period.

In case of Securities linked to more than one Underlying, the Memory Effect may be determined in relation to at least one, any or all the Underlyings, as specified in the applicable Final Terms. In case of Securities linked to a Basket, the Memory Effect may be determined in relation to the Basket or to at least one, any or all the Basket Constituents, as specified in the applicable Final Terms. In these cases, the applicable Final Terms will also specify the Memory Level (or the Up Range Memory Level and the Down Range Memory Level) of each Underlying or Basket Constituent that will be considered for the purposes of the determination of the Memory Effect.

If the Memory Effect occurs, the Securityholder will receive the previously unpaid Digital Amount(s)/Participation Remuneration Amount(s) in the event that the relevant Digital Event/Participation Remuneration Amount Event has not occurred, except where such Digital Amounts/Participation Remuneration Amounts have been already paid due to the occurrence of a Digital Event/Participation Remuneration Event in a previous Digital Valuation Period/Participation Remuneration Event Valuation Period.

If the Memory Effect occurs, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Memory Level means one or more values that may be specified for one or more Underlyings or Basket Constituents in the applicable Final Terms that determines the occurrence of the Memory Effect in relation to the relevant Underlying or Basket Constituent in the relevant Memory Valuation Period.

Such value(s) may be set as:

(i) a percentage of the Initial Reference Value and/or of the Reference Value; or

(ii) a value expressed as a percentage (in relation to Spread Certificates and Multiperformance Certificates); or

(iii) a predetermined value and/or a percentage of a predetermined value,

as specified in the applicable Final Terms in relation to the relevant Memory Valuation Period.

The Memory Level may be identical for all the Memory Valuation Periods or it may differ for each Memory Valuation Period, as specified in the applicable Final Terms. If there are more Memory Levels, the Issuer will indicate in the relevant Final Terms the **First Memory Level**, the **Second Memory Level** and so on.

In case of more than one Underlying or in case of a Basket, the applicable Final Terms will also specify whether, for the purpose of the determination of such event, the applicable condition has to be satisfied in relation to at least one, any or all the Underlyings or Basket Constituents. In this case, the Memory Level will be specified for each Underlying or Basket Constituent;

Memory Valuation Period means the period composed of one or more Exchange Business Days, or the Specific Period, as indicated in the applicable Final Terms, in which the Calculation Agent determines the occurrence of a Memory Effect.

In case of more Memory Valuation Periods, the relevant Final Terms will specify the **First Memory Valuation Period**, the **Second Memory Valuation Period**, and so on.

The applicable Final Terms may provide for different Underlyings in relation to each Memory Valuation Period.

In the event that a Market Disruption Event has occurred on the Memory Valuation Period or on one Exchange Business Day of the Memory Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply.

For the avoidance of doubt, the beginning of any Memory Valuation Period may not occur before the Issue Date;

Minimum Exercise Amount means the minimum amount of Securities which can be exercised and is set out in the relevant Final Terms, in respect of each issue;

Minimum Level means, in the case of Fund Securities, the interest rate swap value as determined on the Determination Date, whose term coincides with the lifetime of the Certificates. The Minimum Level upon which, if reached, the Calculation Agent determines the occurrence of a Market Disruption Event, as specified in the applicable Final Terms and as determined by the Calculation Agent;

Minimum Trading Amount means the amount of Securities specified as such in the relevant Final Terms, in relation to each Series admitted to trading;

MREL Disqualification Event means, in relation to the Certificates that qualify as MREL eligible liabilities in the applicable Final Terms, the event occurring if, at any time, by reason of the introduction of, or a change in, the MREL Requirements, which was not reasonably foreseeable by the Issuer at the Issue Date, all or part of the aggregate outstanding nominal amount of such Certificates is or will be excluded fully or partially from the eligible liabilities available to meet the MREL Requirements provided that:

(i) the exclusion of a Series of such Certificates from the MREL Requirements due to the remaining maturity of such Certificates being less than any period prescribed thereunder, does not constitute a MREL Disqualification Event;

(ii) the exclusion of all or some of a Series of Certificates from the MREL Requirements due to there being insufficient headroom for such Certificates within a prescribed exception to the otherwise applicable general requirements for eligible liabilities (to the extent applicable to Intesa Sanpaolo and/or the Group) does not constitute a MREL Disqualification Event; and

(iii) the exclusion of all or some of a Series of such Certificates from the MREL Requirements as a result of such Certificates being purchased by or on behalf of Intesa Sanpaolo or as a result of a purchase which is funded directly or indirectly by Intesa Sanpaolo, does not constitute a MREL Disqualification Event;

MREL Requirements means the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities applicable to Intesa Sanpaolo and/or the Group, from time to time (including any applicable transitional or grandfathering provisions), including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities adopted by the Republic of Italy, a Relevant Authority or the European Banking Authority from time to time (whether or not such requirements, guidelines or policies are applied generally or specifically to Intesa Sanpaolo and/or the Group), as any of the preceding laws, regulations, requirements, guidelines, rules, standards, policies or interpretations may be amended, supplemented, superseded or replaced from time to time;

Multiple Amount$_i$ means, in relation to Multiple Strike Certificates, the amount that will be determined as specified under Condition 23 (*Pay-out provisions*);

Multiple Level Option means, if so specified by the Issuer in the relevant Final Terms and if several Digital Levels have been provided in relation to the same Digital Valuation Period, the determination method of the Digital Level pursuant to which the relevant Final Terms will indicate the Digital Amount 1 and the Digital Amount 2, and so on, which will be respectively linked to the Digital Level 1, the Digital Level 2 and so on. In the event of more Digital Valuation Periods, the relevant Final Terms will indicate the Digital Level 1, the Digital Level 2 and so on in relation to each Digital Valuation Period. In this case, the holders of the Securities will be entitled to receive the Digital Amount relating to the higher Digital Level reached by the Reference Value;

Multiple Participation Factor$_i$ means each percentage specified in the applicable Final Terms in relation to each Multiple Strike Event$_i$;

Multiple Strike Event$_i$ means, in relation to Multiple Strike Certificates, the event occurring if the Calculation Agent determines that the Reference Value, as specified from time to time in the relevant Final Terms:

(i) is equal to, higher than or lower than the relevant Multiple Strike Level$_i$ on the relevant Multiple Strike Valuation Period; and/or

(ii) has been, at least once during the relevant Multiple Strike Valuation Period, equal to, higher than or lower than the relevant Multiple Strike Level$_i$; and/or

(iii) has never been equal to, higher than or lower than the relevant Multiple Strike Level$_i$ during the relevant Multiple Strike Valuation Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Multiple Strike Level$_i$ and the relevant Down Range Multiple Strike Level$_i$ (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Multiple Strike Valuation Period.

In case of Securities linked to more than one Underlying, the Multiple Strike Event$_i$ may be determined in relation to at least one, any or all the Underlyings, as specified in the applicable Final Terms. In case of Securities linked to a Basket, the Multiple Strike Event$_i$ may be determined in relation to the Basket or to at least one, any or all the Basket Constituents, as specified in the applicable Final Terms. In these cases, the applicable Final Terms will also specify the Multiple Strike Level$_i$ (or the Up Range Multiple Strike Level$_i$ and the Down Range Multiple Strike Level$_i$) of each Underlying or Basket Constituent that will be considered for the purposes of the determination of the Multiple Strike Event$_i$.

If a Multiple Strike Event$_i$ occurs, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Multiple Strike Level$_i$ means each value that may be specified in the applicable Final Terms that determines the occurrence of each Multiple Strike Event$_i$, provided that a Multiple Strike Event$_i$ may only occur once in respect of each Multiple Strike Level$_i$.

The Multiple Strike Level$_i$ is represented by a percentage of the Initial Reference Value and/or the Reference Value or as a value expressed as a percentage or by a predetermined value, as specified in the applicable Final Terms in relation to the relevant Multiple Strike Valuation Period.

In case of more than one Underlying or in case of a Basket, the applicable Final Terms will also specify whether, for the purpose of the determination of such event, the applicable condition has to be satisfied in relation to at least one, any or all the Underlyings or Basket Constituents. In this case, the Multiple Strike Level$_i$ will be specified for each Underlying or Basket Constituent;

Multiple Strike Valuation Period means the period composed of one or more Exchange Business Days, or the Specific Period, as indicated in the applicable Final Terms, in which the Calculation Agent determines the occurrence of a Multiple Strike Event$_i$.

In the event of more Multiple Strike Valuation Periods, the relevant Final Terms will specify the **First Multiple Strike Valuation Period**, the **Second Multiple Strike Valuation Period**, and so on.

The applicable Final Terms may provide for different Underlyings in relation to each Multiple Strike Valuation Period.

In the event that a Market Disruption Event has occurred on the Multiple Strike Valuation Period or on one Exchange Business Day of the Multiple Strike Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply.

For the avoidance of doubt, the beginning of any Multiple Strike Valuation Period may not occur before the Issue Date;

Multiplier means the amount of Underlying which is related to a single Certificate or Covered Warrant, specified as a predetermined value in the applicable Final Terms or determined according to the method of calculation specified in the applicable Final Terms. For the avoidance of doubt, the Multiplier may also be equal to 1;

NAV means the net asset value for each share or unit of the Fund as calculated and published by the Fund Manager;

Net Profit Feature means the calculation method, if specified as applicable in the relevant Final Terms, for the determination of the relevant Participation Remuneration Amount, pursuant to which the Remuneration Sum will be deducted from the relevant Participation Remuneration Amount, provided that the resulting amount cannot be lower than zero;

Non Quanto Securities means, in relation to Cash Settled Securities when the Underlying Reference Currency differs from the Settlement Currency, that the Quanto Option does not apply;

Notional Amount means, in relation to Warrants, the amount specified as such in the applicable Final Terms;

Notional Amount$_t$ means, in relation to the Interest Rate Warrants, the amount specified as such in the applicable Final Terms in relation to each Floating Amount Determination Period;

N-th Near-by Initial Date means, when the Futures Contract N-th Near-by Feature is specified as applicable in the relevant Final Terms and the Initial Reference Value will be determined on the basis of the Futures Contract N-th Near-by, the date specified in the applicable Final Terms on which the Futures Contract N-th Near-by will replace the Futures Contract indicated as Underlying of the Securities.

When the Futures Contract N-th Near-by replaces the Futures Contract on the N-th Near-by Initial Date, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Offer Period means the period indicated by the Issuer for the subscription in relation to the Series, as specified in the applicable Final Terms;

One Star Determination Period means the period composed of one or more Exchange Business Days or the Specific Period, as specified in the applicable Final Terms, on which the Calculation Agent determines if the One Star Event has occurred. In the event of more One Star Determination Periods, the relevant Final Terms will indicate the **First One Star Determination Period**, the **Second One Star Determination Period**, and so on.

In the event that a Market Disruption Event has occurred on any One Star Determination Period or on one Exchange Business Day of any One Star Determination Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

One Star Event means, in relation to One Star Certificates, the event occurring when the Calculation Agent determines that, with reference to the Worst Of Underlying (or, in case of Basket, the Basket Constituent with the worst Performance) or the Best Of Underlying (or, in case of Basket, the Basket Constituent with the best Performance) the Reference Value, as specified in the relevant Final Terms:

(i) is equal to, higher than or lower than the relevant One Star Trigger Level on the relevant One Star Determination Period; and/or

(ii) has been, at least once during the relevant One Star Determination Period, equal to, higher than or lower than the relevant One Star Trigger Level; and/or

(iii) has never been equal to, higher than or lower than the relevant One Star Trigger Level during the relevant One Star Determination Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Upper One Star Trigger Level and the relevant Lower One Star Trigger Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant One Star Determination Period.

If the applicable Final Terms provide for more than one One Star Determination Period, the applicable Final Terms will specify if the One Star Event will occur in at least one, any or all the One Star Determination Periods.

If the One Star Event occurs, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

One Star Percentage means the value expressed as a percentage specified in the relevant Final Terms;

One Star Selection Period means, when the One Star Trigger Level is determined as specified at point (iv) of the definition of "One Star Trigger Level", the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the relevant Final Terms, on which the Calculation Agent determines the highest or the lowest Reference Value (as specified in the applicable Final Terms) of each Underlying (or, in case of Basket, of each Basket Constituent) in order to determine the One Star Trigger Level. In the event of more One Star Selection Periods, the relevant Final Terms will indicate the **First One Star Selection Period**, the **Second One Star Selection Period**, and so on;

One Star Trigger Level means the value of each Underlying (or, in case of Basket, of each Basket Constituent) specified in the relevant Final Terms that determines the occurrence of the One Star Event. Such value may be set as:

(i) a percentage of the Initial Reference Value specified in the applicable Final Terms; or

(ii) a predetermined value specified in the applicable Final Terms; or

(iii) a percentage of the Strike, specified in the applicable Final Terms; or

(iv) a percentage of the highest or the lowest (as specified in the applicable Final Terms) Reference Value registered during the One Star Selection Period;

Open End Feature means, if specified in the applicable Final Terms, the feature applicable to the Benchmark Certificates, Constant Leverage Certificates and Turbo Certificates pursuant to which the securities have no term and therefore the Exercise Date is not applicable. In this case, the Certificates can be early redeemed upon exercise of the Call Option by the Issuer or, if applicable, the exercise of the Put Option by the Securityholders pursuant to Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*);

Outstanding Amount means, if an Early Partial Capital Payment Amount is provided in the relevant Final Terms, on the relevant Outstanding Amount Determination Date, the Issue Price less the sum of

any Early Partial Capital Payment Amounts paid up to and including such relevant Outstanding Amount Determination Date.

Outstanding Amount Determination Date(s) means the date(s) specified in the applicable Final Terms in which the Calculation Agent determines the Outstanding Amount;

Participation Combo Feature means, in relation to Certificates linked to a Basket or to more Underlyings that are not a Basket, the feature in relation to the calculation of a Participation Remuneration Amount, pursuant to which the Calculation Agent will determine the Participation Remuneration Amount payable in relation to the Participation Remuneration Event Valuation Period specified in the applicable Final Terms in relation to each single Basket Constituent or each single Underlying. Therefore, the Participation Remuneration Amount payable will be either, as specified in the applicable Final Terms, (i) the arithmetic mean of the Participation Remuneration Amounts due in relation to each single Basket Constituent or each single Underlying, or (ii) the weighted average of the Participation Remuneration Amounts due in relation to each single Basket Constituent or each single Underlying, or (iii) the sum of the Participation Remuneration Amounts due in relation to each single Basket Constituent or each single Underlying. In this case, for each single Basket Constituent or each single Underlying the applicable Final Terms will specify, if applicable, (1) the relevant CAP, and/or (2) the Floor Percentage, and/or (3) the Participation Factor, and/or (4) the Strike Remuneration Percentage, and/or (5) the Base Premium Percentage and/or (6) the Participation Remuneration Amount Gearing;

Participation Factor means the value expressed as a percentage indicated in the applicable Final Terms;

Participation Performance Period means, if applicable in relation to the relevant Participation Remuneration Amount, the period specified in the applicable Final Terms, starting from the Participation Valuation Date(s)$_j$ and ending on the Participation Valuation Date(s)$_t$, during which the performance of the relevant Underlying is determined for the purposes of the calculation of the relevant Participation Remuneration Amount;

Participation Rebate Amount means, if a Participation Rebate Event has occurred, an amount in the Settlement Currency specified by the Issuer in the relevant Final Terms for each Series;

Participation Rebate Event means the event occurring when the Calculation Agent determines that the Reference Value, or the Spread or the Cumulated Performance (in the case of Multiperformance Certificates), as specified in the relevant Final Terms:

(i) is equal to, higher than or lower than the relevant Participation Rebate Level on the relevant Participation Rebate Valuation Period; and/or

(ii) has been, at least once during the relevant Participation Rebate Valuation Period, equal to, higher than or lower than the relevant Participation Rebate Level; and/or

(iii) has never been equal to, higher than or lower than the relevant Participation Rebate Level during the relevant Participation Rebate Valuation Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Participation Rebate Level and the relevant Down Range Participation Rebate Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Participation Rebate Valuation Period.

In case of Securities linked to more than one Underlying, the Participation Rebate Event may be determined in relation to at least one, any or all the Underlyings, as specified in the applicable Final Terms. In case of Securities linked to a Basket, the Participation Rebate Event may be determined in relation to the Basket or to at least one, any or all the Basket Constituents, as specified in the applicable Final Terms. In these cases, the applicable Final Terms will also specify the Participation Rebate Level (or the Up Range Participation Rebate Level and the Down Range Participation Rebate Level) of each Underlying or Basket Constituent that will be considered for the purposes of the determination of the Participation Rebate Event.

If the Participation Rebate occurs, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Participation Rebate Feature means, in relation to the calculation of the Participation Rebate Amount, the feature pursuant to which the Participation Remuneration Amount potentially payable after the occurrence of a Participation Rebate Event will cease to be due and payable to the Securityholders. In particular, if Participation Rebate Event occurs during a Participation Rebate Valuation Period, the Securityholder will receive the specified Participation Rebate Amount on the relevant payment date following the Participation Rebate Valuation Period in which the Participation Rebate Event has occurred;

Participation Rebate Level means the value specified in the relevant Final Terms in relation to each Participation Rebate Valuation Period. For the purposes of the Participation Rebate Event, the Participation Rebate Level is determined by the Calculation Agent pursuant to the relevant Final Terms.

In case of more than one Underlying or in case of a Basket, the applicable Final Terms will also specify whether, for the purpose of the determination of such event, the applicable condition has to be satisfied in relation to at least one, any or all the Underlyings or Basket Constituents. In this case, the Participation Rebate Level will be specified for each Underlying or Basket Constituent;

Participation Rebate Valuation Period means, in relation to the Participation Rebate Level, the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms, in which the Calculation Agent determines if the Participation Rebate Event has occurred. In the event of more Participation Rebate Valuation Periods, the relevant Final Terms will indicate the First Participation Rebate Valuation Period, the Second Participation Rebate Valuation Period, and so on.

In the event that a Market Disruption Event has occurred on the Participation Rebate Valuation Period or on one Exchange Business Day of the Participation Rebate Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply.

For the avoidance of doubt, the beginning of any Participation Rebate Valuation Period may not occur before the Issue Date;

Participation Remuneration Amount means the amount in the Settlement Currency to be paid to the Securityholder, if positive, on the relevant Participation Remuneration Payment Date per each Minimum Exercise Amount pursuant to Condition 23 (*Pay-out provisions*).

The Participation Remuneration Amount may be, as indicated in the relevant Final Terms, "**Long Participation Remuneration Amount Form A**" and/or "**Long Participation Remuneration Amount Form B**" and/or "**Long Participation Remuneration Amount Form C**" and/or "**Short Participation Remuneration Amount**" and/or "**Spread Participation Remuneration Amount**".

In case of more than one Participation Remuneration Amount, the relevant Final Terms will specify the Participation Remuneration Amount 1, the Participation Remuneration Amount 2, and so on. For the avoidance of doubt, the relevant Final Terms may provide for more than one Participation Remuneration Amount also in relation to the same Participation Remuneration Event and/or in relation to the same Participation Remuneration Event Valuation Period (if applicable) and/or in relation to the same Participation Performance Period and/or in the same Participation Valuation Date and/or in relation to the same Participation Remuneration Payment Date;

Participation Remuneration Amount Gearing means the value specified in the applicable Final Terms;

Participation Remuneration Event means the event occurring if the Calculation Agent determines that the Reference Value or the Spread, or the Cumulated Performance (in the case of Multiperformance Certificates), as specified in the relevant Final Terms:

(i) is equal to, higher than or lower than the relevant Participation Remuneration Level on the relevant Participation Remuneration Event Valuation Period; and/or

(ii) has been, at least once during the relevant Participation Remuneration Event Valuation Period, equal to, higher than or lower than the relevant Participation Remuneration Level; and/or

(iii) has never been equal to, higher than or lower than the relevant Participation Remuneration Level during the relevant Participation Remuneration Event Valuation Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Participation Remuneration Level and the relevant Down Range Participation Remuneration Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Participation Remuneration Event Valuation Period.

In case of Securities linked to more than one Underlying, the Participation Remuneration Event may be determined in relation to at least one, any or all the Underlyings, as specified in the applicable Final Terms. In case of Securities linked to a Basket, the Participation Remuneration Event may be determined in relation to the Basket or to at least one, any or all the Basket Constituents, as specified in the applicable Final Terms. In these cases, the applicable Final Terms will also specify the Participation Remuneration Level (or the Up Range Participation Remuneration Level and the Down Range Participation Remuneration Level) of each Underlying or Basket Constituent that will be considered for the purposes of the determination of the Participation Remuneration Event.

If a Participation Remuneration Event occurs, the Securityholders are entitled to receive the payment of the relevant Participation Remuneration Amount, if positive.

In the case of Certificates with Best Of Feature or Worst Of Feature, the Issuer will specify in the relevant Final Terms the occurrence of the Participation Remuneration Event in relation to one or more Underlyings and the applicable Final Terms will specify the Participation Remuneration Level for each Underlying. In particular, for the purposes of determining the occurrence of a Participation Remuneration Event, the applicable Final Terms will specify the number of Underlyings in relation to which the Participation Remuneration Event has to occur.

If the Participation Remuneration Event occurs, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Participation Remuneration Event Valuation Period means the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms, in which the Calculation Agent determines the occurrence of a Participation Remuneration Event.

In the event of more Participation Remuneration Event Valuation Periods, the relevant Final Terms will specify the **First Participation Remuneration Event Valuation Period**, the **Second Participation Remuneration Event Valuation Period**, and so on.

In the event that a Market Disruption Event has occurred on the Participation Remuneration Event Valuation Period or on one Exchange Business Day of the Participation Remuneration Event Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply.

For the avoidance of doubt, the beginning of any Participation Remuneration Event Valuation Period may not occur before the Issue Date;

Participation Remuneration Level means one or more values that may be specified for one or more Underlyings or Basket Constituents in the applicable Final Terms that determines the occurrence of the Participation Remuneration Event in relation to the relevant Underlying or Basket Constituent in the relevant Participation Remuneration Event Valuation Period.

Such value(s) may be set as:

(i) a percentage of the Initial Reference Value and/or of the Reference Value; or

(ii) a value expressed as a percentage (in relation to Spread Certificates and Multiperformance Certificates); or

(iii) a predetermined value and/or a percentage of a predetermined value,

as specified in the applicable Final Terms in relation to the relevant Participation Remuneration Event Valuation Period.

The Participation Remuneration Level may be identical for all the Participation Remuneration Event Valuation Periods or it may differ for each Participation Remuneration Event Valuation Period, as specified in the applicable Final Terms. If there are more Participation Remuneration Levels, the Issuer will indicate in the relevant Final Terms the **First Participation Remuneration Level**, the **Second Participation Remuneration Level** and so on.

In the case of Cliquet Feature, the applicable Final Terms will specify the method for changing the Participation Remuneration Level in relation to one or more Participation Remuneration Event Valuation Periods.

In case of more than one Underlying or in case of a Basket, the applicable Final Terms will also specify whether, for the purpose of the determination of such event, the applicable condition has to be satisfied in relation to at least one, any or all the Underlyings or Basket Constituents. In this case, the Participation Remuneration Level will be specified for each Underlying or Basket Constituent;

Participation Remuneration Payment Date means the Business Day specified in the applicable Final Terms on which the Issuer shall pay the Participation Remuneration Amount to the Securityholders.

If an amount shall be paid on a Participation Remuneration Payment Date and the payment of such amount depends upon the occurrence of a specific event, should the valuation date in which the

Calculation Agent determines the Reference Value for the purposes of the calculation of such amount be postponed (by way of example and without limitation, for the occurrence of a Market Disruption Event), the relevant Participation Remuneration Payment Date may be postponed accordingly. The Participation Remuneration Payment Date shall not, in any case, be postponed beyond ten Business Days;

Participation Valuation Date(s) means, in relation to the relevant Participation Remuneration Amount, each Exchange Business Day or Exchange Business Days or the Specific Period specified in the applicable Final Terms in which the Calculation Agent determines the Reference Value for the purposes of the calculation of the Participation Remuneration Amount. In particular, for each Participation Remuneration Amount, the "RV_j" (as defined under the formulas of the Participation Remuneration Amount in Condition 23 (*Pay-out provisions*)) will be determined on the "**Participation Valuation Date(s)$_j$**" (if applicable) and the "RV_t" (as defined under the formulas of the Participation Remuneration Amount in Condition 23 (*Pay-out provisions*)) will be determined on the "**Participation Valuation Date(s)$_t$**".

In the event that the "RV_j" coincides with the Initial Reference Value and such value is indicated in the relevant Final Terms as a predetermined value or values, the Participation Valuation Date$_j$ will coincide with the Issue Date;

Path Dependency Effect means a calculation method of the Digital Amount, described in Condition 23 (*Pay-out provisions*), according to which the Digital Amount may increase in relation to each Digital Valuation Period;

Path Dependency Amount means the amount specified in the applicable Final Terms in relation to the Path Dependency Effect;

Payout Value Long or **PAVL** means, in relation to Type B Long Constant Leverage Certificates, the Value of the Underlying calculated at the end of each Exchange Business Day "t" (as defined below) as follows:

1) <u>In case of an Index as Underlying:</u>

If an Intraday Reset Event has not occurred:

$$PAVL_t = PAVL_{t-1} \cdot (PerfB_t + CostComp_t)$$

Where:

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**$PAVL_t$**" means the Payout Value Long on Exchange Business Day "t";

"**$PAVL_{t-1}$**" means the Payout Value Long on Exchange Business Day "t-1";

"**$PAVL_0$**" means the Initial Reference Value;

"**$PerfB_t$**" means the performance boost on Exchange Business Day "t" calculated as follows:

$$PerfB_t = \left[1 + K \cdot \left(\frac{UL_t}{UL_{t-1}} - 1\right)\right]$$

Where:

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**UL_t**" means the Reference Value on the Exchange Business Day "t";

"**UL_{t-1}**" means the Reference Value on the Exchange Business Day "t-1";

"**UL_0**" means the Initial Reference Value;

"**$CostComp_t$**" means the cost component on Exchange Business Day "t" calculated as follows:

$$CostComp_t = -(K-1) \cdot [RR_{t-1} + SC_t + min(0; XCCY_{t-1})] \cdot DCF$$

Where:

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**RR_{t-1}**" means the Reference Rate on Exchange Business Day "t-1";

"**SC_t**" means the Spread Cost on Exchange Business Day "t";

"**SC_0**" means the Spread Cost on the Issue Date, as specified in the applicable Final Terms;

"**$XCCY_{t-1}$**" means the Cross Currency Rate on Exchange Business Day "t-1";

"**DCF**" means the Day Count Fraction;

If an Intraday Reset Event has occurred:

$$PAVL_t = \max\left\{0;\ PAVL_{IRE_i} \cdot \left[1 + K \cdot \left(\frac{UL_t}{UL_{IRE_i}} - 1\right)\right]\right\}$$

Where:

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**$PAVL_t$**" means the Payout Value Long on Exchange Business Day "t";

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**UL_t**" means the Reference Value on the Exchange Business Day "t";

"**PAVL$_{IREi}$**" means:

(i) For the first Intraday Reset Event occurred (i = 1):

$$PAVL_{IRE_i} = PAVL_{t-1} \cdot \left(PerfB_{IRE_i} + CostComp_{IRE_i}\right)$$

Where:

"$\boldsymbol{PAVL_{t-1}}$" means the Payout Value Long on Exchange Business Day "t-1";

"**PerfB$_{IREi}$**" means the performance boost calculated as follows:

$$PerfB_{IRE_i} = \left[1 + K \cdot \left(\frac{UL_{IRE_i}}{UL_{t-1}} - 1\right)\right]$$

Where:

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**UL$_{t-1}$**" means the Reference Value on the Exchange Business Day "t-1";

"**UL$_{IREi}$**" means the Reference Value calculated as follows:

$$UL_{IRE_i} = min_{v \in [\theta, \theta^+]}\left[UL_{t,v}\right]$$

Where:

"**UL$_{t,v}$**" means the Intraday Value on time "v";

"$\boldsymbol{v}$" means an instant of time within the period $[\theta, \theta^+]$;

"$[\boldsymbol{\theta}, \boldsymbol{\theta}^+]$" means the Intraday Reset Event Observation Period;

"**CostComp$_{IREi}$**" means the cost component calculated as follows:

$$CostComp_{\text{IREi}} = -(K-1) \cdot [RR_{t-1} + SC_t + min(0; XCCY_{t-1})] \cdot DCF$$

Where:

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**RR$_{t-1}$**" means the Reference Rate on Exchange Business Day "t-1";

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**SC$_t$**" means the Spread Cost on Exchange Business Day "t";

"**SC$_0$**" means the Spread Cost on the Issue Date, as specified in the applicable Final Terms;

"**XCCY$_{t-1}$**" means the Cross Currency Rate on Exchange Business Day "t-1";

"**DCF**" means the Day Count Fraction;

(ii) For any Intraday Reset Event occurred after the first one (i > 1):

$$PAVL_{IRE_i} = PAVL_{IRE_{i-1}} \cdot PerfB_{IRE_i}$$

Where:

"**PerfB$_{IREi}$**" means the performance boost calculated as follows:

$$PerfB_{IRE_i} = \left[1 + K \cdot \left(\frac{UL_{IRE_i}}{UL_{IRE_{i-1}}} - 1\right)\right]$$

Where:

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**UL$_{IREi}$**" means the Reference Value calculated as follows:

$$UL_{IRE_i} = min_{v \in [\theta, \theta^+]}\left[UL_{t,v}\right]$$

Where:

"**UL$_{t,v}$**" means the Intraday Value on time "v";

"***v***" means an instant of time within the period $[\theta, \theta^+]$

"[***θ, θ***$^+$]" means the Intraday Reset Event Observation Period;

2) <u>In case of a Share as Underlying:</u>

If an Intraday Reset Event has not occurred:

$$PAVL_t = PAVL_{t-1} \cdot (PerfB_t + CostComp_t)$$

Where:

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**PAVL$_t$**" means the Payout Value Long on Exchange Business Day "t";

"**PAVL$_{t-1}$**" means the Payout Value Long on Exchange Business Day "t-1";

"**PAVL$_0$**" means the Initial Reference Value;

"**PerfB$_t$**" means the performance boost on Exchange Business Day "t" calculated as follows:

$$PerfB_t = \left\{1 + K \cdot \left[\frac{UL_t + (1 - TaxAF_t) \cdot Div_t}{UL_{t-1}} - 1\right]\right\}$$

Where:

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**UL_t**" means the Reference Value on the Exchange Business Day "t";

"**UL_{t-1}**" means the Reference Value on the Exchange Business Day "t-1";

"**UL_0**" means the Initial Reference Value;

"**$TaxAF_t$**" means Tax Adjustment Factor on Exchange Business Day "t";

"**$TaxAF_0$**" means the Tax Adjustment Factor on the Issue Date, as specified in the applicable Final Terms;

"**Div_t**" means any ordinary gross cash dividend distributed in relation to the relevant Share on the Exchange Business Day "t". The Div_t will be available from time to time on the Dividend Publication specified in the applicable Final Terms;

"**$CostComp_t$**" means the cost component on Exchange Business Day "t" calculated as follows:

$$CostComp_t = -(K-1)\cdot[RR_{t-1} + SC_t + min(0; XCCY_{t-1})]\cdot DCF$$

Where:

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**RR_{t-1}**" means the Reference Rate on Exchange Business Day "t-1";

"**SC_t**" means the Spread Cost on Exchange Business Day "t";

"**SC_0**" means the Spread Cost on the Issue Date, as specified in the applicable Final Terms;

"**$XCCY_{t-1}$**" means the Cross Currency Rate on Exchange Business Day "t-1";

"**DCF**" means the Day Count Fraction;

If an Intraday Reset Event has occurred:

$$PAVL_t = \max\left\{0;\ PAVL_{IRE_i}\cdot\left[1 + K\cdot\left(\frac{UL_t}{UL_{IRE_i}} - 1\right)\right]\right\}$$

Where:

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**$PAVL_t$**" means the Payout Value Long on Exchange Business Day "t";

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**UL_t**" means the Reference Value on the Exchange Business Day "t";

"**$PAVL_{IREi}$**" means:

(i) For the first Intraday Reset Event occurred (i = 1):

$$PAVL_{IRE_i} = PAVL_{t-1} \cdot \left(PerfB_{IRE_i} + CostComp_{IRE_i}\right)$$

Where:

"$\boldsymbol{PAVL_{t-1}}$" means the Payout Value Long on Exchange Business Day "t-1";

"**$PerfB_{IREi}$**" means the performance boost calculated as follows:

$$PerfB_{IRE_i} = \left[1 + K \cdot \left(\frac{UL_{IRE_i} + (1 - TaxAF_t) \cdot Div_t}{UL_{t-1}} - 1\right)\right]$$

Where:

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**UL_{t-1}**" means the Reference Value on the Exchange Business Day "t-1";

"**$TaxAF_t$**" means Tax Adjustment Factor on Exchange Business Day "t";

"**$TaxAF_0$**" means the Tax Adjustment Factor on the Issue Date, as specified in the applicable Final Terms;

"**Div_t**" means any ordinary gross cash dividend distributed in relation to the relevant Share on the Exchange Business Day "t". The Div_t will be available from time to time on the Dividend Publication specified in the applicable Final Terms;

"**UL_{IREi}**" means the Reference Value calculated as follows:

$$UL_{IRE_i} = min_{v \in [\theta, \theta^+]}\left[UL_{t,v}\right]$$

Where:

"**$UL_{t,v}$**" means the Intraday Value on time "v";

"$\boldsymbol{v}$" means an instant of time within the period $[\theta, \theta^+]$

"$[\boldsymbol{\theta}, \boldsymbol{\theta}^+]$" means the Intraday Reset Event Observation Period;

"**$CostComp_{IREi}$**" means the cost component calculated as follows:

$$CostComp_{\text{IREi}} = -(K-1) \cdot [RR_{t-1} + SC_t + min(0; XCCY_{t-1})] \cdot DCF$$

Where:

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**RR_{t-1}**" means the Reference Rate on Exchange Business Day "t-1";

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**SC_t**" means the Spread Cost on Exchange Business Day "t";

"**SC_0**" means the Spread Cost on the Issue Date, as specified in the applicable Final Terms;

"**$XCCY_{t-1}$**" means the Cross Currency Rate on Exchange Business Day "t-1";

"**DCF**" means the Day Count Fraction;

(ii) For any Intraday Reset Event occurred after the first one (i > 1):

$$PAVL_{IRE_i} = PAVL_{IRE_{i-1}} \cdot PerfB_{IRE_i}$$

Where:

"**$PerfB_{IREi}$**" means the performance boost calculated as follows:

$$PerfB_{IRE_i} = \left[1 + K \cdot \left(\frac{UL_{IRE_i}}{UL_{IRE_{i-1}}} - 1\right)\right]$$

Where:

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**UL_{IREi}**" means the Reference Value calculated as follows:

$$UL_{IRE_i} = min_{v \in [\theta, \theta^+]}\left[UL_{t,v}\right]$$

Where:

"**$UL_{t,v}$**" means the Intraday Value on time "v";

"***v***" means an instant of time within the period $[\theta, \theta^+]$

"[***θ, θ***$^+$]" means the Intraday Reset Event Observation Period;

Payout Value Short or **PAVS** means, in relation to Type B Short Constant Leverage Certificates, the Value of the Underlying calculated at the end of each Exchange Business Day "t" (as defined below) as follows:

1) <u>In case of an Index as Underlying:</u>

If an Intraday Reset Event has not occurred:

$$PAVS_t = PAVS_{t-1} \cdot (PerfB_t + CostComp_t)$$

Where:

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**$PAVS_t$**" means the Payout Value Short on Exchange Business Day "t";

"**$PAVS_{t-1}$**" means the Payout Value Short on Exchange Business Day "t-1";

"**$PAVS_0$**" means the Initial Reference Value;

"**$PerfB_t$**" means the performance boost on Exchange Business Day "t" calculated as follows:

$$PerfB_t = \left[1 - K \cdot \left(\frac{UL_t}{UL_{t-1}} - 1\right)\right]$$

Where:

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**UL_t**" means the Reference Value on the Exchange Business Day "t";

"**UL_{t-1}**" means the Reference Value on the Exchange Business Day "t-1";

"**UL_0**" means the Initial Reference Value;

"**$CostComp_t$**" means the cost component on Exchange Business Day "t" calculated as follows:

$$CostComp_t = +(K+1) \cdot [RR_{t-1} + min(0; XCCY_{t-1})] \cdot DCF - K \cdot RpR_t \cdot DCF$$

Where:

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**RR_{t-1}**" means the Reference Rate on Exchange Business Day "t-1";

"**$XCCY_{t-1}$**" means the Cross Currency Rate on Exchange Business Day "t-1";

"**RpR_t**" means the Repo Rate on Exchange Business Day "t";

"**RpR_0**" means the Repo Rate on the Issue Date, as specified in the applicable Final Terms;

"**DCF**" means the Day Count Fraction;

If an Intraday Reset Event has occurred:

$$PAVS_t = \max\left\{0;\ PAVS_{IRE_i} \cdot \left[1 - K \cdot \left(\frac{UL_t}{UL_{IRE_i}} - 1\right)\right]\right\}$$

Where:

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**PAVS$_t$**" means the Payout Value Short on Exchange Business Day "t";

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**UL$_t$**" means the Reference Value on the Exchange Business Day "t";

"**PAVS$_{IREi}$**" means:

(i) For the first Intraday Reset Event occurred (i = 1):

$$PAVS_{IRE_i} = PAVS_{t-1} \cdot \left(PerfB_{IRE_i} + CostComp_{IRE_i}\right)$$

Where:

"$\boldsymbol{PAVS_{t-1}}$" means the Payout Value Short on Exchange Business Day "t-1";

"**PerfB$_{IREi}$**" means the performance boost calculated as follows:

$$PerfB_{IRE_i} = \left[1 - K \cdot \left(\frac{UL_{IRE_i}}{UL_{t-1}} - 1\right)\right]$$

Where:

"**K** " means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**UL$_{t-1}$**" means the Reference Value on the Exchange Business Day "t-1";

"**UL$_{IREi}$**" means the Reference Value calculated as follows:

$$UL_{IRE_i} = max_{v \in [\theta, \theta^+]}\left[UL_{t,v}\right]$$

Where:

"**UL$_{t,v}$**" means the Intraday Value on time "v";

"$\boldsymbol{v}$" means an instant of time within the period $[\theta, \theta^+]$;

"$[\boldsymbol{\theta}, \boldsymbol{\theta}^+]$" means the Intraday Reset Event Observation Period;

"**CostComp$_{IREi}$**" means the cost component calculated as follows:

$$CostComp_{\text{IREi}} = +(K+1) \cdot [RR_{\ t-1} + min(0; XCCY_{t-1})] \cdot DCF - K \cdot RpR_t \cdot DCF$$

Where:

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**RR_{t-1}**" means the Reference Rate on Exchange Business Day "t-1";

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**$XCCY_{t-1}$**" means the Cross Currency Rate on Exchange Business Day "t-1";

"**RpR_t**" means the Repo Rate on Exchange Business Day "t";

"**RpR_0**" means the Repo Rate on the Issue Date, as specified in the applicable Final Terms;

"**DCF**" means the Day Count Fraction;

(ii) For any Intraday Reset Event occurred after the first one (i > 1):

$$PAVS_{IRE_i} = PAVS_{IRE_{i-1}} \cdot PerfB_{IRE_i}$$

Where:

"**$PerfB_{IREi}$**" is calculated as follows:

$$PerfB_{IRE_i} = \left[1 - K \cdot \left(\frac{UL_{IRE_i}}{UL_{IRE_{i-1}}} - 1\right)\right]$$

Where:

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**UL_{IREi}**" means the Reference Value calculated as follows:

$$UL_{IRE_i} = max_{v \in [\theta, \theta^+]}\left[UL_{t,v}\right]$$

Where:

"**$UL_{t,v}$**" means the Intraday Value on time "v";

"***v***" means an instant of time within the period $[\theta, \theta^+]$

"[***θ, θ***$^+$]" means the Intraday Reset Event Observation Period;

2) <u>In case of a Share as Underlying:</u>

If an Intraday Reset Event has not occurred:

$$PAVS_t = PAVS_{t-1} \cdot (PerfB_t + CostComp_t)$$

Where:

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**$PAVS_t$**" means the Payout Value Short on Exchange Business Day "t";

"**$PAVS_{t-1}$**" means the Payout Value Short on Exchange Business Day "t-1";

"**$PAVS_0$**" means the Initial Reference Value;

"**$PerfB_t$**" means the performance boost on Exchange Business Day "t" calculated as follows:

$$PerfB_t = \left[1 - K \cdot \left(\frac{UL_t + Div_t}{UL_{t-1}} - 1\right)\right]$$

Where:

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**UL_t**" means the Reference Value on the Exchange Business Day "t";

"**UL_{t-1}**" means the Reference Value on the Exchange Business Day "t-1";

"**UL_0**" means the Initial Reference Value;

"**Div_t**" means any ordinary gross cash dividend distributed in relation to the relevant Share on the Exchange Business Day "t". The Div_t will be available from time to time on the Dividend Publication specified in the applicable Final Terms;

"**$CostComp_t$**" means the cost component on Exchange Business Day "t" calculated as follows:

$$CostComp_t = +(K+1) \cdot RR_{t-1} \cdot DCF - K \cdot RpR_t \cdot DCF$$

Where:

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**RR_{t-1}**" means the Reference Rate on Exchange Business Day "t-1";

"**RpR_t**" means the Repo Rate on Exchange Business Day "t";

"**RpR_0**" means the Repo Rate on the Issue Date, as specified in the applicable Final Terms;

"**DCF**" means the Day Count Fraction;

If an Intraday Reset Event has occurred:

$$PAVS_t = \max\left\{0;\ PAVS_{IRE_i} \cdot \left[1 - K \cdot \left(\frac{UL_t}{UL_{IRE_i}} - 1\right)\right]\right\}$$

Where:

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**PAVS$_t$**" means the Payout Value Short on Exchange Business Day "t";

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**UL$_t$**" means the Reference Value on the Exchange Business Day "t";

"**PAVS$_{IREi}$**" means:

(i) For the first Intraday Reset Event occurred (i = 1):

$$PAVS_{IRE_i} = PAVS_{t-1} \cdot \left(PerfB_{IRE_i} + CostComp_{IRE_i}\right)$$

Where:

"$\boldsymbol{PAVS_{t-1}}$" means the Payout Value Short on Exchange Business Day "t-1";

"**PerfB$_{IREi}$**" means the performance boost calculated as follows:

$$PerfB_{IRE_i} = \left[1 - K \cdot \left(\frac{UL_{IRE_i} + Div_t}{UL_{t-1}} - 1\right)\right]$$

Where:

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**UL$_{t-1}$**" means the Reference Value on the Exchange Business Day "t-1";

"**Div$_t$**" means any ordinary gross cash dividend distributed in relation to the relevant Share on the Exchange Business Day "t". The Div$_t$ will be available from time to time on the Dividend Publication specified in the applicable Final Terms;

"**UL$_{IREi}$**" means the Reference Value calculated as follows:

$$UL_{IRE_i} = max_{v \in [\theta, \theta^+]}\left[UL_{t,v}\right]$$

Where:

"**UL$_{t,v}$**" means the Intraday Value on time "v";

"$\boldsymbol{v}$" means an instant of time within the period $[\theta, \theta^+]$

"[$\boldsymbol{\theta}$, $\boldsymbol{\theta^+}$]" means the Intraday Reset Event Observation Period;

"**CostComp$_{IREi}$**" is calculated as follows:

$$CostComp_{\text{IREi}} = +(K+1)\cdot RR_{t-1}\cdot DCF - K\cdot RpR_t\cdot DCF$$

Where:

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**RR_{t-1}**" means the Reference Rate on Exchange Business Day "t-1";

"**t**" means any Exchange Business Day from and including the Determination Date to and including the Valuation Date;

"**RpR_t**" means the Repo Rate on Exchange Business Day "t";

"**RpR_0**" means the Repo Rate on the Issue Date, as specified in the applicable Final Terms;

"**DCF**" means the Day Count Fraction;

(ii) For any Intraday Reset Event occurred after the first one (i > 1):

$$PAVS_{IRE_i} = PAVS_{IRE_{i-1}}\cdot PerfB_{IRE_i}$$

Where:

"**$PerfB_{IREi}$**" is calculated as follows:

$$PerfB_{IRE_i} = \left[1 - K\cdot\left(\frac{UL_{IRE_i}}{UL_{IRE_{i-1}}} - 1\right)\right]$$

Where:

"**K**" means the Constant Leverage Factor (which will always be higher than 0) specified in the applicable Final Terms;

"**UL_{IREi}**" means the Reference Value calculated as follows:

$$UL_{IRE_i} = max_{v\in[\theta,\theta^+]}\left[UL_{t,v}\right]$$

Where:

"**$UL_{t,v}$**" means the Intraday Value on time "v";

"***v***" means an instant of time within the period $[\theta, \theta^+]$

"[***θ***, ***θ***$^+$]" means the Intraday Reset Event Observation Period;

Performance Cap means the value specified in the relevant Final Terms;

Performance Floor means the value specified in the relevant Final Terms;

Performance Observation Date(s) means, in relation to Buffer Protection Certificates and Global Performance Certificates, the Exchange Business Day(s) set out in the relevant Final Terms, on which

the Calculation Agent determines the performance of the relevant Underlying, for the purposes of the calculation of the Performance Sum and the Global Performance, as the case may be;

Performance means the performance of an Underlying or a Basket Constituent determined by the Calculation Agent according to one of the following formulas:

(i) <u>on the Valuation Date:</u>

(a) In case of Long Strategy: $Performance = \frac{\mathrm{FRV}}{\mathrm{IRV}} - 1$

or

In case of Short Strategy: $Performance = 1 - \frac{\mathrm{FRV}}{\mathrm{IRV}}$

or

(b) In case of Long Strategy: $Performance = P\ x\ (\frac{FRV}{IRV} - 1)$

or

In case of Short Strategy: $Performance = P\ x\ (1 - \frac{FRV}{IRV})$

Where:

"**P**" means the Performance Participation Factor;

(ii) <u>during the life of the Certificates:</u>

(a) In case of Long Strategy: $Performance = \frac{\mathrm{RV}}{\mathrm{IRV}} - 1$

In case of Short Strategy: $Performance = 1 - \frac{\mathrm{RV}}{\mathrm{IRV}}$

or

(b) In case of Long Strategy: $Performance = P\ x\ (\frac{RV}{IRV} - 1)$

In case of Short Strategy: $Performance = P\ x\ (1 - \frac{RV}{IRV})$

Where:

"**P**" means the Performance Participation Factor;

In each case, the relevant Final Terms may provide for the application of a Performance Cap and/or a Performance Floor.

If Spread is applicable, the performance of the two Underlyings for the purposes of the calculation of the Spread will be indicated, respectively, as "**Performance of the Underlying A**" and "**Performance of the Underlying B**";

Performance Participation Factor means, in relation to the determination of the Performance of the Underlying, the multiplier factor specified in the relevant Final Terms;

Performance Sum means, in relation to the Buffer Protection Certificates, the sum of the performances percentages of the relevant Underlying as determined, in respect of any Performance Observation Date, by the Calculation Agent as follows:

(i) In case of Long Strategy: $\sum_{t=1}^{n}\left(\frac{RV_t}{IRV}-1\right)$

(ii) In case of Short Strategy: $\sum_{t=1}^{n}\left(1-\frac{RV_t}{IRV}\right)$

Where:

"**n**" means the number of the Performance Observation Dates; and

"$\mathbf{RV_t}$" means the Reference Value calculated on the Performance Observation Date "t".

In each case, the relevant Final Terms may provide for the application of a Performance Sum Cap and/or a Performance Floor.

Performance Sum Cap means the value expressed as a percentage specified in the relevant Final Terms;

Performance Sum Floor means the value expressed as a percentage specified in the relevant Final Terms;

Physical Delivery Securities means Securities that entitle their holders to receive from the Issuer, on the Settlement Date, the Entitlement;

Plus Amount means, if applicable, one or more amounts indicated in the relevant Final Terms, to be paid to the Securityholder for each Minimum Exercise Amount on the relevant Plus Payment Date;

Plus Payment Date means one or more Business Days, indicated in the relevant Final Terms, on which the Issuer shall pay the Plus Amount to the Securityholders;

Pre-Conversion Certificates means, in relation to Turbo Certificates, Benchmark Certificates and Constant Leverage Certificates, if Reverse Split is specified as applicable in the relevant Final Terms, the Certificates before the application of the Reverse Split;

Predetermined Loss Amount means the amount specified in the applicable Final Terms, or determined according to the following formula, if provided in the relevant Final Terms:

(Final Reference Value/Initial Reference Value – 1) x Issue Price

For the avoidance of doubt, the Final Reference Value and the Initial Reference Value are referred to the Underlying specified in the applicable Final Terms, which may differ from the Underlying used to determine the occurrence of the Barrier Event and/or from the Underlying used to the determine the Cash Settlement Amount;

Predetermined Loss Percentage means the value expressed as a percentage specified in the relevant Final Terms;

Premium means the price of issue of the Warrants specified from time to time in applicable Final Terms as an amount and/or as a percentage of the Notional Amount;

Premium Determination Method(s) means, in the case of Gap Certificates, the **Floating Premium**, the **Fixed Premium** and the **Difference in Rates**, pursuant to Condition 23 (Pay-out provisions) and specified by the Issuer in the relevant Final Terms in relation to each Premium Determination Method;

Premium Determination Period means, in relation to Gap Certificates and the Premium Gap Amount, each period specified in the applicable Final Terms during which the relevant Premium Gap Amount is determined.

For the avoidance of doubt, the beginning of any Premium Determination Period may not occur before the Issue Date;

Premium Gap Amount(s) means, in relation to one or more Premium Determination Period(s), the amount(s) in the Settlement Currency to be paid to the Securityholder on the Premium Gap Payment Date per each Minimum Exercise Amount, calculated pursuant to Condition 23 (*Pay-out provisions*);

Premium Gap Observation Period(s) means, in relation to Gap Certificates and the Premium Gap Amount:

a) If a Barrier Gap Event has not occurred, the actual number of days comprised in the relevant Premium Determination Period;

b) If a Barrier Gap Event has occurred, the actual number of days comprised in the relevant Premium Determination Period from the initial day (included or excluded as specified in the relevant Final Terms) of such Premium Determination Period to the Barrier Gap Event Date (included or excluded as specified in the relevant Final Terms);

Premium Gap Payment Date means the Business Day specified in the applicable Final Terms on which the Issuer shall pay the Premium Gap Amount to the Securityholders.

If an amount shall be paid on a Premium Gap Payment Date, should the valuation date in which the Calculation Agent determines the Reference Value for the purposes of the calculation of such amount be postponed (by way of example and without limitation, for the occurrence of a Market Disruption Event), the relevant Premium Gap Payment Date may be postponed accordingly. The Premium Gap Payment Date shall not, in any case, be postponed beyond ten Business Days;

Premium Margin means, in the case of Gap Certificates, a value expressed as basis points specified by the Issuer in the applicable Final Terms (the Premium Margin may be equal to zero if the Issuer decides not to apply it for the calculation of the relevant Premium Gap Amount);

Premium Percentage means, in the case of Gap Certificates, the value expressed as a percentage specified in the applicable Final Terms;

Protection Amount means the amount specified in the relevant Final Terms;

Protection Level means the value calculated as a percentage of the Initial Reference Value (or as a value expressed as a percentage, in relation to Spread Certificates and Multiperformance Certificates) or by a predetermined value, as specified in the relevant Final Terms.

In the case of Best Of Feature or Worst Of Feature, the Issuer will indicate in the relevant Final Terms the Protection Level for each Underlying;

Protection Percentage means the value expressed as a percentage specified in the relevant Final Terms;

Purchase Price means, in relation to Digital Certificates, the price at which the Digital Certificates may be subscribed by the investor in an exempt offer, if so specified in the applicable Final Terms. The Purchase Price will be lower than the Issue Price;

Put Exercise Date means the Exchange Business Day on which the Certificates are redeemed, following the exercise of the Put Option. If the Put Valuation Period is applicable, the Put Exercise Date coincides with the last Exchange Business Day of the relevant Put Valuation Period or with the Put Valuation Period, if it is composed by one Exchange Business Day. If the Put Valuation Period is specified as 'not applicable', the Put Exercise Date is the date specified in the applicable Final Terms;

Put Notice Period means the date(s) – indicated in the applicable Final Terms – by which the Securityholder shall notify, in accordance with Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*) below, the intention to exercise the Put Option in the relevant Put Exercise Date;

Put Option means, if so specified in the relevant Final Terms, the option to request the redemption of the Certificates which can be irrevocably exercised by the Securityholders during the Put Notice Period specified in the applicable Final Terms pursuant to Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*) below. Following the exercise of the Put Option, the Certificates indicated by the Securityholders will be redeemed and such Securityholders will be entitled to receive the Cash Settlement Amount specified in the applicable Final Terms and the relevant Put Option Amount, if applicable;

Put Option Amount means one or more amounts specified in the applicable Final Terms that Securityholders are entitled to receive following the exercise of the Put Option, in addition to the Cash Settlement Amount;

Put Option Exercise Notice means the notice drawn up and to be sent by the Securityholder pursuant to Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*) below and pursuant to the applicable Final Terms;

Put Valuation Period means, in relation to the Put Option and if specified as applicable in the relevant Final Terms, one or more periods composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms, on which the Calculation Agent determines the Reference Value.

If the applicable payout formula of the Cash Settlement Amount includes the Final Reference Value, if the Put Option is exercised by the Securityholder, the Reference Value determined by the Calculation Agent in the relevant Put Valuation Period will be considered as Final Reference Value.

If the applicable payout formula of the Cash Settlement Amount does not include the Final Reference Value, the Put Valuation Period will be specified as 'not applicable' in the relevant Final Terms.

The Put Valuation Period, if applicable, may only begin after the Put Notice Period.

In the event that a Market Disruption Event has occurred on a Put Valuation Period or on one Exchange Business Day of the Put Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

Qualifying Certificates means securities issued directly or indirectly by the Issuer that:

(i) (A) contain terms which at such time result in such securities being eligible to count towards fulfilment of the Issuer's and/or the Group's (as applicable) minimum requirements for Own Funds and eligible liabilities under the then applicable MREL Requirements; (B) include a ranking at least equal to that of the Certificates that qualify as eligible liabilities; (C) have the same redemption rights as the Certificates that qualify as eligible liabilities; (D) preserve any existing rights under the Certificates that qualify as eligible liabilities to any due but unpaid amounts which has not been paid in respect of the period from (and including) the payment date immediately preceding the date of substitution or variation; (F) are assigned (or maintain) the same or higher solicited credit ratings as were assigned to the Certificates immediately prior to such variation or substitution, unless any downgrade is solely attributable to the effectiveness and enforceability of Condition 17 (Acknowledgment of the Italian Bail-in Power); and (G) other than in respect of the effectiveness and enforceability of Condition 17 (Acknowledgment of the Italian Bail-in Power), have terms not materially less favourable to a holder of the Certificates that qualify as eligible liabilities, certified by the Issuer acting reasonably following consultation with an investment bank or financial adviser of international standing which is independent of the Group, than the terms of the Certificates that qualify as eligible liabilities; and

(ii) are listed on a recognized stock exchange if the Certificates were listed immediately prior to such variation or substitution.

Quanto Option means, if specified as applicable in the relevant Final Terms, that the Underlying Reference Currency is, for the purpose of the determination of the Cash Settlement Amount or Early Redemption Amounts or Remuneration Amounts or Corridor Early Amounts or Early Partial Capital Payment and the relevant events, in any case conventionally denominated in the Settlement Currency and the Exchange Rate is not applicable and, therefore, the effects of the Exchange Rate on such amount(s) are neutralised;

Quanto Securities means, in relation to Cash Settled Securities when the Underlying Reference Currency differs from the Settlement Currency, that the Quanto Option applies;

Rainbow Feature means, in relation to the Certificates linked to a Basket, the determination method in relation to the value of that Basket, provided by the Issuer in the relevant Final Terms. Unlike the securities linked to one or more Underlyings, the Issuer will indicate in the applicable Final Terms: (i) the financial activities which represent the Basket Constituents, (ii) the relative weighting within the Basket without any preliminary reference to specific financial activities and (iii) the objective criteria pursuant to which the weight will be allocated by the Calculation Agent (by way of example, in a Basket constituted by three financial activities, the Basket would be weighted as follows: 50% for the Basket Constituent with the best performance; 30% for the Basket Constituent with the worst performance; and 20% for a Basket Constituent with the second best performance). For each determination (during the life of the Certificates and at the exercise date), the Calculation Agent will weigh the relevant Basket Constituents on the basis of the performance registered on such determination date and pursuant to the formula set out in the applicable Final Terms. The allocation of the weights within a Basket may result differently on each determination date and depending on the performance of the Basket Constituents.

Once the Calculation Agent has carried out the weighting of the Basket on the relevant determination date, the Calculation Agent will calculate the total amount of the Basket pursuant to the methods applied on the instruments normally linked to the Basket.

Such feature shall not apply to Spread Certificates and Multiperformance Certificates;

Record Date means the Business Day that may be specified in the relevant Final Terms, which is the last day on which the ownership of the Securities is verified in relation to the right to receive the payment of the relevant Remuneration Amount;

Reduced Initial Listing Price means the price, which may be indicated in the applicable Final Terms, that will be used in order to determine the initial trading price of the Securities. The Reduced Initial Listing Price may be different from the initial trading price of the Securities and will be lower than the Issue Price. The Reduced Initial Listing Price will be applicable only in relation to Securities to be admitted to listing and/or trading without prior offer;

Reference Rate or **RR** means, in relation to Premium Gap Amount, Interest Rate Warrants, Floating Amount and Type B Constant Leverage Certificates, the interest rate that will be determined in the manner specified in the applicable Final Terms. In the case of Difference in Rates, the applicable Final Terms will specify the **Reference Rate 1** and the **Reference Rate 2**;

Reference Source means, in relation to the Underlying, each information provider, electronic page, exchange or quotation system in which the Underlying values are available, as specified in the applicable Final Terms, any successor to such information provider, electronic pages, exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the contracts relating to such Underlying on such temporary substitute exchange or quotation system as on the original Reference Source);

Reference Underlying means, in relation to the Underlying of Type A Constant Leverage Certificates, the relevant asset (by way of example a stock index, a share, a commodity or its related future contract) to which the index sponsor applies the Index Leverage Factor in order to calculate the Value of the Underlying, as specified in the relevant Final Terms.

In the event of significant and adverse changes in the performance of the Reference Underlying, an intra-day recalculation mechanism (intra-day reset) is provided by the index sponsor to prevent that the value of the Underlying will become negative due to the Index Leverage Factor. Specifically, when the performance of the Reference Underlying is lower (in case of Underlying with long leverage) or higher (in case of Underlying with short leverage) than the Trigger Value, the Underlying index sponsor sets a new base value for the calculation of the daily performance of the Reference Underlying and, consequently, will result in an adjustment of the value of the Underlying;

Reference Value or **RV** means the value determined by the Calculation Agent during the relevant valuation period, as specified in the relevant Final Terms.

In the case of a Basket, the Reference Value of the Basket will be determined as specified in the previous definition of "Basket Value".

Without prejudice to the definitions of the Final Reference Value and Initial Reference Value set out above, in relation to any valuation period during the lifetime of the Certificates, the occurrence of the relevant event may be determined pursuant to the following provisions, as specified from time to time in the relevant Final Terms.

In relation to all the values determined as specified below, only the changes published by the Issuer with a notice on its website www.prodottiequotazioni.intesasanpaolo.com shall be taken into account.

If the Underlying is one or more financial asset(s) (and not a Basket):

(A) the Value of the Underlying (or, in case of more than one Underlying, the Value of any or all Underlying(s) as specified in the applicable Final Terms) on the relevant valuation period, as determined by the Calculation Agent; or

(B) the arithmetic mean or a percentage of such arithmetic mean of the Values of the Underlying (or, in case of more than one Underlying, the arithmetic mean or a percentage of such arithmetic mean of the Values of each Underlying or of the Underlying(s) specified in the relevant Final Terms) on the relevant valuation period, ascertained by the Calculation Agent on the last Exchange Business Day or on the last Specific Period of such valuation period, as specified in the relevant Final Terms, and determined pursuant to the following formula:

$$RV = Arithmetic\ Percentage \times (\frac{1}{x} \times \sum_{z=1}^{x} Underlying_z)$$

Where:

"**Arithmetic Percentage**" means the value expressed as a percentage specified in the applicable Final Terms (if not specified, the Arithmetic Percentage will be equal to 100%);

"***x***" is the number of the dates of such valuation period, specified as such in the relevant Final Terms; and

"***Underlying$_z$***" is the Value of the Underlying as determined on the Exchange Business Day "*z*" or on the Specific Period "*z*" of such valuation period, as specified in the applicable Final Terms; or

(C) the minimum or the maximum Value as specified in the applicable Final Terms (or, in case of more than one Underlying, the maximum or minimum Value of the Underlying(s) specified in the applicable Final Terms) recorded in relation to the Underlying during one or more valuation period(s) ascertained by the Calculation Agent on the Exchange Business Day or on the Specific Period, as specified in the applicable Final Terms; or

(D) in case of Exchange Rate Securities and if so specified in the relevant Final Terms, the amount equal to the quotient of (a) 1 (as numerator) and (b) the amount calculated pursuant to (A), (B) or (C) above (as denominator); or

(E) when the Underlying is represented by a Futures Contract and if the Futures Contract N-th Near-by Feature and Rolling are specified as applicable in the relevant Final Terms, the Value of the Futures Contract N-th Near-by on the relevant valuation period (only applicable when such valuation period is set as a single date); or

(F) in case of Share Securities and if so specified in the relevant Final Terms, either

(i) the Adjusted Price on the relevant valuation period or

(ii) the arithmetic mean of the Adjusted Price on the relevant valuation period, ascertained by the Calculation Agent on the Exchange Business Day or on the

Specific Period, as specified in the applicable Final Terms, and determined pursuant to the following formula:

$$\boldsymbol{RV} = \frac{1}{x} \times \sum_{z=1}^{x} AP_z$$

Where:

"***x***" is the number of valuation period specified as such in the relevant Final Terms;

"***AP_z***" is the Adjusted Price of the Underlying(s) as determined on the Exchange Business Day "z" or on the Specific Period "z" of such valuation period, as specified in the applicable Final Terms.

If the Underlying is a Basket:

(A) the Basket Value on the relevant valuation period, as ascertained by the Calculation Agent;

(B) the arithmetic mean of the Basket Values on the Exchange Business Days or on the Specific Periods of the relevant valuation period as ascertained by the Calculation Agent, determined pursuant to the following formula:

$$\boldsymbol{RV} = \frac{1}{x} \times \sum_{z=1}^{x} Basket_z$$

Where:

"***x***" is the number of the Exchanges Business Days or the Specific Period(s) of the relevant valuation period, specified as such in the relevant Final Terms;

"***$Basket_z$***" is the Basket Value as calculated on the Exchange Business Day "z" or on the Specific Period "z" as specified in the applicable Final Terms; or

(C) the minimum or the maximum Basket Value (as specified in the applicable Final Terms) recorded in relation to the Basket during one or more valuation period(s), ascertained by the Calculation Agent on the Exchange Business Day or the Specific Period of the relevant valuation period, as set out in the relevant Final Terms; or

(D) the Value of one or more or each Basket Constituent (as specified in the applicable Final Terms) on the relevant valuation period, determined by the Calculation Agent, as specified in the applicable Final Terms.

If the Call Option/Put Option is exercised by the issuer/the Securityholder, the Reference Value determined by the Calculation Agent in the related Call Valuation Period/Put Valuation Period will be considered as Final Reference Value, if applicable;

Registrar means BNP Paribas, Luxembourg Branch, as registrar in respect of any Registered Securities;

Register means in the case of Registered Securities, the register kept at the principal office of the Registrar;

Related Exchange means any regulated or non-regulated market where the options, futures or repo contracts on an Underlying or a Reference Underlying are traded, as determined by the Calculation Agent;

Relevant Exchange Business Day means any Exchange Business Day which is relevant to fix the Value of the Underlying(s);

Relevant Asset means, in relation to Physical Delivery Securities, the Underlying specified in the applicable Final Terms constituting the Deliverable Asset;

Relevant Authority means 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 MREL Requirements and/or, as the context may require, the Italian resolution authority, the Single Resolution Board established pursuant to Regulation (EU) No. 806/2014, 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 Intesa Sanpaolo from time to time;

Relevant Regulations means any requirements contained in the regulations, rules, guidelines and policies of the competent authority or the Relevant Authority, or of the European Parliament and Council then in effect in the Republic of Italy, relating to capital adequacy and applicable to the Issuer and/or the Group from time to time (including any applicable transitional provisions), (including, but not limited to, as at the Issue Date of the relevant Series of Certificates, the rules contained in, or implementing, CRD IV, CRR, the BRRD and the SRMR, delegated or implementing acts adopted by the European Commission and guidelines issued by the European Banking Authority);

Remuneration Amount means either the Accumulated Amount, the Cumulated Bonus Amount, the Digital Amount, the Extra Consolidation Digital Amount, the Internal Return Amount, the Participation Rebate Amount, the Participation Remuneration Amount, the Plus Amount, and/or the Premium Gap Amount, as the case may be;

Remuneration Sum means, in relation to the Participation Remuneration Amounts, (i) if the Net Profit Feature is specified as applicable in the relevant Final Terms, the sum, in respect of any Valuation Date, of the Remuneration Amounts specified in the relevant Final Terms, if already paid, on the payment dates specified in the relevant Final Terms preceding such Valuation Date, or (ii) if the Tarn Feature is specified as applicable in the relevant Final Terms, the sum in respect of any Valuation Date, of the Remuneration Amounts specified in the relevant Final Terms, if already paid, on the payment dates specified in the relevant Final Terms preceding such Valuation Date;

Renouncement Notice means the notice to be sent by the Securityholders, prior to the Renouncement Notice Cut-off Time (if applicable), to renounce any automatic exercise of Securities pursuant to Condition 19 (*Exercise rights and procedures (only applicable to Warrants)*) and Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*);

Renouncement Notice Cut-off Time means, if a Renouncement Notice is specified as applicable in the relevant Final Terms, the time limit for sending the Renouncement Notice by the Securityholders pursuant to Condition 19 (*Exercise rights and procedures (only applicable to Warrants)*) and Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*);

Repo Rate or **RpR** means, in relation to Type B Constant Leverage Certificates, the repo rate determined by the Calculation Agent based on the prevailing market quotes within the same Exchange Business Day and published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Residual Amount means, in relation to Physical Delivery Securities, the cash amount which will be paid on the Settlement Date if the result of the formula specified in the applicable Final Terms for calculating the Entitlement is not a integer number. The Residual Amount will be determined by the Calculation Agent on the basis of the decimal part of such number, as specified in the applicable Final Terms;

Restrike Event means, in relation to the Restrike Feature, the event occurring when the Calculation Agent determines that the Reference Value of one or more Underlyings, as specified in the relevant Final Terms:

(i) is equal to, higher than or lower than the relevant Restrike Level during the relevant Restrike Observation Period(s); and/or

(ii) has been, at least once during the relevant Restrike Observation Period, equal to, higher than or lower than the relevant Restrike Level; and/or

(iii) has never been equal to, higher than or lower than the relevant Restrike Level during the relevant Restrike Observation Period.

If the applicable Final Terms provide for more than one Restrike Observation Period, the applicable Final Terms will specify if the Restrike Event will occur in at least one, any or all the Restrike Observation Periods.

In case of Securities linked to more than one Underlying, the Restrike Event may be determined in relation to at least one, any or all the Underlyings, as specified in the applicable Final Terms. In case of Securities linked to a Basket, the Restrike Event may be determined in relation to the Basket or to at least one, any or all the Basket Constituents, as specified in the applicable Final Terms. In these cases, the applicable Final Terms will also specify the Restrike Level of each Underlying or Basket Constituent that will be considered for the purposes of the determination of the Restrike Event.

Upon occurrence of a Restrike Event, the Initial Reference Value and all the value and levels dependant from the Initial Reference Value (such as the Barrier Level, the Cap Level, the Multiplier and so forth) will be consequently amended.

If the Restrike Event occurs, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Restrike Feature means, in relation to Max Long/Short Certificates, as better specified in Condition 23 (*Pay-out provisions*), the calculation method pursuant to which, on the occurrence of a Restrike Event, the Initial Reference Value will be automatically set at a percentage of the Initial Reference Value which is equal to the Restrike Percentage, as indicated from time to time in the relevant Final Terms. All the values and levels dependant from the Initial Reference Value (such as the Barrier Level, the Cap Level, the Multiplier and so forth) will be consequently amended.

Restrike Level means, if applicable under the relevant Final Terms, for each Underlying, the value determined as a percentage of the Initial Reference Value as specified in relation to the Restrike Observation Period in the relevant Final Terms from time to time.

In case of more than one Underlying or in case of a Basket, the applicable Final Terms will also specify whether, for the purpose of the determination of such event, the applicable condition has to be satisfied in relation to at least one, any or all the Underlyings or Basket Constituents. In this case, the Restrike Level will be specified for each Underlying or Basket Constituent;

Restrike Observation Period means the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms, in which the Calculation Agent determines if the Restrike Event has occurred. In the event of more Digital Valuation Periods, the relevant Final Terms will indicate the **First Restrike Observation Period**, the **Second Restrike Observation Period**, and so on.

In the event that a Market Disruption Event has occurred on the Restrike Observation Period or on one Exchange Business Day of the Restrike Observation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

Restrike Percentage means, in relation to the Restrike Feature, the value expressed as a percentage specified in the relevant Final Terms;

Reverse Split means, in relation to Turbo Certificates, Benchmark Certificates and Constant Leverage Certificates, if specified as applicable in the relevant Final Terms, the mechanism by which the Issuer may, at its option, consolidate such Certificates and replace the Securities representing such Certificates before the Reverse Split occurred (the Pre-Conversion Certificates) with Securities representing the Certificates after the Reverse Split (Converted Certificates), as better specified in Condition 24 (*Reverse Split of Turbo Certificates, Benchmark Certificates and Constant Leverage Certificates*). In such event, the Issuer may give the Reverse Split Trigger Notice to Securityholders within a number of days equal to the Reverse Split Notice Period informing them of its intention to effect a Reverse Split with respect to the relevant Turbo Certificates, the Benchmark Certificates or Constant Leverage Certificates (as the case may be). If required, the Issuer will also pay to the Securityholders a Reverse Split Cash Settlement Amount to reflect the economic effect of reducing the number of such outstanding Certificates of the relevant Series;

Reverse Split Cash Settlement Amount means, in respect of each Securityholder, the amount determined as the product of the Reverse Split Cash Settlement Price and the Reverse Split Number applicable to such Securityholder;

Reverse Split Cash Settlement Price means, in relation to Turbo Certificates, Benchmark Certificates and Constant Leverage Certificates, the "*prezzo di riferimento*" of such Certificates as calculated by Borsa Italiana in accordance with SeDeX Rules;

Reverse Split Effective Date is the date specified as such in the applicable Reverse Split Trigger Notice;

Reverse Split Notice Period is the number of days specified in the applicable Final Terms;

Reverse Split Number means, in respect of each Securityholder, the number of the Unconverted Certificates;

Reverse Split Ratio means, in relation to Turbo Certificates, Benchmark Certificates and Constant Leverage Certificates, the ratio by which the Certificates will be replaced by the Converted Certificates as specified in the applicable Reverse Split Trigger Notice;

Reverse Split Settlement Date is the number of days or Business Days specified in the applicable Reverse Split Trigger Notice following the Reverse Split Effective Date;

Reverse Split Trigger Notice means, in respect of Turbo Certificates, Benchmark Certificates and Constant Leverage Certificates, the notice which shall include the description of the operational mechanisms to be performed in relation to the Reverse Split;

Rolling means the feature that may be specified as applicable in relation to Futures Contract Securities when the Futures Contract N-th Near-by Feature is specified as applicable in the relevant Final Terms, pursuant to which the Issuer will be entitled to determine the Reference Value in relation to any valuation period during the lifetime of the Certificates and the Final Reference Value on the basis of a Futures Contract N-th Near-by. In particular, if Rolling is specified as applicable in the relevant Final Terms, when the Futures Contract N-th Near-by replaces the Futures Contract on the Rollover Date, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Rollover Date(s) means the Exchange Business Day specified in the applicable Final Terms on which the Futures Contract N-th Near-by will replace the Futures Contract indicated as the Underlying of the Securities in the applicable Final Terms;

Series means the Certificates that will be issued, from time to time, pursuant to this Base Prospectus as identified by the relevant ISIN Code;

Settlement Amount means either the Cash Settlement Amount (when settlement shall be by way of cash payment) or the Physical Delivery (when settlement shall be by way of physical delivery);

Settlement Characteristic means one of the characteristics that may apply to the formulas of the determination of the Settlement Amount set out under Condition 23 (*pay-out provisions*) (including, without limitation, Initial Percentage, Participation Factor, Barrier Event, Barrier Gap Event, Buffer Event, Protection Level, Short Protection, CAP, Cap Level, Cap Amount, Cap Barrier Amount, Predetermined Loss Percentage, Air Bag Factor, Sigma Amount, Gearing Factor, Cap Consolidation Amount, Strike Percentage, Annual Management Fee, Variable Management Fee, Protection Percentage, Spread Protection, Protection Amount, Step Up Amount);

Settlement Currency means the currency specified in the applicable Final Terms;

Settlement Date means, unless specified otherwise in the applicable Final Terms, the fifth Business Day next following the last occurring Valuation Date or Call Exercise Date or Put Exercise Date:

(a) in relation to Cash Settled Securities, the fifth Business Day following the last occurring Valuation Date or Call Exercise Date or Put Exercise Date;

(b) in relation to Physical Delivery Securities, the date specified as such in the applicable Final Terms.

If on a Valuation Date or on a Call Exercise Date or on a Put Exercise Date a Market Disruption Event occurs, the Settlement Date will be postponed accordingly. The Settlement Date shall not, in any case, be postponed beyond the tenth Business Day following the last Valuation Date or Call Exercise Date or Put Exercise Date.

Settlement Determination Date means, in relation to Interest Rate Warrants, each date specified in the applicable Final Terms during which the Cash Settlement Amount is determined in relation to the

Settlement Determination Period.

The above applies provided that in the opinion of the Calculation Agent a Market Disruption Event in a Settlement Determination Date has not occurred. In this case, the Exchange Business Day coinciding with the Settlement Determination Date is intended to be postponed to the first following Exchange Business Day on which the Market Disruption Event is no longer in place. In any case, such Exchange Business Day of the Settlement Determination Period may not be postponed beyond the eighth Exchange Business Day following the Exercise Date;

Settlement Determination Period means, in relation to Interest Rate Warrants, the period specified in the applicable Final Terms related to the Cash Settlement Amount;

Settlement Event means, in relation to the Digital Certificates, the event occurring when the Calculation Agent determines that the Final Reference Value is equal to, or higher than, the Settlement Level, as specified in the relevant Final Terms.

In the case of Digital Certificates with Best Of Feature or Worst Of Feature, the Issuer will specify in the relevant Final Terms the occurrence of the Settlement Event in relation to one or more Underlyings and the applicable Final Terms may specify the Settlement Level for each Underlying.

The determination by the Calculation Agent on the occurrence of the Settlement Event will be promptly notified to the Securityholders through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Settlement Level means, in relation to the Digital Certificates, the value specified in the applicable Final Terms that determines the occurrence of the Settlement Event. Such value will be set as a percentage of the Initial Reference Value, as specified in the applicable Final Terms.

In case of more than one Underlying or in case of a Basket, the applicable Final Terms will also specify whether, for the purpose of the determination of such event, the applicable condition has to be satisfied in relation to at least one, any or all the Underlyings or Basket Constituents. In this case, the Settlement Level will be specified for each Underlying or Basket Constituent;

Share means, in relation to each Series, either as single underlying or as a Basket Constituent, the share listed in Italy on the markets managed by Borsa Italiana S.p.A., or listed on European or foreign stock exchanges, which will be specified as the underlying asset or a Basket Constituent, from time to time in the relevant Final Terms. The relevant underlying share (as single underlying or as Basket Constituent) (i) will not be issued by the Issuer nor by an entity belonging to the group of the Issuer, and (ii) may not be converted or exchanged into shares or other transferable securities equivalent to shares issued by the Issuer or by an entity belonging to the group of the Issuer;

Share Securities means Securities that have as Underlying one or more specified Shares or one or more Baskets of Shares or one or more Global depository receipts (GDRs) or American depository receipts (ADRs) or one or more baskets of GDRs and/or ADRs. In case of Physical Delivery, the Underlying will not be a Share issued by the Issuer nor by an entity belonging to the Group. Furthermore, in case of Physical Delivery Securities, only shares listed on stock exchanges that are regulated markets can be physically settled to retail investors. In such case, in relation to shares listed on stock exchanges in EU countries, regulated markets are those markets which fall within the definition of Art. 4(1) 21 of Directive 2014/65/EU, in relation to shares listed on stock exchanges in non-EU countries, regulated markets are those markets regulated by a local financial regulator or monetary authority or institute, in accordance with the law applicable under the relevant jurisdiction;

Short Protection means the amount specified in the relevant Final Terms;

Short Strategy means the financial strategy which gives to the investor the possibility to benefit from the negative (decreasing) performance of the Underlying(s) in relation to the amount(s) or occurrence of event(s) specified in the applicable Final Terms;

Sigma Amount means the amount in the Settlement Currency specified by the Issuer in Final Terms for each Series;

Specific Period means, in case of Securities linked to one or more Indexes based on inflation, the month or the year (or any other period of time consecutive or not consecutive) specified in the applicable Final Terms or, in case of Securities linked to any other type of Underlying, the month or the year (or any other period of time) made of Exchange Business Days, specified in the applicable Final Terms;

Sponsor means, in relation to each Series, the entity responsible for the calculation and/or the management and/or the issue of the relevant Underlying, as specified from time to time in the relevant Final Terms;

Spread means the difference calculated pursuant to one or more of the formulas below, as specified in the applicable Final Terms:

(i) *Spread = Performance of the Underlying A – Performance of the Underlying B*

In this case the Spread will be equal to the difference between the Performance of the Underlying A and the Performance of the Underlying B, each of them determined according to one of the formulas set out in the definition of "Performance", specified in the applicable Final Terms;

and/or

(ii) *Spread = Initial Reference Value$_A$ – Initial Reference Value$_B$*

In this case the Spread will be equal to the difference between the Initial Reference Value of the Underlying A (Initial Reference Value$_A$) and the Initial Reference Value of the Underlying B (Initial Reference Value$_B$);

and/or

Spread = Reference Value$_A$ – Reference Value$_B$

In this case the Spread will be equal to the difference between the Reference Value of the Underlying A (Reference Value$_A$) and the Reference Value of the Underlying B (Reference Value$_B$);

and/or

Spread = Final Reference Value$_A$ – Final Reference Value$_B$

In this case the Spread will be equal to the difference between the Final Reference Value of the Underlying A (Final Reference Value$_A$) and the Final Reference Value of the Underlying B (Final Reference Value$_B$);

and/or

(iii) *Spread = Max[Floor Percentage$_A$; Min(Performance of the Underlying A; Cap Percentage$_A$)] – Max[Floor Percentage$_B$; Min(Performance of the Underlying B; Cap Percentage$_B$)]*

In this case the Spread will be equal to the difference between (1) the higher between (A) the Floor Percentage$_A$ and (B) the lower between (i) the Performance of the Underlying A and (ii) the Cap Percentage$_A$ and (2) the higher between (A) the Floor Percentage$_B$ and (B) the lower between (i) the Performance of the Underlying B and (ii) the Cap Percentage$_B$;

and/or

(iv) in relation to Interest Rate Securities only:

Spread = Max[Floor Percentage$_A$; Min(Initial Reference Value$_A$; Cap Percentage$_A$)] – Max[Floor Percentage$_B$; Min(Initial Reference Value$_B$; Cap Percentage$_B$)]

In this case the Spread will be equal to the difference between (1) the higher between (A) the Floor Percentage$_A$ and (B) the lower between (i) the Initial Reference Value of the Underlying A or (ii) the Cap Percentage$_A$ and (2) the higher between (A) the Floor Percentage$_B$ and (B) the lower between (i) the Initial Reference Value of the Underlying B or (ii) the Cap Percentage$_B$;

and/or

Spread = Max[Floor Percentage$_A$; Min(Reference Value$_A$; Cap Percentage$_A$)] – Max[Floor Percentage$_B$; Min(Reference Value$_B$; Cap Percentage$_B$)]

In this case the Spread will be equal to the difference between (1) the higher between (A) the Floor Percentage$_A$ and (B) the lower between (i) the Reference Value of the Underlying A or (ii) the Cap Percentage$_A$ and (2) the higher between (A) the Floor Percentage$_B$ and (B) the lower between (i) the Reference Value of the Underlying B or (ii) the Cap Percentage$_B$;

and/or

Spread = Max[Floor Percentage$_A$; Min(Final Reference Value$_A$; Cap Percentage$_A$)] – Max[Floor Percentage$_B$; Min(Final Reference Value$_B$; Cap Percentage$_B$)]

In this case the Spread will be equal to the difference between (1) the higher between (A) the Floor Percentage$_A$ and (B) the lower between (i) the Final Reference Value of the Underlying A or (ii) the Cap Percentage$_A$ and (2) the higher between (A) the Floor Percentage$_B$ and (B) the lower between (i) the Final Reference Value of the Underlying B or (ii) the Cap Percentage$_B$;

Spread Cost or **SC** means, in relation to Type B Constant Leverage Certificates, the percentage specified in the applicable Final Terms;

Spread Protection means the value expressed as a percentage specified in the relevant Final Terms;

Step Up Amount means, in relation to Dynamic Protection Certificates, the amount specified in the relevant Final Terms;

Strike means the value which will be determined by the Calculation Agent on the Strike Observation Period;

Strike Level means the value expressed as a percentage specified in the applicable Final Terms in relation to the calculation of the Cash Settlement Amount of the Dual Currency FX Certificates;

Strike Percentage means, in relation to Warrants, Call Certificates, Standard Certificates (if applicable) and Twin Win Certificates, the value expressed as a percentage (which may also be equal to zero) specified in the relevant Final Terms, which will be considered for the purposes of the calculation of the Cash Settlement Amount;

Strike Price means, in relation to Short Benchmark Certificates, Type A Short Constant Leverage Certificates and Turbo Certificates, the amount or the value specified as such in the applicable Final Terms. In case of Turbo Certificates with Open End Feature, if the Call Option/Put Option is exercised by the Issuer/the Securityholder, the Strike Price is the SP_t as defined below;

SP_t means, in relation to Turbo Certificates with Open End Feature, the Strike Price which, in respect of a calendar day (day_t), is an amount calculated as follows:

$$SP_t = SP_{t-1} \times (1 + Restrike\ Cost_{t-1})^{1/360} - Dividend\ Adjustment\ Amount$$

Where:

"**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 (or in the case of an Index, in respect of each share comprising such Index) related to such Ex-Dividend Date multiplied by (ii) the Dividend Percentage;

"**Dividend Percentage**" means the value expressed as a 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 or decrease 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 (or in the case of an Index, in respect of each share comprising such Index). If the Dividend Percentage is adjusted as provided herein, the adjusted Dividend Percentage, will be notified to Securityholders through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com as soon as reasonably practicable following such adjustment;

"**Ex-Dividend Date**" means, with respect to a Share or share comprising an Index, the date on which such Share or share comprising an Index becomes "ex-dividend" as determined by the Calculation Agent;

"**Restrike Cost$_t$**" means, if applicable, in respect of a calendar day (day_t), the value expressed as a percentage determined and published daily by the Issuer so as not to exceed the percentage indicated in the applicable Final Terms;

"**Restrike Cost$_{t-1}$**" means the Restrike $Cost_t$ applicable on day_{t-1}; and

"**SP_{t-1}**" means Strike Price applicable on day_{t-1}.

For purpose to calculate the Cash Settlement Amount, if the Call Option/Put Option is exercised by the Issuer/the Securityholder, *t* is equal to the Call Exercise Date/Put Exercise Date;

Strike Remuneration Percentage means the value expressed as a percentage, which may also be equal to zero, specified in the relevant Final Terms;

Strike Observation Period means the period specified in the relevant Final Terms for the purposes of the determination of the Strike;

Successor Sponsor means, in relation to each Underlying, a third party that may be responsible for the calculation and/or the management and/or the issuance of the Underlying in the place of the Sponsor;

Switch Event means, in relation to Switch Certificates, the event occurring when the Calculation Agent determines that the Reference Value, the Final Reference Value or the Spread or the Cumulated Performance (in the case of Multiperformance Certificates), as specified in the relevant Final Terms:

(i) is equal to, higher than or lower than the relevant Switch Level in the relevant Switch Valuation Period; and/or

(ii) has been, at least once during the relevant Switch Valuation Period, equal to, higher than or lower than the relevant Switch Level; and/or

(iii) has never been equal to, higher than or lower than the relevant Switch Level during the relevant Switch Valuation Period; and/or

(iv) has fallen at least once or has never fallen within or out of a range between the relevant Up Range Switch Level and the relevant Down Range Switch Level (included or excluded in the range as specified in the relevant Final Terms) on/during the relevant Switch Valuation Periods.

If the applicable Final Terms provide for more than one Switch Valuation Period, the applicable Final Terms will specify if the Switch Event will occur in at least one, any or all the Switch Valuation Periods.

In case of Securities linked to more than one Underlying, the Switch Event may be determined in relation to at least one, any or all the Underlyings, as specified in the applicable Final Terms. In case of Securities linked to a Basket, the Switch Event may be determined in relation to the Basket or to at least one, any or all the Basket Constituents, as specified in the applicable Final Terms. In these cases, the applicable Final Terms will also specify the Switch Level (or the Up Range Switch Level and the Down Range Switch Level) of each Underlying or Basket Constituent that will be considered for the purposes of the determination of the Switch Event.

If the Switch Event occurs, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Switch Level means the value determined as specified in the relevant Final Terms in relation to the relevant Switch Valuation Period, represented by a percentage of the Initial Reference Value, or by a predetermined value;

Switch Valuation Period means the period composed of one or more Exchange Business Days or the Specific Period, as indicated in the applicable Final Terms, in which the Calculation Agent determines if the Switch Event has occurred. In the event of more Switch Valuation Periods, the relevant Final

Terms will indicate the **First Switch Valuation Period**, the **Second Switch Valuation Period**, and so on.

In the event that a Market Disruption Event has occurred on the Switch Valuation Period or on one Exchange Business Day of the Switch Valuation Period, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

Synthetic Dividends means, in respect of a Share and a Synthetic Ex-Dividend Date, the amount or amounts specified as such for such Share in the relevant Final Terms, or, if no such amount is specified for such Share, zero;

Synthetic Ex-Dividend Date means each date specified as such in the relevant Final Terms;

T2 means the real time gross settlement system operated by the Eurosystem (previously known as TARGET2 System) or any successor or replacement for that system;

Tarn Feature means, if specified as applicable in the relevant Final Terms, in relation to the calculation of the Participation Remuneration Amount, the feature pursuant to which the Participation Remuneration Amount potentially payable will cease to be due and payable to the Securityholders if the Remuneration Sum exceeds the Tarn Amount and the Certificates will be early redeemed;

Tarn Amount means the amount in the Settlement Currency set out in the relevant Final Terms. If in respect of any Participation Valuation Date, the Remuneration Sum exceeds the Tarn Amount, such event will be considered as an Early Redemption Event and, therefore, the Certificates are deemed to be early redeemed and the Securityholders are entitled to receive the payment of the relevant Early Redemption Amount on the relevant Early Payment Date;

Tax Adjustment Factor or **TaxAF** means, in relation to Type B Constant Leverage Certificates, the percentage determined by the Calculation Agent as an estimate of the possible withholding tax costs applicable in relation to the Underlying and published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com;

Termination Event means the occurrence of an event pursuant to Condition 5 (*Illegality and force majeure*) or a Hedging Disruption pursuant to Condition 6 (*Hedging Disruption*);

Trigger Value means, in relation to Constant Leverage Certificates, the value expressed as a percentage specified in the relevant Final Terms;

Typology means the type of Securities that will be issued in respect of each Series, as specified in the relevant Final Terms. In particular, the Securities may be:

- *Standard (Long/Short) Certificates,*

- *Max (Long/Consolidation Long/Short) Certificates;*

- *(Type A/ Type B/ Type C/Type D) Spread Certificates;*

- *Twin Win (Long/Short) Certificates;*

- *Benchmark (Long/Short) Certificates;*

- *Turbo (Long/Short) Certificates;*

- *Outperformance (Long/Short) Certificates;*

- *Buffer Protection Certificates;*

- *Global Performance Certificates;*

- *Lucky Protection (Long/Short) Certificates;*

- *Dynamic Protection (Long/Short) Certificates;*

- *Currency Certificates;*

- *Multiperformance Certificates;*

- *Gap (Long/Short) Certificates;*

- *Dual Currency FX Certificates;*

- *Calendar Certificates;*

- *One Star Certificates;*

- *Switch Certificates;*

- *Call Certificates;*

- *Digital Certificates;*

- *Discount Certificates;*

- *Combined Amount Certificates;*

- *Long Outperformance Combined Certificates;*

- *Reverse Butterfly Certificates;*

- *Multiple Strike Certificates;*

- *(Type A/ Type B) Constant Leverage (Long/Short) Certificates* (Type B Constant Leverage Certificates (Long/Short) may have as Underlying only Index or Share)*;*

- *Call Covered Warrants;*

- *Call Warrants;*

- *Call Spread Warrants;*

- *Put Covered Warrants;*

- *Put Warrants;*

- *Put Spread Warrants;*

- *Interest Rate Warrants;*

- *Corridor Warrants;*

Unconverted Certificates means, in relation to Turbo Certificates, Benchmark Certificates and Constant Leverage Certificates, if Reverse Split is specified as applicable in the applicable Final Terms, the Certificates held by any Securityholder that cannot be replaced by Converted Certificates, once that the aggregate number of Certificates held by the relevant Securityholder have been divided by the Reverse Split Ratio;

Underlying means, for each Series:

(i) in the case of Securities linked to one or more financial asset(s), the Share, the GDRs/ADRs, the Index, the Commodity, the Futures Contract, the Exchange Rate, the Government Bond, the Yield of Government Bond, the Interest Rate and the Fund, as specified in the applicable Final Terms;

(ii) If Spread is applicable, two or more financial assets selected from the following Underlyings: Shares, GDRs/ADRs, Indexes, Commodities, Futures Contracts, Government Bonds, Yields of Government Bonds, Exchange Rates, Interest Rates, Funds and Baskets, and indicated respectively as **Underlying A** and **Underlying B** in the relevant Final Terms; in this case, the relevant Initial Reference Value, Final Reference Value, Multiplier, Initial Percentage, Cap Percentage, Floor Percentage and Performance of the Underlying, will be indicated as, respectively, the **Initial Reference Value$_A$** (**IRV$_A$**) and **Initial Reference Value$_B$** (**IRV$_B$**), the **Reference Value$_A$** (**RV$_A$**) and **Reference Value$_B$** (**RV$_B$**), the **Final Reference Value$_A$** (**FRV$_A$**) and **Final Reference Value$_B$** (**FRV$_B$**), the **Multiplier$_A$** and **Multiplier$_B$**, the **Initial Percentage$_A$** and **Initial Percentage$_B$**, **Cap Percentage$_A$** and **Cap Percentage$_B$**, **Floor Percentage$_A$** and **Floor Percentage$_B$** and the **Performance of the Underlying A** and **Performance of the Underlying B**;

(iii) in the case of Certificates linked to a Basket (as defined above), a Basket composed of two or more financial assets listed at point (i) above or composed by two or more baskets composed of two or more financial assets listed at point (i) above (each a Basket Constituent, as defined above and indicated from time to time in the relevant Final Terms);

Underlying Reference Currency means for each Series, the currency of the Underlying(s) as indicated in the applicable Final Terms. In the case of Quanto Securities, the Underlying Reference Currency will be expressed in the Settlement Currency and, therefore, the effects of the Exchange Rate on the Cash Settlement Amount or Early Redemption Amounts or Remuneration Amounts or Corridor Early Amounts or Early Partial Capital Payment to be paid in relation to the Securities are neutralised;

Up Participation Factor means the value expressed as a percentage specified as such in the applicable Final Terms;

Up Range Level means one or more values that may be specified in the applicable Final Terms that determines the occurrence of: (i) the Accumulating Event (the "**Up Range Accumulating Level**"); or (ii) the Consolidation Effect (the "**Up Range Consolidation Level**"); or (iii) the Consolidation Floor Event (the "**Up Range Consolidation Floor Level**"); or (iv) the Digital Event (the "**Up Range Digital Level**"); or (v) the Knock-in Event (the "**Up Range Knock-in Level**"); or (vi) the Knock-out Event (the "**Up Range Knock-out Level**"); or (vii) the Memory Effect (the "**Up Range Memory Level**"); or (viii)

the Participation Remuneration Event (the "**Up Range Participation Remuneration Level**"); or (ix) the Early Redemption Event (the "**Up Range Early Redemption Level**"); or (x) the Switch Event (the "**Up Range Switch Level**"); or (xi) the Multiple Strike Event$_i$ (the "**Up Range Multiple Strike Level**$_i$"); or (xii) the Participation Rebate Event (the "**Up Range Participation Rebate Level**"). The Up Range Level is represented by a percentage of the Initial Reference Value or as a value expressed as a percentage (in relation to Spread Certificates and Multiperformance Certificates) or by a predetermined value. If there are more Underlyings, the applicable Final Terms will specify the relevant Up Range Level for each Underlying;

Upper Barrier Level means the value specified in the applicable Final Terms that determines the occurrence of the Barrier Event. Such value may be set as:

(i) a percentage of the Initial Reference Value specified in the applicable Final Terms; or

(ii) a number specified in the applicable Final Terms;

Upper One Star Trigger Level means the value specified in the applicable Final Terms that determines the occurrence of the One Star Event. Such value may be set as:

(i) a percentage of the Initial Reference Value specified in the applicable Final Terms; or

(ii) a number specified in the applicable Final Terms;

Valuation Date means one or more Exchange Business Days on which the Value of the Underlying(s) is registered for the purpose of the calculation of:

(i) the Final Reference Value (pursuant to the terms specified below in the definition of Final Reference Value), and/or

(ii) the Payout Value Long or Payout Value Short, in case of Type B Constant Leverage Certificates (Long/Short), and/or

(iii) the Cash Settlement Amount,

as specified in the relevant Final Terms from time to time.

If, on a Valuation Date, a Market Disruption Event (as defined below) occurs, the provisions set out within Condition 15(1) (*Market Disruption Event*) will apply;

Value means:

(i) the level, price, amount or such other value (e.g. Intraday Value) of the Underlying; or

(ii) a percentage (specified in the applicable Final Terms) of such level, price, amount or other value; or

(iii) the level, price, amount or other value plus an amount or a number (specified in the applicable Final Terms),

used for the purposes of the determination of the Reference Value, Initial Reference Value or Final Reference Value, as the case may be;

Variable Management Fee or VMF means, if applied by the Issuer in relation to Benchmark Certificates and Constant Leverage Certificates, a fee charged to the Securityholders at the particular time "t" determined on the basis of the AMF Percentage and of the VMF Percentage$_x$.

The Calculation Agent will deduct the VMF accrued from the Cash Settlement Amount pursuant to Condition 23 (*Pay-out provisions*).

The VMF will be calculated as follows:

$$\boldsymbol{VMF_t}=\prod_{x\in(t_0,t_0+1,\ldots\ldots,t)}\left(100\%-\frac{AMF\ Percentage}{365.25}-\frac{VMF\ Percentage_x}{365.25}\right)$$

Where:

"**x**" means each calendar day from t_0 to t;

"**t**" can be any calendar day before the Valuation Date or the Valuation Date;

"**AMF Percentage**" means the value expressed as a percentage indicated in the applicable Final Terms;

"**VMF Percentage$_x$**" means the percentage identified from time to time by the Calculation Agent within a range specified in the applicable Final Terms, considering that:

- at $x = t_0$ (i.e. at the Issue Date), the VMF Percentage$_{t0}$ is equal to 0;
- at $x = t_1$ (i.e. the first calendar day following the Issue Date) the VMF Percentage$_{t1}$ is equal to the percentage indicated in the applicable Final Terms;
- thereafter, the VMF Percentage$_x$ remains constant on each calendar day "x" until new communication. It shall be determined by the Calculation Agent so as to not exceed the percentage indicated in the applicable Final Terms. The Calculation Agent may update the VMF Percentage$_x$ at its reasonable discretion, within the range indicated in the applicable Final Terms, considering the prevailing market conditions. The variations of the VMF Percentage$_x$ will be notified to the relevant exchange where the Certificates are listed/traded and published on the website of the Issuer.

It remains understood that the minimum value of the range will be a value equal to or higher than 0;

Worst Of Feature means the determination method that may be specified as applicable in the relevant Final Terms. If the Worst Of Feature applies, the Calculation Agent will select the Worst Of Underlying to determine:

(i) the relevant Remuneration Amount and/or the occurrence of the event that triggers such Remuneration Amount; and/or

(ii) the Early Redemption Amount and/or the occurrence of the Early Redemption Event; and/or

(iii) the Settlement Amount and/or the occurrence of any event(s) on which depends the calculation of such Settlement Amount; and/or

(iv) the occurrence of the Barrier Event or any other event or effect.

In addition, as specified in the applicable Final Terms, the Worst Of Feature may apply in relation to any or all the relevant valuation periods;

Worst Of Underlying means, in the case of Worst Of Feature, the Underlying with the first, second or third (and so on, depending on the number of the Underlyings) worst performance of the Underlying in respect of the performance of the other Underlying(s), determined pursuant to the formula set out in the applicable Final Terms. In the applicable Final Terms, the Issuer will indicate whether it will take into account the Underlying with the first worst performance (in such case, this will be named Worst Of Underlying), the second worst performance (in such case, this will be named **Second Worst Of Underlying**) or the third worst performance (in such case, a this will be named **Third Worst Of Underlying**) and so on, determined pursuant to the formula set out in the applicable Final Terms. Upon determination of the Worst Of Underlying, the Issuer will inform the Securityholders pursuant to Condition 9 (*Notices*);

Yield of Government Bond means, either as single or as a Basket Constituent, the yield (of a Government Bond) that may constitute the Underlying of Govies Securities, published from time to time by the relevant information source specified in the applicable Final Terms or, if such yield is not published or announced at the relevant time on such information source, either (i) the successor or alternative information source or (ii) the determination method to be carried out by the Calculation Agent in its sole and absolute discretion, in each case as specified in the applicable Final Terms.

4. Physical Delivery provisions

Settlement of the Securities will be by cash payment (**Cash Settled Securities**) or physical delivery (**Physical Delivery Securities**).

The method of settlement will be specified in the applicable Final Terms.

In relation to Certificates only, the applicable Final Terms may also specify that such Certificates are either cash settled of physically settled depending upon the occurrence or not of a specific event (e.g. the Barrier Event).

In relation to Physical Delivery Securities, the following provisions apply:

(A) *Settlement Disruption*

If, following the exercise of Physical Delivery Securities, in the opinion of the Calculation Agent, delivery of the Deliverable Asset constituting part or all 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 Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Security by delivering the Deliverable Asset constituting part or all of 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 Issuer deems appropriate in connection with delivery of the Deliverable Asset constituting part or all 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 Deliverable Asset comprising the Entitlement, the Settlement Date for the Deliverable Asset not affected by the Settlement Disruption Event will be the originally designated Settlement Date. For so long as delivery of the Deliverable Asset

constituting part or all 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 Issuer may elect in its sole discretion to satisfy and discharge its obligations in respect of the relevant Security by payment to the relevant Securityholder of the Settlement Disruption Amount (as defined below) on the third Business Day following the date that notice of such election is given to the Securityholders in accordance with Condition 9 (*Notices*). Payment of the Settlement Disruption Amount will be made in such manner as shall be notified to the Securityholders in accordance with Condition 9 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Condition 9 (*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 in the event of any delay in the delivery of the Deliverable Asset constituting part or all of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

Settlement Disruption Amount in respect of any relevant Security shall be the fair market value of such Security (taking into account, where the Settlement Disruption Event affected some but not all of the Deliverable Asset comprising the Entitlement and such non-affected Deliverable Asset have been duly delivered as provided above, the value of such Deliverable Asset), less the cost to the 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 Issuer in its sole and absolute discretion; and

Settlement Disruption Event means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the Deliverable Asset using the method specified in the applicable Final Terms.

(B) *Failure to Deliver due to Illiquidity*

If "Failure to Deliver due to Illiquidity" is specified as applicable in the applicable Final Terms and, 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 Deliverable Asset (the **Affected Deliverable Asset**) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Deliverable Asset (a **Failure to Deliver due to Illiquidity**), then:

(a) subject as provided elsewhere in these Conditions as amended by the applicable Final Terms, any Deliverable Asset which are not Affected Deliverable Asset, will be delivered on the originally designated Settlement Date; and

(b) in respect of any Affected Deliverable Asset, in lieu of physical settlement and notwithstanding any other provision hereof, 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 (as defined below) on the fifth Business Day following the date that notice of such election is given to the Securityholders in accordance with Condition 9 (*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 Condition 9 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with

Condition 9 (*Notices*) that the provisions of this Condition 4(B) apply.

For the purposes hereof:

Failure to Deliver Settlement Price means, in respect of any relevant Security, the fair market value of such Security (taking into account, the Deliverable Asset comprising the Entitlement which have been duly delivered as provided above), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion.

(C) *Issuer's Option to Vary Settlement*

If the applicable Final Terms indicates that the Issuer has an option to vary settlement in respect of the Securities, upon a valid exercise of Securities in accordance with these Conditions, the Issuer may, at its sole and unfettered discretion, in respect of each such Security, 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 (a) the Actual Exercise Date for Warrants or (b) the Exercise Date for Certificates in accordance with Condition 9 (*Notices*) and/or, at the option of the Issuer, if applicable, in accordance with the contact details for a Securityholder specified in its Exercise Notice (in the case of a Warrant) or Physical Delivery Confirmation Notice (in the case of Certificates and if applicable pursuant to the relevant Final Terms).

(D) *Intervening Period*

For such period of time after the Settlement Date as any person other than the relevant Securityholder shall continue to be the legal owner of such securities (the **Intervening Period**), neither the Issuer nor any other person shall (i) be under any obligation to deliver or procure delivery to the relevant Securityholder or any subsequent beneficial owner of such securities or any other person any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in its capacity as the holder of such securities or (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such securities during the Intervening Period.

(E) *General*

None of the Issuer, the Security 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 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 Deliverable Asset.

In case of Share Securities, 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 shares comprised in any Deliverable Asset in the register of shareholders of the company that issued the relevant Share.

(F) *Italian Dematerialised Securities*

This Condition 4 (*Physical Delivery provisions*) shall not apply to Italian Dematerialised Securities, which shall be settled by way of cash settlement only.

5. Illegality and force majeure

If the Issuer determines that the performance of its obligations under the Securities or that any arrangements made to hedge the 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 Issuer may consider such event as a Termination Event in respect of the Securities and, therefore, will cancel the Securities by giving notice to Securityholders in accordance with Condition 9 (*Notices*).

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

If the Issuer cancels the Securities pursuant to an illegality then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security held by such holder, which amount shall be equal to the fair market value of the Securities, as the case may be (the bid-value in case of Italian Traded Securities), notwithstanding such illegality, less the cost to the 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, in the case of Warrants and if already paid by or on behalf of a Securityholder, the Premium, all as determined by the Calculation Agent in its sole and absolute discretion (such costs shall not be applicable in case of Italian Traded Securities). Payment will be made in such manner as shall be notified to the Securityholders in accordance with Condition 9 (*Notices*).

If the Issuer cancels the Securities by reason of a force majeure event or an act of state, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security held by such holder, which amount shall be equal to the fair market value of a Security, as the case may be (the bid-value in case of Italian Traded Securities), taking into account the applicable force majeure event or act of state, as the case may be, less the cost to the 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, in the case of Warrants and if already paid by or on behalf of a Securityholder, the Premium, all as determined by the Calculation Agent in its sole and absolute discretion (such costs shall not be applicable in case of Italian Traded Securities). Payment will be made in such manner as shall be notified to the Securityholders in accordance with Condition 9 (*Notices*).

In relation to Certificates that qualify as eligible liabilities under the MREL Requirements, the early exercise of such Certificates is subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the Relevant Authority, if required, as specified in Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*) below).

6. Hedging Disruption

In respect of the Securities linked to one or more Underlyings, the Issuer or one of its affiliates may be unable, after using commercially reasonable efforts, to either (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to the Securities; or (b) freely realize, recover, receive, repatriate, remit or transfer the proceeds of hedge positions as the case may be between accounts within the jurisdiction of the hedge position (the **Affected Jurisdiction**) or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction.

In case of the occurrence of a Hedging Disruption relating to an Underlying (the **Affected Underlying**) the Calculation Agent may:

(i) consider such event as a Termination Event. In that case where a Termination Event occurs, the Issuer shall terminate its obligations under the Securities and shall pay or cause to be paid an amount on the basis of the fair market value of the Securities (the bid-value in case of Italian Traded Securities);

(ii) replace the Affected Underlying by a new underlying which is representative of the same economic or geographic sector.

In relation to Certificates that qualify as eligible liabilities under the MREL Requirements, the early exercise of such Certificates is subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the Relevant Authority, if required, as specified in Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*) below).

7. 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.

In relation to Certificates which qualify as eligible liabilities under the MREL Requirements, the Issuer may, but is not obliged to, at any time repurchase Securities in compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the Relevant Authority, if required, as specified in Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*) below).

8. Agents, Determinations, Meetings of Securityholders and Modifications

(A) *Security Agents and Registrar*

The specified offices of the Security Agents and Registrar are as set out at the end of these Conditions.

The Issuer reserves the right at any time to vary or terminate the appointment of any Security Agent and to appoint further or additional Security Agents, provided that no termination of appointment of the Principal Security Agent shall become effective until a replacement Principal Security Agent shall have been appointed and provided that, so long as any of the Securities are listed on any stock exchange or admitted to trading or listing by any other

relevant authority, there shall be a Security Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange or other relevant authority and, for so long as there are any Registered Securities outstanding, there will at all times be a Registrar. Notice of any termination of appointment and of any changes in the specified office of any Security Agent or Registrar will be given to Securityholders in accordance with Condition 9 (*Notices*) provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such termination or changes. In acting under the Agency Agreement, each Security Agent and the Registrar acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders and any Security Agent's determinations and calculations in respect of the Securities shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Securityholders.

The Agency Agreement may be amended by the parties thereto, but without the consent of the Securityholders, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the parties may mutually deem necessary or desirable and which shall not be materially prejudicial to the interests of the Securityholders.

(B) *Calculation Agent*

In relation to each issue of Securities, the Calculation Agent (whether it be the Issuer or another entity) acts solely as agent of the 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 be made in good faith and in a commercially reasonable manner and shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Securityholders.

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

(C) *Determinations by the Issuer*

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

(D) *Meetings of Securityholders and Modifications*

(i) The Agency Agreement contains provisions for convening meetings of the Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Securities or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer. The provisions for convening meetings of the Securityholders contained in the Agency Agreement, shall apply, *mutatis mutandis*, also to the Italian Dematerialised Securities. The quorum at any such meeting for passing an Extraordinary Resolution is two or more persons holding or representing a clear majority of the Securities for the time being outstanding or at any adjourned meeting two or more persons being or representing Securityholders whatever the number or Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Securities (including modifying the date of exercise of the Securities, reducing or cancelling the Cash Settlement Amount in respect of the Securities or altering the

currency of payment of the Securities other than pursuant to Condition 16 (*Adjustments for European Monetary Union*)), the quorum shall be two or more persons holding or representing not less than two-thirds of the Securities for the time being outstanding or at any adjourned such meeting one or more persons holding or representing not less than one-third of the Securities for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Securityholders shall be binding on all the Securityholders, whether or not they are present at the meeting save in the case of American Style Warrants, for those Warrants remaining outstanding but for which an Exercise Notice shall have been submitted prior to the date of the meeting.

In respect of Italian Dematerialised Securities, for the purposes of (i) ascertaining the right to attend and vote at any meeting of the Securityholders and (ii) the determination of how many Italian Dematerialised Securities are outstanding for the purposes of this Condition, those Italian Dematerialised Securities which are beneficially held by, or on behalf of, the Issuer and not cancelled shall (unless and until ceasing to be so held) be deemed not to be outstanding provided, for the avoidance of doubt, that this shall not prejudice any rights of the Issuer and its respective legal and financial advisers to attend and speak at any such meeting.

The Principal Security Agent and the Issuer may agree, without the consent of the Securityholders to:

(a) any modification (except as mentioned above) of the Securities or the Agency Agreement which is not prejudicial to the interests of the Securityholders; or

(b) any modification of the Securities or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of law.

Any such modification shall be binding on the Securityholders and any such modification shall be notified to the Securityholders in accordance with Condition 9 (*Notices*) as soon as practicable thereafter.

(ii) This Condition 8(D)(ii) applies to Certificates qualified as eligible liabilities under the MREL Requirements at the time of the issuance. If at any time a MREL Disqualification Event occurs and/or in order to ensure the effectiveness and enforceability of Condition 17 (*Acknowledgment of the Italian Bail-in Power*), then the Issuer may, subject to giving any notice required to be given to, and receiving any consent required from, the Relevant Authority (without any requirement for the consent or approval of the holders of the such Certificates of that Series) and having given not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Principal Security Agent and the Securityholders of the Certificates of that Series, which notice shall be irrevocable, at any time either substitute all (but not some only) of such Certificates, or vary the terms of such Certificates so that they remain or, as appropriate, become Qualifying Certificates (as defined above), *provided that* such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities.

For the avoidance of doubt, no consent of the Securityholders shall be required for a substitution or variation (as applicable) of such Certificates in accordance with this Condition 8(D)(ii).

9. Notices

All notices to Securityholders shall be valid if (i) until such time as any Definitive Securities or Registered Securities in definitive form are issued, the notice is delivered to Euroclear and/or Clearstream, Luxembourg, for communication by them to the Securityholders; (ii) 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.luxse.com); (iii) if and so long as the Securities are admitted to trading on stock exchanges other than the Luxembourg Stock Exchange, the notices are duly published in a manner which complies with the rules of any such 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; (iv) in the case of Registered Securities in definitive form if sent by first class mail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register; and (v) if and so long as the Securities are Italian Dematerialised Securities, as long as the Securities are held through Monte Titoli, the notice shall be deemed to have been duly given if given through the systems of Monte Titoli. 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 Euroclear and/or Clearstream, Luxembourg or the date of publication, as the case may be, or, if published more than once, on the date of the first publication.

10. 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 pursuant to the terms of such Securities and/or the delivery or transfer of the Entitlement, as applicable (**Expenses**) relating to such Securities.

(B) 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 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.

(C) A holder of Securities must provide the Issuer with sufficient information and all reasonable assistance necessary (for, and pay all costs associated with), compliance by the Issuer with Section 1471(b) of the Code or otherwise imposed pursuant to Section 1471 through 1474 of the Code or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code. If the Issuer or any other relevant withholding agent determines that a withholding pursuant to FATCA or U.S. dividend equivalent tax legislations under Section 871(m) is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

11. 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.

12. Substitution of the Issuer

(A) *Substitution of Issuer*

Unless otherwise indicated in the relevant Final Terms, the Issuer (or any previously substituted company from time to time) shall, without the consent of the Securityholders, be entitled at any time to substitute for the Issuer any other company (the **Substitute**) as principal debtor in respect of all obligations arising from or in connection with the Securities provided that (i) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent valid, legally binding and enforceable obligations of the Substitute have been taken, fulfilled and done and are in full force and effect; (ii) the Substitute shall have assumed all obligations arising from or in connection with the Securities and shall have become a party to the Agency Agreement, with any consequential amendments; (iii) the obligations of the Substitute in respect of the Securities shall be unconditionally and irrevocably guaranteed by the Issuer; (iv) each stock exchange or listing authority on which the Securities are listed shall have confirmed that following the proposed substitution of the Substitute the Securities would continue to be listed on such stock exchange; and (v) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Securityholders in accordance with Condition 9 (*Notices*); and (vi) in relation to Certificates which qualify as eligible liabilities under the MREL Requirements, if required by the Relevant Regulations, the Issuer has obtained the prior permission of the Relevant Authority.

(B) *Modification of Conditions as a result of Substitution of Issuer*

After any substitution or change of branch pursuant to Condition 12(A) (*Substitution of Issuer*), 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 or the new branch, as the case may be. Such modifications shall be notified to Securityholders in accordance with Condition 9 (*Notices*).

13. Governing Law and Jurisdiction

The Securities and the Agency Agreement (and any non-contractual obligations arising out of or in connection with the Securities and the Agency Agreement) are governed by and shall be construed in accordance with English law. Notwithstanding this, (i) in respect of Italian Dematerialised Securities, the registration and transfer of the Italian Dematerialised Securities in Monte Titoli will be governed by, and will be construed in accordance with, Italian law, and, (ii) in respect of the loss absorption provisions described in Condition 17 (*Acknowledgement of Italian Bail-in Power*) and any non-contractual obligations arising out of or in connection with such provisions will be governed by, and will be construed in accordance with, Italian law.

In relation to any legal action or proceedings arising out of or in connection with the Securities (including any legal action or proceedings relating to any non-contractual obligations arising out of or in connection with the Securities and the Agency Agreement) (**Proceedings**), the

Issuer irrevocably submits to the non-exclusive jurisdiction of the courts of England and hereby waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are for the benefit of each of the Securityholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

The Issuer hereby appoints Intesa Sanpaolo S.p.A., London Branch which is presently at 90 Queen Street, London EC4N 1SA, as its agent for service of process and undertakes that, in the event of Intesa Sanpaolo S.p.A., London Branch ceasing so to act, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve process in any other manner permitted by law.

14. Prescription

Claims against the Issuer, if any, for payment of principal, interest and/or remuneration in respect of the Certificates shall become void unless made within 60 months from the Exercise Date and no claims shall be made after such date.

15. Market Disruption Events and Adjustment Events

15(1) Market Disruption Event

If the Calculation Agent determines that the Intraday Value cannot be determined at any time on a Relevant Exchange Business Day, by reason of the occurrence of an event giving rise to a Market Disruption Event (as described in the following sub-conditions), then the value at such time on such period shall be disregarded for the purposes of determining the Intraday Value of the Underlying(s).

15(1)(A) Market Disruption Event in relation to Index Securities

Definitions

"**Index Constituent**" means any security or other asset constituting an Index; and

"**Related Exchange**" means, in relation to an Index, any regulated or non-regulated market where the options, futures or repo contracts on such Index are traded, as determined by the Calculation Agent.

Market Disruption Events occurring on a Relevant Exchange Business Day other than the Determination Date and occurring at any time during the one hour period that ends at the time of the relevant determination and/or valuation made by the Calculation Agent on the Relevant Exchange Business Day

For the purposes of this 15(1)(A), Market Disruption Events means:

(i) any suspension of, or relevant limitation imposed on (a) any transaction on the relevant Exchange or (b) trading of a concrete amount of Index Constituents traded on the relevant Exchanges;

(ii) any suspension of, or relevant limitation imposed on, trading of futures or options contracts relating to the Index on a Related Exchange;

(iii) any event (as determined by the Calculation Agent) that disrupts or impairs the ability of market participants in general to affect transactions (a) in relation to or to obtaining market values for, the Index on the relevant Exchange, or (b) in or obtaining market values for, options contracts or futures contracts on or relating to such Index on any relevant Related Exchange;

(iv) the opening on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its scheduled opening time unless such earlier opening time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (a) the actual opening time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (b) the submission deadline (if applicable) for orders to be entered into with the Exchange or Related Exchange system for execution on such Exchange Business Day; and

(v) the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related 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) or Related Exchange(s) on such Exchange Business Day and (b) the submission deadline (if applicable) for orders to be entered into with the Exchange or Related Exchange system for execution on such Exchange Business Day.

If the Calculation Agent determines that a Market Disruption Event has occurred pursuant to (i), (ii), (iii), (iv) and (v) above, then the Exchange Business Day on which the Market Disruption Event occurred is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

The Exchange Business Day may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

In case of Securities relating to a Basket of Indices, if the Market Disruption Event has occurred but it is not continuing anymore for all Basket Constituent(s) before the eighth Exchange Business Day from the Exchange Business Day originally expected, in order to determine the official level of the Index the Calculation Agent will have the faculty to determine the official level of each Basket Constituent(s):

(a) on the relevant date on which the Market Disruption Event has ceased to occur for each single Basket Constituent, or

(b) on the date on which the Market Disruption Event has ceased to occur for all Basket Constituents.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine

(i) in the case of Securities relating to a single Index, the official level of the Index as of the Exchange Business Day on which the Market Disruption Event occurred on that eighth Exchange Business Day (in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the Market Disruption Event), or

(ii) in the case of Securities relating to a Basket of Indices:

(a) for the Basket Constituent(s) for which a Market Disruption Event has not occurred (if any), then the Calculation Agent will have the faculty to determine the official level of such Basket Constituent(s) on the Exchange Business Day originally expected, or on that eighth Exchange Business Day from the Exchange Business Day originally expected;

(b) for the Basket Constituent(s) for which a Market Disruption Event has occurred, but it is not continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the official level of such Basket Constituent(s) on the date on which the Market Disruption Event has ceased to occur, or on that eighth Exchange Business Day from the Exchange Business Day originally expected; or

(c) for the Basket Constituent(s) for which a Market Disruption Event has occurred and it is continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the official level of each Basket Constituent on that eighth Exchange Business Day on which the Market Disruption Event occurred,

in all cases in accordance with the fair market value of the Index affected by the Market Disruption Event, using the formula for and the method of calculating each Index last in effect prior to the occurrence of the Market Disruption Event.

Alternatively, if on the eighth Exchange Business Day from the Exchange Business Day originally expected the Market Disruption Event is continuing, the Issuer may redeem the Securities early by paying an amount calculated on the basis of the market value of the Securities, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account (1) the last available Value of the Index, (2) any amounts to which the Securityholders would have been entitled to receive prior to the occurrence of the Market Disruption Event and (3) the probability of the payment for any amounts which the Securityholders may be entitled to receive until the maturity of the Securities.

In relation to Certificates that qualify as eligible liabilities under the MREL Requirements, such early exercise of such Certificates is subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the Relevant Authority, if required, as specified in Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*).

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Market Disruption Events occurring on a Determination Date

For the purposes of this 15(1)(A), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (i), (ii), (iii), (iv) and (v) above in 15(1)(A) on a Determination Date.

In such case:

(i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;

(ii) if the Determination Date is after or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If the Market Disruption Event is also continuing on the Determination Date, the Calculation Agent, acting in good faith, will determine: (i) in the case of Securities relating to a single Index, the official closing level of the Index for the purposes of determining the Initial Reference Value or (ii) in the case of Securities relating to a Basket of Indices, the official closing level of the Basket Constituent, for the purposes of determining the Initial Reference Value of the Basket, in either case (x) on the basis of the Market Value of the Index affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such index or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

(iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the index level is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Securityholders will be notified of the occurrence of any events pursuant to (i), (ii) and (iii), by way of a notice published on the Issuer's website www.prodottiequotazioni.intesasanpaolo.com.

15(1)(B) Market Disruption Event in relation to Share Securities

Definitions

"**Related Exchange**" means, in relation to a Share, any regulated or non-regulated market where the options, futures or repo contracts on such Share are traded, as determined by the Calculation Agent.

Market Disruption Events occurring on a Relevant Exchange Business Day other than the Determination Date and occurring at any time during the one hour period that ends at the time of the relevant determination and/or valuation made by the Calculation Agent on the Relevant Exchange Business Day

For the purposes of this 15(1)(B), Market Disruption Events means:

(i) any suspension of, or relevant limitation (as determined by the Calculation Agent) imposed on (a) any transaction on the relevant Reference Source or (b) trading of the Share traded on the relevant Reference Source;

(ii) any suspension of or relevant limitation imposed on trading of futures or options contracts relating to a Share on a Related Exchange;

(iii) any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to affect transactions in relation to or to obtaining market values for the Share on the relevant Reference Source or (ii) to affect transactions in or obtaining market values for options contracts or futures contracts on or relating to such Share on any relevant Related Exchange;

(iv) the opening on any Exchange Business Day of the relevant Reference Source or any Related Exchange(s) prior to its scheduled opening time unless such earlier opening time is announced by such Reference Source(s) or Related Exchange(s) at least one hour prior to the earlier of (a) the actual opening time for the regular trading session on such Reference Source(s) or Related Exchange(s) on such Exchange Business Day and (b) the submission deadline (if applicable) for orders to be entered into with the Reference Source or Related Exchange system for execution on such Exchange Business Day; and

(v) the closure on any Exchange Business Day of the relevant Reference Source or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Reference Source(s) or Related Exchange(s) at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Reference Source(s) or Related Exchange(s) on such Exchange Business Day and (b) the submission deadline (if applicable) for orders to be entered into with the Reference Source or Related Exchange system for execution on such Exchange Business Day.

If the Calculation Agent determines that a Market Disruption Event has occurred pursuant to 15(1)(B) (i), (ii), (iii), (iv) and (v) above, then the Exchange Business Day on which the Market Disruption Event occurred is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

The Exchange Business Day may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

In case of Securities relating to a Basket of Shares, if the Market Disruption Event has

occurred but it is not continuing anymore for all Basket Constituent(s) before the eighth Exchange Business Day from the Exchange Business Day originally expected, in order to determine the official level of the Basket of Shares the Calculation Agent will have the faculty to determine the official level of each Basket Constituent(s):

(a) on the relevant date on which the Market Disruption Event has ceased to occur for each single Basket Constituent, or

(b) on the date on which the Market Disruption Event has ceased to occur for all Basket Constituents.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine:

(i) in the case of Securities relating to a single Share, the value for the Share as of the Exchange Business Day on which the Market Disruption Event occurred on that eighth Exchange Business Day, or

(ii) in the case of Securities relating to a Basket of Shares:

  (a) for the Basket Constituent(s) for which a Market Disruption Event has not occurred (if any), then the Calculation Agent will have the faculty to determine the official level of such Basket Constituent(s) on the Exchange Business Day originally expected, or on that eighth Exchange Business Day from the Exchange Business Day originally expected;

  (b) for the Basket Constituent(s) for which a Market Disruption Event has occurred, but it is not continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the official level of such Basket Constituent(s) on the date on which the Market Disruption Event has ceased to occur, or on that eighth Exchange Business Day from the Exchange Business Day originally expected; or

  (c) for the Basket Constituent(s) for which a Market Disruption Event has occurred and it is continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the official level of each Basket Constituent on that eighth Exchange Business Day on which the Market Disruption Event occurred.

Alternatively, if on the eighth Exchange Business Day from the Exchange Business Day originally expected the Market Disruption Event is continuing, the Issuer may redeem the Securities early by paying an amount calculated on the basis of the market value of the Securities, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account (1) the last available Value of the Share, (2) any amounts to which the Securityholders would have been entitled to receive prior to the occurrence of the Market Disruption Event and (3) the probability of the payment for any amounts which the Securityholders may be entitled to receive until the maturity of the Securities.

In relation to Certificates that qualify as eligible liabilities under the MREL Requirements, such early exercise of such Certificates is subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the Relevant Authority, if required, as specified in Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*).

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Market Disruption Events occurring on a Determination Date

For the purposes of this 15(1)(B), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (i), (ii), (iii), (iv) and (v) above in 15(1)(B) on a Determination Date.

In such case:

(i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;

(ii) if the Determination Date is after or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If, on the Determination Date the Market Disruption Event is also continuing, the Calculation Agent, acting in good faith, will determine: (i) in the case of Securities relating to a single Share, the official closing price of the Share for the purposes of determining the Initial Reference Value or (ii) in the case of Securities relating to a Basket of Shares, the official closing price of the Basket Constituent, for the purposes of determining the Initial Reference Value of the Basket, in either case (x) on the basis of the Market Value of the Share affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Share, or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

(iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the Share level is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Securityholders will be notified of the occurrence of any event pursuant to (i), (ii) and (iii) of this 15(1)(B), by way of a notice published on the Issuer's website www.prodottiequotazioni.intesasanpaolo.com.

15(1)(C) Market Disruption Event in relation to Commodity Securities

Definitions

"Commodity Reference Dealers Price" means the price for the Reference Value determined by the Calculation Agent on the basis of four quotations provided by Reference Dealers on the Relevant Time for a unit of the relevant Commodity. If four quotations are provided, the price for that Reference Value will be the arithmetic mean of the price for that Commodity provided by each Reference Dealer, without regard to the prices having the highest and lowest value; if exactly three quotations are provided, the Commodity Reference Dealers Price will be the price provided by the relevant Reference Dealer that remains after disregarding the prices having the highest value or the lowest value. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the price for that Relevant Time cannot be determined.

"Fallback Reference Value" means the Reference Value calculated following a Market Disruption Event;

"**Other Exchange**" means, with respect to a Commodity, each exchange, trading system or quotation system other than the Reference Source on which such Commodity is listed, traded or quoted;

"**Reference Dealers**" means in the event that the Reference Value shall be determined as a Commodity Reference Dealers Price, four leading leaders in the relevant market, other than the Reference Source, selected by the Calculation Agent;

"**Reference Price**" means an amount equal to the official price of the relevant Commodity resulting from the listing made by the Reference Source on the Exchange Business Day which is used by the Calculation Agent to determine the Reference Value;

"**Related Exchange**" means, in relation to a Commodity, any regulated or non-regulated market where the options, futures or repo contracts on such Commodity are traded, as determined by the Calculation Agent;

"**Relevant Time**" means, with respect to any Commodity, the relevant time by reference to which the Calculation Agent determines the price or value of such Commodity for the purposes of determining the Reference Value; and

"**Relevant Country**" means, each of:

(i) any country (or any political or regulatory authority thereof) in which a Reference Currency or the Settlement Currency is the legal tender or currency; and

(ii) any country (or any political or regulatory authority thereof) with which a Commodity, or the Reference Source, has a material connection and, in determining what is material the Calculation Agent may, without limitation, refer to such factor(s) as it may deem appropriate,

all as determined by the Calculation Agent.

Capitalised terms which are not defined in this 15(1)(C) shall have the same meaning as of Condition 3 (*Definitions*).

Market Disruption Events occurring on a Relevant Exchange Business Day other than the Determination Date and occurring at any time during the one hour period that ends at the time of the relevant determination and/or valuation made by the Calculation Agent

on the Relevant Exchange Business Day

For the purposes of this 15(1)(C), Market Disruption Events means the following events determining the impossibility for the Calculation Agent to calculate during the Relevant Time the Reference Value:

(i) the occurrence or existence on any Relevant Exchange Business Day at the Relevant Time for such commodity or at any time during the one hour period that ends at the Relevant Time for such Commodity:

(A) of any suspension of or limitation imposed on all trading (whether by reason of movements in price exceeding limits permitted by the relevant Reference Source or any Related Exchange or otherwise):

a) in all contracts on a Reference Source; or

b) in options contracts or futures contracts on a Related Exchange relating to a Commodity; or

c) in connection with the closure on any Exchange Business Day of the Reference Source or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Reference Source or such Related Exchange, as the case may be, at least one hour prior to **(a)** the actual closing time for the regular trading session on such Reference Source or such Related Exchange on such Exchange Business Day or, if earlier, **(b)** the submission deadline (if applicable) for orders to be entered into the Reference Source or such Related Exchange system for execution at the Relevant Time on such Exchange Business Day. A "**Scheduled Closing Time**" is the scheduled weekday closing time of the relevant Reference Source or Related Exchange, without regard to after hours or any other trading outside of the regular trading session hours; or,

(B) of any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to affect transactions in relation to or to obtaining market values for the relevant Commodity on the relevant Reference Source, or to affect transactions in or obtain market values for options contracts or futures contracts on the Related Exchange relating to such Commodity; or

(C) of a failure of the Reference Source to announce or publish the Reference Price (or the information necessary for determining the Reference Price), or the temporary or permanent discontinuance or unavailability of the Reference Price, or if the Commodity Reference Dealers Price is applicable, the failure to obtain at least three quotations from the relevant Reference Dealers, or if the Reference Value determined on the basis of Reference Price materially differs from the Reference Value determined on the basis of the Commodity Reference Dealers Price; or

(D) of a material change in the formula for, or the method of, calculating the Reference Price by the Reference Source; or

(ii) the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp. documentary, (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority after the Issue Date, if the direct effect of such imposition, change or removal is to raise or lower the price or value of the Commodity on the day that would otherwise be a Relevant Time from what it would have been without that imposition, change or removal.

(iii) any government or supervisory authority (a) imposes any controls or announces its intention to impose any controls or (b) (i) implements or announces its intention to implement or (ii) changes or announces its intention to change the interpretation or administration of any laws or regulations, in each case which the Calculation Agent determines is likely to affect the Issuer's ability to acquire, hold, transfer or realise such Commodity or otherwise to affect transactions in relation to such Commodity.

If the Calculation Agent determines in good faith that a Market Disruption Event has occurred or exists pursuant to 15(1)(C) (i), (ii) and (iii) above during the Relevant Time on a day that is an Exchange Business Day, then a Disruption Fallback (as defined below) method may apply.

The Fallback Reference Value will be determined on the basis of the first applicable Disruption Fallback (applied in accordance with its terms), according to the order below, being each of the following method listed under (i), (ii) (iii) and (iv), a "**Disruption Fallback**" with the meaning as follows:

(i) the Calculation Agent determines the Fallback Reference Value based on the price for that Relevant Time provided by a suitable market recognised dealer not subject to a Market Disruption Event;

(ii) the Calculation Agent, promptly upon becoming aware of the Market Disruption Event, determines in good faith the Fallback Reference Value (or a method for determining the Fallback Reference Value), and, if the Calculation Agent is not able to determine the Fallback Reference Value before the fifth Business Day following the date on which that Market Disruption Event occurred or existed, the next applicable Disruption Fallback shall apply;

(iii) the Fallback Reference Value is determined on the basis of the Commodity Reference Dealers Price;

(iv) the Issuer terminates its obligations under the relevant Commodity Security and the Calculation Agent shall determine the relevant termination amount.

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Market Disruption Events occurring on a Determination Date

For the purposes of this 15(1)(C), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (i), (ii) and (iii) above in 15(1)(C) on a Determination Date.

In such case:

(i) if the Determination Date is in advance of the Issue Date, Determination Date shall

mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;

(ii) if the Determination Date is after or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If the Market Disruption Event is also continuing on the Determination Date, the Calculation Agent, acting in good faith, will determine: (i) in the case of Securities relating to a single Commodity, the Reference Value of the Commodity for the purposes of determining the Initial Reference Value, or (ii) in the case of Securities relating to a Basket of Commodities, the Reference Value of the Basket Constituent, for the purposes of determining the Initial Reference Value of the Basket, in either case (x) on the basis of the Market Value of the Commodity affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Commodity, or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

(iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the commodity level is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Securityholders will be notified of the occurrence of any event pursuant to (i), (ii) and (iii) of this 15(1)(C), by way of a notice published on the Issuer's website www.prodottiequotazioni.intesasanpaolo.com.

15(1)(D) Market Disruption Event in relation to Futures Contract Securities

Market Disruption Events occurring on a Relevant Exchange Business Day other than the Determination Date and occurring at any time during the one hour period that ends at the time of the relevant determination and/or valuation made by the Calculation Agent on the Relevant Exchange Business Day

For the purposes of this 15(1)(D), Market Disruption Events means:

(i) any disruption or any temporary or permanent discontinuance of the Reference Source (as determined by the Calculation Agent),

(ii) any failure by the Reference Source to publish any relevant price of the Future contract,

(iii) any suspension or limitation imposed on trading in the Future contract or in any other future or option contracts on the relevant exchanges;

(iv) any discontinuance of trading in Future contracts,

(v) the unavailability of the Reference Value,

(vi) any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to affect transactions in relation to or obtain market values for the Future contract;

If the Calculation Agent determines that a Market Disruption Event has occurred pursuant to 15(1)(D) (i), (ii), (iii), (iv), (v) and (vi) above, then the Exchange Business Day on which the Market Disruption Event occurred is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

The Exchange Business Day may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

In case of Securities relating to a Basket of Future Contracts, if the Market Disruption Event has occurred but it is not continuing anymore for all Basket Constituent(s) before the eighth Exchange Business Day from the Exchange Business Day originally expected, in order to determine the official level of the Basket of Future Contracts the Calculation Agent will have the faculty to determine the official level of each Basket Constituent(s):

(a) on the relevant date on which the Market Disruption Event has ceased to occur for each single Basket Constituent, or

(b) on the date on which the Market Disruption Event has ceased to occur for all Basket Constituents.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine:

(i) in the case of Securities relating to a single Future Contract, the Reference Value of the Future Contract as of the Exchange Business Day on which the Market Disruption Event occurred on that eighth Exchange Business Day or

(ii) in the case of Securities relating to a Basket of Future Contracts:

(a) for the Basket Constituent(s) for which a Market Disruption Event has not occurred (if any), then the Calculation Agent will have the faculty to determine the Reference Value of such Basket Constituent(s) on the Exchange Business Day originally expected, or on that eighth Exchange Business Day from the Exchange Business Day originally expected;

(b) for the Basket Constituent(s) for which a Market Disruption Event has occurred, but it is not continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the Reference Value of such Basket Constituent(s) on the date on which the Market Disruption Event has ceased to occur, or on that eighth Exchange Business Day from the Exchange

Business Day originally expected; or

(c) for the Basket Constituent(s) for which a Market Disruption Event has occurred and it is continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the Reference Value of each Basket Constituent on that eighth Exchange Business Day on which the Market Disruption Event occurred.

Alternatively, if on the eighth Exchange Business Day from the Exchange Business Day originally expected the Market Disruption Event is continuing, the Issuer may redeem the Securities early by paying an amount calculated on the basis of the market value of the Securities, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account (1) the last available Value of the Futures Contract, (2) any amounts to which the Securityholders would have been entitled to receive prior to the occurrence of the Market Disruption Event and (3) the probability of the payment for any amounts which the Securityholders may be entitled to receive until the maturity of the Securities.

In relation to Certificates that qualify as eligible liabilities under the MREL Requirements, such early exercise of such Certificates is subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the Relevant Authority, if required, as specified in Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*).

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Market Disruption Events occurring on a Determination Date

For the purposes of this 15(1)(D), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (i), (ii), (iii), (iv), (v) and (vi) above in 15(1)(D) on a Determination Date.

In such case:

(i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;

(ii) if the Determination Date is after or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If the Market Disruption Event is also continuing on the Determination Date, the Calculation Agent, acting in good faith, will determine: (i) in the case of Securities relating to a single Future Contract, the Reference Value of the Future Contract for the purposes of determining the Initial Reference Value or (ii) in the case of Securities relating to a Basket of Future Contracts, the Reference Value of the Basket Constituent, for the purposes of determining the Initial Reference Value of the

Basket, in either case (x) on the basis of the Market Value of the Future Contract affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Future Contract, or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

(iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the Future Contract level is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Securityholders will be notified of the occurrence of any event pursuant to (i), (ii) and (iii) of this 15(1)(D), by way of a notice published on the Issuer's website www.prodottiequotazioni.intesasanpaolo.com.

15(1)(E) Market Disruption Event in relation to Exchange Rate Securities

Definitions

"**Fallback Exchange Rate**" means the Exchange Rate calculated by the Calculation Agent following a Market Disruption Event.

"**Other Exchange**" means, with respect to an Exchange Rate, each exchange, trading system or quotation system other than the Reference Source on which the relevant Exchange Rate is listed, traded or quoted;

"**Reference Currency**" means, with respect to an Exchange Rate, each currency specified in such an Exchange Rate;

"**Related Exchange**" means, with respect to an Exchange Rate, any exchange, trading system, quotation system or non-regulated market on which options contracts, futures or repo contracts on the relevant Exchange Rate are traded as determined by the Calculation Agent;

"**Relevant Time**" means, with respect to any Exchange Rate, the relevant time by reference to which the Calculation Agent determines the price or value of such Exchange Rate for the purposes of determining the Reference Value;

"**Relevant Country**" means, with respect to each Exchange Rate, each of:

(i) any country (or any political or regulatory authority thereof) in which a Reference Currency for the Exchange Rate or the Settlement Currency is the legal tender or currency; and

(ii) any country (or any political or regulatory authority thereof) in which a Reference Currency for the Exchange Rate or the Reference Source has a material connection and, in determining what is material the Calculation Agent may, without limitation, refer to such factor(s) as it may deem appropriate;

all as determined by the Calculation Agent;

"**First Currency**" means the currency appearing in the first position in an Exchange Rate; and

"**Second Currency**" means the currency appearing in the second position in an Exchange Rate.

Market Disruption Events occurring on a Relevant Exchange Business Day other than the Determination Date and occurring at any time during the one hour period that ends at the time of the relevant determination and/or valuation made by the Calculation Agent on the Relevant Exchange Business Day

For the purposes of this 15(1)(E), Market Disruption Events means the occurrence of the following events under which it becomes impossible to calculate the Exchange Rate at the Relevant Time, and in particular:

A the occurrence or existence on any Exchange Business Day at the Relevant Time for the Exchange Rate or at any time during the one hour period that ends at the Relevant Time for such Exchange Rate:

(a) of any suspension of or limitation imposed on trading (whether by reason of movements in price exceeding the limits permitted by the relevant Reference Source or any Related Exchange or otherwise):

(i) of a Second Currency, for its conversion into the relevant First Currency, on the Reference Source or any Other Exchange; or

(ii) in options contracts or futures contracts relating to a Second Currency, for its conversion into the relevant First Currency, on any Related Exchange; or

(b) of any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to affect transactions in relation to or to obtaining market values for a Second Currency, for its conversion into the relevant First Currency, on the relevant Reference Source or affecting transactions in or obtain market values for options contracts or futures contracts on or relating to such Second Currency, for its conversion into the First Currency, on any Related Exchange;

B the closure on any Exchange Business Day of the Reference Source or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Reference Source or such Related Exchange, as the case may be, at least one hour prior to **(a)** the actual closing time for the regular trading session on such Reference Source or such Related Exchange on such Exchange Business Day or, if earlier, **(b)** the submission deadline (if applicable) for orders to be entered into with the Reference Source or such Related Exchange system for execution at the Relevant Time on such Exchange Business Day. A "**Scheduled Closing Time**" is the scheduled weekday closing time of the relevant Reference Source or Related Exchange, without regard to after hours or any other trading outside of the regular trading session hours.

If the Calculation Agent determines that a Market Disruption Event has occurred pursuant to 15(1)(E) (A) and (B) above, then the Exchange Business Day on which the Market Disruption Event occurred is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

The Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine the Fallback Exchange Rate taking into consideration all available information that in good faith it deems relevant.

Alternatively, the Issuer may redeem the Securities early by paying an amount calculated on the basis of the market value of the Securities, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account (1) the last available Value of the Exchange Rate, (2) any amounts to which the Securityholders would have been entitled to receive prior to the occurrence of the Market Disruption Event and (3) the probability of the payment for any amounts which the Securityholders may be entitled to receive until the maturity of the Securities.

In relation to Certificates that qualify as eligible liabilities under the MREL Requirements, such early exercise of such Certificates is subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the Relevant Authority, if required, as specified in Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*).

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Market Disruption Events occurring on a Determination Date

For the purposes of this 15(1)(E), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (1) and (2) above in 15(1)(E) on a Determination Date.

In such case:

(i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;

(ii) if the Determination Date is after or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If also on the Determination Date the Market Disruption Event is continuing, the Calculation Agent, acting in good faith, will determine: (i) in the case of Securities relating to a single Exchange Rate, the Reference Value of the Exchange Rate for the purposes of the determining the Initial Reference Value, or (ii) in the case of Securities relating to a Basket of Exchange Rates, the Reference Value of the Basket Constituent, for the purposes of the determining the Initial Reference Value of the Basket, in either case (x) on the basis of the Market Value of the Exchange Rate affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market

Disruption Event on the value of such Exchange Rate, or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

(iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the Exchange Rate level is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Securityholders will be notified of the occurrence of any event pursuant to (i), (ii) and (iii) of this 15(1)(E), by way of a notice published on the Issuer's website https://www.intesasanpaolo.com/.

15(1)(F) Market Disruption Events in relation to Fund Securities

Market Disruption Events occurring on a Relevant Exchange Business Day other than the Determination Date and occurring at any time during the one hour period that ends at the time of the relevant determination and/or valuation made by the Calculation Agent on the Relevant Exchange Business Day

For the purposes of this 15(1)(F), Market Disruption Events means the occurrence of the following events:

(i) the failure to publish or determine (a) the net asset value of the Fund or (b) if applicable, the closing auction price relating to each Exchange Traded Fund;

(ii) the failure to open for trading and the permanent discontinuance of trading in the Fund (in the case of an Exchange Traded Fund);

(iii) any substantial limitation on trading in the Fund on the relevant exchanges (in the case of Exchange Traded Fund);

(iv) any other event similar to the events set out above which makes it impossible or impracticable for the Calculation Agent to perform its duties pursuant to the Securities.

If the Calculation Agent determines that a Market Disruption Event has occurred pursuant to 15(1)(F) (i), (ii), (iii) and (iv) above, then the Exchange Business Day is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

The Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine:

(i) in the case of Securities relating to a single Fund, its good faith estimate value for that

Fund on the Exchange Business Day on which the Market Disruption Event ceases, or

(ii) in the case of Securities relating to a Basket of Funds:

(a) for the Basket Constituent(s) for which a Market Disruption Event has not occurred (if any), then the Calculation Agent will have the faculty to determine the value of such Basket Constituent(s) on the Exchange Business Day originally expected, or on that Exchange Business Day on which the Market Disruption Event ceases for all Basket Constituents;

(b) for the Basket Constituent(s) for which a Market Disruption Event has occurred, but it is not continuing on the Exchange Business Day on which the Market Disruption Event ceases for all Basket Constituents, the Calculation Agent will have the faculty to determine the value of such Basket Constituent(s) on the date on which the Market Disruption Event has ceased to occur for that single Basket Constituent(s), or on that Exchange Business Day on which the Market Disruption Event ceases for all Basket Constituents; or,

in all cases acting in good faith in order to determine its good faith estimate value of each Basket Constituent on the Exchange Business Day on which the Market Disruption Event ceases, using (where available) the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Fund.

Alternatively, if on the eighth Exchange Business Day from the Exchange Business Day originally expected the Market Disruption Event is continuing, the Issuer may redeem the Securities early by paying an amount calculated on the basis of the market value of the Securities, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account (1) the last available Value of the Fund (taking into consideration the impact of the Market Disruption Event on the value of such Fund), (2) any amounts to which the Securityholders would have been entitled to receive prior to the occurrence of the Market Disruption Event and (3) the probability of the payment for any amounts which the Securityholders may be entitled to receive until the maturity of the Securities.

In relation to Certificates that qualify as eligible liabilities under the MREL Requirements, such early exercise of such Certificates is subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the Relevant Authority, if required, as specified in Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*).

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Market Disruption Events occurring on a Determination Date

For the purposes of this 15(1)(F), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (i) (ii), (iii) and (iv) above in 15(1)(F) on a Determination Date.

In such case:

(i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;

(ii) if the Determination Date is after or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If, on the Determination Date the Market Disruption Event is also continuing, the Calculation Agent, acting in good faith, will determine: (i) in the case of Securities relating to a single Fund, the Reference Value of the Fund for the purposes of determining the Initial Reference Value or (ii) in the case of Securities relating to a Basket of Funds, the Reference Value of the Basket Constituent, for the purposes of determining the Initial Reference Value of the Basket, in either case (x) on the basis of the Market Value of the Fund affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Fund, or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

(iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the Fund level is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Securityholders will be notified of the occurrence of any event pursuant to (i), (ii) and (iii) of this 15(1)(F), by way of a notice published on the Issuer's website www.prodottiequotazioni.intesasanpaolo.com.

15(1)(G) Market Disruption Event in relation to Interest Rate Securities

Market Disruption Events occurring on a Relevant Exchange Business Day other than the Determination Date and occurring at any time during the one hour period that ends at the time of the relevant determination and/or valuation made by the Calculation Agent on the Relevant Exchange Business Day

For the purposes of this 15(1)(G), Market Disruption Events means:

(i) the permanent discontinuance or the failure to publish, determine, substitute the Interest Rate, provided that if such failure is an Adjustment Event pursuant to the following 15(2), such event will be considered an Adjustment Event and not a Market Disruption Event; and

(ii) any other event similar to the events set out above which makes it impossible or

impracticable for the Calculation Agent to perform its duties pursuant to the Securities.

If the Calculation Agent determines that a Market Disruption Event has occurred pursuant to 15(1)(G) (i) and (ii) above, then the Calculation Agent shall identify in good faith and according to the best market practices a substitutive suitable Interest Rate for the purposes of such determination, or, in the event that no substitutive suitable Interest Rate can be validly identified, then the Exchange Business Day is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

In case of Securities relating to a Basket of Interest Rates, if the Market Disruption Event has occurred but it is not continuing anymore for all Basket Constituent(s) before the eighth Exchange Business Day from the Exchange Business Day originally expected, in order to determine the Reference Value of the Basket Constituent the Calculation Agent will have the faculty to determine the official level of each Basket Constituent(s):

(a) on the relevant date on which the Market Disruption Event has ceased to occur for each single Basket Constituent, or

(b) on the date on which the Market Disruption Event has ceased to occur for all Basket Constituents.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, then the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine

(i) in the case of Securities relating to a single Interest Rate, the official Reference Value of the Interest Rate, or

(ii) in the case of Securities relating to a Basket of Interest Rates:

(a) for the Basket Constituent(s) for which a Market Disruption Event has not occurred (if any), then the Calculation Agent will have the faculty to determine the Reference Value of such Basket Constituent(s) on the Exchange Business Day originally expected, or on that eighth Exchange Business Day from the Exchange Business Day originally expected;

(b) for the Basket Constituent(s) for which a Market Disruption Event has occurred, but it is not continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the Reference Value of such Basket Constituent(s) on the date on which the Market Disruption Event has ceased to occur, or on that eighth Exchange Business Day from the Exchange Business Day originally expected; or

(c) for the Basket Constituent(s) for which a Market Disruption Event has occurred and it is continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the Reference Value of each Basket Constituent on

that eighth Exchange Business Day on which the Market Disruption Event occurred,

in all cases in accordance with the fair market value of the Interest Rate affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Interest Rate.

Alternatively, if on the eighth Exchange Business Day from the Exchange Business Day originally expected the Market Disruption Event is continuing, the Issuer may redeem the Securities early by paying an amount calculated on the basis of the market value of the Securities, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account (1) the last available Value of the Interest Rate, (2) any amounts to which the Securityholders would have been entitled to receive prior to the occurrence of the Market Disruption Event and (3) the probability of the payment for any amounts which the Securityholders may be entitled to receive until the maturity of the Securities.

In relation to Certificates that qualify as eligible liabilities under the MREL Requirements, such early exercise of such Certificates is subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the Relevant Authority, if required, as specified in Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*).

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Market Disruption Events occurring on a Determination Date

For the purposes of this 15(1)(G), Market Disruption Event occurring on a Determination Date means:

(i) the occurrence of a Market Disruption Event pursuant to (i) and (ii) above in 15(1)(G) on a Determination Date. In such case, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the five Exchange Business Days following the Determination Date originally expected, the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled. Securityholders will be notified of the occurrence of such event by way of a notice published on the Issuer's website www.prodottiequotazioni.intesasanpaolo.com, and

(ii) if, on a Determination Date, the Calculation Agent determines that the Interest Rate level is equal to or greater than the Maximum Level set out in the relevant Final Terms. In such case, the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled. Securityholders will be notified of the occurrence of such event by way of a notice published on the Issuer's website www.prodottiequotazioni.intesasanpaolo.com.

15(1)(H) Market Disruption Events in relation to Govies Securities

Market Disruption Events occurring on a Relevant Exchange Business Day other than the Determination Date and occurring at any time during the one hour period that ends at the time of the relevant determination and/or valuation made by the Calculation Agent on the Relevant Exchange Business Day

For the purposes of this 15(1)(H), Market Disruption Events means:

(i) the specified Exchange ceases to list or otherwise include the Government Bond and the Government Bond is not listed or otherwise included in any other Exchange, provided that if such event is an Adjustment Event pursuant to the following 15(2), such event will be considered an Adjustment Event and not a Market Disruption Event;

(ii) the issuer of the Government Bond irreversibly converts those Government Bonds into other securities, and such other securities in the reasonable opinion of the Calculation Agent will not have the same characteristics of the Government Bond, provided that if such an event is an Adjustment Event pursuant to the following 15(2), such event will be considered an Adjustment Event and not a Market Disruption Event;

(iii) any other event similar to the events set out above which makes it impossible or impracticable for the Calculation Agent to perform its duties pursuant to the Securities.

If the Calculation Agent determines that a Market Disruption Event has occurred pursuant to 15(1)(H) (i), (ii) and (iii) above, then the Calculation Agent shall identify in good faith and according to the best market practices a substitutive suitable Government Bond for the purposes of such determination, or, in the event that no substitutive suitable Government Bond can be validly identified, the Exchange Business Day is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

The Exchange Business Day may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

In case of Securities relating to a Basket of Government Bonds, if the Market Disruption Event has occurred but it is not continuing anymore for all Basket Constituents before the eighth Exchange Business Day from the Exchange Business Day originally expected, in order to determine the Reference Value of the Basket Constituent the Calculation Agent will have the faculty to determine the official Value of each Basket Constituent:

(a) on the relevant date on which the Market Disruption Event has ceased to occur for each single Basket Constituent, or

(b) on the date on which the Market Disruption Event has ceased to occur for all Basket Constituents.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, then the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine:

(i) in the case of Securities relating to a single Government Bond, the Reference Value of the Government Bond as of the Exchange Business Day on which the Market Disruption Event occurred on that eighth Exchange Business Day, or

(ii) in the case of Securities relating to a Basket of Government Bonds:

(a) for the Basket Constituent(s) for which a Market Disruption Event has not occurred (if any), then the Calculation Agent will have the faculty to determine the Reference Value of such Basket Constituent(s) on the Exchange Business Day originally expected, or on that eighth Exchange Business Day from the Exchange Business Day originally expected;

(b) for the Basket Constituent(s) for which a Market Disruption Event has occurred, but it is not continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the Reference Value of such Basket Constituent(s) on the date on which the Market Disruption Event has ceased to occur, or on that eighth Exchange Business Day from the Exchange Business Day originally expected; or

(c) for the Basket Constituent(s) for which a Market Disruption Event has occurred and it is continuing on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Calculation Agent will have the faculty to determine the Reference Value of each Basket Constituent on that eighth Exchange Business Day on which the Market Disruption Event occurred,

in all cases in accordance with the fair market value of the Government Bond affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Government Bond.

Alternatively, if on the eighth Exchange Business Day from the Exchange Business Day originally expected the Market Disruption Event is continuing, the Issuer may redeem the Securities early by paying an amount calculated on the basis of the market value of the Securities, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account (1) the last available Value of the Government Bond, (2) any amounts to which the Securityholders would have been entitled to receive prior to the occurrence of the Market Disruption Event and (3) the probability of the payment for any amounts which the Securityholders may be entitled to receive until the maturity of the Securities.

In relation to Certificates that qualify as eligible liabilities under the MREL Requirements, such early exercise of such Certificates is subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the Relevant Authority, if required, as specified in Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*).

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Market Disruption Events occurring on a Determination Date

For the purposes of this 15(1)(H), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (i), (ii) and (iii) above in 15(1)(H) on a Determination Date.

In such case:

(i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;

(ii) if the Determination Date is after or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If the Market Disruption Event is also continuing on the Determination Date, the Calculation Agent, acting in good faith, will determine: (i) in the case of Securities relating to a single Government Bond, the official closing Value of the Government Bond for the purposes of determining the Initial Reference Value or (ii) in the case of Securities relating to a Basket of Government Bonds, the official closing Value of the Basket Constituent, for the purposes of determining the Initial Reference Value of the Basket, in either case (x) on the basis of the market value of the Government Bond affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Government Bond or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

(iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the Government Bond Value is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Securities, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Securityholders will be notified of the occurrence of any events pursuant to (i), (ii) and (iii), by way of a notice published on the Issuer's website www.prodottiequotazioni.intesasanpaolo.com.

15(1)(I) Market Disruption Events in relation to Combined Securities

For the purposes of this 15(1)(I), a Market Disruption Event occurring **on a Relevant Exchange Business Day other than the Determination Date or on a Determination Date**, shall have the same meaning of the foregoing Market Disruption Events and will be considered

in accordance with the underlyings which are relevant for each specific issue.

15(2) Adjustment Events relating to the Underlying and correction provisions in relation to the Securities

If the Underlying is affected by an Adjustment Event, the Issuer will intervene in order to procure that the economic value of the Securities following an Adjustment Event is equal, as far as possible, to the economic value of the Securities before the occurrence of the Adjustment Event, by applying one of the following measures pursuant to the following sub-sections from 15(2)(A) to 15(2)(I).

If an Adjustment Event has occurred and its negative effects cannot be corrected as described, the Issuer may: (i) apply the provisions of Market Disruption Events as detailed under 15(1), or, as alternative, (ii) redeem the Securities early by paying an amount calculated on the basis of the market value of the Securities, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account (1) any amounts to which the Securityholders would have been entitled to receive prior to the occurrence of the Adjustment Event and (2) the probability of the payment for any amounts which the Securityholders may be entitled to receive until the maturity of the Securities.

In relation to Certificates that qualify as eligible liabilities under the MREL Requirements, the early exercise of such Certificates is subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the Relevant Authority, if required, as specified in Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*).

15(2)(A) Adjustment Events in relation to Index Securities

For the purposes of this 15(2)(A), "**Adjustment Event**" means, in relation to an Index, the occurrence of one or more of the following events:

(a) *Calculation of the Index by a Successor Sponsor*.

If the Index Sponsor is replaced by a Successor Sponsor, the Index so calculated and announced by such Successor Sponsor will continue to be deemed as the single Underlying or the Basket Constituent.

(b) *Modification of the method of calculation of the Index or substitution with a Successor Index.*

If an Index Sponsor (or a Successor Sponsor, where applicable) substantially modifies the method of calculation of the Index or replaces the Index with a Successor Index, the Issuer may take one of the following actions which will be notified to the Securityholders by way of a notice on its website:

(i) the Index Sponsor (or the Successor Sponsor, where applicable) may modify or replace the method of calculation by using the same or a substantially similar formula in the calculation of the Index, so as to maintain continuity in the values of the Index before and after such amendment or replacement (using a connection coefficient) and the Securities will not be affected by any correction and will have the modified Index (or the Successor Index, as the case may be) as the Underlying;

(ii) the Index Sponsor (or the Successor Sponsor, where applicable) may modify or replace the method of calculation resulting in a substantial difference between the Index value (as single the Underlying or Basket Constituent) before and after such amendment or replacement, the Issuer may correct the Multiplier, using an adjustment coefficient as determined by the Index Sponsor, the Successor Sponsor or, failing this, by the Issuer. In the case of a Basket, such amendment or replacement (also following the correction of the Multiplier) will not affect the weighting of the Index as Basket Constituent;

(iii) if the Issuer, in relation to the procedure for the amendment or replacement and in relation to the modified Index or Successor Index, does not consider appropriate the method of calculation in (i) and (ii) for the purposes of the first paragraph of this 15(2)(A), the Issuer may redeem the Securities early by paying an amount calculated on the basis of the market value of the Securities, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account (1) any amounts to which the Securityholders would have been entitled to receive prior to the occurrence of the Adjustment Event and (2) the probability of the payment for any amounts which the Securityholders may be entitled to receive until the maturity of the Securities.

(c) *Cancellation or inability to use or disruption of the Index.*

(i) If the Index Sponsor (or the Successor Sponsor, where applicable) permanently cancels that Index, including without limitation following the adoption of a decision to withdraw the authorization or registration as set out in Article 35 of the Benchmark Regulation, or (ii) it has or will become unlawful for the Issuer to use the Index, including, without limitation, in the case that the Index has been or will be prohibited from being used or its use has been or will be subject to restrictions or adverse consequences under the Benchmark Regulation; or (iii) If the Index Sponsor (or the Successor Sponsor, where applicable) fails to calculate and announce that Index, the Issuer may replace the Index with another similar Index and, in the case of a Basket, with the same weighting of the Index which is a Basket Constituent. In accordance with the index types, the features that the Issuer will consider for the purposes of the replacement are the following:

1 in case of share indices:
- (i) the connection with the same geographical area;
- (ii) the connection with the same sector; and
- (iii) the method of calculation of the Index;

2 in case of currency indices, a similar composition of the Index in relation to currency classes and such currency classes may include:
- (i) U.S. dollar;
- (ii) Euro;
- (iii) emerging market countries;
- (iv) Asian currencies; and
- (v) high-yield currencies (for example, New Zealand dollar);

3. in case of bond indices:
- (i) the rating;
- (ii) the type of issuer (sovereign or not sovereign);
- (iii) the connection with the same geographical area;

(iv) the connection with the same sector;
(v) the life of the bond composing the index; and
(vi) the type of yield of the bond composing the index (fixed-rate or floating-rate);

4. in case of commodity indices:
(i) the composition of the Index; and
(ii) the method of calculation of the Index;

5. in case of futures indices:
(i) the composition of the Index; and
(ii) the connection with the same sector;

6. in case of fund indices:
(i) the connection with a monetary area;
(ii) the connection with the same geographical area;
(iii) the connection with the same sector; and
(iv) the method of calculation of the Index;

7. in case of inflation indices, the method of calculation of the Index and if the successor index cannot be determined pursuant to such parameter, the Calculation Agent will inquire five leading independent dealers to establish which index shall be the successor index;

8. in the case of volatility indices and interest rate indices, the composition of the Index.

If it is not possible to replace such Index, the Issuer may redeem the Securities early pursuant to the method set out above.

(d) *Any other event affecting the economic value and, consequently, the market price of the Index.*

The Issuer may redeem the Securities early by paying an amount calculated on the basis of the market value of the Securities, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account (1) any amounts to which the Securityholders would have been entitled to receive prior to the occurrence of the Adjustment Event and (2) the probability of the payment for any amounts which the Securityholders may be entitled to receive until the maturity of the Securities.

(e) *In case of fund indices, any breach by the Management Company or by the Fund Manager or by the Index Sponsor of their obligations, pursuant to agreements in place with the Issuer or any of its Affiliate, to provide the Issuer or any of its Affiliate on a continuous basis with the information of the fund(s) composing the Index that the Issuer is required to receive in order to apply the lookthrough approach pursuant to the Fundamental Review of the Trading Book (FRTB), as amended from time to time, which caused a negative change in the accounting treatment of such fund(s) and, therefore, a higher capital absorption requirement for the Issuer*.

The Issuer may redeem the relevant Securities by paying to the Securityholders the market value of the Securities, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account (1) any amounts to which the Securityholders would have been entitled to receive prior to the

occurrence of the Adjustment Event and (2) the probability of the payment for any amounts which the Securityholders may be entitled to receive until the maturity of the Securities.

In relation to Certificates that qualify as eligible liabilities under the MREL Requirements, the early exercise of such Certificates is subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the Relevant Authority, if required, as specified in Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*).

15(2)(B) Adjustment Events in relation to Share Securities

For the purposes of this 15(2)(B), "**Adjustment Event**" means, in relation to a Share, one or more of the following events:

(a) share splits and consolidations;

(b) the increase of corporate capital transactions on a free basis and the increase of corporate capital transactions by way of issuance of new shares of the same class as those underlying the Securities;

(c) the increase of corporate capital transactions by way of issuance of (i) new shares of a class different from those underlying the Securities, (ii) shares with Warrant, (iii) convertible bonds and (iv) convertible bonds with Warrant;

(d) merger and de-merger transactions[8];

(e) payment of an extraordinary dividend or a spin-off;

(f) delisting in any stock exchange;

(g) nationalisation which means that all the shares or all or substantially all the assets of the company that issued the share, as the case may be, are nationalised, expropriated or are otherwise transferred to any governmental agency, authority, entity or instrumentality thereof;

(h) 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 company that issued the share, 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;

(i) any other event affecting the economic value and, consequently, the market price of the Share and/or the rights of the Shareholders.

In relation to a Share, the Issuer determines the method of correction so that the economic value of the Securities after the correction is equal, as far as possible, to the economic value of the Securities before the Adjustment Event has occurred. By way of example, the Issuer may also use for a single Share one of the following correction methods, including but not limited to:

[8] For the purposes of a correction in relation to a de-merger, reference should be made to the listed share of the company that arises from the de-merger transaction.

(i) in case of a merger (and the shares of the company that arises from the merger remain listed), such Share will be replaced with the only Share of the company that arises from the merger;

(ii) in case of a takeover, by way of tender offer, of the company issuing the Share, the price of such Share is crystallised until the expiry date of the Securities and is determined by the Calculation Agent taking into account the value of the Share at the beginning of the tender offer;

(iii) in case of a payment of an extraordinary dividend or a spin-off in relation to the Share, the Initial Reference Value will be corrected so the performance of the Share is held constant.

In relation to a Basket, the correction is made so as to immunise the Basket performance on an Adjustment Event occurring, and as a consequence the performance of the Securities will be neutralised in relation to the Adjustment Event. By way of example, the Issuer may also use for a Basket one of the following correction methods:

(i) a merger between two companies issuing Shares which are both Basket Constituents (and the shares of the company that arises from the merger remain listed), such Shares will be replaced within the Basket with the only Share of the company that arises from the merger and that Share will have a weighting equal to the sum of the weightings of the two Shares;

(ii) a takeover, by way of tender offer, of the company issuing the Share which is a Basket Constituent, the price of such Share within the Basket is crystallised until the expiry date of the Securities and is determined by the Calculation Agent taking into account the value of the Share at the beginning of the tender offer;

(iii) a default of a company issuing a Share which is a Basket Constituent (and the consequent delisting of such Share), the price of such Share will be equal to zero until the expiry date of the Securities; and

(iv) a payment of an extraordinary dividend or a spin-off in relation to a Share which is a Basket Constituent, the Initial Reference Value will be corrected so the performance of the Share within the relevant Basket is held constant.

In each case, both in relation to a single Share and a Basket, the correction, in relation to a single Adjustment Event, may affect the Initial Reference Value and/or the Multiplier and/or the Share/Basket Constituent and/or other terms related to the Securities and is made according to the following criteria:

(i) where an option contract on the Share affected by the Adjustment Event is traded on a Related Exchange, reference will be made to the criteria used by the Related Exchange to make the relevant corrections, possibly modified to consider the existing differences between the contractual features of the Securities and the option contracts;

(ii) where there are no option contracts on the Share traded on a Related Exchange or in relation to which the Issuer does not consider that the method of correction is appropriate for the adjustment of the Securities, the terms and conditions of the Securities will be adjusted by the Issuer pursuant to international market practice.

In relation to such adjustments, Securityholders will be notified by the Issuer by way of a notice on the Issuer's website.

If an Adjustment Event has occurred, whose effects may not be neutralised by way of appropriate corrections to the Initial Reference Value and/or the Multiplier and/or the Share/Basket Constituent and/or other terms related to the Securities, the Issuer has the right but not the obligation to: (i) apply the provisions of the relevant Market Disruption Events as detailed under 15(1)(B), or, as alternative, (ii) redeem the Securities early, paying to each Securityholder, in respect of each Security, a cash amount calculated pursuant to the market value of the Securities, as determined by the Calculation Agent acting in good faith, considering (1) the quoted prices of the Underlying during the eight days before the adjustment date, (2) any amounts to which the Securityholders would have been entitled to receive prior to the occurrence of the Adjustment Event and (3) the probability of the payment for any amounts which the Securityholders may be entitled to receive until the maturity of the Securities; thereby discharging its contractual obligations pursuant to the Securities.

In relation to Certificates that qualify as eligible liabilities under the MREL Requirements, the early exercise of such Certificates is subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the Relevant Authority, if required, as specified in Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*).

15(2)(C) Adjustment Events in relation to Commodity Securities

For the purposes of this 15(2)(C), "**Adjustment Event**" means, in relation to a Commodity, one or more of the following events:

(a) the Commodity traded on the Reference Source is a different quality or another composition (for example, in a different degree of purity);

(b) any other event or measure as a result of which the Commodity, as traded on the Reference Source, is changed or altered;

(c) options contracts or futures contracts on or relating to the Commodity as traded on any Related Exchange are altered in the manner described under (a) and (b) above; and

(d) any other event affecting the economic value and, consequently, the market price of the Commodity,

and whether or not any event or measure is an Adjustment Event shall be conclusively determined in good faith by the Calculation Agent.

The Adjustment Event shall be treated as a Market Disruption event and paragraph 15 (1)(C) shall apply.

15(2)(D) Adjustment Events in relation to Future Contracts Securities.

For the purposes of this 15(2)(D), "**Adjustment Event**" means, in relation to a Future Contract, one or more of the following events:

(a) *Calculation of the Future Contract by a third party*

If the price of the Future Contract starts to be calculated and published by an entity other than the Reference Source (the "**Other Entity**"), the Underlying of the Securities will remain as the

Future Contract selected as such, as calculated by the Other Entity.

The Securityholders will be notified of the identity of the Other Entity, the terms of the calculation and the publication of the Future Contract as calculated by the Other Entity, within eight Business Day after the appointment of such Other Entity, by way of a notice on the Issuer's website.

(b) *Modification of the features of the Future Contract*

If the Reference Source or the Other Entity substantially modifies the features of the Future Contract, including, without limitation, the formula or the method of calculation of the Reference Value, the content, composition or constitution of the underlying of the Future Contract or replaces the Future Contract with a new asset, the following may occur:

(i) if the Reference Source (or the Other Entity, where applicable) modifies or replaces so as to maintain continuity in the values of the Future Contract before and after such amendment or replacement (using a connection coefficient), the Securities will not be affected by any correction and will have the modified Future Contract as the Underlying;

(ii) if the Reference Source (or the Other Entity, where applicable) makes the modification or replacement resulting in a substantial difference in the value of the Future Contract before and after such modification or replacement, the Calculation Agent will correct the Multiplier (and/or the Initial Reference Value and/or other terms related to the Securities), so that the economic value of the Future Contract is maintained constant, using an adjustment coefficient as calculated by the Reference Source of the Future Contract or, failing this, as deemed appropriate by the Calculation Agent, acting in its reasonable discretion and in good faith, also considering the market practice. In the case of a Basket of Future Contracts, such modification or replacement will not affect the weighting of the Future Contract as a Basket Constituent; and

(iii) if the Calculation Agent determines that the effects of the modification or replacement cannot be deleted by way of the procedure set out in (ii) above, the Issuer will be entitled to perform its obligations pursuant to the Securities in accordance with the following paragraph.

(c) *Cessation of the calculation of the Future Contract*

If the Reference Source or the Other Entity ceases to calculate or publish the Future Contract without calculating or publishing a new Future Contract, the Issuer may perform its obligations pursuant to the Securities paying to the Securityholders an amount representing the market value of the Securities.

(d) *Any other event affecting the economic value and, consequently, the market price of the Future Contract.*

The Securityholders will be notified of the market value of the Securities and the relevant method of payment, by way of a notice on the Issuer's website.

15(2)(E)Adjustment Events in relation to Exchange Rate Securities

For the purposes of this 15(2)(E), "**Adjustment Event**" means, in relation to an Exchange Rate, the one or more of the following events:

(a) *Adjustments*

If a Second Currency is in the country (or countries) or jurisdiction (or jurisdictions)maintaining the authority, institution or other body which issues such Reference Currency, replaced in its function as legal tender by another currency or merged with another currency to become a common currency (such replacement or merged currency the "**New Reference Currency**") and the provisions of the following paragraph "Early Termination Event" do not apply, such Second Currency shall, within the Exchange Rate, be replaced by the New Reference Currency (such exchange rate the "**New Rate of Exchange**"), provided that the New Exchange Rate shall be calculated on the basis of the number of units of the New Reference Currency determined by the conversion of the number of units of the Second Currency used for the determination of the previous Exchange Rate into the New Reference Currency using the exchange rate applicable to such conversion, all of which is determined by the Calculation Agent; and

(b) *Early Termination Events*

(i) If a Reference Currency ceases, for any reason, to be legal tender in the country (or countries) or jurisdiction (or jurisdictions), maintaining the authority, institution or other body which issues such Reference Currency, and the provisions of the previous paragraph ""Adjustments" do not apply, or if an adjustment in accordance with the previous paragraph is, as determined by the Calculation Agent, for any reason not possible or not reasonably practical; or

(ii) where the Reference Source for any Exchange Rate is an exchange, trading system or quotation system, if the Reference Source announces that pursuant to the rules of such Reference Source, the exchange rate between the relevant First Currency and Second Currency ceases (or will cease) to be listed, traded or publicly quoted on the Reference Source for any reason and is not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Calculation Agent ("**Cessation of Trading**"),

the Issuer will have the right, but not the obligation, to cancel the Securities by giving notice to the Securityholders through the Issuer's website. The Issuer may discharge its obligations pursuant to the Securities paying an amount to each Securityholder in respect of each Security held by such Securityholder which amount shall be the fair market value of the Securities, as determined in good faith by the Calculation Agent.

The Securityholders will be notified of the market value of the Securities and the relevant method of payment, by way of a notice on the Issuer's website.

In relation to Certificates that qualify as eligible liabilities under the MREL Requirements, the early exercise of such Certificates is subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the Relevant Authority, if required, as specified in Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*).

15(2)(F) Adjustment Events in relation to Fund Securities

Terms

"**Insolvency**" means that, by reason of voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Fund, (i) all of the shares of that Fund are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the shares of that Fund become legally prohibited from

transferring them.

"**Nationalization**" means that the Fund or all or substantially all the assets of a Fund are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

Adjustment Events and replacement of the Fund or redemption of the Securities

For the purposes of this 15(2)(F), "**Adjustment Event**" means, in relation to a Fund, one or more of the following events:

(a) Nationalization;

(b) Insolvency;

(c) the Fund (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger), or (ii) makes a general assignment or arrangement with or for the benefit of its creditors, or the Fund 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 organization or the jurisdiction of its head or home office, a proceeding seeking judgement of insolvency or bankruptcy or any other similar relief, or (iii) has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other similar relief, (iv) 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 of its assets, (v) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter, or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction has an analogous effect to any of the events specified in clauses from (i) to (v) above;

(d) the net asset value of the Fund has decreased by an amount considered reasonably significant by the Issuer in good faith, or 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 contractual restriction binding on or affecting the Fund or any of its assets;

(e) (i) the resignation, termination, or replacement of its Fund adviser or (ii) the resignation, termination, death or replacement of any key person;

(f) any change or modification of the related documents that could reasonably be expected to affect the value of such Fund;

(g) any breach or violation of any strategy or investment guidelines stated in the related Fund documents that is reasonably likely to affect the value of such Fund or the rights or remedies of any holders thereof (in each case, as determined by the Calculation Agent);

(h) (i) cancellation, suspension or revocation of the registration or approval of the Fund by any governmental, legal or regulatory entity with authority over such Fund, (ii) any change in the legal, tax, accounting, or regulatory treatments of the relevant Fund or its Fund adviser that is reasonably likely to have an adverse impact on the value of such Fund or on any investor therein, or (iii) the Fund or any of its Fund administrator of Fund adviser becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Fund, Fund administrator or Fund adviser;

(i) (i) occurrence of any event affecting such Fund that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund, and such event continues for at least the foreseeable future; (ii) any failure of the Fund to deliver, or cause to be delivered, (A) information, if any that such Fund has agreed to deliver, or (B) information that has been previously delivered, as applicable, in accordance with such Fund, or its authorized representative's, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund;

(j) any breach by the Management Company or by the Fund Manager of their obligations, pursuant to agreements in place with the Issuer or any of its Affiliate, to provide the Issuer or any of its Affiliate on a continuous basis with the information of the Fund that the Issuer is required to receive in order to apply the lookthrough approach pursuant to the Fundamental Review of the Trading Book (FRTB), as amended from time to time, which caused a negative change in the accounting treatment of the Fund and, therefore, a higher capital absorption requirement for the Issuer;

(k) (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (A) it has become illegal to hold, acquire or dispose of the interest issued or held in the Fund, or (B) it will incur a materially increased cost in performing its obligations with respect to the interest issued or held in the Fund (including, without limitation, due to any increase in tax liability, decrease in tax benefit of other adverse effect on its tax position);

(l) the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any interest issued or held in the Fund of entering into and performing its obligations with respect to the relevant Fund Security, or (ii) realize, recover or remit the proceeds of any such transaction (s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an increased cost of hedging pursuant to this clause l);

(m) as a result of a change in the Issuer's accounting policies and/or accounting treatment, the Issuer would incur (i) a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee and/or (ii) a materially decreased valuation, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any interest issued or held in the Fund of entering into and performing its obligations with respect to the relevant Fund Security;

(n) a failure by the Fund to pay the full amount of the redemption proceeds calculated by the Calculation Agent (whether expressed as a percentage or otherwise), on any date on which the Fund was scheduled to have paid such amount;

(o) any other event affecting the economic value and, consequently, the market price of the Fund; and

(p) the total exposure of the Issuer with respect to the Fund on any Exchange Business Day is higher than a specific threshold amount (the "**Threshold**") determined by the Calculation Agent and notified to Securityholders on the Issuer's website. In the absence of any notice, the Threshold shall be considered as equal to 22.00% of the aggregate net asset value of the relevant Fund on the relevant Exchange Business Day.

Following the occurrence of an Adjustment Event pursuant to (a), (b), (j) and (m) above in relation to a Fund, the Issuer may redeem the relevant Securities through a notice published on its website. In this case, the Issuer will pay to the Securityholders the market value of the Securities, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account (1) any amounts to which the Securityholders would have been entitled to receive prior to the occurrence of the Adjustment Event and (2) the probability of the payment for any amounts which the Securityholders may be entitled to receive until the maturity of the Securities.

Adjustment Events pursuant to (c), (d), (e), (f), (g), (h), (i), (k), (l), (n) and (o) above shall be treated as Market Disruption Events and paragraph 15 (1) (F) shall apply.

Following the occurrence of the Adjustment Event pursuant to (p), the Calculation Agent has the faculty but not the obligation to, alternatively:

(i) identify a new Fund in respect of which an Adjustment Event has not occurred. Following the identification of the new fund by the Calculation Agent, Securityholders will be notified by the Calculation Agent by way of a notice on the Issuer's website. The new Fund will replace the Fund affected by the Adjustment Event pursuant to (p) with effect from the release of the relevant substitution notice on the Issuer's website. The Calculation Agent will make the corrections which will be appropriate in its opinion, acting in a commercially reasonable manner, to any variable, method of calculation or evaluation or other relevant parameter pursuant to the Securities, in order to affect such substitution, or

(ii) take any necessary action to reduce Issuer's exposure in order that the total exposure of the Issuer shall be comprised below the Threshold, including the faculty for the Issuer to redeem the relevant Securities through a notice published on its website.

15(2)(G)Adjustment Events in relation to Interest Rate Securities

For the purposes of this 15(2)(G), "**Adjustment Event**" means, in relation to an Interest Rate, one or more of the following events:

(i) the Interest Rate is no longer calculated by the relevant Calculation Entity in charge for the calculation, but by another entity which has replaced the Calculation Entity in charge of the calculation. In such case, the Settlement Amount will be determined according to the Reference Value of the Interest Rate as determined and published by the new entity, and each reference to the Entity in charge for the calculation shall be deemed as a reference, where applicable, to the new entity; and

(ii) (a) the Interest Rate is cancelled or replaced, including without limitation, following the adoption of a decision to withdraw the authorization or registration as set out in Article 35 of the Benchmark Regulation or (b) it has or will become unlawful for the Issuer to use the Interest Rate, including, without limitation, in the case that the Interest Rate has been or will be prohibited from being used or its use has been or will be subject to restrictions or adverse consequences under the Benchmark Regulation. In such cases, if the Calculation Entity substantially modifies the method of calculation of the Interest Rate or replaces the Interest Rate with a Successor Interest Rate, the Issuer may take one of the following actions which will be notified to the Securityholders by way of a notice on its website:

(a) the Calculation Entity may modify or replace the method of calculation by using the same or a substantially similar formula in the calculation of the Interest Rate, so as to maintain continuity in the values of the Interest Rate before and after such amendment or replacement (using a connection coefficient) and the Securities will not be affected by any correction and will have the modified Interest Rate as the Underlying;

(b) the Calculation Entity may modify or replace the method of calculation resulting in a substantial difference between the Interest Rate value before and after such amendment or replacement, the Issuer may correct the Multiplier, using an adjustment coefficient as determined by the Calculation Entity or, failing this, by the Issuer. In the case of a Basket, such amendment or replacement (also following the correction of the Multiplier) will not affect the weighting of the Interest Rate as Basket Constituent;

(c) if the Issuer, in relation to the procedure for the amendment or replacement and in relation to the modified Interest Rate, does not consider appropriate the method of calculation in (a) and (b) for the purposes of this 15(2)(G), the Issuer may redeem the Securities early by paying an amount calculated on the basis of the market value of the Securities, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner and taking into account (1) any amounts to which the Securityholders would have been entitled to receive prior to the occurrence of the Adjustment Event and (2) the probability of the payment for any amounts which the Securityholders may be entitled to receive until the maturity of the Securities;

(iii) (a) the Interest Rate is cancelled or replaced including without limitation, following the adoption of a decision to withdraw the authorization or registration as set out in Article 35 of the Benchmark Regulation or (b) it has or will become unlawful for the Issuer to use the Interest Rate, including, without limitation, in the case that the

Interest Rate has been or will be prohibited from being used or its use has been or will be subject to restrictions or adverse consequences under the Benchmark Regulation and, in the reasonable opinion of the Issuer, it is not possible to determine a new Interest Rate. In such case, the Issuer and an expert appointed by the Issuer will continue to calculate and publish the Interest Rate pursuant to the previous system and to the last level calculated or the Issuer may redeem the Securities early by paying an amount calculated on the basis of the market value of the Securities.

In relation to Certificates that qualify as eligible liabilities under the MREL Requirements, the early exercise of such Certificates is subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the Relevant Authority, if required, as specified in Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*).

15(2)(H) Adjustment Events in relation to Govies Securities

For the purposes of this 15(2)(H), "**Adjustment Event**" means the occurrence of one or more of the following events:

(i) the specified Exchange ceases to list or otherwise include the Government Bond and the Government Bond is listed or otherwise included in any other securities exchange;

(ii) the issuer of the Government Bond irreversibly converts those Government Bond into other securities;

(iii) If the Value published or announced on a given Exchange Business Day and used or to be used by the Calculation Agent to determine the Reference Value, the Initial Reference Value or Final Reference Value is subsequently corrected and the correction is published or announced by the Reference Source for that publication or announcement within 30 calendar days of the original publication or announcement;

(iv) any other event affecting the economic value, and consequently the market price of the Government Bond.

15(2)(I) Adjustment Events in relation to Combined Securities

For the purposes of this 15(2)(I), "**Adjustment Event**" means the occurrence of one or more of the events set out above in relation to the other types of Security, in accordance with the specific underlying assets which are relevant from time to time in relation to each issue.

16. Adjustments for European Monetary Union

The Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with Condition 9 (*Notices*):

(i) 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:

(A) 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;

(B) where the Exchange Rate and/or any other terms of these Conditions (as amended or supplemented 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 for or, as the case may be into, Euro at the Established Rate; and

(C) such other changes shall be made to these Conditions (as amended or supplemented in the applicable Final Terms) as the Issuer may decide, in its sole and absolute discretion to conform them to conventions then applicable to instruments expressed in Euro; and/or

(ii) require that the Calculation Agent make such adjustments to the Multiplier and/or the Strike Price and/or the Settlement Price and/or any other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent, in its sole and absolute discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Multiplier and/or the Strike 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 Issuer, any of its Affiliates, the Calculation Agent or any of the Security 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 Condition, the following expressions have the following meanings:

Adjustment Date means a date specified by the Issuer in the notice given to the Securityholders pursuant to this Condition 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 Community regulations) into Euro established by the Council of the European Union pursuant to first sentence of Article 1091(4) 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 date on which the country of the Original Currency first participates in European Economic and Monetary Union; and

Treaty means the treaty establishing the European Community, as amended.

17. Acknowledgement of the Italian Bail-in Power

Notwithstanding any provision of these Conditions or any other agreements, arrangements, or understandings between the Issuer and any Securityholder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Securities each Securityholder (which, for the purposes of this Condition 17, 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 Italian Resolution 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 together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the settlement amount in respect of the Securities together with any additional amounts (if any) due in relation thereto, 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 together with any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the expiry of the Securities or amendment of the amounts payable under the Securities, or the date on which each amount becomes payable, including by suspending payment for a temporary period; and

(b) the variation of these Conditions, as deemed necessary by the Italian Resolution Authority, to give effect to the exercise of the Italian Bail-in Power by the Italian Resolution Authority.

The exercise of the Italian Bail-in Power by the Italian Resolution Authority shall not constitute an event of default and these Conditions shall remain in full force and effect save as varied by the Italian Resolution Authority in accordance with this Condition 17.

Upon the Issuer being informed or notified by the Relevant Authority of the actual date from which the exercise of the Italian Bail-in Power is effective with respect to the Certificates, the Issuer shall notify the holders of the Certificates without delay. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Italian Bail-in Power nor the effects on the Certificates described in this Condition 17.

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

18. Contracts (Rights of Third Parties) Act 1999

Subject as provided in the 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.

19. Exercise rights and procedures (only applicable to Warrants)

(A) *Exercise Period*

(i) American Style Warrants

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period by the delivery of an Exercise Notice in the manner set out below, unless an Early Redemption Event (only applicable in case of Warrants to be admitted to listing and/or trading without prior offer), or a Termination Event, or an Adjustment Event, or a Market Disruption Event has occurred.

If Automatic Exercise is not specified in the applicable Final Terms, any such American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out below, at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the last Exercise Business Day of the Exercise Period (the **Expiration Date**), shall become void.

If Automatic Exercise is specified as applicable in the relevant Final Terms, any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out below, at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Expiration Date and which is in the determination of the Calculation Agent "In-The-Money" shall be automatically exercised on the Expiration Date (as defined below), provided that the relevant Warrant is not a Definitive Warrant. The expressions **exercise, due exercise** and related expressions shall be construed to apply to any Warrants which are automatically exercised on the Expiration Date in accordance with this provision.

With respect to an American Style Warrant, the **Actual Exercise Date** means (a) the Exercise Business Day during the Exercise Period on which an Exercise Notice in respect of an American Style Warrant is delivered to Euroclear and/or Clearstream, Luxembourg with a copy to the Issuer and the Principal Security Agent, at or prior to 10.00 a.m. Brussels or Luxembourg time, as appropriate, or (b) if Automatic Exercise is specified in the applicable Final Terms and no Exercise Notice has been delivered in accordance with the preceding paragraph (a), the Expiration Date. If any Exercise Notice in respect of an American Style Warrant is received by Euroclear and/or Clearstream, Luxembourg, or a copy thereof is delivered to the Principal Security Agent and the Issuer after 10.00 a.m. Brussels or Luxembourg time, as appropriate, 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 below at or prior to 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the Expiration Date shall (i) if Automatic Exercise is not specified in the applicable Final Terms, become void or (ii) if Automatic Exercise is specified in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

The Securityholder may renounce any Automatic Exercise of such Warrant, prior to the Renouncement Notice Cut-off Time (if applicable pursuant to the relevant Final Terms) through its own account holding bank, which shall deliver or send by authenticated swift message (confirmed in writing) a duly completed Renouncement Notice, which shall be substantially in the form available on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com (a **Renouncement Notice**), to the relevant Clearing System, with a copy to the Principal Security Agent, in compliance with the laws and

regulation, including the regulations of the relevant stock exchange, applicable from time to time. If a duly completed Renouncement Notice is delivered or sent in compliance with the above, the relevant Securityholder will not be entitled to receive any amounts payable by the Issuer in respect of the relevant Warrants and the Issuer shall have no further liabilities in respect of such amounts.

Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the relevant Clearing System in consultation with the Principal Security Agent and shall be conclusive and binding on the Issuer, the Security Agents, the Calculation Agent and the relevant Securityholder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form or which is not duly delivered shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the relevant Clearing System, in consultation with the Principal Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the relevant Clearing System and copied to the Issuer and the Principal Security Agent.

(ii) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date or if such day is not an Exercise Business Day the immediately succeeding Exercise Business Day (the **Actual Exercise Date** and the **Expiration Date**), unless an Early Redemption Event (only applicable in case of Warrants to be admitted to listing and/or trading without prior offer), or a Termination Event, or an Adjustment Event, or a Market Disruption Event has occurred.

If Automatic Exercise is not specified in the applicable Final Terms, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out below, at or prior to 10.00 a.m., Brussels or Luxembourg time (as appropriate) on the Actual Exercise Date, shall become void.

If Automatic Exercise is specified in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out below, at or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Actual Exercise Date and which is in the determination of the Calculation Agent "In-The-Money", shall be automatically exercised on the Actual Exercise Date and the provisions set out below shall apply, provided the relevant Warrant is not a Definitive Warrant. The expressions exercise, due exercise and related expressions shall be construed to apply to any Warrants which are automatically exercised on the Actual Exercise Date in accordance with this provision.

The Securityholder may renounce any Automatic Exercise of such Warrant, prior to the Renouncement Notice Cut-off Time (if applicable pursuant to the relevant Final Terms) through its own account holding bank, which shall deliver or send by authenticated swift message (confirmed in writing) a duly completed Renouncement Notice, which shall be substantially in the form available on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com (a **Renouncement Notice**), to the relevant Clearing System, with a copy to the Principal Security Agent and the Issuer, in compliance with the laws and regulation, including the regulations of the relevant stock exchange, applicable from time to time. If a duly completed Renouncement Notice is delivered or sent in compliance with the above, the relevant Securityholder will not be entitled to receive any

amounts payable by the Issuer in respect of the relevant Warrants and the Issuer shall have no further liabilities in respect of such amounts.

Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the relevant Clearing System in consultation with the Principal Security Agent and shall be conclusive and binding on the Issuer, the Security Agents, the Calculation Agent and the relevant Securityholder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form or which is not duly delivered shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the relevant Clearing System, in consultation with the Principal Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered the relevant Clearing System and copied to the Issuer and the Principal Security Agent.

(B) *Cash Settlement*

If the Warrants are Cash Settled Securities, subject as provided in this Condition 19, the Issuer shall pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant, by credit or transfer to the Securityholder's account with Euroclear or Clearstream Luxembourg, as the case may be, for value on the Settlement Date less any Expenses and any other sums payable not already paid, such payment to be made in accordance with the rules of Euroclear or Clearstream, Luxembourg (as appropriate).

The Issuer's obligations will be discharged by payment to, or to the order of, Euroclear or Clearstream, Luxembourg (as the case may be) of the amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular number of Warrants must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each such payment.

Payments will be subject in all cases to any fiscal or any other laws and regulations applicable thereto in the place of payment.

(C) *Physical Settlement*

If the Warrants are Physical Delivery Securities, each such Warrant entitles its holder, upon due exercise and subject as provided in Condition 4 (*Physical Delivery provisions*), to receive the Entitlement from the Issuer on the Settlement Date, subject to payment of any Expenses and any other sums payable and unless an Early Redemption Event (only applicable in case of Warrants to be admitted to listing and/or trading without prior offer), or a Termination Event, or an Adjustment Event, or a Market Disruption Event has occurred.

The method of delivery of the Entitlement is set out 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 Entitlements in respect of such Warrants. In particular, Securityholders will receive the Deliverable Asset and, if any the Residual Amount.

Following exercise of a Share Security which are Warrants that are Physical Delivery Securities, all dividends on the 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 executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares,

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.

(D) *Exercise Notice*

Warrants may only be exercised by the Securityholder through its own account holding bank, which shall deliver or send by authenticated swift message (confirmed in writing) to Euroclear or Clearstream, Luxembourg, as the case may be, with a copy to the Principal Security Agent and the Issuer, of a duly completed exercise notice, which shall be substantially in the form available on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com (an **Exercise Notice**) in accordance with the provisions set out in this Condition 19. If the relevant Warrant is in definitive form, such Warrant must be delivered, together with the Exercise Notice, to the Issuer and with a copy to the Principal Security Agent.

(1) An Exercise Notice shall:

(i) specify the series of the Warrants and the number of Warrants the subject of such Notice;

(ii) except in the case of Definitive Warrants, specify the number of the Securityholder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with the Warrants the subject of such Exercise Notice;

(iii) except in the case of Definitive Warrants, irrevocably instruct Euroclear or Clearstream, Luxembourg, as the case may be, to debit on or before the Settlement Date the Securityholder's account with the Warrants the subject of such Exercise Notice;

(iv) include (A) an undertaking to pay all Expenses (together with any other amounts payable); and (B) an authorisation to the Issuer to deduct any Expenses from the Cash Settlement Amount, if the Warrants are Cash Settled Securities, or, if the Warrants are Physical Delivery Securities, an irrevocable instruction to Euroclear or Clearstream, Luxembourg, as the case may be (or to the Principal Security Agent, in the case of Definitive Warrants), to debit a specified account of the Securityholder at Euroclear or Clearstream, Luxembourg (or such other specified account of the Securityholder, in the case of Definitive Warrants) with any Expenses (together with any other amounts payable);

(v) include such details as are required by the applicable Final Terms for delivery of the Deliverable Asset constituting part or all of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Deliverable Asset constituting part or all of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Deliverable Asset constituting part or all of the Entitlement are to be delivered and specify the name and the number of the Securityholder's account with Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of a Definitive Warrant, at a bank in the principal financial centre of the relevant Settlement Currency to be credited with any cash payable by the Issuer, either in respect of any Residual Amount constituting the Entitlement or any dividends relating to the Deliverable Asset or as a result of the occurrence of a Settlement Disruption Event or, if applicable, a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Settlement Disruption Amount or Failure to Deliver Settlement Price;

(vi) only in the case of Warrants having an Exchange Rate as Underlying, specify the number of the Securityholder's account at Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of a Definitive Warrant, at a bank in the principal financial centre of the relevant Settlement Currency to be credited with the amount due upon exercise of the Warrants;

(vii) only if the Cash Settled Warrants are Definitive Warrants, specify the details of an account in the principal financial centre of the relevant Settlement Currency to be credited with the Cash Settlement Amount for each Warrant being exercised;

(viii) certify, *inter alia*, that the beneficial owner of each Warrant the subject of such Exercise Notice is not a U.S. person (as defined in the Exercise Notice), the Warrant was not held on behalf of a U.S. person and no cash, securities or other property have 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 such exercise 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 set out in the applicable Final Terms; and

(ix) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(2) If Condition 4(C) applies, the form of Exercise Notice required to be delivered may be different from that set out above. Copies of such Exercise Notice are available on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com and may also be obtained from Euroclear, Clearstream, Luxembourg and the Security Agents.

(E) *Verification of the Securityholder*

Except in the case of an Exercise Notice submitted in respect of a Definitive Warrant, upon receipt of an Exercise Notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person exercising the Warrant is the holder thereof according to the books of Euroclear or Clearstream, Luxembourg, as the case may be. Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Principal Security Agent the Series and the number of Warrants being exercised, the relevant account details (if applicable) for payment of the Cash Settlement Amount or the details for the delivery of the Entitlement, as the case may be, in respect of the Warrants specified in the relevant Exercise Notice. Upon receipt of such confirmation, the Principal Security Agent will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg, as the case may be, will on or before the Settlement Date debit the account of the relevant Securityholder with the Warrants the subject of the relevant Exercise Notice.

(F) *Determinations*

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by the relevant Clearing System in consultation with the Principal Security Agent, and shall be conclusive and binding on the Issuer, the Security 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 Euroclear and/or Clearstream, Luxembourg (as the case may be) and copied to the Issuer and the

Principal Security Agent (or, in the case of Definitive Warrants, is not duly delivered to the Issuer together with the relevant Definitive Warrant(s) and copied to the Principal Security Agent), shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of Euroclear and/or Clearstream, Luxembourg (as appropriate), in consultation with the Principal Security Agent (or, in the case of Definitive Warrants, to the satisfaction of the Issuer in consultation with the Principal Security Agent), it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to Euroclear and/or Clearstream, Luxembourg, as the case may be, and copied to the Issuer and the Principal Security Agent.

If Automatic Exercise is not specified in the applicable Final Terms, any Warrants with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified above, shall become void.

Euroclear and/or Clearstream, Luxembourg, as applicable (or, in the case of Definitive Warrants, the Issuer) shall use its best efforts promptly to notify the Securityholder submitting an Exercise Notice if, in consultation with the Issuer and/or the Principal Security Agent (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 Issuer, the Security Agents, Euroclear, Clearstream, Luxembourg 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.

(G) *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.

(H) *Failure to deliver an Exercise Notice*

This paragraph only applies if (i) Automatic Exercise is specified in the applicable Final Terms and Warrants are automatically exercised and (ii) provided the relevant Warrant is not a Definitive Warrant.

(i) *Cash Settlement*

In the event that a Securityholder does not, in respect of Warrants that are Cash Settled Securities to which this Condition applies, deliver an Exercise Notice in accordance with the provisions set out above on or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Expiration Date, the provisions of Condition 19(B) shall nevertheless apply as if such Warrant had been duly exercised on such date.

(ii) *Physical Delivery*

In the event that a Securityholder does not, in respect of Warrants that are Physical Delivery Securities to which this Condition applies, deliver an Exercise Notice in accordance with Condition 19(D) above on or prior to 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Expiration Date, the Issuer shall as soon as reasonably practicable determine the Assessed Value Payment Amount and in respect of the relevant Warrant, shall pay or cause to be paid the Assessed Value Payment Amount by credit or transfer to the relevant

Securityholder's account with Euroclear or Clearstream, Luxembourg (such payment to be made in accordance with the rules of Euroclear or Clearstream, Luxembourg, as the case may be) as soon as reasonably practicable following the determination of the Assessed Value Payment Amount. Upon payment of the Assessed Value Payment Amount as aforesaid, the Issuer's obligations in respect of such Warrant shall be discharged. Payments will be subject in all cases to any fiscal or any other laws and regulations applicable thereto in the place of payment.

As used herein, **Assessed Value Payment Amount** means an amount determined by the Calculation Agent to be the fair market value of the Deliverable Asset constituting part or all of the Entitlement in respect of the relevant Warrant, less any Expenses and any other amounts payable.

(I) *Settlement provisions for Definitive Warrants*

In the event that any Definitive Warrants have been issued prior to the Expiration Date, the Issuer shall, on or prior to the Expiration Date, notify Securityholders in accordance with Condition 9 (*Notices*) of the procedure to be followed in order to receive any Cash Settlement Amount or Assessed Value Payment Amount that may be payable upon Automatic Exercise.

20. Minimum and maximum amount of Warrants Exercisable (only applicable to Warrants)

(A) *American Style Warrants*

This paragraph (A) applies only to American Style Warrants.

(i) The number of Warrants exercisable by any Securityholder on any Actual Exercise Date, as determined by the Issuer, must not be less than the Minimum Exercise Amount specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Amount, 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.

(ii) 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 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.

(B) *European Style Warrants*

This paragraph (B) applies only to European Style Warrants.

The number of Warrants exercisable on behalf of any Securityholder on any Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Amount specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Amount, must be an integral multiple of the number specified in the applicable Final Terms. Any exercise which purports to exercise Warrants in breach of this provision shall be void and of no effect.

21. Exercise rights and procedure (only applicable to Certificates)

(A) *Exercise Date*

Each Certificate shall be automatically exercised on the Exercise Date and settled in accordance with Condition 21 (*Exercise rights and procedures (only applicable to Certificates)*), unless an Early Redemption Event occurred, if applicable, or a Call Option is exercised by the Issuer (if applicable), or a Put Option is exercised by the Securityholder (if applicable) or an Open End Feature is applicable (only in case of Benchmark Certificates, Constant Leverage Certificates and Turbo Certificates), as specified in the relevant Final Terms or unless a Termination Event or an Adjustment Event or a Market Disruption Event has occurred. In relation to Certificates that qualify as eligible liabilities under the MREL Requirements, the early exercise is subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the Relevant Authority, if required, as specified in this Condition 21).

The Securityholder may renounce the automatic exercise of such Certificates, prior to the Renouncement Notice Cut-off Time (if applicable pursuant to the relevant Final Terms) through its own account holding bank, which shall deliver or send by authenticated swift message (confirmed in writing) a duly completed Renouncement Notice, which shall be substantially in the form available on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com (a **Renouncement Notice**), to the relevant Clearing System, with a copy to the Principal Security Agent and the Issuer, in compliance with the laws and regulation, including the regulations of the relevant stock exchange, applicable from time to time. If a duly completed Renouncement Notice is delivered or sent in compliance with the above, the relevant Securityholder will not be entitled to receive any amounts payable by the Issuer in respect of the relevant Certificates and the Issuer shall have no further liabilities in respect of such amounts.

Once delivered, a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the relevant Clearing System in consultation with the Principal Security Agent and shall be conclusive and binding on the Issuer, the Security Agents, the Calculation Agent and the relevant Securityholder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form or which is not duly delivered shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the relevant Clearing System, in consultation with the Principal Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the relevant Clearing System and copied to the Issuer and the Principal Security Agent.

(B) *Exercise Date in case of Open End Feature or if a Call Option or Put Option is specified as applicable in the relevant Final Terms*

If, in case of Benchmark Certificates, Constant Leverage Certificates and Turbo Certificates, Open End Feature is specified as applicable in the relevant Final Terms, no Exercise Date will

be provided and the Certificates may only be redeemed upon exercise of the Call Option by the Issuer (on a Call Exercise Date), or the exercise of the Put Option by the Securityholder (on a Put Exercise Date).

Exercise following the Call Option or the Put Option may be applicable also if an Exercise Date is provided, if so specified in the relevant Final Terms. Certificates will be redeemed on the relevant Call Exercise Date or Put Exercise Date, as the case may be and in accordance with the relevant Final Terms. In relation to Certificates that qualify as eligible liabilities under the MREL Requirements, the early exercise is subject to compliance with the then applicable MREL Requirements (including, without limitation, having obtained the prior permission of the Relevant Authority, if required).

(i) *Exercise of the Call Option by the Issuer*

For the purposes of the exercise of the Call Option during a specified Call Notice Period, the Issuer shall communicate the intention to exercise the Call Option to the relevant Stock Exchange and publish a notice to the Securityholders on its website by the Call Notice Period specified in the relevant Final Terms. Such notice will be irrevocable and shall indicate the Call Exercise Date.

(ii) *Exercise of the Put Option by the Securityholder*

For the purposes of the exercise of the Put Option during a specified Put Notice Period, the Securityholder shall send a Put Option Exercise Notice in accordance with the procedure specified in the applicable Final Terms. The Put Option Exercise Notice shall be carried out in relation to a number of Certificates of the same Series, equal to the Minimum Exercise Amount or to an integer multiple of that number. Any Put Option Exercise Notice which has not been sent pursuant to the applicable Final Terms and/or has not been received by the relevant recipient specified in the applicable Final Terms, will not be considered valid. Once the Put Option Exercise Notice is delivered, the Certificates in respect of which the Put Option has been exercised shall not be transferred to third parties.

(C) *Exercise of Certificates that qualify as eligible liabilities under the MREL*

(i) Regulatory conditions for call, redemption, repayment or repurchase

Any call, redemption, repurchase, repayment or modification of eligible Certificates is subject, to the extent such Certificates qualify at such time as liabilities that are eligible to meet the MREL Requirements (so called eligible liabilities), to compliance with the then applicable MREL Requirements, including the condition that the Issuer has obtained the prior permission of the Relevant Authority in accordance with Article 78a of the CRR, where one of the following conditions is met:

(a) on or before such call, redemption, repayment or repurchase (as applicable), the Issuer replaces the relevant Certificates with Own Funds instruments or eligible liabilities instruments of equal or higher quality at terms that are sustainable for its income capacity; or

(b) the Issuer has demonstrated to the satisfaction of the Relevant Authority that its Own Funds and eligible liabilities would, following such call, redemption, repayment or repurchase, exceed the requirements for Own Funds and eligible

liabilities laid down in the Relevant Regulations by a margin that the Relevant Resolution Authority, in agreement with the competent authority, considers necessary; or

(c) the Issuer has demonstrated to the satisfaction of the Relevant Authority that the partial or full replacement of the relevant Certificates with Own Funds instruments is necessary to ensure compliance with the Own Funds requirements laid down in the Relevant Regulations for continuing authorisation,

subject in any event to any different conditions or requirements as may be applicable from time to time under the applicable laws and regulations.

The Relevant Authority may grant a general prior permission, for a specified period which shall not exceed one year, to redeem or purchase (including for market making purposes) such Certificates, in the limit of a predetermined amount, subject to criteria that ensure that any such redemption or purchase will be in accordance with the conditions set out in sub-paragraphs (a) or (b) of the preceding paragraph.

For the avoidance of doubt, any refusal of the Relevant Authority to grant its permission in accordance with Article 78a of the CRR shall not constitute a default of the Issuer for any purposes.

(ii) Exercise due to a MREL Disqualification Event

In relation to Certificates qualified as MREL eligible liabilities at the time of their issuance, ifthe Issuer determines that a MREL Disqualification Event has occurred and is continuing, the Issuer in its discretion may, having given a notice to the Securityholders in accordance with Condition 9 (*Notices*), which will specify the scheduled date for redemption and payment of the relevant amount, redeem such Series of Certificates, in whole but not in part, then outstanding at any time by paying to Securityholders an amount which shall be equal to the fair market value of the Certificates (the bid-value in case of Italian Traded Securities).

(D) *Cash Settlement*

Subject as provided in this Condition 21, the Issuer shall pay or cause to be paid the relevant amount(s) (if any) for each Certificate by credit or transfer to the Securityholder's account with Euroclear or Clearstream, Luxembourg, as the case may be, for value on the Settlement Date, less any Expenses not already paid, such payment to be made in accordance with the rules of Euroclear or Clearstream, Luxembourg, as the case may be provided that in the case of Registered Securities, such payment shall be made in accordance with Condition 21(E) (*Settlement provisions for Registered Certificates*).

In case of Securities which are not Registered Securities, the Issuer's obligations will be discharged by payment to, or to the order of, Euroclear or Clearstream, Luxembourg (as the case may be) of the amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular amount of the Certificates must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each such payment.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction (including Section 871(m)), and (ii) any withholding or deduction

required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

(E) *Settlement provisions for Registered Certificates*

Payments of the Cash Settlement Amount (less any Expenses not already paid) in respect of each Registered Security (whether or not in global form) will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Certificate appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear, Clearstream, Luxembourg and/or any other relevant Clearing System are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (in each case, the **Record Date**). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the aggregate Issue Price of the Certificates held by a holder is less than U.S. $250,000 (or integral multiples of U.S. $1,000 in excess thereof) (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below).

For these purposes, **Designated Account** means the account maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency and (in the case of a payment in euro) any bank which processes payments in euro.

Holders of Registered Securities will be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Certificate as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post.

None of the Issuer, the Registrar or the Principal Security Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Registered Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

A record of each payment made on such Registered Global Certificate will be made on such Registered Global Certificate by the Registrar and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of the relevant Registered Global Certificate shall be the only person entitled to receive payments in respect of Registered Certificates represented by such Registered Global Certificate and the payment obligations of the Issuer will be discharged by payment to, or to the order of, the holder of such Registered Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, as the holder of a particular amount of Certificates must look solely to Euroclear and/or Clearstream, Luxembourg and/or any other relevant Clearing System, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of the relevant Registered Global Certificate. No

person other than the holder of the relevant Registered Global Certificate shall have any claim against the Issuer in respect of any payments due on that Registered Global Certificate.

(F) *Settlement provisions for Definitive Certificates*

In the event that any Definitive Certificates have been issued prior to the Exercise Date, the Issuer shall, on or prior to the Exercise Date, notify Securityholders in accordance with Condition 9 (*Notices*) of the procedure to be followed in order to receive any Cash Settlement Amount that may be payable upon exercise of the Certificates.

(G) *Physical Settlement*

If the Certificates are Physical Delivery Securities, each such Certificate entitles its holder, subject to the provisions of Condition 22 (if applicable), to receive from the Issuer on the Settlement Date the Entitlement, subject to payment of any Expenses. The method of delivery of the Entitlement is set out in the applicable Final Terms.

Unless otherwise specified in the applicable Final Terms, Certificates of the same Securityholder which has been automatically exercised and in respect of which, if so specified in the applicable Final Terms, a Physical Delivery Confirmation Notice (as defined below) has been duly given as provided in Condition 22 below, will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates. In particular, Securityholders will receive the Deliverable Asset and, if any, the Residual Amount.

In case of Share Securities, following exercise of Certificates that are Physical Delivery Securities, 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 executed on the Exercise Date and to be delivered in the same manner as such relevant Shares, 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 Physical Delivery Confirmation Notice (if applicable) as referred to in Condition 22.

22. Physical Delivery Confirmation Notices and Settlement (only applicable if Physical Delivery Confirmation Notice is specified as applicable in the relevant Final Terms)

(A) *Physical Delivery Confirmation Notice Requirement*

If so specified in the applicable Final Terms, in the case of Physical Delivery Securities, in order to obtain delivery of the Entitlement the relevant Securityholder must deliver or send by authenticated swift message (confirmed in writing) to Euroclear or Clearstream, Luxembourg, as the case may be, with a copy to the Principal Security Agent and the Issuer not later than 10.00 a.m. Brussels or Luxembourg time (as appropriate) on the Exercise Date a duly completed physical delivery confirmation notice (a **Physical Delivery Confirmation Notice**) substantially in the form set out in the Annex to the Terms and Conditions of the Securities and in accordance with the provisions set out in this Condition.

If the relevant Security is in definitive form, such Security must be delivered, together with the Physical Delivery Confirmation Notice, to the Issuer and with a copy to the Principal Security Agent.

(1) The Physical Delivery Confirmation Notice shall:

(i) specify the Series of the Securities and the number of Securities the subject of such Physical Delivery Confirmation Notice;

(ii) except in the case of Definitive Securities, specify the number of the Securityholder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with the Securities the subject of such Physical Delivery Confirmation Notice;

(iii) except in the case of Definitive Securities, irrevocably instruct Euroclear or Clearstream, Luxembourg, as the case may be, to debit on or before the Settlement Date the Securityholder's account with the Securities the subject of such Physical Delivery Confirmation Notice;

(iv) include an undertaking to pay all Expenses and, except in the case of Definitive Securities, an authority to Euroclear or Clearstream, Luxembourg, as the case may be, to debit a specified account of the Securityholder at Euroclear or Clearstream, Luxembourg, in respect thereof;

(v) include such details as are required by the applicable Final Terms for delivery of the Deliverable Asset constituting part or all of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Deliverable Asset constituting part or all of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Deliverable Asset constituting part or all of the Entitlement are to be delivered and specify the name and the number of the Securityholder's account with Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of a Definitive Security, at a bank in the principal financial centre of the relevant Settlement Currency to be credited with any cash payable by the Issuer, either in respect of any Residual Amount constituting the Entitlement or any dividends relating to the Deliverable Asset 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 Settlement Disruption Amount or Failure to Deliver Settlement Price, as the case may be;

(vi) only in the case of Securities having Exchange Rate(s) as Underlying, specify the number of the Securityholder's account at Euroclear or Clearstream, Luxembourg, as the case may be, or, in the case of a Definitive Security, at a bank in the principal financial centre of the relevant Settlement Currency to be credited with the amount due upon exercise of the Securities;

(vii) certify, *inter alia*, that the beneficial owner of each Security the subject of such Physical Delivery Confirmation Notice is not a U.S. person (as defined in the Physical Delivery Confirmation Notice), the Security was not held on behalf of a U.S. person and no cash, securities or other property have 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 such exercise 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 set out in the applicable Final Terms; and

(viii) authorise the production of the Physical Delivery Confirmation Notice in any applicable administrative or legal proceedings.

(2) If Condition 4(C) applies, the form of Physical Delivery Confirmation Notice required to be delivered may be different from that set out above. Copies of such Physical Delivery Confirmation Notice may be obtained from Euroclear, Clearstream, Luxembourg and the Security Agents.

(B) *Verification of the Securityholder*

Except in the case of a Physical Delivery Confirmation Notice submitted in respect of a Definitive Security, upon receipt of a Physical Delivery Confirmation Notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person exercising the Securities is the holder thereof according to the books of Euroclear or Clearstream, Luxembourg, as the case may be. Subject thereto, Euroclear or Clearstream, Luxembourg, as the case may be, will confirm to the Principal Security Agent the Series and the number of Securities being exercised and the details for the delivery of the Deliverable Asset constituting part or all of the Entitlement in respect of each Security the subject of the relevant Physical Delivery Confirmation Notice. Upon receipt of such confirmation, the Principal Security Agent will inform the Issuer thereof. Euroclear or Clearstream, Luxembourg, as the case may be, will on or before the Settlement Date debit the account of the relevant Securityholder with the Securities the subject of the relevant Physical Delivery Confirmation Notice.

(C) *Determinations*

Any determination as to whether a Physical Delivery Confirmation Notice, if applicable, is duly completed and in proper form shall be made by the Principal Security Agent, and shall be conclusive and binding on the Issuer, the Security Agents, the Calculation Agent and the relevant Securityholder. Subject as set out below, any Physical Delivery Confirmation Notice so determined to be incomplete or not in proper form or which is not duly delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) and copied to the Issuer and the Principal Security Agent (or, in the case of Definitive Securities, which is not duly delivered to the Issuer together with the relevant Definitive Security(s) and copied to the Principal Security Agent) shall be null and void.

If such Physical Delivery Confirmation Notice is subsequently corrected to the satisfaction of Euroclear and/or Clearstream, Luxembourg, in consultation with the Issuer and the Principal Security Agent (or, in the case of Definitive Securities, to the satisfaction of the Issuer in consultation with the Principal Security Agent), it shall be deemed to be a new Physical Delivery Confirmation Notice submitted at the time such correction was delivered to Euroclear or Clearstream, Luxembourg, as the case may be, and copied to the Issuer and the Principal Security Agent (or, in the case of Definitive Securities, to the Issuer and copied to the Principal Security Agent).

Euroclear and/or Clearstream, Luxembourg, as applicable, (or, in the case of Definitive Securities, the Issuer) shall use its best efforts promptly to notify the Securityholder submitting a Physical Delivery Confirmation Notice if, in consultation with the Issuer and/or the Principal Security Agent (as applicable), it has determined that such Physical Delivery Confirmation Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Security Agents, Euroclear, Clearstream, Luxembourg 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.

(D) *Delivery of a Physical Delivery Confirmation Notice*

After the delivery of a Physical Delivery Confirmation Notice, the relevant Securityholder may not transfer Certificates the subject of such notice.

(E) *Failure to deliver a Physical Delivery Confirmation Notice*

If the Physical Delivery Confirmation Notice is specified as applicable in the relevant Final Terms (and provided that the relevant Securities are not Definitive Securities, in which case the provisions of Condition 22(I) (Settlement provisions for Definitive Securities) will apply), in the event that a Securityholder does not, in respect of the Physical Delivery, deliver or procure delivery of a Physical Delivery Confirmation Notice as set out above, prior to 10.00 a.m., Brussels or Luxembourg time, on the Exercise Date, the Issuer shall as soon as reasonably practicable determine the Assessed Value Payment Amount and in respect of such Certificate shall pay or cause to be paid the Assessed Value Payment Amount by credit or transfer to the Securityholder's account with Euroclear or Clearstream, Luxembourg as soon as reasonably practicable following the determination of the Assessed Value Payment Amount. Upon payment of the Assessed Value Payment Amount as aforesaid, the Issuer's obligations in respect of such Certificate shall be discharged. Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction (including Section 871(m)), and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471 (b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

As used herein, "**Assessed Value Payment Amount**" means an amount determined by the Calculation Agent to be the fair market value of the Deliverable Asset constituting part or all of the Entitlement in respect of the relevant Certificate, less any Expenses.

23. Pay-out provisions

If the Underlying Reference Currency is different from the Settlement Currency, Cash Settled Securities may be either "Quanto Securities" (i.e. Quanto Option is specified as applicable in the relevant Final Terms) or "Non Quanto Securities" (i.e. Quanto Option is specified as not applicable in the relevant Final Terms). In case of Quanto Securities, the Underlying Reference Currency will be expressed in the Settlement Currency and, therefore, the effects of the Exchange Rate on the amount paid in relation to the Securities are neutralised. Otherwise, In case of Non Quanto Securities, the following amounts (Remuneration Amounts, Early Redemption Amounts, Corridor Early Amounts, Early Partial Capital Payment, Cash Settlement Amounts) and the relevant events will be determined by exchanging the Underlying Reference Currency into the Settlement Currency at the applicable Exchange Rate.

REMUNERATION AMOUNTS

The Certificates may provide for the payment of one or more of the amounts specified below, in the relevant payment date, as specified in the applicable Final Terms. Each of these Remuneration Amounts, in relation to each relevant valuation period, if so specified in the applicable Final Terms,

may become due only after the occurrence of a Knock-in Event or may cease to be due after the occurrence of a Knock-out Event occurs. In particular, the Certificates may provide for a:

a) *Knock-out Feature*: if a Knock-out Feature is specified in the relevant Final Terms as applicable, the relevant Remuneration Amount potentially payable will cease to be due and payable to the Securityholders after the occurrence of a Knock-out Event. In particular, after the occurrence of a Knock-out Event, the Securityholders will not benefit from the payment of any Remuneration Amount on either the payment date in relation to which the Knock-out Event has occurred and/or the payment date(s) following the Knock-out Valuation Period in which the Knock-out Event has occurred, as specified in the applicable Final Terms.

   Securityholders will be notified in the event of a Knock-out Event by means of a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com; or/and

b) *Knock-in Feature*: if a Knock-in Feature is specified in the relevant Final Terms as applicable, the relevant Remuneration Amount becomes payable to the Securityholders after the occurrence of a Knock-in Event. In particular, after the occurrence of a Knock-in Event, the Securityholders will benefit from the payment of the relevant Remuneration Amount on either the payment date in relation to which the Knock-in Event has occurred and/or the payment date(s) following the Knock-in Valuation Period in which the Knock-in Event has occurred, as specified in the applicable Final Terms.

   Securityholders will be notified in the event of a Knock-in Event by means of a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com.

The Certificates, as specified below and as the case may be, may provide for one or more of the following Remuneration Amounts:

A. DIGITAL AMOUNT(S)

The Certificates may provide[9] for the payment of one or more Digital Amounts, depending on the occurrence of the relevant Digital Event.

If the Digital Event occurs, the Securityholders will receive one or more Digital Amounts as specified in the relevant Final Terms.

The Digital Amount is an amount predetermined by the Issuer in relation to each Digital Valuation Period. For the avoidance of any doubt, in relation to the same Digital Valuation Period, the applicable Final Terms may provide for two or more Digital Amounts (also linked to different Underlyings) payable upon occurrence of the relevant Digital Event.

If the "Multiple Level Option" is specified as applicable in the relevant Final Terms, several Digital Levels will be provided in relation to the same Digital Valuation Period. In this case, the relevant Final Terms will specify the Digital Amount 1 and the Digital Amount 2, and so on, which will be respectively linked to the Digital Level 1, the Digital Level 2 and so on. In this case, the holders of the Securities will be entitled to receive the Digital Amount relating to the higher Digital Level reached by the Reference Value.

If the "Cliquet Feature" is specified as applicable in the relevant Final Terms, in this case the Calculation Agent will change the Digital Level in the relevant Digital Valuation Period

[9] In relation to the Digital Certificates, the payment of one or more Digital Amounts, depending on the occurrence of the Digital Event, as specified in the applicable Final Terms, will always be provided.

specified in the applicable Final Terms, either automatically or upon occurrence of the condition(s) specified in the applicable Final Terms, by indicating:

(i) in relation to each Cliquet Valuation Period, the relevant Reference Value or Spread or Cumulated Performance (in the case of Multiperformance Certificates), for the determination of the applicable Digital Level; and/or

(ii) different percentage(s) to be applied to the Initial Reference Value and/or Reference Value(s) or Spread or Cumulated Performance (in the case of Multiperformance Certificates) for the determination of the applicable Digital Level.

If so specified in the applicable Final Terms, in relation to each different Digital Level the Issuer will also specify the related applicable Digital Amount.

If the applicable Final Terms provide for the application of the Coupon Event, the Digital Amount(s) payable during the life of the Certificates will be determined on the basis of the Coupon Premium 1 or the Coupon Premium 2, depending on whether the Coupon Event has occurred or not.

Securityholders will be notified of the Digital Event through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com.

Specific features in relation to the Digital Amount

In addition to the other features that may be specified as applicable in relation to all the Remuneration Amounts, in relation to the Digital Amount, the following features may specifically apply, jointly or separately, as specified in the applicable Final Terms:

Consolidation Effect

The Certificates, if so specified in the relevant Final Terms, may provide for an automatic activation option of the following Digital Amounts eventually payable during the life of the Certificates.

In particular, if several Digital Valuation Periods have been provided and the Consolidation Effect occurs, the Digital Event will automatically occur without further determinations for all the Digital Valuation Periods following such Consolidation Valuation Period and, therefore, Securityholders will receive all the relevant Digital Amounts.

If the Consolidation Effect has occurred, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com.

Memory Effect

The Certificates, if so specified in the relevant Final Terms, may provide for an automatic activation option of the Digital Amounts that have not previously been paid due to the non-occurrence of the relevant Digital Events.

In particular, if several Digital Valuation Periods have been provided and the Memory Effect occurs, the investor will receive the previously unpaid Digital Amount(s) in the event that the relevant Digital Event has not occurred, except where such Digital Amounts have been already paid due to the occurrence of a Digital Event in a previous Digital Valuation Period.

If the Memory Effect has occurred, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com.

Path Dependency Effect

If so specified in the relevant Final Terms, the Path Dependency Effect may be applicable. In this case, the Digital Amount may increase in relation to each Digital Valuation Period. Such increase will depend upon the occurrence of a Digital Event in the previous Digital Valuation Period.

In particular, the increase will be calculated as the product of (i) the amount indicated as the Path Dependency Amount in the applicable Final Terms and (ii) the number of the Digital Events that have occurred from the first Digital Valuation Period (included) until the Digital Valuation Period on which such Digital Amount is calculated.

B. ACCUMULATED AMOUNT(S)

If so specified in the relevant Final Terms, the Certificates may provide for the Accumulated Amount(s). If such feature is specified as applicable in the relevant Final Terms, the Securityholders will be entitled to receive, on the relevant Accumulated Payment Date, the relevant Accumulated Amount.

The Accumulated Amount will be equal to the product between (i) the Accumulating Amount provided in relation to such Accumulating Valuation Period and (ii) the total number of Accumulating Events occurred during the relevant Accumulating Valuation Period.

The applicable Final Terms may also provide for one or more Accumulating Autocallable Trigger. In such case, an Early Redemption Event occurs if, on the Accumulated Valuation Date, the Calculation Agent determines that the relevant Accumulated Amount payable to the Securityholders is lower than, equal to or higher than, as specified in the applicable Final Terms, the relevant Accumulating Autocallable Trigger.

In addition, if an Early Redemption Level is applicable under the relevant Final Terms, and if so specified in such Final Terms, the Accumulated Amount will be paid only upon occurrence of an Early Redemption Event. In such case, the Accumulated Amount will be paid on the Accumulated Payment Date coinciding with, or immediately after, the Early Payment Date in relation to which an Early Redemption Event has occurred.

Securityholders will be notified of the number of Accumulating Events occurred during the relevant Accumulating Valuation Period through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com.

C. PLUS AMOUNT(S)

If so specified in the relevant Final Terms, the Certificates may provide the unconditional payment of one or more Plus Amount, allowing the Securityholders, during the life of the Certificates or at the Settlement Date, to receive an additional amount which is not linked to the performance of the Underlying. The Plus Amount will be paid on the relevant Plus Payment Date specified in the applicable Final Terms.

D. INTERNAL RETURN AMOUNT(S)

The applicable Final Terms may specify the Internal Return Amount (IRA) as applicable. In this case, the Internal Return Amount, which can be IRA Compound or IRA Simple, as specified below, will be linked to the performance of the Underlying and calculated according to one of the following formulas:

(i) IRA Compound:

$$Issue\ Price\ x\ Max\left\{0;\left[\left(\sqrt[n]{\frac{RV_t}{IRV}}\right)-1\right]\right\}$$

Where:

"**RV_t**" means the Reference Value in relation to the relevant Annual Valuation Period; and

"**n**" means the number specified in the applicable Final Terms in relation to the relevant Annual Valuation Period.

On the basis of such formula, the Internal Return Amount is calculated on the performance of the Underlying which is annualized in relation to each Annual Valuation Period. Otherwise,

if the relevant Final Terms provide an IRA Cap:

IRA Compound:

$$Issue\ Price\ x\ Min\left\{IRA\ Cap_t;\ Max\left\{0;\left[\left(\sqrt[n]{\frac{RV_t}{IRV}}\right)-1\right]\right\}\right\}$$

Where:

"**IRA Cap_t**" means the value expressed as a percentage specified in the relevant Final Terms in relation to the relevant Annual Valuation Period;

"**RV_t**" means the Reference Value in relation to the relevant Annual Valuation Period; and

"**n**" means the number specified in the applicable Final Terms in relation to the relevant Annual Valuation Period.

In this case, the Internal Return Amount is calculated on the performance of the Underlying which is annualized in relation to each Annual Valuation Period, but it will be subject to a maximum amount represented by the IRA Cap.

(ii) IRA Simple:

Issue Price x Max {0; [(RV_t/IRV)-1]/n}

Where:

"**RV_t**" means the Reference Value in relation to the relevant Annual Valuation Period; and

"**n**" means the number specified in the applicable Final Terms in relation to the relevant Annual Valuation Period.

On the basis of such formula, the Internal Return Amount is calculated on the performance of the Underlying which is annualized in relation to each Annual Valuation Period. Otherwise,

if the relevant Final Terms provide an IRA Cap:

Issue Price x Min {IRA CAP$_t$; Max [0; [(RV$_t$ / IRV)-1]/n]}

Where:

"**IRA Cap$_t$**" means the value expressed as a percentage specified in the relevant Final Terms in relation to the relevant Annual Valuation Period;

"**RV$_t$**" means the Reference Value in relation to the relevant Annual Valuation Period; and

"**n**" means the number specified in the applicable Final Terms in relation to the relevant Annual Valuation Period.

In this case, the Internal Return Amount is calculated on the performance of the Underlying which is annualized in relation to each Annual Valuation Period, but it will be subject to a maximum amount represented by the IRA Cap.

E. PARTICIPATION REMUNERATION AMOUNT(S)

The Certificates may provide for the payment of one or more Participation Remuneration Amounts. The Participation Remuneration Amount will consist of an amount determined on the basis of the performance of the Underlying, as specified in the formulas under points below *(A) Long Participation Remuneration Amount*, *(B) Short Participation Remuneration Amount* and *(C) Spread Participation Remuneration Amount*.

The payment of a Participation Remuneration Amount may be unconditional or may depend, if so provided in the applicable Final Terms, upon the occurrence of a Participation Remuneration Event. If this is the case, the Securityholders will receive the Participation Remuneration Amount, if positive, related to the corresponding Participation Remuneration Event Valuation Period upon occurrence of a Participation Remuneration Event only.

If the "Cliquet Feature" is specified as applicable in the relevant Final Terms for the purpose of the occurrence of the Participation Remuneration Event, in this case the Calculation Agent will change the Participation Remuneration Level in the relevant Participation Remuneration Event Valuation Period specified in the applicable Final Terms, either automatically or upon occurrence of the condition(s) specified in the applicable Final Terms, by indicating:

(i) in relation to each Cliquet Valuation Period, the relevant Reference Value or Spread or Cumulated Performance (in the case of Multiperformance Certificates), for the determination of the applicable Participation Remuneration Level; and/or

(ii) different percentage(s) to be applied to the Initial Reference Value and/or Reference Value(s) or Spread or Cumulated Performance (in the case of Multiperformance Certificates) for the determination of the applicable Participation Remuneration Level, as specified in the applicable Final Terms.

The Participation Remuneration Amount is calculated according to one or more of the formulas described below, which will be specified in the applicable Final Terms for each Participation Remuneration Amount.

(A) Long Participation Remuneration Amount:

- **Long Participation Remuneration Amount Form A:**

Issue Price x Max {Floor Percentage$_t$; [(RV_t – Strike Remuneration Percentage$_j$ x RV_j)/ RV_j] x Participation Factor$_t$}

or, if the relevant Final Terms provide for the application of a CAP:

Issue Price x Min {CAP_t; Max [Floor Percentage$_t$; ((RV_t – Strike Remuneration Percentage$_j$ x RV_j)/RV_j) x Participation Factor$_t$]}

or

- **Long Participation Remuneration Amount Form B:**

Issue Price x Max {Floor Percentage$_t$; [Base Premium Percentage$_t$ x (1 + Participation Remuneration Amount Gearing$_t$ x (RV_t – RV_j) / RV_j)]}

or, if the relevant Final Terms provide for the application of a CAP:

Issue Price x Min {CAP_t; Max [Floor Percentage$_t$; Base Premium Percentage$_t$ x (1 + Participation Remuneration Amount Gearing$_t$ x (RV_t – RV_j) / RV_j)]}

or, in relation to Interest Rate Securities only

- **Long Participation Remuneration Amount Form C:**

Issue Price x Max [Floor Percentage$_t$; (RV_t x Participation Factor$_t$)]

or

Issue Price x Max [Floor Percentage$_t$; (RV_t + Margin) x Participation Factor$_t$]

or

Issue Price x Max [Floor Percentage$_t$; (RV_t - Margin) x Participation Factor$_t$]

or, if the relevant Final Terms provide for the application of a CAP:

Issue Price x Min {CAP_t; Max [Floor Percentage$_t$; (RV_t x Participation Factor$_t$)]}

or

Issue Price x Min {CAP_t; Max [Floor Percentage$_t$; (RV_t + Margin) x Participation Factor$_t$]}

or

Issue Price x Min {CAP_t; Max [Floor Percentage$_t$; (RV_t - Margin) x Participation Factor$_t$]}

Where, in relation to each formula:

"**RV_t**" means the Reference Value on the Participation Valuation Date(s) "t" specified in the relevant Final Terms;

"**RV_j**" means the Reference Value on the Participation Valuation Date(s) "j" specified in the relevant Final Terms;

"**Participation Factor$_t$**" means the value specified in the applicable Final Terms in relation to the Participation Valuation Date "t";

"**Strike Remuneration Percentage$_j$**" means the value expressed as a percentage, which may also be equal to zero, specified in the relevant Final Terms in relation to the relevant Participation Valuation Date;

"**Floor Percentage$_t$**" means the value expressed as a percentage specified in the relevant Final Terms in relation to the Participation Valuation Date "t". The Floor Percentage will always be equal to or higher than 0 per cent;

"**Base Premium Percentage$_t$**" means the value expressed as a percentage specified in the relevant Final Terms in relation to the Participation Valuation Date "t";

"**Participation Remuneration Amount Gearing$_t$**" means the value specified in the relevant Final Terms in relation to the Participation Valuation Date "t";

"**CAP$_t$**" means the value expressed as a percentage specified in the relevant Final Terms in relation to the Participation Valuation Date "t";

"**Margin**" means the value expressed as a percentage specified in the relevant Final Terms.

The applicable Final Terms will specify whether the Participation Remuneration Amount is Long Participation Remuneration Amount (and, in this case, whether it is Long Participation Remuneration Amount Form A or Long Participation Remuneration Amount Form B or Long Participation Remuneration Amount Form C (applicable only in relation to Interest Rate Securities)) or Short Participation Remuneration Amount.

If so specified in the applicable Final Terms, both the Long Participation Remuneration Amount and Short Participation Remuneration Amount may apply in relation to the same Participation Valuation Dates;

and/or

(B) Short Participation Remuneration Amount:

Issue Price x Max [Floor Percentage$_t$; ((Strike Remuneration Percentage$_j$ x RV$_j$ - RV$_t$)/RV$_j$) x Participation Factor$_t$]

or, if the relevant Final Terms provide for the application of a CAP:

Issue Price x Min {CAP$_t$; Max [Floor Percentage$_t$; ((Strike Remuneration Percentage$_j$ x RV$_j$ - RV$_t$)/RV$_j$) x Participation Factor$_t$]}

Where, in relation to each formula:

"**RV$_t$**" means Reference Value on the Participation Valuation Date(s) "t" specified in the relevant Final Terms;

"**RV$_j$**" means the Reference Value on the Participation Valuation Date(s) "j" specified in the relevant Final Terms;

"**Participation Factor$_t$**" means the value expressed as a percentage specified in the applicable Final Terms in relation to the Participation Valuation Date "t";

"**Strike Remuneration Percentage$_j$**" means the value expressed as a percentage, which may also be equal to zero, specified in the relevant Final Terms in relation to the relevant Participation Valuation Date;

"**Floor Percentage$_t$**" means the value expressed as a percentage specified in the relevant Final Terms in relation to the Participation Valuation Date "t". The Floor Percentage will always be equal to or higher than 0 per cent;

"**CAP$_t$**" means the value expressed as a percentage specified in the relevant Final Terms in relation to the Participation Valuation Date "t".

The applicable Final Terms will specify whether the Participation Remuneration Amount is Long Participation Remuneration Amount (and, in this case, whether it is Long Participation Remuneration Amount Form A or Long Participation Remuneration Amount Form B or Long Participation Remuneration Amount Form C (applicable only in relation to Interest Rate Securities)) or Short Participation Remuneration Amount.

If so specified in the applicable Final Terms, both the Long Participation Remuneration Amount and Short Participation Remuneration Amount may apply in relation to the same Participation Valuation Dates;

and/or

(C) Spread Participation Remuneration Amount:

If the Participation Remuneration Amount is specified as *Spread Participation Remuneration Amount*, for the purposes of determining the Spread Participation Remuneration Amount, reference will be made to the Spread (as defined in Condition 3 (*Definitions*)). The Spread Participation Remuneration Amount will be calculated according to one of the following formulas:

Issue Price x [Participation Factor x Max (0; Spread)]

or, if the relevant Final Terms provide for the application of a Margin:

Issue Price x [Participation Factor x Max (0; Spread + Margin)]

or

Issue Price x [Participation Factor x Max (0; Spread - Margin)]

or, if the relevant Final Terms provide for the application of a CAP:

Issue Price x Min {CAP; [Participation Factor x Max (0; Spread)]}

or, if the relevant Final Terms provide for the application of a CAP and a Margin:

Issue Price x Min {CAP; [Participation Factor x Max (0; Spread + Margin)]}

or

Issue Price x Min {CAP; [Participation Factor x Max (0; Spread - Margin)]}

Specific features in relation to the Participation Remuneration Amount

Participation Rebate Feature

If the Participation Rebate Feature is specified in the relevant Final Terms as applicable, the Participation Remuneration Amount potentially payable depends on the occurrence of the Participation Rebate Event. If a Participation Rebate Event has not occurred during a specified Participation Rebate Valuation Period the Certificates will pay, on the relevant payment date, a Participation Remuneration Amount as specified in the applicable Final Terms. Otherwise, if during such Participation Rebate Valuation Period, a Participation Rebate Event has occurred the Certificates will pay a Participation Rebate Amount, on the relevant payment date, specified in the relevant Final Terms. In particular, if the Participation Rebate Event has occurred, the Securityholders will receive, instead of the Participation Remuneration Amount, the specified Participation Rebate Amount on the relevant payment date following the Participation Rebate Valuation Period in which the Participation Rebate Event has occurred.

Securityholders will be notified of the occurrence of a Participation Rebate Event by means of a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com.

Net Profit Feature

If the Net Profit Feature is specified in the relevant Final Terms as applicable, the Remuneration Sum will be deducted from the above amounts, provided that the resulting amount cannot be lower than zero.

Tarn Feature

If the Tarn Feature is specified in the relevant Final Terms as applicable, and the Remuneration Sum exceeds the Tarn Amount, such event will be considered as an Early Redemption Event and, therefore, the Certificates are deemed to be early redeemed and the Securityholders are entitled to receive the payment of the relevant Early Redemption Amount on the relevant Early Payment Date.

Consolidation Effect

If the payment of the Participation Remuneration Amount depends upon the occurrence of a Participation Remuneration Event, the Certificates, if so specified in the relevant Final Terms, may provide for an automatic activation option of the following Participation Remuneration Amounts eventually payable during the life of the Certificates.

In particular, if several Participation Remuneration Event Valuation Periods have been provided and the Consolidation Effect occurs, the Participation Remuneration Event will automatically occur without further determinations for all the Participation Remuneration Event Valuation Periods following such Consolidation Valuation Period and, therefore, the Securityholders will receive all the relevant Participation Remuneration Amounts, if positive.

If the Consolidation Effect has occurred, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com.

Memory Effect

If the payment of the Participation Remuneration Amount depends upon the occurrence of a Participation Remuneration Event, the Certificates, if so specified in the relevant Final Terms, may provide for an automatic activation option of the Participation Remuneration Amounts that have not previously been paid due to the non-occurrence of the relevant Participation Remuneration Events.

In particular, if several Participation Remuneration Event Valuation Periods have been provided and the Memory Effect occurs, the Securityholders will receive the previously unpaid Participation Remuneration Amount(s) in the event that the relevant Participation Remuneration Event has not occurred, except where such Participation Remuneration Amounts have been already paid due to the occurrence of a Participation Remuneration Event in a previous Participation Remuneration Event Valuation Period.

If the Memory Effect has occurred, the Securityholders will be notified through a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com.

F. PREMIUM GAP AMOUNT(S)

Gap Certificates, if so specified by the Issuer in the relevant Final Terms, may provide for the payment of a Premium Gap Amount that will depend on the Premium Determination Method specified by the Issuer in the relevant Final Terms and on whether a Barrier Gap Event has occurred.

A Barrier Gap Event will occur if, during the Barrier Gap Observation Period, the Gap Daily Performance of the relevant Underlying is lower or equal to or higher than the Barrier Gap Level.

In relation to the Premium Gap Amounts, if the Barrier Gap Event has occurred:

(i) the Premium Gap Amount will be determined on the basis of the actual number of days within the relevant Premium Gap Observation Period and not on the basis of all the days of the relevant Premium Determination Period; and

(ii) after the payment of the Premium Gap Amount that will be paid on the first Premium Payment Date following the Barrier Gap Event Date on which a Barrier Gap Event has occurred, no further Premium Gap Amount will be paid to the Securityholders.

Determination Methods

The Issuer will specify in the relevant Final Terms the Premium Determination Method that applies in relation to each Premium Determination Period. In any case, the Premium Gap Amount will not result in an amount lower than zero.

The Premium Gap Amount will be determined, depending on the applicable Determination Method, according to one of the following formulas:

(i) **Floating Premium:**

Issue Price x (Premium Percentage x Reference Rate + Premium Margin) x Day Count Fraction

or

Issue Price x (Premium Percentage x Reference Rate - Premium Margin) x Day Count Fraction

(ii) **Fixed Premium:**

Issue Price x Premium Percentage x Day Count Fraction

(iii) **Difference in Rates:**

Issue Price x [Premium Percentage x (Reference Rate 1 - Reference Rate 2) + Premium Margin] x Day Count Fraction

or

Issue Price x [Premium Percentage x (Reference Rate 1 - Reference Rate 2) - Premium Margin] x Day Count Fraction

The Day Count Fraction will depend on the number of days in the relevant Premium Gap Observation Period that will be composed by:

a) **If a Barrier Gap Event has not occurred**, the same number of days comprised in the relevant Premium Determination Period;

b) **If a Barrier Gap Event has occurred**, the number of days from the initial day of the relevant Premium Determination Period to the day on which the Barrier Gap Event has occurred, i.e. the Barrier Gap Event Date.

Difference in Rates

Where Difference in Rates is specified in the applicable Final Terms as the manner in which the Premium Gap Amount is to be determined, the rate of interest for each Premium Determination Period will, subject as provided below, be the Difference in Rates multiplied by the relevant Premium Percentage, if any, all as determined by the Calculation Agent and provided that the rate of interest may not be less than zero.

Difference in Rates means an amount equal to Rate 2 minus Rate 1, provided that if such amount is less than zero, it shall be deemed to be zero.

Rate 1 and Rate 2 shall have the meanings given to those terms in the applicable Final Terms, and each shall be determined as specified in the applicable Final Terms.

Determination of the rate of interest and calculation of Premium Gap Amounts

The Calculation Agent, in the case of Floating Premium, will at or as soon as practicable after each time at which the rate of interest is to be determined, determine the rate of interest for the relevant Premium Determination Period.

The Calculation Agent will calculate the amount of interest in relation to the Floating Premium for the relevant Premium Determination Period by applying the Interest Rate specified in the applicable Final Terms to:

(A) in the case Securities with Floating Premium which are represented by a Global Security, the aggregate outstanding nominal amount of the Securities represented by such Global Security; or

(B) in the case of Securities in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Notifications of rate of interest and Premium Gap Amounts

The Calculation Agent will cause the rate of interest and each Premium Gap Amount for each Premium Determination Period and the relevant Premium Payment Date to be notified to the Issuer and any stock exchange on which the relevant Securities are for the time being listed and notice thereof to be published in accordance with Condition 9 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Premium Gap Amount and Premium Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Premium Determination Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Securities are for the time being listed and to the holders in accordance with Condition 9 (*Notices*).

Certifications to be final

All certifications, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 23 by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Principal Security Agent (or any other paying agent specified in the applicable Final Terms) and all Securityholder and (in the absence of wilful default or bad faith) no liability to the Issuer, the Securityholder shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

G. FLOATING AMOUNT(S)

Interest Rate Warrants provide for the payment of one or more Floating Amounts that will depend on the difference between the Reference Rate and the Interest Cap, and on the Notional Amount specified for each Floating Amount Determination Period, all as specified in the applicable Final Terms and according to the following formula:

[Max (0; Reference Rate – Interest Cap) x Notional Amount$_t$] x Day Count Fraction

Where:

"***Notional Amount$_t$***" means the Notional Amount relating to each Floating Amount Determination Period (t=1,2,3,…n). The Notional Amount may also be equal in relation to each Floating Amount Determination Period, and in such case it will be referred to as Notional Amount.

The Floating Amount will be determined by the Calculation Agent on the relevant Floating Amount Determination Date and will be paid, if positive, on the relevant Floating Amount Payment Date, all as specified in the applicable Final Terms.

H. CUMULATED BONUS AMOUNT

In relation to Multiple Strike Certificates, Securityholders may be entitled to receive, on each Bonus Payment Date specified in the applicable Final Terms, the relevant Cumulated Bonus Amount. Each Cumulated Bonus Amount will be determined by the Calculation Agent in accordance with the following formula:

Cumulated Bonus Amount = Issue Price x ($Bonus_t$ - $Bonus_{t-1}$)

Where:

"**t**" means each Bonus Observation Date;

"**$Bonus_t$**" means, in relation to each Bonus Observation Date, the value calculated as follows, considering that at t =1, the $Bonus_{t-1}$ is equal to zero:

$$Bonus\ Percentage\ x \sum_{i=1}^{n} Multiple\ Participation\ Factor_i\ x\ \frac{Bonus\ Period_i}{360}$$

Where:

"**Bonus Percentage**" means the percentage specified in the applicable Final Terms;

"**n**" means the number of Multiple Participation Factor;

"**Multiple Participation Factor$_i$**" means each percentage specified in the applicable Final Terms in relation to each Multiple Strike Event$_i$;

"**Bonus Period$_i$**" means, in relation to each Bonus Observation Date and Multiple Participation Factor$_i$, the number of calendar days from (but excluding) the Determination Date to (and including) the earlier of the relevant Bonus Observation Date and the Exchange Business Day (if any) on which a Multiple Strike Event$_i$ occurs.

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EARLY REDEMPTION AMOUNT(S)

The Securities, if so specified by the Issuer in the relevant Final Terms, may provide the possibility of an automatic early redemption if an Early Redemption Event has occurred. In particular, if an Early Redemption Event has occurred the Securities will be automatically redeemed and the Securityholder:

(i) in case of Certificates other than Turbo Certificates, will receive the payment of the relevant Early Redemption Amount on the relevant Early Payment Date; or

(ii) in case of Turbo Certificates, will not receive any amount and the Early Redemption Amount will be always equal to 0 (zero);

(iii) in case of Warrants (only applicable to Warrants to be admitted to listing and/or trading without prior offer), will not receive any amount and the Early Redemption Amount will be always equal to 0 (zero).

In relation to Certificates (other than Turbo Certificates), the Early Redemption Amount may be a predetermined amount specified in the applicable Final Terms or may be an amount determined on the

basis of the performance of the Underlying specified in the applicable Final Terms on the relevant Early Redemption Valuation Period or in the valuation date(s) specified in the applicable Final Terms and paid, if positive, on the Early Payment Date, all as specified in the applicable Final Terms.

The Early Redemption Amount is calculated according to one or more of the formulas described below, which will be specified in the applicable Final Terms for each Early Redemption Valuation Period.

(i) Long Early Redemption Amount:

{[Initial Reference Value + Early Participation Factor$_t$ x (Reference Value – Initial Reference Value)] x Multiplier} x Minimum Exercise Amount

Where:

"**Early Participation Factor$_t$**" means the value expressed as a percentage specified in the relevant Final Terms at time "*t*" specified in the applicable Final Terms.

(ii) Long Cap Early Redemption Amount:

{Min [Early Cap Level; (Initial Reference Value + Early Participation Factor$_t$ x (Reference Value – Initial Reference Value))] x Multiplier} x Minimum Exercise Amount

Where:

"**Early Participation Factor$_t$**" means the value expressed as a percentage specified in the relevant Final Terms at time "*t*" specified in the applicable Final Terms;

"**Early Cap Level**" means the value specified in the relevant Final Terms, expressed as either (i) the product between the Early Cap Percentage and the Initial Reference Value, or (ii) a value predetermined by the Issuer, specified in the relevant Final Terms;

"**Early Cap Percentage**" means the value expressed as a percentage specified in the relevant Final Terms.

(iii) Short Early Redemption Amount:

{[Initial Reference Value + Early Participation Factor$_t$ x (Initial Reference Value - Reference Value)] x Multiplier} x Minimum Exercise Amount

Where:

"**Early Participation Factor$_t$**" means the value expressed as a percentage specified in the relevant Final Terms at time "*t*" specified in the applicable Final Terms.

(iv) Short Cap Early Redemption Amount:

{Min [Early Cap Amount; (Initial Reference Value + Early Participation Factor$_t$ x (Initial Reference Value - Reference Value)) x Multiplier]} x Minimum Exercise Amount

Where:

"**Early Participation Factor$_t$**" means the value expressed as a percentage specified in the relevant Final Terms at time "*t*" specified in the applicable Final Terms;

"**Early Cap Amount**" means the amount specified in the relevant Final Terms.

In case of more than one Underlying or in case of a Basket, the applicable Final Terms will also specify whether, for the purpose of the determination of such event, the applicable condition has to be satisfied in relation to at least one, any or all the Underlyings or Basket Constituents. In this case, the Early Redemption Level will be specified for each Underlying or Basket Constituent.

The applicable Final Terms may provide for one or more Accumulating Autocallable Trigger. In such case, an Early Redemption Event occurs if, on the Accumulated Valuation Date, the Calculation Agent determines that the relevant Accumulated Amount payable to the Securityholders is lower than, equal to or higher than, as specified in the applicable Final Terms, the relevant Accumulating Autocallable Trigger.

The applicable Final Terms may provide for the Tarn Amount. In such case, an Early Redemption Event occurs if, on a Participation Performance Period, the Calculation Agent determines that the Remuneration Sum exceeds the Tarn Amount.

The applicable Final Terms may provide for the application of the Coupon Event. In such case, the Early Redemption Amount(s) payable at the occurrence of an Early Redemption Event will be determined on the basis of the Coupon Premium 1 or the Coupon Premium 2, depending on the occurrence of the Coupon Event.

The applicable Final Terms may provide for an Early Partial Capital Payment. In such case, the Early Redemption Amount to be paid at Early Payment Date, if Early Redemption Event has occurred, will be adjusted relative to the Outstanding Amount after the Early Partial Capital Payment Date, as specified in the applicable Final Terms.

If the Worst Of Feature is applicable, the relevant Final Terms may provide for the Magnet Feature. In such case, an Early Redemption Event occurs if the Magnet Worst Of Performance is equal to, higher than or lower than the relevant Magnet Floored Performance.

If the Worst Of Feature is applicable, the relevant Final Terms may provide for the Click-on Effect. In such case, after the occurrence of the Click-on Effect in relation to one or more Underlyings, the Underlying(s) that will be considered for the purpose of the determination of the Worst of Underlying, will be only the one(s) for which the Click-on Effect has not been occurred in all the Click-on Valuation Periods. If during the life of the Certificates, the Click-on Effect has occurred for all the Underlyings (i.e. all the Underlyings have been, at the least once, higher than the relevant Click-on Level), the Certificates will be early redeemed.

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CORRIDOR EARLY AMOUNT

In relation to Corridor Warrants only, if a Barrier Event has occurred, the Corridor Warrants will be automatically early redeemed and the Securityholder will either (i) not receive any amount (i.e. the Securityholders will be exposed to the total loss of the capital invested) or (ii) receive the payment of the Corridor Early Amount on the relevant Corridor Early Payment Date, as specified in the applicable Final Terms.

Securityholders will be notified in the event of the early redemption of the Corridor Warrants (and, if this is the case, the payment of the Corridor Early Amount) by means of a notice published on the website of the Issuer www.prodottiequotazioni.intesasanpaolo.com.

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EARLY PARTIAL CAPITAL PAYMENT

The Certificates, if so specified by the Issuer in the relevant Final Terms, may provide an automatic early repayment of part of the invested capital, regardless of the performance of the Underlying. In particular, the Securityholder will receive the Early Partial Capital Payment Amount on the Early Partial Capital Payment Date, as specified in the applicable Final Terms.

In this case, after the Early Partial Capital Payment Date, the Cash Settlement Amount to be determined pursuant to the relevant Final Terms will be adjusted relative to the Outstanding Amount.

If applicable, also the Early Redemption Amount specified in the applicable Final Terms will be adjusted relative to the Outstanding Amount.

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SETTLEMENT AMOUNT

The Securityholder will receive on the Settlement Date for each Minimum Exercise Amount the payment of the Cash Settlement Amount, if it results in an amount higher than zero.

In relation to Certificates providing an Early Partial Capital Payment, the Cash Settlement Amount to be paid (if positive) at Settlement Date will be adjusted relative to the Outstanding Amount after the Early Partial Capital Payment Date. Accordingly, the Multiplier will be calculated on the basis of a percentage of the Issue Price, as specified in the applicable Final Terms, in order to reflect the Outstanding Amount.

In any case, the Cash Settlement Amount will not result in an amount lower than zero.

In relation to the Settlement Amount, the following scenarios may occur in relation to the structure and the pay-out provided by the Issuer in the relevant Final Terms according to the following formulas (provided that, if more than one formula is applicable in relation to the same Typology of Certificates, the relevant Final Terms will indicate the applicable one for the relevant issue):

CALCULATION METHOD IN THE CASE OF POSITIVE AND NEGATIVE PERFORMANCE OF THE UNDERLYING – (BARRIER EVENT/BARRIER GAP EVENT NOT OCCURRED, IF APPLICABLE)

A. STANDARD CERTIFICATES (LONG/SHORT)

(Initial Percentage x Initial Reference Value x Multiplier) x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the Initial Percentage, (ii) the Initial Reference Value and (iii) the Multiplier.

Or

(Issue Price x Initial Percentage) x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the Issue Price and (ii) the Initial Percentage.

B. MAX CERTIFICATES

***MAX LONG CERTIFICATES* and *MAX CONSOLIDATION LONG CERTIFICATES* if the Consolidation Floor Event has not occurred**

{Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value))] x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the higher between (1) the Initial Percentage multiplied by the Initial Reference Value and (2) the sum of (i) the Initial Reference Value and (ii) the difference between the Final Reference Value and the Initial Reference Value, such difference multiplied by the Participation Factor.

If the relevant Final Terms provide a Cap Level:

{Min [Cap Level; Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value))]] x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the higher between (1) the Initial Percentage multiplied by the Initial Reference Value and (2) the sum of (i) the Initial Reference Value and (ii) the difference between the Final Reference Value and the Initial Reference Value, such difference multiplied by the Participation Factor. However, such Cash Settlement Amount will not exceed the Cap Level multiplied by the Multiplier.

If the Restrike Feature is applicable, the relevant Final Terms will also indicate whether the Cap Style 1 or the Cap Style 2 will be applicable. In particular, in case of Cap Style 1, if a Restrike Event has occurred, the Cap Level will be determined in accordance with the Restrike Percentage. In case of Cap Style 2 the Cap Level will not be taken into consideration for the purposes of the Cash Settlement Amount.

***MAX CONSOLIDATION LONG CERTIFICATES* if the Consolidation Floor Event has occurred**

[Max (Consolidation Floor Level; Final Reference Value) x Multiplier] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the higher between (1) the Consolidation Floor Level and (2) the Final Reference Value.

Or

(Consolidation Floor Level x Multiplier) x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Consolidation Floor Level and (B) the Multiplier.

Or

{Max [Consolidation Floor Level; (Initial Reference Value + Consolidation Participation

Factor x (Final Reference Value – Initial Reference Value))] x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the higher between (1) the Consolidation Floor Level and (2) the sum of (i) the Initial Reference Value and (ii) the difference between the Final Reference Value and the Initial Reference Value, such difference multiplied by the Consolidation Participation Factor.

If the relevant Final Terms provide a Cap Consolidation Amount:

Min {Cap Consolidation Amount; [Max (Consolidation Floor Level; Final Reference Value) x Multiplier]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Consolidation Amount and (B) the product of (1) the Multiplier and (2) the higher between (i) the Consolidation Floor Level and (ii) the Final Reference Value.

Or

Min {Cap Consolidation Amount; Max [Consolidation Floor Level; (Initial Reference Value + Consolidation Participation Factor x (Final Reference Value – Initial Reference Value))] x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Consolidation Amount and (B) the product of (1) the Multiplier and (2) the higher between (i) the Consolidation Floor Level and (ii) the sum of the Initial Reference Value and the difference between the Final Reference Value and the Initial Reference Value, such difference multiplied by the Consolidation Participation Factor.

MAX SHORT CERTIFICATES

{Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Initial Reference Value – Final Reference Value))] x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the higher between (1) the Initial Percentage multiplied by the Initial Reference Value and (2) the sum of (i) the Initial Reference Value and (ii) the difference between the Initial Reference Value and the Final Reference Value, such difference multiplied by the Participation Factor.

If the relevant Final Terms provide a Cap Level:

{Max [Initial Percentage x Initial Reference Value; Min (Cap Level; (Initial Reference Value + Participation Factor x (Initial Reference Value – Final Reference Value)))] x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the higher between (1) the Initial Percentage multiplied by the Initial Reference Value and (2) the lower between the Cap Level and the sum of (i) the Initial Reference Value and (ii) the difference between the Initial Reference Value and the Final Reference Value, such difference multiplied

by the Participation Factor.

If the Restrike Feature is applicable, the relevant Final Terms will also indicate whether the Cap Style 1 or the Cap Style 2 will be applicable. In particular, in case of Cap Style 1, if a Restrike Event has occurred, the Cap Level will be determined in accordance with the Restrike Percentage. In case of Cap Style 2 the Cap Level will not be taken into consideration for the purposes of the Cash Settlement Amount.

C. SPREAD CERTIFICATES

TYPE A SPREAD CERTIFICATES

[(Initial Percentage x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage x Initial Reference Value$_B$ x Multiplier$_B$)] / 2 x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the average between (1) the product of (i) the Initial Percentage, (ii) the Initial Reference Value of the Underlying A and (iii) the Multiplier of the Underlying A and (2) the product of (i) the Initial Percentage, (ii) the Initial Reference Value of the Underlying B and (iii) the Multiplier B.

TYPE B SPREAD CERTIFICATES

{[(Initial Percentage x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage x Initial Reference Value$_B$ x Multiplier$_B$)] / 2 x [1 + Participation Factor x Max (0; Spread + Margin)]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the average between (1) the product of (i) the Initial Percentage, (ii) the Initial Reference Value of the Underlying A and (iii) the Multiplier of the Underlying A and (2) the product of (i) the Initial Percentage, (ii) the Initial Reference Value of the Underlying B and (iii) the Multiplier of the Underlying B and (B) 1 plus the Participation Factor multiplied by the higher between (i) 0 and (ii) the Spread (plus the Margin).

Or

{[(Initial Percentage x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage x Initial Reference Value$_B$ x Multiplier$_B$)] / 2 x [1 + Participation Factor x Max (0; Spread – Margin)]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the average between (1) the product of (i) the Initial Percentage, (ii) the Initial Reference Value of the Underlying A and (iii) the Multiplier of the Underlying A and (2) the product of (i) the Initial Percentage, (ii) the Initial Reference Value of the Underlying B and (iii) the Multiplier of the Underlying B and (B) 1 plus the Participation Factor multiplied by the higher between (i) 0 and (ii) the Spread (minus the Margin).

If the relevant Final Terms provide a CAP:

{[(Initial Percentage x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage x Initial Reference Value$_B$ x Multiplier$_B$)] / 2 x [1 + Participation Factor x Min (CAP; Max (0; Spread + Margin))]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the average between (1) the product of (i) the Initial Percentage, (ii) the Initial Reference Value of the Underlying A and (iii) the Multiplier of the Underlying A and (2) the product of (i) the Initial Percentage, (ii) the Initial Reference Value of the Underlying B and (iii) the Multiplier of the Underlying B and (B) 1 plus the Participation Factor multiplied by the lower between (1) the CAP and (2) the higher between (i) 0 and (ii) the Spread (plus the Margin).

Or

{[(Initial Percentage x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage x Initial Reference Value$_B$ x Multiplier$_B$)] / 2 x [1 + Participation Factor x Min (CAP; Max (0; Spread - Margin))]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the average between (1) the product of (i) the Initial Percentage, (ii) the Initial Reference Value of the Underlying A and (iii) the Multiplier of the Underlying A and (2) the product of (i) the Initial Percentage, (ii) the Initial Reference Value of the Underlying B and (iii) the Multiplier of the Underlying B and (B) 1 plus the Participation Factor multiplied by the lower between (1) the CAP and (2) the higher between (i) 0 and (ii) the Spread (minus the Margin).

TYPE C SPREAD CERTIFICATES

a. If the Spread (+ Margin or - Margin) is higher than or equal to 0:

Issue Price x Max [0; (1 + Participation Factor x (Spread + Margin))] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (1) the Issue Price and (2) the higher between (i) 0 and (ii) 1 plus the Participation Factor multiplied by the Spread (plus the Margin).

Or

Issue Price x Max [0; (1 + Participation Factor x (Spread - Margin))] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (1) the Issue Price and (2) the higher between (i) 0 and (ii) 1 plus the Participation Factor multiplied by the Spread (minus the Margin).

<u>If the relevant Final Terms provide a Cap Amount:</u>

Min {Cap Amount; Issue Price x Max [0; (1 + Participation Factor x (Spread + Margin))]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Amount and (B) the product of (1) the Issue Price and (2) the higher between (i) 0 and (ii) 1 plus the Participation Factor multiplied by the Spread (plus the Margin).

Or

Min {Cap Amount; Issue Price x Max [0; (1 + Participation Factor x (Spread -

Margin))]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Amount and (B) the product of (1) the Issue Price and (2) the higher between (i) 0 and (ii) 1 plus the Participation Factor multiplied by the Spread (minus the Margin).

b. If the Spread (+ Margin or - Margin) is lower than 0:

Issue Price x Max [0; (1 + Down Participation Factor x (Spread + Margin))] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (1) the Issue Price and (2) the higher between (i) 0 and (ii) 1 plus the Down Participation Factor multiplied by the Spread (plus the Margin).

Or

Issue Price x Max [0; (1 + Down Participation Factor x (Spread - Margin))] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (1) the Issue Price and (2) the higher between (i) 0 and (ii) 1 plus the Down Participation Factor multiplied by the Spread (minus the Margin).

If the relevant Final Terms provide a Protection Amount:

Max {Protection Amount; Issue Price x Max [0; (1 + Down Participation Factor x (Spread + Margin))]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) the Protection Amount and (B) the product of (1) the Issue Price and (2) the higher between (i) 0 and (ii) 1 plus the Down Participation Factor multiplied by the Spread (plus the Margin).

Or

Max {Protection Amount; Issue Price x Max [0; (1 + Down Participation Factor x (Spread - Margin))]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) the Protection Amount and (B) the product of (1) the Issue Price and (2) the higher between (i) 0 and (ii) 1 plus the Down Participation Factor multiplied by the Spread (minus the Margin).

TYPE D SPREAD CERTIFICATES

Max [0; (Spread + Margin) x Multiplier] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (1) 0 and (2) the product of (i) the Spread (plus the Margin) and (ii) the Multiplier.

Or

Max [0; (Spread - Margin) x Multiplier] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (1) 0 and (2) the product of (i) the Spread (minus the Margin) and (ii) the Multiplier.

If the relevant Final Terms provide a Cap Amount:

Min {Cap Amount; Max [0; (Spread + Margin) x Multiplier]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Amount and (B) the higher between (1) 0 and (2) the product of (i) the Spread (plus the Margin) and (ii) the Multiplier.

Or

Min {Cap Amount; Max [0; (Spread - Margin) x Multiplier]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Amount and (B) the higher between (1) 0 and (2) the product of (i) the Spread (minus the Margin) and (ii) the Multiplier.

D. TWIN WIN CERTIFICATES

TWIN WIN LONG CERTIFICATES

a. If the Final Reference Value is higher than, or equal to, the Initial Reference Value multiplied by the Strike Percentage:

[Initial Reference Value x Strike Percentage + Participation Factor x (Final Reference Value – Initial Reference Value x Strike Percentage)] x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the sum of (1) the Initial Reference Value multiplied by Strike Percentage and (2) the difference between the Final Reference Value and the Initial Reference Value multiplied by the Strike Percentage, such difference multiplied by the Participation Factor.

If the relevant Final Terms provide a Cap Level:

Min {Cap Level; [Initial Reference Value x Strike Percentage + Participation Factor x (Final Reference Value – Initial Reference Value x Strike Percentage)]} x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the lower between (1) the Cap Level and (2) the sum of (i) the Initial Reference Value multiplied by Strike Percentage and (ii) the difference between the Final Reference Value and the Initial Reference Value multiplied by the Strike Percentage, such difference multiplied by the Participation Factor.

b. If the Final Reference Value is lower than the Initial Reference Value multiplied by the Strike Percentage (and the Barrier Event, if applicable, has not occurred):

[Initial Reference Value x Strike Percentage + Down Participation Factor x (Initial Reference Value x Strike Percentage – Final Reference Value)] x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the sum of (1) the Initial Reference Value multiplied by Strike Percentage and (2) the difference between the Initial Reference Value multiplied by the Strike Percentage and the Final Reference Value, such difference multiplied by the Down Participation Factor.

If the relevant Final Terms provide a Cap Down Amount:

Min {[Initial Reference Value x Strike Percentage + Down Participation Factor x (Initial Reference Value x Strike Percentage – Final Reference Value)] x Multiplier; Cap Down Amount} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Down Amount and (B) the product of (1) the Multiplier and (2) the sum of (i) the Initial Reference Value multiplied by Strike Percentage and (ii) the difference between the Initial Reference Value multiplied by the Strike Percentage and the Final Reference Value, such difference multiplied by the Down Participation Factor.

TWIN WIN SHORT CERTIFICATES

a. If the Final Reference Value is higher than, or equal to, the Initial Reference Value multiplied by the Strike Percentage:

[Initial Reference Value x Strike Percentage + Participation Factor x (Final Reference Value – Initial Reference Value x Strike Percentage)] x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the sum of (1) the Initial Reference Value multiplied by Strike Percentage and (2) the difference between the Final Reference Value and the Initial Reference Value multiplied by the Strike Percentage, such difference multiplied by the Participation Factor.

If the relevant Final Terms provide a Cap Level:

Min {Cap Level; [Initial Reference Value x Strike Percentage + Participation Factor x (Final Reference Value – Initial Reference Value x Strike Percentage)]} x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the lower between (1) the Cap Level and (2) the sum of (i) the Initial Reference Value multiplied by Strike Percentage and (ii) the difference between the

Final Reference Value and the Initial Reference Value multiplied by the Strike Percentage, such difference multiplied by the Participation Factor.

b. If the Final Reference Value is lower than the Initial Reference Value multiplied by the Strike Percentage:

[Initial Reference Value x Strike Percentage + Down Participation Factor x (Initial Reference Value x Strike Percentage – Final Reference Value)] x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the sum of (1) the Initial Reference Value multiplied by Strike Percentage and (2) the difference between the Initial Reference Value multiplied by the Strike Percentage and the Final Reference Value, such difference multiplied by the Down Participation Factor.

If the relevant Final Terms provide a Cap Down Amount:

Min {[Initial Reference Value x Strike Percentage + Down Participation Factor x (Initial Reference Value x Strike Percentage – Final Reference Value)] x Multiplier; Cap Down Amount} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Down Amount and (B) the product of (1) the Multiplier and (2) the sum of (i) the Initial Reference Value multiplied by Strike Percentage and (ii) the difference between the Initial Reference Value multiplied by the Strike Percentage and the Final Reference Value, such difference multiplied by the Down Participation Factor.

E. BENCHMARK CERTIFICATES

LONG BENCHMARK CERTIFICATES

(i) WITHOUT ANNUAL MANAGEMENT FEE AND VARIABLE MANAGEMENT FEE:

Final Reference Value x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the Final Reference Value and (ii) the Multiplier. Therefore, Securityholders will be exposed to the performance of the Underlying.

(ii) WITH ANNUAL MANAGEMENT FEE:

Final Reference Value x Multiplier x Annual Management Fee x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the Final Reference Value, (ii) the Multiplier and (iii) the Annual Management Fee. Therefore, Securityholders will be exposed to the performance of the Underlying.

(iii) WITH VARIABLE MANAGEMENT FEE:

Final Reference Value x Multiplier x Variable Management Fee x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the Final Reference Value, (ii) the Multiplier and (iii) the Variable Management Fee. Therefore, Securityholders will be exposed to the performance of the Underlying.

SHORT BENCHMARK CERTIFICATES

(i) WITHOUT ANNUAL MANAGEMENT FEE AND VARIABLE MANAGEMENT FEE:

Max [0; (Strike Price – Final Reference Value) x Multiplier] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (1) 0 and (2) the product of (i) the difference between the Strike Price and the Final Reference Value and (ii) the Multiplier. Therefore, the exposure of the Securityholders will be inversely proportioned to the performance of the Underlying.

(ii) WITH ANNUAL MANAGEMENT FEE:

Max [0; (Strike Price – Final Reference Value) x Multiplier x Annual Management Fee] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (1) 0 and (2) the product of (i) the difference between the Strike Price and the Final Reference Value, (ii) the Multiplier and (iii) the Annual Management Fee. Therefore, the exposure of the Securityholders will be inversely proportioned to the performance of the Underlying.

(iii) WITH VARIABLE MANAGEMENT FEE:

Max [0; (Strike Price – Final Reference Value) x Multiplier x Variable Management Fee] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (1) 0 and (2) the product of (i) the difference between the Strike Price and the Final Reference Value, (ii) the Multiplier and (iii) the Variable Management Fee. Therefore, the exposure of the Securityholders will be inversely proportioned to the performance of the Underlying.

F. TURBO CERTIFICATES

LONG TURBO CERTIFICATES

Max [0; (Final Reference Value – Strike Price)] x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (1) 0 and (2) the product of (i) the difference between the Final Reference Value and the Strike Price and (ii) the Multiplier. Therefore, the Securityholders will be exposed to the performance of the Underlying.

SHORT TURBO CERTIFICATES

Max [0; (Strike Price – Final Reference Value)] x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (1) 0 and (2) the product of (i) the difference between the Strike Price and the Final Reference Value and (ii) the Multiplier. Therefore, the exposure of the Securityholders will be inversely proportioned to the performance of the Underlying.

G. OUTPERFORMANCE CERTIFICATES

LONG OUTPERFORMANCE CERTIFICATES

a. ***If the Final Reference Value is equal to or higher than the Initial Reference Value:***

{[Initial Reference Value + Up Participation Factor x (Final Reference Value – Initial Reference Value)] x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the sum of (1) the Initial Reference Value and (2) the difference between the Final Reference Value and the Initial Reference Value, such difference multiplied by the Up Participation Factor.

If the relevant Final Terms provide a Cap Level:

{{Min [(Initial Reference Value + Up Participation Factor x (Final Reference Value – Initial Reference Value)); Cap Level]} x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the lower between (1) the sum of (i) the Initial Reference Value and (ii) the difference between the Final Reference Value and the Initial Reference Value, such difference multiplied by the Up Participation Factor and (2) the Cap Level.

b. ***If the Final Reference Value is lower than the Initial Reference Value:***

{[Initial Reference Value + Down Participation Factor x (Final Reference Value – Initial Reference Value)] x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the sum of (1) the Initial Reference Value and (2) the difference between the Final Reference Value and the Initial Reference Value, such difference multiplied by the Down Participation Factor.

SHORT OUTPERFORMANCE CERTIFICATES

a. ***If the Final Reference Value is equal to or lower than the Initial Reference Value:***

{[Initial Reference Value + Down Participation Factor x (Initial Reference Value – Final Reference Value)] x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the sum of (1) the Initial Reference Value and (2) the difference between the Initial Reference Value and the Final Reference Value, such difference multiplied by the Down Participation Factor.

If the relevant Final Terms provide a Cap Level:

{{Min [(Initial Reference Value + Down Participation Factor x (Initial Reference Value – Final Reference Value)); Cap Level]} x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the lower between (1) the sum of (i) the Initial Reference Value and (ii) the difference between the Initial Reference Value and the Final Reference Value, such difference multiplied by the Down Participation Factor and (2) the Cap Level.

b. ***If the Final Reference Value is higher than the Initial Reference Value:***

{Max [0; [Initial Reference Value + Up Participation Factor x (Initial Reference Value – Final Reference Value)]] x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) 0 and (B) the product of (1) the Multiplier and (2) the sum of (i) the Initial Reference Value and (ii) the difference between the Initial Reference Value and the Final Reference Value, such difference multiplied by the Up Participation Factor.

H. BUFFER PROTECTION CERTIFICATES

In relation to such type, the formula for the calculation of the Cash Settlement Amount will depend on whether a Buffer Event has occurred. In particular:

a. **If the Buffer Event has not occurred:**

(Initial Percentage x Initial Reference Value x Multiplier) x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the Initial Percentage, (ii) the Initial Reference Value and (iii) the Multiplier.

b. **If the Buffer Event has occurred:**

Max {Protection Percentage x Issue Price; Issue Price x [1 + (Performance Sum – Buffer Percentage)]}

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) the

Protection Percentage multiplied by the Issue Price and (B) the Issue Price multiplied by the sum of (1) 1 and (2) the difference between (i) the Performance Sum and (ii) the Buffer Percentage.

I. GLOBAL PERFORMANCE CERTIFICATES

Max [Protection Percentage x Issue Price; Issue Price x (1 + Global Performance)]

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) the Protection Percentage multiplied by the Issue Price and (B) the Issue Price multiplied by the sum of (i) 1 and (ii) the Global Performance.

Or

Max {Protection Percentage x Issue Price; [Issue Price x (Initial Percentage + Global Performance)]}

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) the Protection Percentage multiplied by the Issue Price and (B) the Issue Price multiplied by the sum of (i) the Initial Percentage and (ii) the Global Performance.

If the relevant Final Terms provide a Cap Amount:

Min {Cap Amount; Max [Protection Percentage x Issue Price; Issue Price x (1 + Global Performance)]}

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Amount and (B) the higher between (1) the Protection Percentage multiplied by the Issue Price and (2) the product of (i) the Issue Price and (ii) 1 plus the Global Performance.

J. LUCKY PROTECTION CERTIFICATES

LONG LUCKY PROTECTION CERTIFICATES

a. If the Final Reference Value is equal to or higher than the Initial Reference Value:

[Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value)] x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the sum of (1) the Initial Reference Value and (2) the difference between the Final Reference Value and the Initial Reference Value, such difference multiplied by the Participation Factor.

Or

(Initial Percentage x Initial Reference Value x Multiplier) x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the Initial Percentage, (ii) the Initial Reference Value and (iii) the Multiplier.

b. If the Final Reference Value is lower than the Initial Reference Value:

Max {Dropdown Protection Level; Min [Initial Reference Value; Initial Reference Value + Final Leverage x (Final Reference Value – Initial Reference Value)]} x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of the Multiplier and the higher between (A) the Dropdown Protection Level and (B) the lower between (1) the Initial Reference Value and (2) the sum of (i) the Initial Reference Value and (ii) the Final Leverage multiplied by the difference between the Final Reference Value and the Initial Reference Value.

SHORT LUCKY PROTECTION CERTIFICATES

a. ***If the Final Reference Value is equal to or lower than the Initial Reference Value:***

[Initial Reference Value + Participation Factor x (Initial Reference Value – Final Reference Value)] x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the sum of (1) the Initial Reference Value and (2) the product of (i) the Participation Factor and (ii) the difference between the Initial Reference Value and the Final Reference Value.

Or

(Initial Percentage x Initial Reference Value x Multiplier) x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the Initial Percentage, (ii) the Initial Reference Value and (iii) the Multiplier.

b. If the Final Reference Value is higher than the Initial Reference Value:

Max {Dropdown Protection Amount; Min [Initial Reference Value; Initial Reference Value + Final Leverage x (Initial Reference Value – Final Reference Value)] x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) the Dropdown Protection Amount and (B) the product of the Multiplier and the lower between (1) the Initial Reference Value and (2) the sum of (i) the Initial Reference Value and (ii) the Final Leverage multiplied by the difference between the Initial Reference Value and the Final Reference Value.

K. DYNAMIC PROTECTION CERTIFICATES

LONG DYNAMIC PROTECTION CERTIFICATES

a. If the Final Reference Value is equal to or higher than the Initial Reference Value:

[Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value)] x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the sum of (1) the Initial Reference Value and (2) the Participation Factor multiplied by the difference between the Final Reference Value and the Initial Reference Value.

Or

(Initial Percentage x Initial Reference Value x Multiplier) x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the Initial Percentage, (ii) the Initial Reference Value and (iii) the Multiplier.

b. If the Final Reference Value is lower than the Initial Reference Value but equal to or higher than the Dynamic Protection Level:

{Initial Reference Value + [(Initial Gearing – Final Gearing) x (Final Reference Value – Initial Reference Value)]} x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the sum of (1) the Initial Reference Value and (2) the product of (i) the difference between the Initial Gearing and the Final Gearing and (ii) the difference between the Final Reference Value and the Initial Reference Value.

c. If the Final Reference Value is lower than the Dynamic Protection Level:

[Protection Amount + (Step Up Amount x number of Gearing Events)] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the sum of (A) the Protection Amount and (B) the Step Up Amount multiplied by the number of Gearing Events.

SHORT DYNAMIC PROTECTION CERTIFICATES

a. If the Final Reference Value is equal to or lower than the Initial Reference Value:

[Initial Reference Value + Participation Factor x (Initial Reference Value – Final Reference Value)] x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the sum of (1) the Initial Reference Value and (2) the Participation Factor

multiplied by the difference between the Initial Reference Value and the Final Reference Value.

Or

(Initial Percentage x Initial Reference Value x Multiplier) x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the Initial Percentage, (ii) the Initial Reference Value and (iii) the Multiplier.

b. If the Final Reference Value is higher than the Initial Reference Value but equal to or lower than the Protection Level:

{Initial Reference Value + [(Initial Gearing – Final Gearing) x (Initial Reference Value – Final Reference Value)]} x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the sum of (1) the Initial Reference Value and (2) the product of (i) the difference between the Initial Gearing and the Final Gearing and (ii) the difference between the Initial Reference Value and the Final Reference Value.

c. If the Final Reference Value is higher than the Dynamic Protection Level:

[Protection Amount + (Step Up Amount x number of Gearing Events)] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the sum of (A) the Protection Amount and (B) the Step Up Amount multiplied by the number of Gearing Events.

L. CURRENCY CERTIFICATES

$$\sum_{i=1}^{N}[w_i \, x \, (\frac{Initial\ Reference\ Value_{\ i}}{Final\ Reference\ Value_{\ i}})] \, x \, Issue\ Price]$$

Where:

"N" means the number of Underlyings specified in the applicable Final Terms;

"i" means the i-th exchange rate Underlying; and

"w_i" is the Exchange Rate Weight in respect of the i-th exchange rate Underlying.

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to a percentage of the Issue Price, which depends on the weighted sum of the performances of the Underlyings. The Issuer will indicate in the applicable Final Terms: (i) the relevant exchange rate Underlying and (ii) the Exchange Rates Weights.

If the relevant Final Terms provide a Protection Percentage:

$$\sum_{i=1}^{N} [w_i \; x \; Max \; [\; Protection \; Percentage_i; \; (\frac{Initial \; Reference \; Value \; _i}{Final \; Reference \; Value \; _i})]] \; x \; Issue \; Price$$

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount that is at least equal to the Protection Percentage, multiplied by the Issue Price.

M. MULTIPERFORMANCE CERTIFICATES

MULTIPERFORMANCE LONG/SHORT CERTIFICATES

Initial Percentage x Issue Price x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the Initial Percentage multiplied by the Issue Price.

MULTIPERFORMANCE MAX LONG CERTIFICATES

Max {Initial Percentage x Issue Price; Issue Price x [1 + (Up Participation Factor x Cumulated Performance)]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) the Initial Percentage multiplied by the Issue Price and (B) the Issue Price multiplied by the sum of (i) 1 and (ii) the Up Participation Factor multiplied by the Cumulated Performance.

If the relevant Final Terms provide a Cap Amount:

Min {Cap Amount; Max [Initial Percentage x Issue Price; Issue Price x [1 + (Up Participation Factor x Cumulated Performance)]]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Amount and (B) the higher between (1) the Initial Percentage multiplied by the Issue Price and (2) the Issue Price multiplied by the sum of (i) 1 and (ii) the Up Participation Factor multiplied by the Cumulated Performance.

MULTIPERFORMANCE MAX SHORT CERTIFICATES

Max {Initial Percentage x Issue Price; Issue Price x [1 - (Up Participation Factor x Cumulated Performance)]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) the Initial Percentage multiplied by the Issue Price and (B) the Issue Price multiplied by the difference between (i) 1 and (ii) the Up Participation Factor multiplied by the Cumulated Performance.

If the relevant Final Terms provide a Cap Amount:

Min {Cap Amount; Max [Initial Percentage x Issue Price; Issue Price x [1 - (Up Participation Factor x Cumulated Performance)]]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Amount and (B) the higher between (1) the Initial Percentage multiplied by the Issue Price and (2) the Issue Price multiplied by the difference between (i) 1 and (ii) the Up Participation Factor multiplied by the Cumulated Performance.

N. DUAL CURRENCY FX CERTIFICATES (LONG/SHORT)

Initial Percentage x Initial Reference Value x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the Initial Percentage, (ii) the Initial Reference Value and (iii) the Multiplier. In relation to such Typology, the Underlying will be an Exchange Rate.

O. GAP CERTIFICATES (LONG/SHORT)

Initial Percentage x Issue Price x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount in the Issue Currency equal to the Initial Percentage multiplied by the Issue Price.

P. CALENDAR CERTIFICATES

Max {Protection Amount; [Issue Price x ((Final Reference Value / Initial Reference Value) + Calendar Performance)]}

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) the Protection Amount and (B) the Issue Price multiplied by the sum of (i) the ratio between the Final Reference Value and the Initial Reference Value and (ii) the Calendar Performance.

If the relevant Final Terms provide a Cap Amount:

Min {Cap Amount; Max {Protection Amount; [Issue Price x ((Final Reference Value / Initial Reference Value) + Calendar Performance)]}}

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Amount and (B) the higher between (1) the Protection Amount and (2) the Issue Price multiplied by the sum of (i) the ratio between the Final Reference Value and the Initial Reference Value and (ii) the Calendar Performance.

Q. ONE STAR CERTIFICATES

a. If the One Star Event has not occurred

In such case, the Cash Settlement Amount will be calculated in accordance with one of the payout formulas set out in this Condition 23, specified in the applicable Final Terms.

b. If the One Star Event has occurred

(One Star Percentage x Initial Reference Value x Multiplier) x Minimum Exercise Amount

In such case, the Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the One Star Percentage, (ii) the Initial Reference Value and (iii) the Multiplier.

R. SWITCH CERTIFICATES

a. If the Switch Event has not occurred

In such case, the Cash Settlement Amount will be calculated in accordance with one of the payout formulas set out in this Condition 23, specified in the applicable Final Terms.

b. If the Switch Event has occurred

In such case, the Cash Settlement Amount will be calculated in accordance with either:

(i) one of the payout formulas set out in this Condition 23 for another Typology; or

(ii) one of the formulas set out in this Condition 23 for the same Typology, but with different Settlement Characteristic; or

(iii) one of the formulas set out in this Condition 23 for another or the same Typology, but with different values assigned to the relevant Settlement Characteristic(s); or

(iv) the same formula that applies if the Switch Event has not occurred, but with different values assigned to the relevant Settlement Characteristic(s);

as specified in the applicable Final Terms.

S. CALL CERTIFICATES[10]

Issue Price x Max [0%; (Final Reference Value – Strike Percentage x Initial Reference Value) / Initial Reference Value]

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the Issue Price multiplied by the maximum between (1) 0% and (2) the difference between (i) the Final Reference Value and (ii) the Initial Reference Value multiplied by the Strike Percentage, such difference divided by Initial Reference Value.

If the relevant Final Terms provide a Cap Amount:

Min {Cap Amount; Issue Price x Max [0%; (Final Reference Value – Strike Percentage x Initial Reference Value) / Initial Reference Value]}

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Amount and (B) the

[10] The Barrier Level will never be applicable in relation to Call Certificates.

Issue Price multiplied by the maximum between (1) 0% and (2) the difference between (i) the Final Reference Value and (ii) the Initial Reference Value multiplied by the Strike Percentage, such difference divided by Initial Reference Value.

T. DIGITAL CERTIFICATES[11]

a. If the Final Reference Value is higher than, or equal to, the Settlement Level (i.e. a Settlement Event has occurred):

Issue Price x Digital Percentage x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the Digital Percentage multiplied by the Issue Price.

b. If the Final Reference Value is lower than the Settlement Level (i.e. a Settlement Event has occurred):

0

In such case, Securityholders will not receive any amount on the Settlement Date and, therefore, will be exposed to the total loss of the capital invested.

U. DISCOUNT CERTIFICATES

a. If the Final Reference Value is higher than, or equal to, the Cap Level:

Cap Level x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the Cap Level multiplied by the Multiplier.

b. If the Final Reference Value is lower than the Cap Level:

Final Reference Value x Multiplier x Minimum Exercise Amount

In such case, Securityholders vvvvvvvwill receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the Final Reference Value multiplied by the Multiplier.

V. COMBINED AMOUNT CERTIFICATES

Combined Amount x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the Combined Amount.

W. LONG OUTPERFORMANCE COMBINED CERTIFICATES

Final Reference Value x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount

[11] The Barrier Level will never be applicable in relation to Digital Certificates.

per Minimum Exercise Amount equal to the Final Reference Value multiplied by the Multiplier. Therefore, Securityholders will be exposed to the performance of the Underlying.

X. REVERSE BUTTERFLY CERTIFICATES

{Max [(Initial Percentage x Initial Reference Value); (Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value))] x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the higher between (1) the Initial Percentage multiplied by the Initial Reference Value and (2) the Initial Reference Value plus the Participation Factor multiplied by the difference between the Final Reference Value and the Initial Reference Value.

If the relevant Final Terms provide a Cap Level:

{Min [Cap Level; Max [(Initial Percentage x Initial Reference Value); (Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value))]] x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the lower between (1) the Cap Level and (2) the higher between (i) the Initial Percentage multiplied by the Initial Reference Value and (ii) the Initial Reference Value plus the Participation Factor multiplied by the difference between the Final Reference Value and the Initial Reference Value.

Y. MULTIPLE STRIKE CERTIFICATES

$$Issue\ Price\ x\ Participation\ Factor\ x\ \frac{Final\ Reference\ Value}{Initial\ Reference\ Value} + \sum_{i=1}^{n} Multiple\ Amount_i$$

Where:

"**n**" means the number of Multiple Participation Factor;

"**Multiple Amount$_i$**" means, in relation to Multiple Strike Certificates, the amount calculated as follows:

(i) if a Multiple Strike Event$_i$ has occurred, in accordance with the following formula:

$$Issue\ Price\ x\ Multiple\ \ Participation\ Factor_i\ x\ \frac{Final\ Reference\ Value}{Reference\ Value_i}$$

Where:

"**Reference Value$_i$**" means the Value of the Underlying that has caused the occurrence of the Multiple Strike Event$_i$;

(ii) if a Multiple Strike Event$_i$ has not occurred, in accordance with the following formula:

$$Issue\ Price\ x\ Multiple\ Participation\ Factor_i$$

Where:

"**Multiple Participation Factor**$_i$" means each percentage specified in the applicable Final Terms in relation to each Multiple Strike Event$_i$.

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the sum of (A) the product of (1) the Issue Price, (2) the Participation Factor and (3) the ratio between the Final Reference Value and the Initial Reference Value and (B) all the Multiple Amount$_i$ for the dates specified in the applicable Final Terms.

Z. CONSTANT LEVERAGE CERTIFICATES

TYPE A LONG CONSTANT LEVERAGE CERTIFICATES

Final Reference Value x Multiplier x Variable Management Fee x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the Final Reference Value, (ii) the Multiplier and (iii) the Variable Management Fee. Therefore, Securityholders will be exposed to the performance of the Underlying.

TYPE A SHORT CONSTANT LEVERAGE CERTIFICATES

Max [0; (Strike Price – Final Reference Value) x Multiplier x Variable Management Fee] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (1) 0 and (2) the product of (i) the difference between the Strike Price and the Final Reference Value, (ii) the Multiplier and (iii) the Variable Management Fee. Therefore, the exposure of the Securityholders will be inversely proportioned to the performance of the Underlying.

TYPE B LONG CONSTANT LEVERAGE CERTIFICATES *(Type B Long Constant Leverage Certificates may have as Underlying only Index or Share)*

PAVL$_t$ x Multiplier x Variable Management Fee x Minimum Exercise Amount

Where:

"**PAVL**" means the Payout Value Long on Exchange Business Day "t";

"**t**" means either the Valuation Date or, if the Call Option is exercised by the Issuer, the Call Valuation Period.

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the Payout Value Long, (ii) the Multiplier and (iii) the Variable Management Fee. Therefore, the Securityholders will be exposed to the performance of the Underlying.

TYPE B SHORT CONSTANT LEVERAGE CERTIFICATES *(Type B Short Constant Leverage Certificates may have as Underlying only Index or Share)*

PAVS$_t$ x Multiplier x Variable Management Fee x Minimum Exercise Amount

Where:

"**PAVS**" means the Payout Value Short on Exchange Business Day "t";

"**t**" means either the Valuation Date or, if the Call Option is exercised by the Issuer, the Call Valuation Period.

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the Payout Value Short, (ii) the Multiplier and (iii) the Variable Management Fee. Therefore, the Securityholders will be exposed to the performance of the Underlying.

AA. WARRANTS

CALL WARRANTS

Notional Amount x Max [0%; (Final Reference Value – Strike Percentage x Initial Reference Value) / Initial Reference Value]

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount equal to the Notional Amount multiplied by the higher between (1) 0% and (2) the ratio between (i) the difference between the Final Reference Value and the Initial Reference Value multiplied by the Strike Percentage and (ii) the Initial Reference Value.

CALL COVERED WARRANTS

Max [0; (Final Reference Value – Exercise Price)] x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the higher between (i) 0 and (ii) the difference between the Final Reference Value and the Exercise Price.

CALL SPREAD WARRANTS

Notional Amount x Min {CAP; Max [0%; (Final Reference Value – Strike Percentage x Initial Reference Value) / Initial Reference Value]}

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount equal to Notional Amount multiplied by the lower between (A) the CAP and (B) the higher between (1) 0% and (2) ratio between (i) the difference between the Final Reference Value and the Initial Reference Value multiplied by the Strike Percentage and (ii) the Initial Reference Value.

PUT WARRANTS

Notional Amount x Max [0%; (Strike Percentage x Initial Reference Value - Final Reference Value) / Initial Reference Value]

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount equal to the Notional Amount multiplied by the higher between (1) 0% and (2) the ratio between (i) the difference between the Initial Reference Value multiplied by the Strike Percentage and the Final Reference Value and (ii) the Initial Reference Value.

PUT COVERED WARRANTS

Max [0; (Exercise Price – Final Reference Value)] x Multiplier x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the higher between (i) 0 and (ii) the Exercise Price less the Final Reference Value.

PUT SPREAD WARRANTS

Notional Amount x Min {CAP; Max [0%; (Strike Percentage x Initial Reference Value - Final Reference Value) / Initial Reference Value]}

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount equal to the Notional Amount multiplied by the higher between (A) the CAP and (B) the higher between (1) 0% and (2) the ratio between (i) the difference between the Initial Reference Value multiplied by the Strike Percentage and the Final Reference Value and (ii) the Initial Reference Value.

INTEREST RATE WARRANTS

[Max (0; Reference Rate - Interest Cap) x Final Notional Amount] x Day Count Fraction

In such case, Securityholders will receive a Cash Settlement Amount determined by the Calculation Agent on the Settlement Determination Date relating to the Settlement Determination Period and will be equal to the product between: (i) the difference of the Reference Rate less the Interest Cap, (ii) the Final Notional Amount and (iii) the applicable Day Count Fraction.

CORRIDOR WARRANTS

If a Barrier Event has not occurred, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount predetermined by the Issuer and specified in the applicable Final Terms.

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CALCULATION METHOD IF A BARRIER EVENT OR A BARRIER GAP EVENT (in the case of Gap Certificates) IS INDICATED AS APPLICABLE IN THE RELEVANT FINAL TERMS AND IS OCCURRED:

(1) <u>BARRIER EVENT IN THE CASE OF STANDARD LONG CERTIFICATES, MAX LONG CERTIFICATES AND TWIN WIN LONG CERTIFICATES</u>

(i) WITHOUT PROTECTION LEVEL, PROTECTION PERCENTAGE, AIR BAG FACTOR, SIGMA AMOUNT, PREDETERMINED LOSS PERCENTAGE:

(Final Reference Value x Multiplier) x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of the Final Reference Value and the Multiplier.

<u>If the applicable Final Terms provide a Cap Barrier Amount:</u>

Min [Cap Barrier Amount; (Final Reference Value x Multiplier)] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (i) the Cap Barrier Amount and (ii) the product of the Final Reference Value and the Multiplier.

(ii) WITH THE PROTECTION LEVEL:

a) *[Max (Final Reference Value; Protection Level) x Multiplier] x Minimum Exercise Amount*

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the higher between (i) the Final Reference Value and (ii) the Protection Level.

If the applicable Final Terms provide a Cap Barrier Amount:

Min [Cap Barrier Amount; Max (Final Reference Value; Protection Level) x Multiplier] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (1) the Cap Barrier Amount and (2) the product of (i) the Multiplier and (ii) the higher between the Final Reference Value and the Protection Level.

Or

b) *(Protection Level x Multiplier) x Minimum Exercise Amount*

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of the Protection Level and the Multiplier.

(iii) WITH THE AIR BAG FACTOR:

[(Final Reference Value x Air Bag Factor) x Multiplier] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the Final Reference Value, (ii) the Air Bag Factor and (iii) the Multiplier.

If the applicable Final Terms provide a Cap Barrier Amount:

Min [Cap Barrier Amount; (Final Reference Value x Air Bag Factor) x Multiplier] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (1) the Cap Barrier Amount and (2) the product of (i) the Final Reference Value, (ii) the Air Bag Factor and (iii) the Multiplier.

(iv) WITH THE AIR BAG FACTOR AND WITH THE PROTECTION PERCENTAGE:

Max [Protection Percentage x Issue Price; (Final Reference Value x Air Bag Factor) x Multiplier] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) the Protection Percentage multiplied by the Issue Price and (B) the product of (i) the Final Reference Value, (ii) the Air Bag Factor and (iii) the Multiplier.

If the applicable Final Terms provide a Cap Barrier Amount:

Min {Cap Barrier Amount; Max [Protection Percentage x Issue Price; (Final Reference Value x Air Bag Factor) x Multiplier]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (1) the Cap Barrier Amount and (2) the higher between (A) the Protection Percentage multiplied by the Issue Price and (B) the product of (i) the Final Reference Value, (ii) the Air Bag Factor and (iii) the Multiplier.

(v) WITH THE SIGMA AMOUNT:

[(Final Reference Value x Multiplier) + Sigma Amount] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the sum of (A) the Final Reference Value multiplied by the Multiplier and (B) the Sigma Amount.

If the applicable Final Terms provide a Cap Barrier Amount:

Min [Cap Barrier Amount; (Final Reference Value x Multiplier) + Sigma Amount] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Barrier Amount and (B) the sum of (1) the Final Reference Value multiplied by the Multiplier and (2) the Sigma Amount.

(vi) WITH THE SIGMA AMOUNT AND WITH THE PROTECTION PERCENTAGE:

Max [Protection Percentage x Issue Price; (Final Reference Value x Multiplier) + Sigma Amount] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) the Protection Percentage multiplied by the Issue Price and (B) the sum of (1) the Final Reference Value multiplied by the Multiplier and (2) the Sigma Amount.

If the applicable Final Terms provide a Cap Barrier Amount:

Min {Cap Barrier Amount; Max [Protection Percentage x Issue Price; (Final Reference Value x Multiplier) + Sigma Amount]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Barrier Amount and (B) the higher between (1) the Protection Percentage multiplied by the Issue Price and (2) the sum of (i) the Final Reference Value multiplied by the Multiplier and (ii) the Sigma Amount.

(vii) WITH THE PREDETERMINED LOSS PERCENTAGE:

[(Initial Reference Value x Predetermined Loss Percentage) x Multiplier] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the Initial Reference Value, (ii) the Predetermined Loss Percentage and (iii) the Multiplier.

(viii) WITH THE DOWN PARTICIPATION FACTOR:

{[Initial Reference Value + Down Participation Factor x (Final Reference Value – Initial Reference Value)] x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Multiplier and (B) the sum of (1) the Initial Reference Value and (2) the Down Participation Factor multiplied by the difference between the Final Reference Value and the Initial Reference Value.

(ix) WITH THE STRIKE PERCENTAGE AND THE DOWN PARTICIPATION FACTOR:

Max {0; Issue Price – [Down Participation Factor x Issue Price x [(Strike Percentage x Initial Reference Value – Final Reference Value) / Final Reference Value]]}

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) 0 and (B) the difference between (1) the Issue Price and (2) the Down Participation Factor multiplied by the Issue Price and multiplied by the ratio of (i) the Strike Percentage multiplied by the Final Reference Value minus the Final Reference Value and (ii) the Final Reference Value.

(x) WITH THE STRIKE PERCENTAGE AND WITH THE GEARING FACTOR:

Max {0; Initial Reference Value x {Initial Percentage - [(Strike Percentage – Final Reference Value / Initial Reference Value) x Gearing Factor]} x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the maximum between (i) 0 and (ii) the Multiplier multiplied by the Initial Reference Value multiplied by the difference between (a) the Initial Percentage and (b) the difference between the Strike Percentage and Final Reference Value divided by the Initial Reference Value, multiplied by the Gearing Factor.

(2) <u>BARRIER EVENT IN THE CASE OF STANDARD SHORT CERTIFICATES, MAX SHORT CERTIFICATES AND TWIN WIN SHORT CERTIFICATES</u>

(i) WITHOUT SHORT PROTECTION AND PREDETERMINED LOSS PERCENTAGE:

Max {0; [Initial Reference Value + (Initial Reference Value - Final Reference Value)] x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) 0 and (B) the product of (1) the Multiplier and (2) the sum of (i) the Initial Reference Value and (ii) the difference between the Initial Reference Value and the Final Reference Value.

<u>If the applicable Final Terms provide a Cap Barrier Amount:</u>

Min {Cap Barrier Amount; Max {0; [Initial Reference Value + (Initial Reference Value – Final Reference Value)] x Multiplier}} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Barrier Amount and (B) the higher between (1) 0 and (2) the product of (i) the Multiplier and (ii) the sum of the Initial Reference Value and the difference between the Initial Reference Value and the Final Reference Value.

(ii) WITH THE SHORT PROTECTION:

Max {Short Protection; [Initial Reference Value + (Initial Reference Value - Final Reference Value)] x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) the Short Protection and (B) the product of (1) the Multiplier and (2) the sum of (i) the Initial Reference Value and (ii) the difference between the Initial Reference Value and the Final Reference Value.

<u>If the applicable Final Terms provide a Cap Barrier Amount:</u>

Min {Cap Barrier Amount; Max {Short Protection; [Initial Reference Value + (Initial Reference Value – Final Reference Value)] x Multiplier}} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Barrier Amount and (B) the higher between (1) the Short Protection and (2) the product of (i) the Multiplier and (ii) the sum of the Initial Reference Value and the difference between the Initial Reference Value and the Final Reference Value.

Or

Short Protection x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash

Settlement Amount per Minimum Exercise Amount equal to the Short Protection.

(iii) WITH THE PREDETERMINED LOSS PERCENTAGE:

[(Initial Reference Value x Predetermined Loss Percentage) x Multiplier] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (i) the Initial Reference Value, (ii) the Predetermined Loss Percentage and (iii) the Multiplier.

(iv) WITH THE DOWN PARTICIPATION FACTOR:

Max {0; [Initial Reference Value + Down Participation Factor x (Initial Reference Value – Final Reference Value)] x Multiplier} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) 0 and (B) the product of (i) the Multiplier and (ii) the sum of the Initial Reference Value and the difference between the Initial Reference Value and the Final Reference Value, such difference multiplied by the Down Participation Factor.

(v) WITH THE STRIKE PERCENTAGE AND THE DOWN PARTICIPATION FACTOR:

Max {0; Issue Price – [(Final Reference Value – Strike Percentage x Initial Reference Value) / Final Reference Value] x Down Participation Factor x Issue Price}

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the maximum between (i) 0 and (ii) the difference between the (a) the Issue Price and (b) the product of (1) the difference between Final Reference Value and Strike Percentage multiplied by Initial Reference Value, divided by Final Reference Value, (2) the Down Participation Factor and (3) the Issue Price.

(3) <u>BARRIER EVENT IN THE CASE OF SPREAD CERTIFICATES</u>

(i) WITH THE PREDETERMINED LOSS PERCENTAGE

{{[(Initial Percentage$_A$ x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage$_B$ x Initial Reference Value$_B$ x Multiplier$_B$)] / 2} x Predetermined Loss Percentage} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the average between (1) the product of (i) the Initial Percentage of the Underlying A, (ii) the Initial Reference Value of the Underlying A and (iii) the Multiplier of the Underlying A and (2) the product of (i) the Initial Percentage of the Underlying B, (ii) the Initial Reference Value of the Underlying B and (iii) the Multiplier of the Underlying B and (B) the Predetermined Loss Percentage.

(ii) WITH THE SPREAD PROTECTION

{{[(Initial Percentage$_A$ x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage$_B$ x Initial Reference Value$_B$ x Multiplier$_B$)] / 2} x [1 + Max (Spread Protection; Spread + Margin)]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the average between (1) the product of (i) the Initial Percentage of the Underlying A, (ii) the Initial Reference Value of the Underlying A and (iii) the Multiplier of the Underlying A and (2) the product of (i) the Initial Percentage of the Underlying B, (ii) the Initial Reference Value of the Underlying B and (iii) the Multiplier of the Underlying B and (B) the sum of (i) 1 and (ii) the higher between the Spread Protection and the Spread (plus the Margin).

Or

{{[(Initial Percentage$_A$ x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage$_B$ x Initial Reference Value$_B$ x Multiplier$_B$)] / 2} x [1 + Max (Spread Protection; Spread - Margin)]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the average between (1) the product of (i) the Initial Percentage of the Underlying A, (ii) the Initial Reference Value of the Underlying A and (iii) the Multiplier of the Underlying A and (2) the product of (i) the Initial Percentage of the Underlying B, (ii) the Initial Reference Value of the Underlying B and (iii) the Multiplier of the Underlying B and (B) the sum of (i) 1 and (ii) the higher between the Spread Protection and the Spread (minus the Margin).

If the applicable Final Terms provide a Cap Barrier Amount:

Min {Cap Barrier Amount; {{[(Initial Percentage$_A$ x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage$_B$ x Initial Reference Value$_B$ x Multiplier$_B$)] / 2} x [1 + Max (Spread Protection; Spread + Margin)]}} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Barrier Amount and (B) the product of (1) the average between (x) the product of (i) the Initial Percentage of the Underlying A, (ii) the Initial Reference Value of the Underlying A and (iii) the Multiplier of the Underlying A and (y) the product of (i) the Initial Percentage of the Underlying B, (ii) the Initial Reference Value of the Underlying B and (iii) the Multiplier of the Underlying B and (2) the sum of (i) 1 and (ii) the higher between the Spread Protection and the Spread (plus the Margin).

Or

Min {Cap Barrier Amount; {{[(Initial Percentage$_A$ x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage$_B$ x Initial Reference Value$_B$ x Multiplier$_B$)] / 2} x [1 + Max (Spread Protection; Spread - Margin)]}} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Barrier Amount and (B) the product of (1) the average between (x) the product of (i) the Initial Percentage of the Underlying A, (ii) the Initial Reference

Value of the Underlying A and (iii) the Multiplier of the Underlying A and (y) the product of (i) the Initial Percentage of the Underlying B, (ii) the Initial Reference Value of the Underlying B and (iii) the Multiplier of the Underlying B and (2) the sum of (i) 1 and (ii) the higher between the Spread Protection and the Spread (minus the Margin).

(iii) WITHOUT THE PREDETERMINED LOSS PERCENTAGE OR THE SPREAD PROTECTION

The Cash Settlement Amount will be calculated pursuant to one of the following formulas and in accordance with the relevant Final Terms:

a) Amount linked to the Spread

{{[(Initial Percentage$_A$ x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage$_B$ x Initial Reference Value$_B$ x Multiplier$_B$)] / 2} x Max [0; (1 + Participation Factor x (Spread + Margin))]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the average between (1) the product of (i) the Initial Percentage of the Underlying A, (ii) the Initial Reference Value of the Underlying A and (iii) the Multiplier of the Underlying A and (2) the product of (i) the Initial Percentage of the Underlying B, (ii) the Initial Reference Value of the Underlying B and (iii) the Multiplier of the Underlying B and (B) the higher between (i) 0 and (ii) the sum of 1 and the Participation Factor multiplied by the Spread (plus the Margin).

Or

{{[(Initial Percentage$_A$ x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage$_B$ x Initial Reference Value$_B$ x Multiplier$_B$)] / 2} x Max [0; (1 + Participation Factor x (Spread - Margin))]} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the average between (1) the product of (i) the Initial Percentage of the Underlying A, (ii) the Initial Reference Value of the Underlying A and (iii) the Multiplier of the Underlying A and (2) the product of (i) the Initial Percentage of the Underlying B, (ii) the Initial Reference Value of the Underlying B and (iii) the Multiplier of the Underlying B and (B) the higher between (i) 0 and (ii) the sum of 1 and the Participation Factor multiplied by the Spread (minus the Margin).

<u>If the applicable Final Terms provide a Cap Barrier Amount:</u>

Min {Cap Barrier Amount; {[(Initial Percentage$_A$ x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage$_B$ x Initial Reference Value$_B$ x Multiplier$_B$)] / 2} x Max [0;(1 +Participation Factor x (Spread + Margin))]}} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between the Cap Barrier Amount and the product of (A) the average between

(1) the product of (i) the Initial Percentage of the Underlying A, (ii) the Initial Reference Value of the Underlying A and (iii) the Multiplier of the Underlying A and (2) the product of (i) the Initial Percentage of the Underlying B, (ii) the Initial Reference Value of the Underlying B and (iii) the Multiplier of the Underlying B and (B) the higher between (i) 0 and (ii) the sum of 1 and the Participation Factor multiplied by the Spread (plus the Margin).

Or

Min {Cap Barrier Amount; {[(Initial Percentage$_A$ x Initial Reference Value$_A$ x Multiplier$_A$) + (Initial Percentage$_B$ x Initial Reference Value$_B$ x Multiplier$_B$)] / 2} x Max [0;(1 +Participation Factor x (Spread - Margin))]}} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between the Cap Barrier Amount and the product of (A) the average between (1) the product of (i) the Initial Percentage of the Underlying A, (ii) the Initial Reference Value of the Underlying A and (iii) the Multiplier of the Underlying A and (2) the product of (i) the Initial Percentage of the Underlying B, (ii) the Initial Reference Value of the Underlying B and (iii) the Multiplier of the Underlying B and (B) the higher between (i) 0 and (ii) the sum of 1 and the Participation Factor multiplied by the Spread (minus the Margin).

Or

b) Amount linked to the performance of the Underlying A

Final Reference Value$_A$ x Multiplier$_A$ x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of the Final Reference Value of the Underlying A and the Multiplier of the Underlying A.

If the applicable Final Terms provide a Cap Barrier Amount:

Min [Cap Barrier Amount; (Final Reference Value$_A$ x Multiplier$_A$)] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Barrier Amount and (B) the product of the Final Reference Value of the Underlying A and the Multiplier of the Underlying A.

Or

c) Amount linked to the performance of the Underlying B

Final Reference Value$_B$ x Multiplier$_B$ x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash

Settlement Amount per Minimum Exercise Amount equal to the product of the Final Reference Value of the Underlying B and the Multiplier of the Underlying B.

If the applicable Final Terms provide a Cap Barrier Amount:

Min [Cap Barrier Amount; (Final Reference Value$_B$ x Multiplier$_B$)] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Cap Barrier Amount and (B) the product of the Final Reference Value of the Underlying B and the Multiplier of the Underlying B.

(4) BARRIER EVENT IN THE CASE OF MULTIPERFORMANCE LONG CERTIFICATES AND MULTIPERFORMANCE MAX LONG CERTIFICATES

(i) WITHOUT THE PROTECTION AMOUNT:

Issue Price x (1 + Down Participation Factor x Cumulated Performance) x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Issue Price and (B) the sum of (i) 1 and the Down Participation Factor multiplied by the Cumulated Performance.

(ii) WITH THE PROTECTION AMOUNT:

Max [Protection Amount; Issue Price x (1 + Down Participation Factor x Cumulated Performance)] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher of (A) the Protection Amount and (B) the product of (1) the Issue Price and (2) the sum of (i) 1 and (ii) the Down Participation Factor multiplied by the Cumulated Performance.

(5) BARRIER EVENT IN THE CASE OF MULTIPERFORMANCE SHORT CERTIFICATES AND MULTIPERFORMANCE MAX SHORT CERTIFICATES

(i) WITHOUT THE PROTECTION AMOUNT:

Issue Price x Max [0; (1- Down Participation Factor x Cumulated Performance)] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Issue Price and (B) the higher between (i) 0 and (ii) 1 minus the product of the Down Participation Factor and the Cumulated Performance.

(ii) WITH THE PROTECTION AMOUNT:

Max [Protection Amount; Issue Price x (1- Down Participation Factor x Cumulated Performance)] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) the Protection Amount and (B) the product of (1) the Issue Price and (2) 1 minus the product of the Down Participation Factor and the Cumulated Performance.

(6) BARRIER GAP EVENT IN THE CASE OF GAP LONG CERTIFICATES

Issue Price x Max [0; 100% + Barrier Gap Leverage x (Gap Daily Performance - Barrier Gap Level)] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Issue Price and (B) the higher between (i) 0 and (ii) 100% plus the Barrier Gap Leverage multiplied by the difference between the (a) Gap Daily Performance and (b) the Barrier Gap Level.

(7) BARRIER GAP EVENT IN THE CASE OF GAP SHORT CERTIFICATES

Issue Price x Max [0; 100% + Barrier Gap Leverage x (Barrier Gap Level - Gap Daily Performance)] x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the product of (A) the Issue Price and (B) the higher between (i) 0 and (ii) 100% plus the Barrier Gap Leverage multiplied by the difference between (a) the Barrier Gap Level and (b) the Gap Daily Performance.

(8) BARRIER EVENT IN THE CASE OF DUAL CURRENCY FX LONG/SHORT CERTIFICATES

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount in the Settlement Currency per Minimum Exercise Amount, which may be the Issue Currency or the Dual Currency, depending on the Final Reference Value of the Underlying (which will be an exchange rate), and it will be calculated pursuant to one of the following formulas:

a. If the Barrier Event depends on the Final Reference Value:

[(Initial Percentage x Initial Reference Value x Multiplier) x Conversion Rate]

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount in the Dual Currency per Minimum Exercise Amount equal to the product of (A) the product of (i) the Initial Percentage, (ii) the Initial Reference Value and (iii) the Multiplier and (B) the Conversion Rate.

b. If the Barrier Event depends on the Reference Value:

(i) If the Final Reference Value is equal to or higher than (in case of Dual Currency FX Long Certificates) or is equal to or lower than (in case of Dual Currency FX Short Certificates) the Strike Level:

Initial Percentage x Initial Reference Value x Multiplier

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount in the Issue Currency per Minimum Exercise Amount equal to the Initial Percentage multiplied by the Multiplier.

(ii) If the Final Reference Value is lower than (in case of Dual Currency FX Long Certificates) or higher than (in case of Dual Currency FX Short Certificates) the Strike Level:

(Initial Percentage x Initial Reference Value x Multiplier) x Conversion Rate

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount in the Dual Currency per Minimum Exercise Amount equal to the product of (A) the product of (i) the Initial Percentage, (ii) the Initial Reference Value and (iii) the Multiplier and (B) the Conversion Rate.

(9) BARRIER EVENT IN THE CASE OF COMBINED AMOUNT CERTIFICATES

Max {0; Issue Price x Participation Factor x Min [0; (Final Reference Value / Initial Reference Value – 1)] + Combined Amount} x Minimum Exercise Amount

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) 0 and (B) the sum of (a) the product of (1) the Issue Price, (2) the Participation Factor and (3) the lower between (i) 0 and (ii) the ratio between the Final Reference Value and the Initial Reference Value minus 1 and (b) the Combined Amount.

(10) BARRIER EVENT IN THE CASE OF LONG OUTPERFORMANCE COMBINED CERTIFICATES

a) *Max [0; (Final Reference Value – Initial Reference Value x Predetermined Loss Percentage) x Multiplier] x Minimum Exercise Amount*

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) 0 and (B) the product of (1) the Final Reference Value less the Initial Reference Value multiplied by the Predetermined Loss Percentage and (2) the Multiplier.

Or

b) *Max [0; Predetermined Loss Amount + (Final Reference Value x Multiplier)] x Minimum Exercise Amount*

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the higher between (A) 0 and (B) the sum of (1) the Predetermined Loss Percentage and (2) the Final Reference Value multiplied by the Multiplier.

(11) BARRIER EVENT IN THE CASE OF REVERSE BUTTERFLY CERTIFICATES

Min {Issue Price; [Max (Protection Percentage x Issue Price; Final Reference Value x Multiplier) + Max (0; Butterfly Level – Final Reference Value) x Multiplier]}

In such case, Securityholders will receive, on the Settlement Date, a Cash Settlement Amount per Minimum Exercise Amount equal to the lower between (A) the Issue Price and (B) the higher between (1) the Protection Percentage multiplied by the Issue Price and (2) the Final Reference Value multiplied by the Multiplier plus an amount (which may not be lower than 0) that is equal to the Butterfly Level minus the Final Reference Value, multiplied by the Multiplier.

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In relation to the Remuneration Amounts, the Early Redemption Amount and the Cash Settlement Amount, the following options concerning the underlying assets may be applicable, as specified from time to time in the relevant Final Terms:

Series with two or more Underlyings

Best Of Feature

For the determination of (i) the relevant Remuneration Amount and/or the occurrence of the event that triggers such Remuneration Amount; and/or (ii) the Early Redemption Amount and/or the occurrence of the Early Redemption Event; and/or (iii) the Settlement Amount and/or the occurrence of any event(s) on which depends the calculation of such Settlement Amount; and/or (iv) the occurrence of the Barrier Event or any other event or effect, as specified in the relevant Final Terms and in relation to any or all the relevant valuation periods, the Calculation Agent selects the Best Of Underlying which is the Underlying with the first, second or third (and so on, depending on the number of the Underlyings and as specified in the applicable Final Terms) best Performance compared with the other Underlying(s).

Worst Of Feature

For the determination of (i) the relevant Remuneration Amount and/or the occurrence of the event that triggers such Remuneration Amount; and/or (ii) the Early Redemption Amount and/or the occurrence of the Early Redemption Event; and/or (iii) the Settlement Amount and/or the occurrence of any event(s) on which depends the calculation of such Settlement Amount; and/or (iv) the occurrence of the Barrier Event or any other event or effect, as specified in the relevant Final Terms and in relation to any or all the relevant valuation periods, the Calculation Agent selects the Worst Of Underlying which is the Underlying with the first, second or third (and so on, on the basis of the number of the Underlyings and as specified in the applicable Final Terms) worst Performance compared with the other Underlying(s).

Darwin Feature

For the determination of (i) the relevant Remuneration Amount and/or the occurrence of the event that triggers such Remuneration Amount; and/or (ii) the Early Redemption Amount and/or the occurrence of the Early Redemption Event; and/or (iii) the Settlement Amount and/or the occurrence of any event(s) on which depends the calculation of such Settlement Amount; and/or (iv) the occurrence of the Barrier Event or any other event or effect, as specified in the relevant Final Terms, the Calculation Agent selects, in relation to each valuation period of each event and/or in relation to each amount to be paid, the Underlying value to be considered (i.e. Best of Underlying, Worst of Underlying, Basket Value or as otherwise specified in the applicable Final Terms).

Cash Settlement Amount Combo Feature

The Cash Settlement Amount will be determined by the Calculation Agent, as specified in the applicable Final Terms, as (i) the arithmetic mean of the Cash Settlement Amounts due in relation to each single Underlying or (ii) the weighted average of the Cash Settlement Amounts due in relation to each single Underlying or (iii) the sum (as specified in the applicable Final Terms) of the Cash Settlement Amounts due in relation to each single Underlying. In these cases, for each single Underlying the applicable Final Terms will specify the relevant payout formula among those set out in Condition 23 and all the relevant details for its determination (e.g. Barrier Level, Multiplier, Initial Reference Value, Final Reference Value, etc.).

Digital Combo Feature

For the calculation of the Digital Amount(s), the Calculation Agent will determine whether a Digital Event has occurred (and may also determine the Consolidation Level, the Memory Level, the Knock-out Level, the Knock-in Level) in relation to each Underlying. Therefore, the Digital Amount in relation to the Digital Valuation Period(s) specified in the applicable Final Terms will be equal to, as specified in the applicable Final Terms, (i) the arithmetic mean of the Digital Amounts due in relation to each single Underlying for which the relevant Digital Event has occurred, or (ii) the weighted average of the Digital Amounts due in relation to each single Underlying for which the relevant Digital Event has occurred, or (iii) the sum of the Digital Amounts due in relation to each single Underlying for which the relevant Digital Event has occurred. In this case, for each Underlying the applicable Final Terms will specify the relevant Digital Level.

Participation Combo Feature

For the calculation of the Participation Remuneration Amount(s) linked to more Underlyings, the Calculation Agent will determine the Participation Remuneration Amount in relation to the Participation Remuneration Event Valuation Period(s) specified in the applicable Final Terms as (i) the arithmetic mean of the Participation Remuneration Amounts due in relation to each single Underlying, or (ii) the weighted average of the Participation Remuneration Amounts due in relation to each single Underlying, or (iii) the sum of the Participation Remuneration Amounts due in relation to each single Underlying, as specified in the applicable Final Terms. In this case, for each Underlying the applicable Final Terms may specify (if any) the relevant CAP, Floor Percentage, Participation Factor, Strike Remuneration Percentage, Base Premium Percentage and Participation Remuneration Amount Gearing.

Series with a Basket as Underlying

Cash Settlement Amount Combo Feature

The Cash Settlement Amount will be determined by the Calculation Agent, as specified in the applicable Final Terms, as (i) the arithmetic mean of the Cash Settlement Amounts due in relation to each single Basket Constituent or (ii) the weighted average of the Cash Settlement Amounts due in relation to each single Basket Constituent or (iii) the sum (as specified in the applicable Final Terms) of the Cash Settlement Amounts due in relation to each single Basket Constituent. In this case, for each single Basket Constituent the applicable Final Terms will specify the relevant payout formula among those set out in Condition 23 and all the relevant details for its determination (e.g. Barrier Level, Multiplier, Initial Reference Value, Final Reference Value, etc.).

Digital Combo Feature

For the calculation of the Digital Amount(s), the Calculation Agent will determine whether a Digital Event has occurred (and may also determine the Consolidation Level, the Memory Level, the Knock-out Level, the Knock-in Level) in relation to each Basket Constituent. Therefore, the Digital Amount in relation to the Digital Valuation Period(s) specified in the applicable Final Terms will be equal to, as specified in the applicable Final Terms, (i) the arithmetic mean of the Digital Amounts due in relation to each single Basket Constituent for which the relevant Digital Event has occurred, or (ii) the weighted average of the Basket Constituent due in relation to each single Underlying for which the relevant Digital Event has occurred, or (iii) the sum of the Digital Amounts due in relation to each single Basket Constituent for which the relevant Digital Event has occurred. In this case, for each single Basket Constituent the applicable Final Terms will specify the relevant Digital Level.

Participation Combo Feature

For the calculation of the Participation Remuneration Amount(s) linked to more Underlyings, the Calculation Agent will determine the Participation Remuneration Amount in relation to the Participation Remuneration Event Valuation Period(s) specified in the applicable Final Terms as (i) the arithmetic mean of the Participation Remuneration Amounts due in relation to each single Basket Constituent, or (ii) the weighted average of the Participation Remuneration Amounts due in relation to each single Basket Constituent, or (iii) the sum of the Participation Remuneration Amounts due in relation to each single Basket Constituent, as specified in the applicable Final Terms. In this case, for each single Basket Constituent the applicable Final Terms will specify (each one if applicable) the relevant CAP, Floor Percentage, Participation Factor, Strike Remuneration Percentage, Base Premium Percentage and Participation Remuneration Amount Gearing.

Rainbow Feature

Unlike the instruments linked to one or more Underlying(s), the Issuer will indicate in the applicable Final Terms: (i) the financial activities which represent the Basket Constituents, (ii) the relative weighting within the Basket without any preliminary reference to specific financial activities and (iii) the objective criteria pursuant to which the weight will be allocated by the Calculation Agent (for instance, in a Basket constituted by three financial activities, the Basket would be weighted as follows: 50% for the Basket Constituent with the best performance; 30% for the Basket Constituent with the worst performance; and 20% for a Basket Constituent with the second best performance).

For each determination (during the life of the Certificates and at the exercise date), the Calculation Agent will weigh the relevant Basket Constituents on the basis of the performance registered on such Determination Date and pursuant to the objective criteria provided under the Final Terms. The allocation of the weights within a Basket may result differently on each Determination Date and depending on the performance of the Basket Constituents.

The Calculation Agent will then calculate the total amount of the Basket pursuant to the methods applied to the instruments normally linked to the Basket. Such feature shall not apply to the Spread Certificates.

24. Reverse Split of Turbo Certificates, Benchmark Certificates and Constant Leverage Certificates

In relation to Turbo Certificates, Benchmark Certificates and Constant Leverage Certificates only, if "Reverse Split" is specified as applicable in the applicable Final Terms the Issuer may,

at its option, effect a Reverse Split of the relevant Series of such Certificates. In such event, the Issuer may give the Reverse Split Trigger Notice to Securityholders within a number of days equal to the Reverse Split Notice Period informing them of its intention to effect a Reverse Split with respect to the relevant Certificates. After the giving of such Reverse Split Trigger Notice, with effect from the relevant Reverse Split Effective Date and without the consent of the Securityholders, the number of Certificates before the Reverse Split (the Pre-Conversion Certificates) held by each Securityholder (the "**Existing Holding**") will be aggregated and such Certificates will be converted into a smaller number of Certificates (Converted Certificates and the aggregate holding of such Converted Certificates including the Unconverted Certificates (if any and as defined below) by a Securityholder, the "**Revised Holding**") calculated by dividing the number of Pre-Conversion Certificates by the Reverse Split Ratio.

If, after the application of the Reverse Split Ratio to the Pre-Conversion Certificates held by each Securityholder:

- the aggregate number of the Certificates held by any Securityholder is lower than the applicable Reverse Split Ratio; or

- the aggregate number of Certificates held by any Securityholder divided by the applicable Reverse Split Ratio does not result in an integer number;

the number of the Certificates which cannot be replaced by one Converted Certificates (in each case the "**Unconverted Certificates**") will be bought back by the Issuer at the Reverse Split Cash Settlement Price. The Securityholders of Unconverted Certificates shall receive a cash amount on the Reverse Split Settlement Date equal to the Reverse Split Cash Settlement Amount.

Upon conversion of Pre-Conversion Certificates into Converted Certificates, the applicable Final Terms shall be deemed to be amended to set out the changes to be made to the terms of the Converted Certificates provided that, as a result of such changes the market value of the Revised Holding calculated immediately after the Reverse Split is the same as the market value of the Existing Holding calculated immediately before the Reverse Split.

Following the conversion of Pre-Conversion Certificates into Converted Certificates, all references in these Terms and Conditions to Turbo Certificates, Benchmark Certificate or Constant Leverage Certificates (as the case may be), shall be deemed to be references to the Converted Certificates.

ANNEX TO THE TERMS AND CONDITIONS OF THE SECURITIES -

FORM OF PHYSICAL DELIVERY CONFIRMATION NOTICE

Intesa Sanpaolo S.p.A. (the **Issuer**)

[**Details of issue**]

(the **Securities**)

When completed this Physical Delivery Confirmation Notice should be sent by authenticated swift message (to be confirmed in writing) to whichever of Euroclear or Clearstream, Luxembourg records or will record on its books ownership of the Securities being exercised, with a copy to the Principal Security Agent [and to the Issuer] or, if the Physical Delivery Confirmation Notice relates to Securities represented by Definitive Securities, should be delivered along with the Securities to the Issuer with a copy to the Principal Security Agent. The Issuer will not in any circumstances be liable to the Securityholder or any other person for any loss or damage to any Definitive Securities deposited with it, unless such loss or damage was caused by the fraud or negligence of the Issuer or its directors, officers or employees.

To:

[Euroclear Bank S.A./N.V.
1 Boulevard du Roi Albert II
B–1210 Brussels
Belgium]

or: [Clearstream Banking, S.A.
42 Avenue JF Kennedy
L-1855 Luxembourg]*[12]

or: [Intesa Sanpaolo S.p.A.
Piazza San Carlo, 156
10121 Turin
Italy]*

cc: BNP Paribas, Luxembourg Branch
60 avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

[12] *Delete as applicable

[Intesa Sanpaolo S.p.A.
Piazza San Carlo, 156
10121 Turin
Italy]*

If this Physical Delivery Confirmation Notice is determined to be incomplete or not in proper form (in the determination of the Principal Security Agent), or is not copied to the Principal Security Agent and the Issuer immediately after being delivered or sent to Euroclear or Clearstream, Luxembourg (or, in the case of Definitive Securities, is not delivered to the Issuer and copied to the Principal Security Agent), it will be treated as null and void.

If this Physical Delivery Confirmation Notice is subsequently corrected to the satisfaction of Euroclear or Clearstream, Luxembourg, in consultation with the Issuer and the Principal Security Agent (or, in the case of Definitive Securities, to the satisfaction of the Issuer in consultation with the Principal Security Agent), it will be deemed to be a new Physical Delivery Confirmation Notice submitted at the time such correction was delivered to Euroclear or Clearstream, Luxembourg and copied to the Issuer and the Principal Security Agent (or, in the case of Definitive Securities, to the Issuer and copied to the Principal Security Agent).

This Physical Delivery Confirmation Notice should be completed and delivered as provided in the terms and conditions of the Securities as amended and/or supplemented by the relevant provisions of the applicable Final Terms (the Conditions). Expressions defined in such Conditions shall bear the same meanings herein.

This Physical Delivery Confirmation Notice will be null and void unless the beneficial owner certifies on the date of exercise that such owner is not a "U.S. person" as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended (the Securities Act), and no securities or other property have 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 this Physical Delivery Confirmation Notice.

PLEASE USE BLOCK CAPITALS

1. Name(s) and Address(es) of Securityholders:

Name

Address

2. Series Number and Number of Securities

The series number of Securities the subject of this notice is:

The number of Securities the subject of this notice is as follows:

Securities [ ]

3. Account details:

[I/We* hereby irrevocably instruct Euroclear/Clearstream, Luxembourg* to debit on or before the Settlement Date my/our* Securities Account specified below with the number of Securities the subject of this notice.]* I/We* hereby undertake to pay any applicable Expenses and I/we* hereby irrevocably instruct Euroclear/Clearstream, Luxembourg/the Principal Security Agent* to debit my/our* Cash Account specified below with an amount or amounts in respect thereof and to pay such Expenses to the extent of such amount or amounts].

My/Our* account details are as follows:

[Securities Account with Euroclear/Clearstream, Luxembourg*

No.:

Name:]

Cash Account with Euroclear/Clearstream, Luxembourg

No.:

Name: *

4. Settlement

4.1 Not applicable for Currency Securities

Insert details (as detailed in the applicable Final Terms) as to how Entitlement is to be delivered:

Any cash payable (either in the event of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity occurring and the Issuer electing to pay the Settlement Disruption Amount or the Failure to Deliver Settlement Price) should be credited to my/our Cash Account specified in paragraph 3.

4.2 Applicable to Currency Certificates Only

My/Our Cash Account to be credited with the amount due to me/us* in respect of the Certificates the subject of this notice are set out in paragraph 3.

5. Certification of Non-U.S. beneficial ownership

The undersigned hereby certify/ies that as of the date hereof none of the Certificates exercised hereby is or will be beneficially owned, directly or indirectly, by a "U.S. person" as such term may be defined in

Regulation S under the Securities Act and no securities or other property have 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 this Physical Delivery Confirmation Notice.

I/We understand that certain portions of this Physical Delivery Confirmation Notice are required in connection with certain tax, securities and other laws of the United States. If administrative or legal proceedings are commenced or threatened in connection with which this Physical Delivery Confirmation Notice is or would be relevant, I/we irrevocably authorise you to produce this Physical Delivery Confirmation Notice to any interested party in such proceedings.

Terms used herein and not otherwise defined shall have the meaning ascribed to them in the Terms and Conditions of the Securities.

Name(s) of Securityholder(s):

Signed/By:

Dated:

[N.B. If the provisions of Condition 4(C) (Issuer's Option to vary Settlement) apply then amendment will need to be made to this form of Physical Delivery Confirmation Notice to reflect such option.]

USE OF PROCEEDS

General Funding

The Issuer intends to use the net proceeds from each issue of Securities for general corporate purposes, including making a profit or as otherwise indicated in the relevant Final Terms. A substantial portion of the proceeds may be used to hedge market risks with respect to the Securities.

Green, Climate, Social or Sustainability Certificates

If in respect of any particular issue of Securities, there is a particular identified use of proceeds this will be stated in the applicable Final Terms.

In accordance with the ICMA Green Bond Principles, the ICMA Social Bond Principles and the ICMA Sustainability Bond Guidelines, only Certificates financing or refinancing Eligible Green Loans, Eligible Social Loans or a combination of both Green and Social Loans as the case may be (together, "**Eligible Loans**"), and complying with the relevant eligibility criteria and any other criteria set out in the Green, Social and Sustainability Bond Framework (as defined below) and which, prior to the relevant Issue Date, will be available in the investor relations section of the Issuer' website at https://group.intesasanpaolo.com/en/sustainability/environment/green-products/Green-bonds (the "**Green, Social and Sustainability Bond Framework**" or the "**Framework**", including as amended, restated or otherwise updated on such website from time to time) will be classified as Green Certificates, Social Certificates or, as the case may be, Sustainability Certificates.

For the avoidance of doubt, the Green, Social and Sustainability Bond Framework is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus.

The Issuer has obtained a second-party opinion to confirm the Green, Social and Sustainability Bond Framework's validity and its general alignment with the GBP, the SBP and the SBG, as well as an assessment on compliance with the EU Taxonomy Delegated Acts 2021 on a best effort basis and which, prior to the relevant Issue Date, will be available in the investor relations section of the Issuer's website at https://group.intesasanpaolo.com/content/dam/portalgroup/repository-documenti/sostenibilt%C3%A0/inglese/2022/green-bond-2022/Second%20Party%20Opinion%20ISS%20June%202022.pdf (the "**Issuer's Sustainability Bond Framework Second-party Opinion**").

Eligible Green Loans have been (or will be, as the case may be) selected by the Issuer from time to time in accordance with the categorization of eligibility for Green Bonds, Social Bonds or Sustainability Bonds set out in the Green, Social and Sustainability Bond Framework, which may change from time to time. Recognizing that the green, social and sustainability bond market and best practices are still evolving, the Issuer will strive to monitor market developments and, when deemed necessary in the Issuer's sole discretion, make appropriate updates to the Framework in order to reflect best market practice.

The selection process of eligible green and social loans is structured and fully integrated in Intesa Sanpaolo's existing investment process. Internal roles and responsibilities are defined as follows:

- the analysis of loans eligibility is managed by the dedicated business teams of the Group;
- the Credit Evaluation function of each dedicated lending desk evaluates client's reputation and creditworthiness; and
- then dedicated lending desk approves the disbursements to be made.

The allocation of proceeds from Eligible Loans will be managed and overseen by the Issuer according to the applicable specific procedures as described in the Framework, including treasury liquidity portfolio, Cash, Time Deposit with Banks or Other form of available short term and medium / long term funding sources (e.g. Commercial Paper Program, Bank Credit Line), that do not include GHG intensive activities (i.e. related to fossil fuels exploitation and to carbon intensive assets such as infrastructure dependent on fossil fuels; fossil fuel-fired power plants; high-carbon assets) nor any disputable sector/activity (Animal maltreatment, Alcohol, Armament, Hazardous chemicals, Gambling, Intensive agro-industrial activities with intensive use of agrochemicals or which entail deforestation, Nuclear energy, Sex industry, Tobacco). In case of early loan reimbursement or if a loan no longer meets the eligibility criteria, Intesa Sanpaolo will use the net proceeds to finance other Eligible Loans which are compliant with the eligibility criteria of the Framework.

The Framework provides that any proceeds not allocated to fund Eligible Loans in the portfolio will be held in accordance with Intesa Sanpaolo's normal liquidity management. The allocation of the net proceeds of Eligible Loans will be verified by the Issuer's external auditor.

The Issuer intends to publish a yearly report which will describe the use of proceeds set out in the Framework. The allocation report will include the (i) total amount of Intesa Sanpaolo Green, Social and Sustainability bonds outstanding; (ii) total amount of the portfolios broken down per eligible category; (iii) aggregate amounts of net proceeds allocated to each eligible category of the portfolios; (iii) balance of unallocated proceeds at the time of reporting; (iv) amount or the percentage of new financing, and will be made available on the Issuer's website at https://group.intesasanpaolo.com/it/sostenibilita/reporting-di-sostenibilita/green-bond-report.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer, including the Issuer's Sustainability Bond Framework Second-party Opinion) which may be made available in connection with the issue of any Green Certificates, Social Certificates or Sustainability Certificates and in particular with any Eligible Loans to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, neither any such opinion or certification (including the Issuer's Sustainability Bond Framework Second-party Opinion) nor the Framework are, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Neither such opinion or certification (including the Issuer's Sustainability Bond Framework Second-party Opinion) nor the Framework are, nor should be deemed to be, a recommendation by the Issuer or any of the Managers or any other person to buy, sell or hold any such Green Certificates, Social Certificates or Sustainability Certificates. Any such opinion or certification is only current as at the date that opinion or certification was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification (including the Issuer's Sustainability Bond Framework Second-party Opinion) and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Green Certificates, Social Certificates or Sustainability Certificates. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Prospective investors in any Green Certificates, Social Certificates or Sustainability Certificates should also refer to the risk factor above headed, "*Certificates issued as "Green Certificates", "Social Certificates", "Sustainability Certificates" or "Climate Certificates" may not be a suitable investment for all investors seeking exposure to green assets or social assets or sustainable assets*".

DESCRIPTION OF THE ISSUER

History and Organisation of the Group

Intesa Sanpaolo Origins

Intesa Sanpaolo is the result of the merger by incorporation of Sanpaolo IMI S.p.A. with Banca Intesa S.p.A. (effective 1 January 2007).

Banca Intesa S.p.A.

Banca Intesa S.p.A. was originally established in 1925 under the name of La Centrale and invested in the business of the production and distribution of electricity. After the nationalisation of companies in this sector in the early 1960s, the company changed its name to La Centrale Finanziaria Generale, acquiring equity investments in various companies in the banking, insurance and publishing sector. The company merged by incorporation with Nuovo Banco Ambrosiano in 1985 and assumed its name and constitutional objects. Following the acquisition of Cassa di Risparmio delle Provincie Lombarde S.p.A. ("**Cariplo**") in January 1998, the Intesa Sanpaolo Group's name was changed to Gruppo Banca Intesa. Then, in 2001, Banca Commerciale Italiana S.p.A. was merged into Gruppo Banca Intesa and the Intesa Sanpaolo Group's name was changed to "Banca Intesa Banca Commerciale Italiana S.p.A.". On 1 January 2003 the corporate name was changed to "Banca Intesa S.p.A.".

Sanpaolo IMI S.p.A.

Sanpaolo IMI S.p.A. ("**Sanpaolo IMI**") was formed in 1998 through the merger of Istituto Mobiliare Italiano S.p.A. ("**IMI**") and Istituto Bancario San Paolo di Torino S.p.A. ("**Sanpaolo**").

Sanpaolo originated from the "Compagnia di San Paolo" brotherhood, which was set up in 1563 to help the needy. The "Compagnia di San Paolo" began undertaking credit activities and progressively developed into a banking institution during the nineteenth century, becoming a public law credit institution (Istituto di Credito di Diritto Pubblico) in 1932. Between 1960 and 1990, Sanpaolo expanded its network nationwide through a number of acquisitions of local banks and medium-sized regional banks, ultimately reaching the level of a multifunctional group of national importance in 1991 after its acquisition of Crediop. On 31 December 1991, Sanpaolo became a stock corporation (*società per azioni*) with the name Istituto Bancario San Paolo di Torino Società per Azioni.

IMI was established as a public law entity in 1931 and during the 1980s it developed its specialist credit and investment banking services and, with Banca Fideuram, its professional asset management and financial consultancy services. IMI became a joint stock corporation (*società per azioni*) in 1991.

The merger between Banca Intesa and Sanpaolo IMI and the creation of Intesa Sanpaolo S.p.A.

The boards of directors of Banca Intesa and Sanpaolo IMI unanimously approved the merger of Sanpaolo IMI with Banca Intesa on 12 October 2006 and the merger became effective on 1 January 2007. The surviving entity changed its name to Intesa Sanpaolo S.p.A., the parent company of the Intesa Sanpaolo Group.

Merger of Banca IMI

Intesa Sanpaolo announced on 2 April 2020 that following authorization given by the European Central Bank, the plan for the merger by incorporation of Banca IMI S.p.A. into Intesa Sanpaolo was filed with the Companies Register of Turin. The merger, which was approved by the Board of Directors of Intesa

Sanpaolo on 5 May 2020 and by the shareholders' meeting of Banca IMI S.p.A., was completed on 20 July 2020.

UBI Banca S.p.A.

Unione di Banche Italiane S.p.A. ("**UBI Banca**") is the entity resulting from the merger by incorporation of Banca Lombarda e Piemontese S.p.A. into Banche Popolari Unite S.c.p.a. (the "**Merger**"). The Merger became legally effective on 1 April 2007, with the surviving entity, BPU, changing its name to UBI Banca. On 12 October 2015, UBI Banca was the first Italian *banca popolare* to become a Joint Stock Company (S.p.A.). On 12 April 2019, the ordinary shareholders' meeting of UBI Banca appointed a Board of Directors and a Management Control Committee for the three-year period 2019-2020-2021, implementing the one-tier governance model adopted on 19 October 2018 through the resolution of a shareholders' meeting in extraordinary session.

The merger between Intesa Sanpaolo and UBI Banca

Intesa Sanpaolo acquired the control of UBI Banca on 5 August 2020 and merged it by incorporation on 12 April 2021.

Legal Status

Intesa Sanpaolo is a company limited by shares, incorporated in 1925 under the laws of Italy and registered with the Companies' Registry of Turin under registration number 00799960158. It is also registered on the National Register of Banks under no. 5361 and is the parent company of "Gruppo Intesa Sanpaolo".

Registered Office

Intesa Sanpaolo's registered office is at Piazza San Carlo 156, 10121 Turin (Italy) and its telephone number is +39 0115551. Intesa Sanpaolo's secondary office is at Via Monte di Pietà 8, 20121 Milan (Italy).

Website

Intesa Sanpaolo's website is https://group.intesasanpaolo.com/. The information on the website does not form part of this Base Prospectus unless information contained therein is incorporated by reference into this Base Prospectus.

Intesa Sanpaolo mission

The purpose of Intesa Sanpaolo is the deposit-taking and the carrying-on of all forms of lending activities, both directly and through its subsidiaries. Intesa Sanpaolo may, in compliance with laws and regulations applicable from time to time and subject to being granted the required authorisations, directly and through its subsidiaries, provide all banking and financial services, including the establishment and management of open-ended and closed-ended pension schemes, as well as carry out any other transactions that are instrumental for, or related to, the achievement of its corporate purpose.

Ratings

The long-term credit ratings assigned to Intesa Sanpaolo, all with Stable Outlook/Trend, are the following:

- BBB (high) by Morningstar DBRS ("**Morningstar DBRS**")[13];

- BBB by Fitch Ratings Ireland Limited ("**Fitch Ratings**")[14];

- Baa1 by Moody's Investors Service España, S.A. ("**Moody's**")[15]; and

- BBB by S&P Global Ratings Europe Limited ("**S&P Global Ratings**")[16].

Each of Morningstar DBRS, Fitch Ratings, Moody's and S&P Global Ratings is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**") and appears on the latest update of the list of registered credit rating agencies (as of 27 March 2023) on the ESMA website https://www.esma.europa.eu/supervision/credit-rating-agencies/risk.

Share Capital

As at the date of this Base Prospectus, the subscribed and paid-in share capital of Intesa Sanpaolo's amounts to €10,368,870,930.08, represented by 18,282,798,989 ordinary shares without nominal value.

The Issuer is not aware of any arrangements currently in place, the operation of which may at a subsequent date result in a change of control of the Issuer.

Information on the material changes in the issuer's borrowing and funding structure since the last financial year

Since 31 December 2023, the closing date of the last financial year, there have been no substantial changes in the Issuer's financing and borrowing structure.

Description of the expected financing of the issuer's activities

Group liquidity remains high: as at 31 December 2023, both the regulatory indicators LCR (Liquidity Coverage Ratio) and NSFR (Net Stable Funding Ratio), also adopted as internal liquidity risk measurement metrics, were still well above requirements established by Regulation 575/2013 and Directive 2013/36/EU. The total unencumbered liquidity reserves at the various Group's treasury departments, including the high-quality liquid assets (HQLAs) and other eligible components, amounted to 202.2 billion Euro as at 31 December 2023 (177.8 billion euro at the end of 2022). The loan to deposit ratio at the end of December 2023, calculated as the ratio between loans to customers and direct deposits from banking business, came to 74.6% (81.9% at the end of 2022). The participation of the Intesa Sanpaolo Group to the TLTRO funding transactions with the ECB amounted at 31

[13] The rating BBB for Morningstar DBRS indicates adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events. In addition, all rating categories other than AAA and D also contain subcategories (high) and (low). The absence of either a (high) or (low) designation indicates the rating is in the middle of the category.

[14] The rating BBB for Fitch Ratings means good credit quality. 'BBB' ratings 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.

[15] For Moody's, obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics. In addition, 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 amid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

[16] The rating BBB for S&P Global Ratings indicates an adequate capacity to meet financial commitments, but more subject to adverse economic conditions.

December 2023 to approximately nominal 45 billion (approximately nominal 96 billion at the end of 2022).

Organisational Structure of the Divisions (as at 31 December 2023)

Managing Director and CEO

Banca dei Territori(*) Division	**IMI Corporate & Investment Banking Division**	**International Subsidiary Banks Division**	**Private Banking Division**	**Asset Management Division**	**Insurance Division**
Intesa Sanpaolo;	Banca Intesa (**);	Banca Intesa Beograd;	Fideuram;	Epsilon SGR;	Fideuram Vita;
Isybank	Intesa Sanpaolo Bank Ireland;	Bank of Alexandria;	Fideuram Asset Management Ireland;	Eurizon Asset Management Croatia;	InSalute Servizi;
	Intesa Sanpaolo Bank Luxembourg;	CIB Bank;	Fideuram-Intesa Sanpaolo Private Banking Asset Management;	Eurizon Asset Management Hungary;	Intesa Sanpaolo Assicura;
	Intesa Sanpaolo Brasil	Eximbank;	Intesa Sanpaolo Private Banking;	Eurizon Asset Management Slovakia;	Intesa Sanpaolo Insurance Agency;
		Intesa Sanpaolo Bank (***);	Intesa Sanpaolo Wealth Management;	Eurizon Capital;	Intesa Sanpaolo RBM Salute;
		Intesa Sanpaolo Bank Albania;	IW Private Investments;	Eurizon Capital Asia Limited;	Intesa Sanpaolo Vita
		Intesa Sanpaolo Bank Romania;	Reyl Intesa Sanpaolo;	Eurizon Capital Real Asset SGR;	
		Intesa Sanpaolo Banka Bosna i Hercegovina;	SIREF Fiduciaria	Eurizon Capital S.A.;	
		Pravex Bank;		Eurizon SLJ Capital LTD	
		Privredna Banka Zagreb;			
		VUB Banka			

(*) Domestic commercial banking
(**) Russian Federation
(***) Slovenia

The Intesa Sanpaolo Group is one of the top banking groups in Europe with a significant ESG commitment, a world-class position in Social Impact and strong focus on climate.

The Intesa Sanpaolo Group is a banking group in Italy with 13.6 million customers and over 3,300 branches as at 31 December 2023.

The Intesa Sanpaolo Group is a provider of financial products and services to both households and enterprises in Italy.

The Group has a strategic international presence, with over 900 branches and 7.2 million customers as at 31 December 2023. It is among the top players in several countries in Central Eastern Europe and in the Middle East and North Africa, through its local subsidiary banks: the Intesa Sanpaolo Group ranks first in Serbia, second in Croatia and Slovakia, fourth in Albania and Slovenia, sixth in Bosnia and Herzegovina and Egypt, seventh in Moldova and eighth in Hungary.

As at 31 December 2023, the Intesa Sanpaolo Group had total assets of €963,570 million, customer loans of €429,540 million, direct deposits from banking business of €576,136 million and direct deposits from insurance business of €172,746 million.

As at 31 December 2023, the Intesa Sanpaolo Group operates through six divisions:

(a) The **Banca dei Territori division**: focuses on the market and centrality of the territory for stronger relations with individuals, small and medium-sized enterprises and non-profit entities. The division includes the activities in industrial credit, leasing and factoring, as well as the digital bank Isybank (which also operates in instant banking through Mooney, the partnership with the ENEL Group).

(b) The **IMI Corporate & Investment Banking division**: a global partner which, taking a medium-long term view, supports corporates, financial institutions and public administration, both nationally and internationally. Its main activities include capital markets and investment banking. The division is present in 25 countries where it facilitates the cross-border activities of its customers through a specialist network made up of branches, representative offices and subsidiary banks focused on corporate banking.

(c) The **International Subsidiary Banks division**: includes the following commercial banking subsidiaries: Intesa Sanpaolo Bank Albania in Albania, Intesa Sanpaolo Banka Bosna i Hercegovina in Bosnia and Herzegovina, Privredna Banka Zagreb in Croatia, the Prague branch of VUB Banka in the Czech Republic, Bank of Alexandria in Egypt, Eximbank in Moldova, CIB Bank in Hungary, Intesa Sanpaolo Bank Romania in Romania, Banca Intesa Beograd in Serbia, VUB Banka in Slovakia, Intesa Sanpaolo Bank in Slovenia and Pravex Bank in Ukraine.

(d) The **Private Banking division**: serves the customer segment consisting of Private clients and High Net Worth Individuals with the offering of products and services tailored for this segment. The division includes Fideuram - Intesa Sanpaolo Private Banking with 6,696 private bankers.

(e) The **Asset Management division**: asset management solutions targeted at the Intesa Sanpaolo Group's customers, commercial networks outside the Intesa Sanpaolo Group, and institutional clientele. The division includes Eurizon with €311 billion of assets under management.

(f) The **Insurance division**: insurance and pension products tailored for the Intesa Sanpaolo Group's clients. The division holds direct deposits of €173 billion and includes Intesa Sanpaolo Vita - which controls Intesa Sanpaolo Assicura, Intesa Sanpaolo RBM Salute, Intesa Sanpaolo Insurance Agency and InSalute Servizi - and Fideuram Vita.

Intesa Sanpaolo in the last two years

Intesa Sanpaolo in 2022 – Highlights

Intesa Sanpaolo comfortably meets the capital requirement set by the ECB

On 3 February 2022 Intesa Sanpaolo announced that it had received notification of the ECB's final decision concerning the capital requirement that the Bank has to meet, on a consolidated basis, as of 1 March 2022, following the results of the Supervisory Review and Evaluation Process (SREP).

The overall capital requirement the Bank has to meet in terms of Common Equity Tier 1 ratio is 8.81%.

This is the result of:

- a SREP requirement in terms of Total Capital ratio of 9.79% comprising a minimum Pillar 1 capital requirement of 8%, of which 4.5% is Common Equity Tier 1 ratio, and an additional Pillar 2 capital requirement of 1.79%, of which 1.01% is Common Equity Tier 1 ratio applying the regulatory amendment introduced by the ECB and effective from 12 March 2020;

- additional requirements, entirely in terms of Common Equity Tier 1 ratio, relating to:

  - a Capital Conservation Buffer of 2.5%,
  - an O-SII Buffer (Other Systemically Important Institutions Buffer) of 0.75%,
  - a Countercyclical Capital Buffer of 0.05%[17].

As announced on 3 February 2022 relating to the ECB final decision, Intesa Sanpaolo's capital ratios as at 30 September 2021 on a consolidated basis - after the deduction from capital of €1,932m of reserves distributed in October 2021, €2,804m of dividends accrued in 9M 2021 (of which €1,399m paid as an interim dividend in November 2021[18]) and the coupons accrued on the Additional Tier 1 issues - were as follows:

- 14.3% in terms of Common Equity Tier 1 ratio,
- 19% in terms of Total Capital ratio,

calculated by applying the transitional arrangements for 2021;

- 13.8% in terms of Common Equity Tier 1 ratio,
- 18.8% in terms of Total Capital ratio, calculated on a fully loaded basis;
- 15.1% in terms of pro-forma Common Equity Tier 1 ratio calculated on a fully loaded basis[19],

[17] Calculated taking into account the exposure as at 30 September 2021 in the various countries where the Group has a presence, as well as the respective requirements set by the competent national authorities and relating to 2023, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for 1Q 2022).
[18] Net of the portion not distributed to own shares held by the Bank at the record date.
[19] Estimated by applying the fully loaded parameters to the financial statements as at 30 September 2021, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs on the acquisition of UBI Banca, and the expected distribution on the 9 months

- 20.3% in terms of pro-forma Total Capital ratio calculated on a fully loaded basis.

Ordinary Shareholders' Meeting

On 29 April 2022, the Shareholders' Meeting of Intesa Sanpaolo was held, validly constituted, on single call, to pass resolutions as those in attendance through the appointed representative – in accordance with Article 106, paragraph 4, of Law Decree 18 dated 17 March 2020, converted by Law 27 dated 24 April 2020, as subsequently amended – counted 2,901 holders of voting rights attached to 10,884,970,586 ordinary shares without nominal value equal to 56.02013% of the share capital. The Shareholders' Meeting voted in favour of all the items on the agenda.

In the ordinary session, the resolutions concerned the 2021 Financial Statements, the distribution of the dividend and part of the share premium reserve; the appointment of the members of the Board of Directors and of the Management Control Committee for the years 2022-2023-2024; the remuneration policies and incentive plans; and own share buybacks to service the incentive plans and for market operations.

In the extraordinary session, the resolutions concerned the annulment of own shares without reducing the share capital and the consequent amendment of Article 5 (Share Capital) of the Articles of Association, as well as the mandate to the Board of Directors to approve a share capital increase without payment and with payment to service the approved incentive plans.

Long-Term incentive plans

With specific regard to the delegated powers approved by the Shareholders' Meeting of 29 April 2022 for share capital increases to service the incentive plans authorised in the ordinary session, it should be noted that, in order to maximise the key role of the Group's employees in achieving the objectives of the 2022-2025 Business Plan, approved by the Board of Directors of the Bank on 4 February 2022, through a broad-based shareholding in the capital of the Bank, on 15 February the Parent Company's Board of Directors had resolved to submit the following two long-term incentive plans to the Shareholders' Meeting, based on financial instruments of Intesa Sanpaolo and reserved for all Group employees:

− the 2022-2025 Performance Share Plan, reserved for Group's Management, which provides for the assignment of newly issued ordinary shares of Intesa Sanpaolo deriving from a share capital increase without payment, subject to performance conditions in relation to specific key objectives to be achieved over the course of the Business Plan;

− the 2022-2025 Leveraged Employee Co-Investment Plan LECOIP 3.0, reserved for employees of the Group in Italy, belonging to the Professional clusters, which provides for: i) the assignment of newly issued ordinary shares of Intesa Sanpaolo deriving from a share capital increase without payment (Free Shares) for an amount equivalent to the Variable Result Bonus advance for 2022 (employees may opt to receive the advance in cash and, therefore, not to participate in LECOIP 3.0); ii) the assignment, free of charge, of additional shares in exchange for the same share capital increase without payment (Matching Shares) based on the role held and seniority; iii) the subscription, in set proportions with respect to the free shares received, of newly issued ordinary Intesa Sanpaolo shares deriving from a share capital increase with payment reserved for employees, at a discounted issue price (Discounted Shares) against market value.

2021 net income of insurance companies.

On 13 June 2022, the period ended for exercising the right to withdraw from the subscription to the offer, expired on 30 May 2022, of the Certificates issued by J.P. Morgan and reserved for Professionals employed by the Group in Italy under the 2022-2025 LECOIP 3.0 Plan. A total of 45,629 employees, corresponding to 66.43% of those eligible, have participated in LECOIP 3.0 for a countervalue of the assigned shares (Free Shares and Matching Shares) of 139,931,221 euro.

On 21 June 2022, Intesa Sanpaolo's Board of Directors exercised the authority granted to it by the Shareholders' Meeting for capital increases in favour of the Group's employees to service the implementation of the 2022-2025 LECOIP 3.0 Plan. More specifically, the following were approved:

− a share capital increase without payment for a maximum amount of 350,000,000 euro, through the issue of a maximum number of 160,000,000 Intesa Sanpaolo ordinary shares, having the same characteristics as those already outstanding and with regular dividend entitlement;

− a share capital increase with payment, with the exclusion of the option right pursuant to Article 2441, paragraph 8, of the Italian Civil Code, for a maximum amount, net of a discount at issue, of 850,000,000 euro, through the issue of a maximum number of 387,000,000 Intesa Sanpaolo ordinary shares, with the same characteristics as the shares already outstanding and with regular dividend entitlement, applying a maximum discount of 19.5% to the stock market price calculated as the average of the prices recorded in the 30 days prior to the issue date.

On 30 June 2022, on the basis of the average price of the shares of Intesa Sanpaolo recorded on each business day in the 30 preceding calendar days – equal to 1.9080 euro – a total of 33,745,462 Free Shares, 39,591,828 Matching Shares, and 386,972,658 Discounted Shares subscribed were assigned to the Group's employees. Consequently, 73,337,290 Certificates issued by J.P. Morgan, i.e. financial instruments corresponding to the abovementioned sum of Free Shares plus Matching Shares, were assigned to Group employees.

The following was also carried out on the same day:

− the implementation of:

- a share capital increase without payment – pursuant to Article 2349, paragraph 1 of the Italian Civil Code - for 83,200,000 euro, through the issue of 160,000,000 Intesa Sanpaolo ordinary shares, using of the Extraordinary Reserve;

- a share capital increase with payment, with the exclusion, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, of the option right in favour of the Intesa Sanpaolo Group's employees, for an amount of 201,225,782.16 euro, through the issue of 386,972,658 Intesa Sanpaolo ordinary shares at a price of 1.5671 euro (applying a discount of 17.867% to the abovementioned arithmetic average of the VWAP recorded in the preceding 30 calendar days), of which 0.52 euro to be allocated to share capital and 1.0471 euro to share premium;

− for the Performance Share Plan, the assignment of rights to the managers that, at the end of the Plan, will accrue in Intesa Sanpaolo shares, subject to the satisfaction of the conditions envisaged in the related rules and in compliance with the number and value limits established by the Shareholders' Meeting of 29 April 2022.

A total of 546,972,658 ordinary Intesa Sanpaolo shares were therefore issued without nominal value, having regular entitlement as coupon 47. Intesa Sanpaolo's share capital consequently increased from 10,084,445,147.92 euro (represented by 19,430,463,305 ordinary shares) to 10,368,870,930.08 euro, divided into 19,977,435,963 ordinary shares without nominal value.

The capital increase with payment led to an increase in the Intesa Sanpaolo Group's consolidated shareholders' equity of 606.4 million euro, of which 201.2 million euro in share capital and 405.2 million euro in share premium reserve.

Intesa Sanpaolo launched buyback approved by the Shareholders' meeting of 29 April 2022 and authorized by the ECB

On 24 June 2022, following the ECB decision, which authorises the purchase of own shares for annulment (buyback) for a maximum total outlay of 3,400 million euro and a number of shares not exceeding 2,615,384,615 Intesa Sanpaolo ordinary shares – as approved by the Shareholders' Meeting of 29 April 2022 and already disclosed to the market – the Board of Directors of Intesa Sanpaolo, made the resolution to execute the purchase carrying out an initial programme for an outlay of 1,700 million euro, and to defer to a subsequent date, by the time the results as at 31 December 2022, the decisions regarding the execution for the remaining authorised amount.

On the dates of 3 August, 7 September and 14 October 2022, the own shares purchased during the period from 4 July to 29 July 2022 (322,814,884 shares), 1 August to 2 September 2022 (387,343,682 shares) and 5 September to 11 October 2022 (278,474,237 shares), respectively, were annulled. As a result, the share capital (which before the launch of the programme was divided into 19,977,435,963 ordinary shares without nominal value) changed its composition, due to the reduction in the number of shares constituting it, while its amount remained unchanged at 10,368,870,930.08 euro.

On 3 February 2023 the Board of Directors of Intesa Sanpaolo resolved to implement the execution of the remaining part of the programme for a maximum outlay of 1,700 million euro and a number of shares not exceeding 1,626,751,812.

The purchases started on 13 February 2023 and ended on 4 April 2023. During the period, a total of 706,004,171 shares were purchased, equal to around 3.72% of the share capital outstanding at the end of the programme, at an average purchase price of 2.4079 euro per share, for a total countervalue of 1,699,999,999.33 euro.

The transactions took place on the regulated market Euronext Milan managed by Borsa Italiana through the third-party intermediary appointed to execute the programme, in full independence and without any involvement of the Intesa Sanpaolo Group, in compliance with the terms authorised by the Intesa Sanpaolo Shareholders' Meeting of 29 April 2022.

The annulment of the shares took place on 2 May 2023. While the share capital remained unchanged at 10,368,870,930.08 euro, the number of ordinary shares with no nominal value decreased from 18,988,803,160 to 18,282,798,989. The Articles of Association amended to reflect said annulment were filed with the Turin Company Register on 3 May 2023.

Intesa Sanpaolo launched ordinary share buy-back programme for free assignment to employees

From 12 to 14 September 2022, on the other hand, a share buyback programme was implemented to service plans of assignment, free of charge, of Intesa Sanpaolo ordinary shares to the employees and the Financial Advisors of the Group[20]. The purchases relate to: (i) the Intesa Sanpaolo Group share-based incentive plan for 2021 reserved for Risk Takers who accrue a bonus in excess of the so-called "materiality threshold"[21], as well as for those who are paid a "particularly high" amount[22], and for those

[20] During the period of execution of the programme, the purchases of own shares for annulment (buybacks) were suspended.
[21] Equal to 50 thousand euro or one third of the total remuneration (unless otherwise provided for by specific local regulations).
[22] Pursuant to the Group Remuneration and Incentive Policies, for the three-year period 2019-2021 a variable remuneration exceeding 400 thousand euro constitutes a "particularly high" amount.

who, among Middle Management or Professionals that are not Risk Takers, accrue "relevant bonuses"[23]; (ii) the Privredna Banka Zagreb (PBZ) Group share-based incentive plan for 2021 and the outstanding portions in financial instruments deriving from previous plans; (iii) the long-term incentive plans reserved for the Financial Advisors of the Networks of the Fideuram - Intesa Sanpaolo Private Banking Group. In addition, the programme is implemented in order to grant, when certain conditions occur, severance payments upon early termination of employment.

In the three days during which the programme was executed, a total of 46,216,652 Intesa Sanpaolo ordinary shares were purchased, through the IMI Corporate & Investment Banking Division. These represent around 0.24% of the share capital of the Parent Company. The average price was 1.8932 euro per share, for a total countervalue of 87,496,321.48 euro. The Parent Company purchased 12,967,930 shares at an average price of 1.8938 euro per share, for a countervalue of 24,558,315.42 euro.

The transactions were executed in compliance with provisions included in Articles 2357 and following and 2359-bis and following of the Italian Civil Code and within the limits determined in the resolutions passed by the competent corporate bodies. Specifically, in the case of the Parent Company Intesa Sanpaolo, in accordance with the terms approved by the Shareholders' Meeting of 29 April 2022.

Pursuant to Article 132 of the Consolidated Law on Finance and Article 144-bis of the Issuers' Regulation and subsequent amendments, purchases were executed on the regulated market Euronext Milan managed by Borsa Italiana in accordance with trading methods laid down in the market rules for these transactions.

Moreover, purchases were arranged in compliance with the conditions and the restrictions under Article 5 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014, and Articles 2, 3, and 4 of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016.

The number of shares purchased daily did not exceed 25% of the daily average volume of the Intesa Sanpaolo ordinary shares traded in August 2022, which was equal to 108.1 million shares, and 15% of the volume traded on the Euronext Milan market on each of the days when purchases were executed - in accordance with the constraint added in the programme to the above-mentioned regulatory conditions and restrictions.

November 2022 Dividend

On 4 November 2022 Intesa Sanpaolo decided to distribute an interim dividend on the 2022 results equal to €7.38 cents per share, before tax, corresponding to €1,401 million in aggregate. The decision was based on the absence of limitations to dividend distributions, including recommendations from the regulators regarding capital requirements applicable to Intesa Sanpaolo, as well as on the basis of Intesa Sanpaolo's capital ratios. No distribution will be made to own shares held by the Bank at the record date. The interim dividend was paid on 23 November 2022.

Intesa Sanpaolo comfortably meets the capital requirement set by the ECB

On 15 December 2022 Intesa Sanpaolo announced that it had received notification of the ECB's final decision concerning the capital requirement that the Bank has to meet, on a consolidated basis, as of 1 January 2023, following the results of the Supervisory Review and Evaluation Process (SREP).

The overall capital requirement the Bank has to meet in terms of Common Equity Tier 1 ratio is 8.88%.

[23] Exceeding 80 thousand euro (unless otherwise provided for by specific local regulations) and 100% of the fixed remuneration.

This is the result of:

- a SREP requirement in terms of Total Capital ratio of 9.72% comprising a minimum Pillar 1 capital requirement of 8%, of which 4.5% is Common Equity Tier 1 ratio, and an additional Pillar 2 capital requirement of 1.72%, of which 0.97% is Common Equity Tier 1 ratio applying the regulatory amendment introduced by the ECB and effective from 12 March 2020;

- additional requirements, entirely in terms of Common Equity Tier 1 ratio, relating to:

    - a Capital Conservation Buffer of 2.5%,

    - an O-SII Buffer (Other Systemically Important Institutions Buffer) of 0.75%,

    - a Countercyclical Capital Buffer of 0.16%[24].

Intesa Sanpaolo's capital ratios as at 30 September 2022 on a consolidated basis - after the deduction from capital of € 3.4 bn of buyback[25], €2,299 m of dividends accrued in 9M 2022 (of which €1,400 m paid as an interim dividend in November 2022[26]) and the coupons accrued on the Additional Tier 1 issues - were as follows:

- 12.6% in terms of Common Equity Tier 1 ratio,

- 17.5% in terms of Total Capital ratio, calculated by applying the transitional arrangements for 2022;

- 12.4% in terms of Common Equity Tier 1 ratio,

- 17.5% in terms of Total Capital ratio, calculated on a fully loaded basis;

- 13.6% in terms of pro-forma Common Equity Tier 1 ratio calculated on a fully loaded basis[27];

- 18.9% in terms of pro-forma Total Capital ratio calculated on a fully loaded basis[22].

Intesa Sanpaolo in 2023 – Highlights

Exposure to Russia

Intesa Sanpaolo has a direct presence in Russia, through its Russian subsidiary Banca Intesa Russia, which employs 869 people in 27 branches. In addition, Intesa Sanpaolo has cross-border exposures stemming from its corporate and investment banking activities. In particular, in its lending activities, the IMI Corporate & Investment Banking Division has over time financed counterparties resident in the Russian Federation. More than two-thirds of the loans to Russian customers disbursed before the conflict between Russia and Ukraine involved leading industrial groups, which have established

[24] Calculated taking into account the exposure as at 30 September 2022 in the various countries where the Group has a presence, as well as the respective requirements set by the competent national authorities and relating to 2023, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for 2022).
25 Amount, approved by the Shareholders' Meeting and authorised by the ECB, equivalent to the 2019 suspended dividend.
[26] Net of the portion not distributed to own shares held by the Bank at the record date.
[27] Estimated by applying the fully loaded parameters to the financial statements as at 30 September 2022, taking into account the total absorption of deferred tax assets (DTAs) related to goodwill realignment, loan adjustments, the first time adoption of IFRS 9 and the non-taxable public cash contribution of €1,285m covering the integration and rationalisation charges relating to the acquisition of the Aggregate Set of Banca Popolare di Vicenza and Veneto Banca, as well as the expected absorption of DTAs on losses carried forward and DTAs on the acquisition of UBI Banca and the agreement with the trade unions of November 2021, and the expected distribution on the 9M 2022 net income of insurance companies.

commercial relationships with customers belonging to the main international supply chains, a significant amount of which derives from commodity exports.

At the outbreak of hostilities, loans to Russian customers represented around 1% of the Group's total loans to customers (net of Export Credit Agency "**ECA**" guarantees). During the year ended 31 December 2023, after the significant reduction in credit risks related to the Russian-Ukrainian conflict achieved in 2022, mainly as a result of the final disposal of two major exposures (for 2.5 billion euro), further reductions in these credit risks were recorded. Specifically, the gross on-balance sheet exposure to total counterparties resident in Russia (customers, banks and securities) decreased by 908 million euro (-36% from the end of the previous year). This reduction was made up of 298 million euro for non-performing exposures to customers resident in Russia, resulting from the sale of an exposure classified as UTP (for 214 million euro) and the authorisation granted to use the (previously frozen) sums received from another exposure also classified as UTP (for 84 million euro); 284 million euro for performing exposures to customers resident in Russia, as a result of repayments and disposals on various exposures; 235 million euro for exposures to banks and customers of the investee Banca Intesa Russia (of which 175 million euro to customers and 60 million euro to banks); and around 61 million euro for securities issued by Russian counterparties. Gross credit exposures to banks and customers decreased by 847 million euro (-35% compared to the end of 2022).

The continued de-risking contributed to a reduction of 642 million euro (-32%) in the overall net exposure (customers, banks, and securities) as at 31 December 2023 to counterparties resident in Russia, which amounted to 1,349 million euro compared to 1,991 million euro as at 31 December 2022.

Starting in March 2022, among the areas receiving the greatest attention in terms of credit assessments in the emergency triggered by the conflict in Ukraine, a specific focus was dedicated to the Group's exposure to counterparties resident in Russia and Ukraine. Specifically, customised measures were implemented to strengthen the oversight of credit risk, also by updating the assessment of creditworthiness, of counterparties with residency or parent companies in the Russian Federation, Belarus or Ukraine. In that context, the deterioration of specific positions was also acknowledged, which were classified among unlikely-to-pay exposures and, as a result, subject to analytical measurement.

As at 31 December 2023, as a result of the significant de-risking described above, the Group Companies from countries other than those involved in the conflict had a total of 24 million euro of on-balance sheet non-performing loans to counterparties resident in Russia.

As of 31 December 2023, the remaining on-balance sheet exposures to the total counterparties resident in Russia amounted, in terms of gross values, to 197 million euro (117 million euro net) for Banca Intesa Russia and 675 million euro (526 million euro net) for cross-border exposures to customers resident in Russia (net of ECA guarantees). These were accompanied by exposures to banks totalling 707 million euro (696 million euro net) and in securities totalling 12 million euro (10 million euro net).

At the same date, Banca Intesa Russia exposure to Russian counterparties included in the OFAC (Office of Foreign Assets Control) SDN and/or EU asset freeze lists amounted to €237 million (compared to over €380 million as of 31 December 2022).

In addition, there was the repayment – between the end of March and the beginning of April 2023 – of the intragroup amount made available to Banca Intesa Russia before the outbreak of the conflict and originally intended for a future capital increase (whose implementation had been suspended as a result of the war events). The sums repaid amounted to an equivalent value of around 200 million euro, in line with what was initially made available. The Parent Company and two of its subsidiaries had also

provided Banca Intesa Russia with loans to support the bank's operations with a residual book value as at 31 December 2023 of 211 million euro.

Exposure to Ukraine

Intesa Sanpaolo operates in Ukraine through its subsidiary Pravex Bank, which employs 666 people spread across 40 branches.

As of 31 December 2023, gross exposures to customers resident in Ukraine amounted to 186 million euro (123 million euro net), of which 62 million euro (book value nil in net terms) related to the subsidiary Pravex Bank. These were accompanied by gross exposures to banks of 59 million euro (59 million euro net as well) and in securities totalling 53 million euro (49 million euro net).

With reference to loans to customers disbursed by Pravex Bank, the absolutely serious situation in all of Ukraine also resulted in the definition, for the purpose of measuring the loan portfolio of the subsidiary Ukraine bank, of a highly specific approach, significantly based on rationales, which consider the uncertainties and the risk elements associated with the military conflict. Therefore, in light of the worsening and continuation of the conflict with the consequent impacts on the Ukrainian economy, the choice adopted in the 2022 Financial Statements regarding the classification of the Ukrainian subsidiary's loans to customers as non-performing loans (bad loans), with full write-down of the on-balance sheet component, has been maintained.

Any of the above could have a material adverse effect on its business, financial condition and results of operation.

Impact from exposures to Russia and Ukraine in the income statement

Overall, valuations of the Russian and Ukrainian exposures led to the recognition as at 31 December 2023, before tax, of net income totalling 91 million euro, made up of 206 million euro from net recoveries on loans, mainly attributable to collections on cross-border positions, at the subsidiaries Banca Intesa Russia and Pravex; 1 million euro from adjustments on debt securities held by the investee Pravex; and 114 million euro from provisions for other allowances for risks and charges (in addition to the 80 million euro already made as at December 2022) upon consolidation of the investee Banca Intesa Russia to write off its equity contribution to the Group's consolidated financial statements, which was positive at the year end as a result of the investee's positive operating performance.

Other highlights

Details are provided below of the significant events in 2023.

On 1 January 2023 the Extraordinary Shareholders' Meetings of the two companies approved the merger by incorporation of Fideuram Bank (Luxembourg) S.A. into Compagnie de Banque Privée Quilvest S.A. (CBPQ), which took the name Intesa Sanpaolo Wealth Management S.A., with statutory, accounting and tax effects on the same date. It should be noted that on 30 June 2022, Fideuram - Intesa Sanpaolo Private Banking, through its Luxembourg subsidiary Fideuram Bank (Luxembourg) S.A., acquired full control of CBPQ, a Luxembourg-based private bank with branches also in Belgium, with the strategic aim of creating an additional European hub for the Private Banking Division, alongside Reyl & Cie in Switzerland.

As part of the agreements between Risanamento, a company controlled by Intesa Sanpaolo with a 48.88% stake, and LendLease, a leading international operator in the infrastructure sector, and the lending banks for the development of the real estate initiative called Milano Santa Giulia, on 2 February 2023 the Board of Directors of Intesa Sanpaolo approved a complex transaction, aimed at enabling the

following, as part of a plan to ensure the economic and financial equilibrium of the Risanamento Group pursuant to Article 56 of the Insolvency Code: (i) the obtainment by the Risanamento Group of the financial resources necessary to fulfil its commitments made to the public authorities and third parties in relation to the completion of both the reclamation of the area and the execution of the Olympic infrastructure works under the Variant Agreement; and (ii) the transfer of the Milano Santa Giulia area at values in line with its book value to an alternative investment fund through the subscription of its units by the lending banks or their assignees and the concurrent novation to the aforementioned fund of the financial debt due to the lending banks (or their assignees) from the Risanamento Group and the payment to Risanamento, under particular terms and conditions, of the additional amount with respect to the values referred to above.

The Termsheet containing the main terms and conditions of the transaction was signed by the parties on 22 March 2023. During the second quarter, following the fulfilment of the usual conditions precedent for this type of transaction, the final contracts were drawn up and signed by the parties on 29 June 2023. The closing then took place on 30 June 2023.

With reference to the programme of purchase of own shares for annulment (buyback), approved by the Intesa Sanpaolo Shareholders' Meeting of 29 April 2022 and authorised by the ECB with decision notified on 24 June 2022, for a maximum total outlay of 3,400 million euro and a number of shares not exceeding 2,615,384,615 Intesa Sanpaolo ordinary shares, after the initial programme launched on 4 July and concluded on 11 October 2022 for an outlay of 1,700 million euro and the purchase of 988,632,803 shares (all of them annulled), on 3 February 2023 the Board of Directors of Intesa Sanpaolo resolved to implement the execution of the remaining part of the programme for a maximum outlay of 1,700 million euro and a number of shares not exceeding 1,626,751,812.

The purchases started on 13 February 2023 and ended on 4 April 2023. During the period, a total of 706,004,171 shares were purchased, equal to around 3.72% of the share capital outstanding at the end of the programme, at an average purchase price of 2.4079 euro per share, for a total countervalue of 1,699,999,999.33 euro.

The transactions took place on the regulated market Euronext Milan managed by Borsa Italiana through the third-party intermediary appointed to execute the programme, in full independence and without any involvement of the Intesa Sanpaolo Group, in compliance with the terms authorised by the Intesa Sanpaolo Shareholders' Meeting of 29 April 2022.

The annulment of the shares took place on 2 May 2023. While the share capital remained unchanged at 10,368,870,930.08 euro, the number of ordinary shares with no nominal value decreased from 18,988,803,160 to 18,282,798,989. The Articles of Association amended to reflect said annulment were filed with the Turin Company Register on 3 May.

As already stated in the 2022 Annual Report, in line and in keeping with the transactions carried out in 2020 and 2021 regarding the acquiring businesses of Intesa Sanpaolo and the former UBI Banca, in 2022 the Group undertook a project initiative aimed at expanding the strategic partnership with the Nexi Group at international level, through the transfer to Nexi Payments of the merchant acquiring business line of the Croatian subsidiary PBZ Card. As with the two previous transactions, the agreement provided for: i) the sale of the PBZ Card acquiring business line (including all agreements with the Croatian merchants) to the Nexi Group; and ii) the establishment of a commercial partnership between PBZ Group and the buyer on an exclusive basis in line with the terms of the transactions concluded in Italy.

The transaction was completed on 28 February 2023, resulting in a gross capital gain, recognised in the consolidated income statement for the first quarter of 2023, of 116 million euro (95 million euro net of the tax effect).

On 1 March 2023, the Board of Directors of Intesa Sanpaolo Vita, following the resolution passed by the Board of Directors of the Parent Company Intesa Sanpaolo on 28 February 2023, approved a settlement and share purchase agreement between RBHold S.p.A., pertaining to the Favaretto family (non-controlling shareholder of Intesa Sanpaolo RBM Salute S.p.A.) and Intesa Sanpaolo Vita which provided for:

- the amicable settlement, without any recognition of the mutually asserted claims, of the Arbitration initiated in July 2022 by the Favaretto family at the Chamber of Arbitration of Milan, agreeing to formalise the waiver of the respective claims at the Chamber;

- the purchase by Intesa Sanpaolo Vita of the entire equity investment held in Intesa Sanpaolo RBM Salute from the non-controlling shareholder, amounting to 26.21%, with the simultaneous termination of office of the members of the Board of Directors of Intesa Sanpaolo RBM Salute appointed by RBHold and termination of the put and call mechanisms originally subscribed. The cash consideration for the purchase was set at the market value of 360 million euro, the amount of which was confirmed by an independent third-party fairness opinion.

The signing of a new agreement (partially amending the one previously in force) was also envisaged for the service contract between Intesa Sanpaolo RBM Salute and Previmedical, aimed at strengthening Intesa Sanpaolo RBM Salute's oversight and control of the activities outsourced to Previmedical, providing the company greater protection in the event of unsatisfactory service levels towards customers in the management of the insurance portfolio assigned to Previmedical.

The settlement agreement was signed by the parties on 1 March 2023 and the purchase of the non-controlling interest in Intesa Sanpaolo RBM Salute by Intesa Sanpaolo Vita was completed on the same date. As a result of this transaction, Intesa Sanpaolo Vita became the owner of 100% of the share capital of the company.

Within the strategic partnership between Intesa Sanpaolo Vita and Reale Group – through Blue Assistance, a service company of the Reale Group specialising in healthcare assistance – completed and announced on 19 July 2022 and involving the new company InSalute Servizi[28], the transfer of Blue Assistance's business line became effective on 1 April 2023, consisting mainly of the technological platform, the network of affiliated facilities, and employee contracts. Through this transfer the reserved capital increase of InSalute Servizi was implemented. On the same date, the sale to Intesa Sanpaolo Vita of certain InSalute Servizi shares issued as part of the above-mentioned capital increase was also completed, in order to achieve the corporate structure agreed between the parties. The company is now 65% owned by Intesa Sanpaolo Vita and 35% by Blue Assistance.

From an accounting perspective, the comparison between the value of the transferred business line, certified by a specific fairness opinion from an independent external third party, and the equity at fair value of the business line showed a final difference of around 31 million euro, which was allocated to goodwill at the end of the Purchase Price Allocation (PPA) in accordance with IFRS 3.

[28] The company, which was established in February 2022 with the original name of Newco TPA S.p.A., changed its name to InSalute Servizi in the third quarter. At the end of 2022, it was included in the scope of line-by-line consolidation as it was wholly owned by Intesa Sanpaolo Vita.

InSalute Servizi operates within Intesa Sanpaolo's Insurance Division for the management of claims and the development of a network of healthcare facilities with agreements (TPA – Third Party Administrator) in support of Intesa Sanpaolo RBM Salute's insurance offering, of which it will manage 75% of the portfolio in 2026. The company is engaged in the management of health and welfare services for Intesa Sanpaolo's captive customers, supplementary health funds, welfare funds, public health services, companies and other entities operating in the supplementary health and welfare sectors, strengthening the strategy of Intesa Sanpaolo's Insurance Division and its development plan for health insurance launched in 2020 with the acquisition of Intesa Sanpaolo RBM Salute.

In line with the objectives of simplifying and streamlining the Intesa Sanpaolo Group's corporate structures set out in the 2022-2025 Business Plan, on 3 April 2023, the deed was signed for the merger by incorporation into Intesa Sanpaolo S.p.A. of the wholly owned subsidiary Intesa Sanpaolo Provis S.p.A., a registered financial intermediary pursuant to Article 106 of Legislative Decree 385 of 1 September 1993 (Consolidated Law on Banking, "**TUB**"), which acted as the Group's specialist centre for the management of lease credit recovery legal procedures and the value enhancement and sale of real estate and movable assets underlying terminated leases. The transaction, which received clearance from the Bank of Italy and authorisation from the European Central Bank, was approved on 20 December 2022 by the Board of Directors of Intesa Sanpaolo – on the basis of the merger plan filed with the Turin Company Register, pursuant to Article 2501-ter of the Italian Civil Code, on 18 November 2022 – and by the extraordinary shareholders' meeting of the merged company. The transaction took legal effect from 17 April 2023 with accounting and tax effects from 1 January 2023. As a merger involving a wholly owned company, it was carried out in the simplified manner provided for in Article 2505 of the Italian Civil Code.

On 28 April 2023, the Ordinary Shareholders' Meeting of Intesa Sanpaolo was held, validly constituted, on single call, to pass resolutions as those in attendance through the appointed representative (in accordance with Article 106, paragraph 4, of Law Decree No. 18 dated 17 March 2020, converted by Law No. 27 dated 24 April 2020, whose effects were most recently extended by Law No. 14 dated 24 February 2023) counted 3,167 holders of voting rights attached to 10,897,630,179 ordinary shares without nominal value representing 57.38977% of the share capital. The Shareholders' Meeting voted in favour of all the items on the agenda.

The resolutions concerned[29]:

- *the approval of the Parent Company's 2022 financial statements and the allocation of net income, with the distribution to the shareholders of a remaining dividend for 2022 corresponding to 8.68 euro cents per ordinary share, subject to increase as a result of the execution of the programme of purchase of own shares for annulment (buyback).* Following the annulment of the shares announced at the beginning of May[30], from 24 May 2023 (with coupon presentation on 22 May and record date on 23 May), the amount of 9.01 euro cents for each of the 18,282,798,989 ordinary shares constituting the share capital[31] was paid as a remaining dividend on the 2022 net income, for a total dividend distribution, taking into account the interim dividend of 1,399,608,167.99 euro paid in November 2022[32], of 3,046 million euro, corresponding to a payout ratio of 70% of the consolidated net income;

[29] Details of the majority of votes by which they were passed are set out in detail in the press release published on the Group's website.
[30] In this regard, see the information provided above.
[31] The total amount of the dividend paid was 1,646,462,490.59 euro against 1,765,623.70 euro allocated to the Extraordinary reserve in relation to the portion not distributed to the 9,075,453 own shares held by the Bank at the record date (817,698.32 euro) and the rounding differences arisen during the calculation of the final amount of the dividend (947,925.38 euro).
[32] Interim dividends are considered net of the portion not distributed to the 23,922,835 own shares held by the Bank at the record date, amounting to 1,765,505.22 euro.

- *the remuneration policies and incentive plans.* In particular, the Shareholders' Meeting approved the remuneration and incentive policies for 2023 as described respectively in chapters 4 and 1 of Section I of the Report on remuneration policy and compensation paid; it passed a resolution agreeing on the Disclosure on compensation paid in 2022 as described in Section II of the same Report; and it approved the 2023 Annual Incentive Plan, which provides for the assignment, for free, of Intesa Sanpaolo ordinary shares, to be purchased on the market;

- *the authorisation to purchase and dispose of own shares to serve the incentive plans and for trading purposes*.

Following the receipt of the authorisation from the Chinese Regulator, the sale was completed on 16 May 2023 to Warburg Pincus, a leading global private equity operator, of the 23.3% stake in Zhong Ou Asset Management Co. Ltd., an asset management company focused on the Chinese market resulting from the merger of the former UBI Banca. The transaction had been approved in November 2021 by the Board of Directors of Intesa Sanpaolo. Consequently, starting from the Annual Report for the year ended 31 December 2021, the investment has been reclassified to non-current assets held for sale and discontinued operations in accordance with IFRS 5. The sale generated a gain of 192 million euro, around 154 million euro net of tax. The gross gain shown takes into account the remaining amount received from the buyer, as consideration, following the payment of the Chinese local tax on the gain, made by Intesa Sanpaolo in September and recognised under the caption taxes.

The remaining holding, equal to 1.7% of the share capital of the company, was sold on 11 December 2023 to two managers of the company. The transaction resulted in a gain of an immaterial amount.

On 15 June 2023, the Group officially presented Isybank[33], its new digital bank, a key project of the 2022-2025 Business Plan, aimed at combining the solidity and commercial offering of a bank with simple, fast services typical of a fintech company. The new company is aimed at the Group's customers who are mainly digital users of banking services and mobile banking-oriented, while maintaining the possibility of a direct relationship with the staff of the digital branch.

With Isybank, Intesa Sanpaolo enters the fintech world, marking its transition from incumbent to challenger, further improving customer service, while also creating innovative, flexible work opportunities. Isybank is based on cloud-native technology, adaptable to a multi-currency environment and multinational customers. Thought Machine – a core banking technology company based in the UK, with regional offices in New York, Singapore and Sydney – has been selected as the ideal partner to bring the new digital banking platform to life. The partnership was also strengthened by the GBP 40 million invested by Intesa Sanpaolo in the capital of the company.

On 19 July 2023, an agreement on the transfer of two business lines to Isybank by the 100% controlling company Intesa Sanpaolo, was signed with the Trade Unions. The transfer, approved by the Parent Company on 30 March 2023, involved two separate business lines, each consisting of a set of assets and legal relations operationally organised for the management of private individual customers who primarily use digital channels.

On 11 October 2023, Isybank approved a share capital increase from 30 million to 31 million, to be carried out in two tranches and settled through the contributions in kind of the above-mentioned business lines, which were valued by Intesa Sanpaolo with the support of an independent third-party expert.

[33] On 1 January 2023, the amendment of the Articles of Association of Banca 5 S.p.A. took effect, giving the company its new name Isybank S.p.A. The amendment, authorised by the ECB on 10 October 2022, was approved by the Extraordinary Shareholders' Meeting of Banca 5 on 28 October 2022.

On the weekend of 14-15 October 2023, the transfer of the first business line consisting of around 300,000 Intesa Sanpaolo customers, with simpler operational characteristics and identified on the basis of specific criteria, was completed and it took legal effect on 16 October 2023. The second transfer, which will involve customers with more complex characteristics than the previous transfer, was scheduled to take place by March 2024, alongside the enhancement of the product catalogue, services and features, as well as new marketing and communication initiatives.

Following the initial communications sent to the customers involved (communications of June 2023 for the first lot and July/November 2023 for the second lot), in January 2024 a letter was sent to repeat the information provided in the previous communications and highlight further aspects aimed at enabling customers to thoroughly evaluate the transfer to Isybank and give their consent to the operation, also in response to the requests from the Italian Antitrust Authority. The information campaign was further bolstered through the publication of these communications in several national newspapers.

For the customers already transferred, the letter provided the opportunity to confirm their satisfaction or desire to open a new account with Intesa Sanpaolo. For the customers included within the scope of the transfer in March 2024, the letter invited them to give their explicit consent to the acceptance of the transfer.

In response to the severity of the effects produced by the adverse weather conditions in Emilia Romagna and Marche, alongside the measures introduced by Law Decree 61 of 1 June 2023 – in relation to which instalments on all outstanding loans were suspended, for the months of May and June, with a two-month extension of the repayment plan – the Intesa Sanpaolo Group took action with a series of initiatives to help its customers through:

- the allocation of 2 billion euro to finance the restoration of damaged structures (homes, shops, offices, craft workshops, businesses) on subsidised terms, with the possibility of a grace period for companies of up to 36 months and access to public guarantees;

- the suspension for up to 24 months of the principal portion of the instalments of existing loans for households and businesses residing in the areas affected by the flooding, together with the refund of the interest to the most distressed households on first home mortgages on irreparably damaged properties, after twelve months from the suspension;

- the possibility for enterprises in all sectors, including non-profits, that have suffered damage to request zero commission on POS payments for transactions up to 30 euro and a zero usage fee for Mobile and Virtual POSs for one year;

- a contribution of 5 million euro to support the local population, channelled through the Cassa dei Risparmi di Forlì and Cassa di Risparmio in Bologna Foundations, which are active in the area, which used the sums received mainly to improve the provincial roads affected by the floods, purchase vehicles for road control and maintenance, readjust the river courses, restore the riverbeds and embankments, and repair various damaged buildings.

On 29 June, Fideuram - Intesa Sanpaolo Private Banking and Man Group – a global, technology-empowered active investment management firm listed on the London Stock Exchange – announced a strategic partnership in the asset management sector aimed at generating alternative investment opportunities for the customers of Fideuram - Intesa Sanpaolo Private Banking. The agreement, which was subject to the customary regulatory approvals, involved the acquisition by Man Group Holdings Limited of an initial 51% stake in Asteria Obviam S.A., an ESG-oriented asset manager based in Geneva, with 49% remaining with Fideuram - Intesa Sanpaolo Private Banking. The partnership entered into effect on 31 October 2023. Man Group’s entry as a shareholder was preceded, on the same

date, by the sale by Reyl & Cie S.A. of its entire shareholding in Asteria Obviam S.A. – which changed its name to Asteria Investment Managers S.A. with effect from 15 September 2023 – to Fideuram - Intesa Sanpaolo Private Banking.

In line with the strong push towards digitalisation that characterises the Intesa Sanpaolo Group's 2022-2025 Business Plan, at the beginning of July Fideuram - Intesa Sanpaolo Private Banking also officially presented Direct Advisory, the first digital financial advisory service for investment management, which leverages a team of Direct Bankers, professionals enrolled in Italy's sole register of financial advisors, operating in fully remote form through digital solutions. This service enhances Fideuram Direct, the digital platform for those who want to operate independently on listed financial instruments and asset management products, offering itself in a complementary and synergistic way to traditional networks.

On 30 June 2023, an agreement was reached – through the signing of a number of non-binding termsheets – among parties comprising five leading Italian insurance companies (including Intesa Sanpaolo Vita), twenty-five distributor banks of Eurovita's policies (including Fideuram - Intesa Sanpaolo Private Banking) and some of Italy's leading banks (including Intesa Sanpaolo). The agreement involves a system-wide transaction aimed at protecting the policyholders of Eurovita, an insurance company that – particularly due to the sudden increase in interest rates and the "structure" of its commitments to policyholders – has experienced a progressive deterioration of its solvency indicators and has subsequently been subject to an order establishing its extraordinary administration and the dissolution of the company's management and control bodies.

In this context, (i) all surrender requests submitted during the period by the company's customers were suspended until 30 June 2023 – a term that was then extended until the end of October 2023 – with the aim of avoiding further exacerbation of the company's financial and capital position imbalance, and (ii) a comprehensive system-wide discussion was conducted to identify a rescue scheme with the primary objective of ensuring the full protection of the policyholders' rights and restoring the ordinary course of the insurance relations as soon as possible.

In short, the agreements provided – on the one hand – for the sale, at a symbolic price, of the business line comprising almost all of Eurovita's assets to a newco called Cronos Vita, whose capital is held by Intesa Sanpaolo Vita, Generali Italia, Poste Vita and UnipolSai, each for 22.5% and Allianz for the remaining 10%, through a dedicated capital increase, and – on the other hand – for the granting of lines of credit to Cronos Vita by the financial institutions that are currently distributors of Eurovita's policies (assisted, moreover, by a pool of Banks for any further support required) to meet the potential surrenders of the Class I and V policies placed by each institution. Cronos Vita will act as a bridge-vehicle, and on completion of the transaction, which should take a maximum of 18 to 24 months, Eurovita's insurance portfolio will be taken over by the five insurance groups mentioned above. Finally, the agreements signed envisage a specific fee framework, in addition to the existing distribution agreements, that the distributor banks will pay to Cronos Vita in exchange for performing servicing activities, aimed at preserving and reactivating the business relationships with the customers who have subscribed to the policies.

Following the agreements at the end of June, Cronos Vita applied to the Italian insurance Authority ("**IVASS**") on 28 September 2023 for authorisation to carry on insurance business, which after due examination was granted on 17 October 2023.

On 31 October 2023, further to IVASS granting its authorisation to the sale of the business line by Eurovita to Cronos Vita and the signing of the final binding agreements, the transfer of the business line was completed together with the accompanying capital increase subscribed by the companies for 213 million euro, which represents the second and last tranche of a total capital increase of 220 million euro,

which fairness from an economic and financial standpoint was supported by a specific opinion issued by an independent expert. Based on the contracts signed and the analysis of the commitments made no onerousness conditions have been identified for the Group.

Within the framework described, the Intesa Sanpaolo Group's overall involvement is structured as follows:

(a) Intesa Sanpaolo Vita, through the acquisition of a non-controlling interest in Cronos Vita for an amount of around 50 million euro;

(b) Fideuram - Intesa Sanpaolo Private Banking, as "distributor", through the granting of a loan at market conditions to Cronos Vita for an amount of around 205 million euro. Fideuram - Intesa Sanpaolo Private Banking, together with its subsidiary Intesa Sanpaolo Private Banking, will also be required to pay the above-mentioned fees;

(c) Intesa Sanpaolo (Parent Company), through the granting of a loan at market conditions to Cronos Vita for a maximum amount of around 300 million euro.

In line with the accounting treatment agreed upon with the other shareholder companies, taking into account the existence from the outset of a clear intention by the shareholder companies to hold the interest in Cronos Vita for a limited period, and in accordance with the agreements made within the overall approval of the transaction and the intervention framework, as at 31 December 2023, the interest held by Intesa Sanpaolo Vita in Cronos Vita was reclassified to assets held for sale pursuant to IFRS 5. It was also verified, in line with IFRS 5, that the fair value of the investment, net of costs to sell, was not lower than the carrying amount.

On 28 July, the results of the 2023 EU-Wide Stress Test were announced. The test was conducted by the European Banking Authority (EBA), in cooperation with the Single Supervisory Mechanism (SSM), the Bank of Italy, the European Central Bank (ECB) and the European Systemic Risk Board (ESRB) and involved also Intesa Sanpaolo for the scope of consolidation.

The reference scenario covers a three-year horizon (2023-2025). The stress test has been carried out applying a static balance sheet assumption as of December 2022 and therefore does not take into account future business strategies and management actions. It is not a forecast of the Intesa Sanpaolo Group's profits.

The Intesa Sanpaolo Group fully loaded CET1 ratio resulting from the stress test for 2025, the final year considered in the exercise, stood at 14.85% under the baseline scenario and 10.85% under the adverse scenario, compared to the starting-point figure of 13.53% as of 31 December 2022. These results highlight that Intesa Sanpaolo is able to confirm its solidity even in complex scenarios, thanks to its well-diversified and resilient business model.

On 12 December 2023, the EBA published its annual risk assessment of the European banking system, accompanied by the publication of the information of the 2023 EU-wide transparency exercise for 123 banks in 26 European countries.

In line with the proactive management of its capital base, on 31 August 2023 Intesa Sanpaolo announced a cash tender offer for any and all of its perpetual "€750,000,000 6.25% Additional Tier 1 Notes" outstanding for the full nominal amount (ISIN XS1614415542, first call on 16 May 2024), at a price of 100.25% – an offer subject to the terms and conditions, as well as the offer and distribution restrictions, set out in the tender offer memorandum dated 31 August 2023 – and the accompanying launch of a new issue of fixed-rate reset perpetual Additional Tier 1 notes in a nominal amount of no

less than 750,000,000 euro to be offered, subject to market conditions, to qualified investors, including holders of the notes subject of the offer.

At the Offer Expiration, on 7 September 2023, the amount of the notes validly tendered amounted to 503,077,000 euro, equivalent to 67.08% of the nominal amount outstanding, which Intesa Sanpaolo agreed to repurchase. Accordingly, on the settlement date of 11 September 2023, it paid the purchase price consideration and the accrued interest amount to the holders that tendered the notes. The notes are now outstanding for the remaining amount of 246,923,000 euro and will be redeemed in full on the first call date (16 May 2024) as Intesa Sanpaolo has already received the necessary authorisation from the ECB.

On 7 September 2023, the settlement of the new perpetual "€1,250,000,000 9.125% Additional Tier 1 Notes" (ISIN: XS2678939427), listed on the Luxembourg Stock Exchange, with first interest rate reset date on 7 March 2030 and every five years thereafter took place.

During the period from 11 to 13 September 2023 an ordinary share buyback programme was implemented to service plans for the assignment, free of charge, of Intesa Sanpaolo ordinary shares to the employees and the Financial Advisors of the Group, in relation to (i) mainly, the Intesa Sanpaolo Group share-based incentive plan for 2022; and (ii) to a lesser extent, the incentive plans of certain subsidiaries, also relating to 2022. These incentive plans are reserved for Risk Takers who accrue a bonus in excess of the so-called "materiality threshold"[34], for those who are paid a "particularly high" amount[35] and for those who, among Middle Management or Professionals that are not Risk Takers, accrue "relevant bonuses"[36]. In addition, the programme was implemented in order to grant, when certain conditions occur, severance payments upon early termination of employment.

In the three days during which the programme was executed, a total of 32,000,000 Intesa Sanpaolo ordinary shares were purchased, through the IMI Corporate & Investment Banking Division, tasked with the programme execution. These represent around 0.18% of the share capital of the Parent Company. The average price was 2.4697 euro per share, for a total countervalue of 79,031,462.67 euro. The Parent Company purchased 20,200,547 shares at an average price of 2.4683 euro per share, for a countervalue of 49,861,766.11 euro.

The transactions were executed in compliance with provisions included in Articles 2357 and following and 2359-bis and following of the Italian Civil Code and within the limits determined in the resolutions passed by the competent corporate bodies. Specifically, in the case of the Parent Company Intesa Sanpaolo, the transactions were executed in accordance with the terms approved by the Shareholders' Meeting of 28 April 2023.

Pursuant to Article 132 of the Consolidated Law on Finance and Article 144-bis of the Issuers' Regulation and subsequent amendments, purchases were executed on the regulated market Euronext Milan managed by Borsa Italiana in accordance with trading methods laid down in the market rules for these transactions.

[34] Equal to 50 thousand euro or one third of the total remuneration (unless otherwise provided for by specific local regulations).
[35] Pursuant to the Group Remuneration and Incentive Policies, for the three-year period 2022-2024 a variable remuneration exceeding 400 thousand euro constitutes a "particularly high" amount.
[36] Namely, an amount exceeding the "materiality threshold" (for Middle Management and Professionals generally equal to 80 thousand euro, unless otherwise provided for by specific local regulations, it being understood that, for those who belong to Intesa Sanpaolo Wealth Management 's business functions and those belonging to the Reyl Group, such threshold is equal to 150 thousand euro) and 100% of fixed remuneration.

Moreover, purchases were arranged in compliance with the conditions and the restrictions under Article 5 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014, and Articles 2, 3, and 4 of Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016.

The number of shares purchased daily did not exceed 25% of the daily average volume of the Intesa Sanpaolo ordinary shares traded in August 2023, which was equal to 89.9 million shares, and 15% of the volume traded on the Euronext Milan market on each of the days when purchases were executed – in accordance with the constraint added in the programme to the above-mentioned regulatory conditions and restrictions.

On 12 September 2023, Intesa Sanpaolo, which offered real estate brokerage and advisory services through Intesa Sanpaolo Casa via a network of agencies in major Italian cities, together with Homepal a Better Place, a next-generation online real estate agency, which supports customers in the various stages of buying and selling real estate through a digital platform and real estate agents operating remotely, and BPER Banca, already a shareholder of Homepal, announced that they had reached an agreement for a strategic and commercial partnership to create a new player operating across the Italian market. The new entity will be able to draw on the complementary service models of Intesa Sanpaolo Casa and Homepal and leverage the Intesa Sanpaolo and BPER networks to meet customers' property buying and selling needs through technological services, physical presence and the experience of their agents.

The agreement was finalised on 23 October 2023 with Intesa Sanpaolo's transfer of its 100% shareholding in Intesa Sanpaolo Casa to Homepal. Following the transaction, Intesa Sanpaolo has a 49% shareholding in Homepal, with the remaining 34% held by Homepal's previous shareholders and 17% by BPER Banca.

The value of the transfer of Intesa Sanpaolo Casa to Homepal was supported by a fairness opinion released by an independent expert in accordance with Article 2343 of the Italian Civil Code. Intesa Sanpaolo's rights as a non-controlling shareholder and the governance of the company were also defined within the transaction. Based on the provisions of the agreements made, Intesa Sanpaolo's shareholding in Homepal has been classified under interests subject to significant influence pursuant to IAS 28.

The extraordinary shareholders' meeting of Homepal held on 1 December 2023 approved (i) the plan for the merger by incorporation of the wholly-owned subsidiaries Intesa Sanpaolo Casa S.p.A. and Homepal Real Estate S.r.l. into Homepal a Better Place S.p.A., in accordance with Article 2505 of the Italian Civil Code, as well as (ii) the change in the name of the absorbing company from Homepal a Better Place S.p.A. to Rexer S.p.A.

With reference to the one-off tax calculated on the increase in banks' net interest income, pursuant to Article 26 of Decree Law no. 104 of 10 August 2023 converted with amendments by Law no. 136 of 9 October 2023, and considering in particular the provision in paragraph 5-bis of that article allowing for the allocation of an amount to a non-distributable reserve, in lieu of payment of the tax envisaged, of no less than two and a half times the amount of the tax, the Board of Directors, in its meeting held on 25 October 2023, decided to propose to the Shareholders' Meeting, when approving the 2023 financial statements, net income allocation and dividend distribution to shareholders, the allocation of 1,991,446,276.10 euro from the net income for the full year 2023 to a specific reserve, thus taking up the option provided by the above-mentioned measure.

Should this reserve be distributed in the future, it shall be subject to payment of the tax calculated pursuant to paragraph 3 of Article 26, amounting to 796,578,510.44 euro, plus interest calculated based on the interest rate on deposits with the European Central Bank. Due to the amount of the freely

distributable reserves not classed as suspended tax available to Intesa Sanpaolo as at 31 December 2023 (23,177 million euro) and the presence of additional freely distributable reserves classed as suspended tax (4,750 million euro), it is deemed highly unlikely that the above-mentioned tax shall be paid in the future.

In accordance with the instruction of the Parent Company, similar commitments were also made by the Boards of Directors of the subsidiary banks impacted by the measure: Fideuram - Intesa Sanpaolo Private Banking, Intesa Sanpaolo Private Banking and Isybank. In lieu of the one-off tax, a proposal will therefore be made to the Shareholders' Meetings, called to approve the 2023 Financial Statements, for the allocation to a specific reserve, pursuant to Article 26 of Decree Law no. 104/2023 converted with amendments by Law no. 136/2023, of a total amount at Group level of 2,068.8 million euro, corresponding to 2.5 times the total tax amount of 827.5 million euro.

In line with its strategy focused on significant value creation for all stakeholders, Intesa Sanpaolo reaffirmed its commitment to continue supporting initiatives addressing social needs, fighting inequalities, and fostering financial, social, educational and cultural inclusion. Specifically, on 25 October 2023 the Bank announced its intention to allocate around 1.5 billion euro costs in the five-year period 2023-2027. This amount comprises around 1 billion euro from sums allocated to the above-mentioned initiatives, identified on a case-by-case basis, and around 500 million euro from structure costs for around 1,000 people devoted to supporting the initiatives and a new dedicated organisational unit called "Intesa Sanpaolo for Social Impact" based in Brescia, set up to strengthen Intesa Sanpaolo's social impact strategy for local communities. These costs have already been taken into account, on a pro-rata basis, in the guidance on the outlook for the 2024-2025 net income.

On 28 October 2023, Intesa Sanpaolo and the US-based private investment fund J.C. Flowers & Co. signed an agreement for the acquisition of 99.98% of the shares of the Romanian bank First Bank S.A. The transaction is due to be completed by the first half of 2024, subject to the necessary authorisations from the competent regulatory authorities, including the National Bank of Romania and the European Central Bank. The latter came out in favour on 19 February 2024.

First Bank is a commercial bank with 40 branches in Romania focused on serving SMEs and retail customers. In recent years the bank has prioritised investments in digital technology, developing one of the market's best-regarded mobile banking apps. The transaction will strengthen the Group's presence in Central and Eastern Europe, and in particular in Romania where it already operates through Intesa Sanpaolo Bank Romania, part of Intesa Sanpaolo's International Subsidiary Banks Division.

Following the completion of the authorisation procedures with the competent Italian and Irish authorities, the deed of cross-border merger was signed on 22 November 2023 for the merger by incorporation of Intesa Sanpaolo Life Designated Activity Company – a company specialising in Class III (unit-linked) insurance investment products, based in Dublin – into Intesa Sanpaolo Vita S.p.A., its 100% controlling company. The merger took legal effect from 1 December 2023, with accounting and tax effects from the same date.

As an integral part of the overall operation, Intesa Sanpaolo Vita established a branch in Dublin, with the aim of maintaining an international hub with specialised expertise already in place, dedicated to the management of insurance products and the development of new business. From the effective date of the merger and as a result of the transaction, the insurance portfolios of the merged company were transferred to the Irish branch of Intesa Sanpaolo Vita, after having obtained the authorisation from the Irish High Court on 27 October 2023. The merger and transfer of the portfolios have not had any impact on the contractual services provided to customers, who continue to benefit from their rights arising from the contracts signed without any limitations.

The merger above enabled the creation of a single product company, with obvious benefits in terms of organisational, administrative and operational simplification and the streamlining of Supervisory requirements under a single Authority (IVASS), as well as in terms of risk management thanks to the centralisation of the control functions.

On 23 November 2023, Intesa Sanpaolo, the Italian Banking Association and the Trade Unions signed the renewal of the National Collective Bargaining Agreement for officers and personnel belonging to professional areas, which had expired on 31 December 2022. Among other changes, the new National Collective Bargaining Agreement, which will expire on 31 March 2026, provides for:

- an average gross salary increase of 435 euro, adjusted for the different levels of classification;
- the reinstatement of the calculation of the employee termination indemnities on all the remuneration items envisaged in the National Collective Bargaining Agreement or in second-level bargaining agreements from July 2023;
- the reduction of the weekly working time to 37 hours from 1 July 2024.

The total impact on the income statement is estimated at around 545 million euro when fully implemented (in 2027), of which 179 million euro already recognised in 2023.

Lastly, to complete the disclosure for 2023, the voluntary exits plan continued in accordance with the trade union agreements of 29 September 2020 and 16 November 2021. There were 2,259 voluntary exits during the year (1,234 in the first quarter, 68 in the second quarter, 888 in the third quarter, of which 855 with effect from 1 July, and 69 in the fourth quarter) for a total of 7,118 exits from the beginning of 2021, against the 9,200 exits expected to take place by the first quarter of 2025 under the terms of the two above-mentioned trade union agreements.

In addition, at the beginning of January 2024 there was a further exit window involving around 750 Group employees. In 2023, there were around 1,650 hires (of which around 500 in the first quarter, 400 in the second quarter, 350 in the third quarter, and 400 in the fourth quarter) as part of those agreements, for a total of around 3,000 from the beginning of 2021 compared with the 4,600 planned by the end of 2025.

As part of the Next Way of Working project – aimed at implementing a new working model based on strengthening individual responsibility and improving work-life balance – since 1 January 2023, innovative measures relating to remote working have been introduced on a voluntary basis, founded on increasing access to all the flexibility mechanisms, also for the people working in the Network. These measures have been welcomed by the staff potentially concerned, also as a result of the additions and improvements established in the trade union agreement of 26 May 2023. These measures involve:

- the possibility of working from home up to a maximum of 120 days per year (140 days for those working in shifts), with no more monthly limits, when planned and authorised in advance (the limits may not apply to people with certified disabilities or serious illnesses, or frail individuals), accompanied by the allocation to non-managerial staff of a daily meal voucher in electronic form for each day worked from home. In addition to the head offices, this measure is currently also being applied at 287 branches, of which 262 of the Banca dei Territori and 25 of the Private Banking Division;

- the possibility of working between Monday and Friday on 4 days for 9 hours with equal pay (so-called short week, with variable day off), as well as alternating the short week with weeks of 7.5 hours a day on 5 days, together with the possibility, for staff not working in shifts, of having flexible start times for their working day. The application of the short week involves 40 large branches of the Banca dei Territori, while from 6 November 2023, the staff of 254

smaller branches were also given the possibility to voluntarily apply for and take advantage of the short week on the closing day of the branch (between Tuesday, Wednesday and Thursday). To ensure the voluntary nature of the initiative for the staff employed at the above branches, nearby branches have been identified to act as a backup on the designated day of closure.

Also within the Next Way of Working project, the real estate and technological interventions aimed at constructing new workspaces designed to enhance the moments of presence in the office continued and are still underway.

This renovation of the spaces is continuing alongside the implementation of technological tools (release of the space booking function in the planning and reservation tool) and specific targeted communication campaigns. In particular, the new building complex in Via Melchiorre Gioia 22 in Milan was completed in 2023 and now houses the Private Banking, Insurance and Asset Management Divisions, as well as Isybank. At the end of the year, work was also completed on the premises in Como, Jesi, Bologna, Naples, Turin and Bergamo, while the remaining work was completed on the premises in Rome in the early weeks of 2024. The design work is still being defined for Cuneo, while it is in the process of being agreed for Treviso.

In line with the ESG initiatives for sustainable energy use, a pilot phase was launched involving the temporary closure of several offices in Milan (four) over the Christmas period (27 December 2023 to 5 January 2024 inclusive), which is typically characterised by a significant reduction in office attendance, while ensuring the possibility of in-presence work during the closure period by making other company spaces available in nearby areas, upon booking, as an alternative to the voluntary adoption of remote working.

With regard to the safety and personal protection measures connected to the COVID-19 pandemic, the prudential approach maintained despite the termination of the state of emergency in March 2022 has been substantially abandoned, with the support of the Coordinating Occupational Health Doctors.

Accordingly, from 1 March 2023, the internal rules on inter-personal distancing were suspended, resulting in the minimum distance of one metre being removed for all in-person activities, a return to the maximum ordinary capacities based on the configuration of the spaces and the removal of plexiglass barriers where present.

The importance of responsible individual behaviour has however been stressed, and in particular the recommendation to use FFP2 protective equipment in the most crowded settings and for situations of vulnerability, proper hand and workstation hygiene, and room ventilation.

From 1 September 2023, following the changes in the legal provisions, the requirement for home isolation in the event of a positive test was abolished and replaced by the recommendation of a series of generally valid precautions to prevent the transmission of respiratory infections (for those with symptoms, staying at home until they have ceased; proper use of FFP2 masks in workplaces and company break and catering areas; inter-personal distancing; and hand hygiene). As a result, the obligation to report positive cases to the Occupational Health Function through the company reporting mechanism has been removed.

Finally, greater attention continues to be paid to workers in vulnerable situations with the extension of remote working from home for those in special situations, in line with the requirements progressively established by the legislative provisions.

Intesa Sanpaolo comfortably meets the capital requirement set by the ECB

On 30 November 2023, Intesa Sanpaolo announced that it had received notification of the ECB's final decision concerning the capital requirement that the Bank has to meet, on a consolidated basis, as of 1 January 2024, following the results of the Supervisory Review and Evaluation Process (SREP).

The overall capital requirement the Bank has to meet in terms of Common Equity Tier 1 ratio is 9.33%.

This is the result of:

- the SREP requirement in terms of Total Capital ratio of 9.50% comprising a minimum Pillar 1 capital requirement of 8%, of which 4.5% is Common Equity Tier 1 ratio, and an additional Pillar 2 capital requirement of 1.50%, of which 0.84% is Common Equity Tier 1 ratio applying the regulatory amendment introduced by the ECB and effective from 12 March 2020;

- additional requirements, entirely in terms of Common Equity Tier 1 ratio, relating to:

    - a Capital Conservation Buffer of 2.5%,
    - an O-SII Buffer (Other Systemically Important Institutions Buffer) of 1.25%,
    - a Countercyclical Capital Buffer of 0.24%[37].

Sovereign risk exposure

As at 31 December 2023, based on management data, the exposure to securities issued by Italy amounted to €22.5 billion (2.3% of the total assets of the Intesa Sanpaolo Group) excluding the insurance business, to which should be added approximately €8.2 billion represented by loans. On the same date, the investments in sovereign debt securities issued by EU countries, Italy included, corresponded to €65.4 billion (6.8% of the total assets of the Intesa Sanpaolo Group) excluding the insurance business, to which should be added €10.7 billion represented by loans. On the whole, the securities issued by governments, central banks and other public entities represented approximately 13% of the total financial assets (calculated excluding the insurance business and including financial assets represented by due from banks and loans to customers).

Management

Board of Directors

The composition of Intesa Sanpaolo's Board of Directors as at the date hereof is as set out below.

Member of the Board of Directors	Position	Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Issuer's activities
Gian Maria Gros-Pietro	Chair	Director of ABI Servizi S.p.A.
Paolo Andrea Colombo (#) (##)	Deputy Chair	Director of Colombo & Associati S.r.l. Chair of the Board of Statutory Auditors of Humanitas S.p.A.

[37] Calculated taking into account the exposure as at 31 December 2023 in the various countries where the Group has a presence, as well as the respective requirements set by the competent national authorities and relating to 2025, where available, or the most recent update of the reference period (requirement was set at zero per cent in Italy for 2023 and for the first quarter of 2024).

Member of the Board of Directors	Position	Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Issuer's activities
Carlo Messina (*)	Managing Director and CEO	None
Bruno Picca (#)	Director	None
Livia Pomodoro (##)	Director	Director of Febo S.p.A. Chair of the Board of Directors of Sustainability and Inclusion for Food S.r.l.
Franco Ceruti	Director	Chair of Intesa Sanpaolo Expo Institutional Contact S.r.l. Director of Intesa Sanpaolo Private Banking S.p.A. Chair of Società Benefit Cimarosa 1 S.p.A.
Daniele Zamboni (##)(1) (#)	Director	None
Maria Mazzarella (##)(1)	Director	None
Milena Teresa Motta (##) (#)	Director and Member of the Management Control Committee	Director of Strategie & Innovazione S.r.l.
Alberto Maria Pisani (##)(1) (#)	Chair of the Management Control Committee	None
Maria-Cristina Zoppo (##)(#)	Director and Member of the Management Control Committee	Director of Newlat Food S.p.A. Standing Statutory Auditor of Michelin Italiana S.p.A. – SAMI Chair of the Board of Statutory Auditors of Schoeller Allibert S.p.A.
Luciano Nebbia	Director	Deputy Chair of Equiter S.p.A.
Maria Alessandra Stefanelli (##)	Director	None
Anna Gatti (##)(1)	Director	Director of WiZink Bank S.A. Director of Wizz Air Holdings PLC Director of Lutech S.p.A.
Fabrizio Mosca (##) (#)	Director and Member of the Management	Chair of the Board of Statutory Auditors of Aste Bolaffi S.p.A. Chair of the Board of Statutory Auditors of Bolaffi

Member of the Board of Directors	Position	Principal activities performed outside Intesa Sanpaolo S.p.A., where significant with respect to the Issuer's activities
	Control Committee	S.p.A. Chair of the Board of Statutory Auditors of Bolaffi Metalli Preziosi S.p.A. Chair of the Board of Statutory Auditors of DiaSorin Italia S.p.A. Chair of the Board of Statutory Auditors of Mindicity S.r.l.
Roberto Franchini (##)(1) (#)	Director and Member of the Management Control Committee	None
Bruno Maria Parigi (##)	Director	None
Liana Logiurato (##)	Director	None-
Paola Tagliavini (##)(#)	Director	Director of Rai Way S.p.A.

(*) Was appointed Managing Director and CEO by the Board of Directors on 29 April 2022. He is the only executive director on the Board.

(#) Is enrolled on the Register of Statutory Auditors and has practiced as an auditor or been a member of the supervisory body of a limited company.

(##) Meets the independence requirements pursuant to Article 13.4.3 of the Articles of Association, the Corporate Governance Code and Article 148, paragraph 3, of the Consolidated Law on Finance.

(1) Is a representative of the Minority Slate

The business address of each member of the Board of Directors is at the Issuer's registered office in Piazza San Carlo 156, 10121 Turin (Italy).

Conflicts of Interest

As at the date of this Base Prospectus and to Intesa Sanpaolo's knowledge, no member of the Board of Directors of Intesa Sanpaolo has potential conflicts of interest between their obligations arising out of their office or employment with the Issuer or the Intesa Sanpaolo Group and any personal or other interests.

The Issuer and its corporate bodies have adopted special controls in place to manage the risk deriving from potential conflicts of interest connected with the particular proximity of certain parties to its decision-making centres.

Principal Shareholders

As at 31 December 2023, the shareholder structure of Intesa Sanpaolo was composed as follows (holders of shares exceeding 3% (1)).

Shareholder	Ordinary shares	% of ordinary shares
Fondazione Compagnia di San Paolo	1,188,947,304	6.503%

Shareholder	Ordinary shares	% of ordinary shares
Fondazione Cariplo	961,333,900	5.258%

(1) *Shareholders that are fund management companies may be exempted from disclosure up to the 5% threshold.*
BlackRock Inc. disclosed a 5.005% holding in the share capital of Intesa Sanpaolo, notified in Form 120 A dated 9 December 2020, as well as a 5.066% aggregate holding in the Bank's share capital, notified in Form 120 B dated 4 December 2020, and has not provided any update of these holdings following the subsequent changes in the number of shares into which the share capital of Intesa Sanpaolo is divided.

Note: figures may not add up exactly due to rounding differences.

Figures updated based on the results from the register of shareholders and the latest communications received.

The Italian regulations (Article 120 of the Consolidated Law on Finance, "TUF") set forth that holdings exceeding 3% of the voting capital of a listed company should be communicated to both that company and CONSOB. Moreover, under Article 19 of the TUB, prior authorisation by the Bank of Italy is required for the acquisition of holdings of capital in banks that are either significant or make it possible to exercise significant influence, or confer a share of voting rights or capital equal to at least 10%.

The Italian regulations also set forth the obligation to disclose any agreements between shareholders.

Furthermore, Article 120, paragraph 4-bis, of the TUF sets forth the obligation for investors who acquire holdings in listed issuers with Italy as home Member State, equal to or above 10% of the relevant capital or a lower threshold as defined by CONSOB, to declare the objectives they are pursuing.

Legal Proceedings

Disputes relating to anatocism and other current account and credit facility conditions, as well as usury

In 2023, the number of disputes with likely or possible risk, within the disputes of this type, which for many years have been a significant part of the civil litigations brought against the Italian banking industry, amounted to 3,765, with a remedy sought of 643 million euro, and have shown a progressive reduction in claims compared to the previous year both in number and in overall value.

The number of disputes, including mediations, with likely risk was stable at around 2,900. The remedy sought amounted to 509 million euro, with provisions of 168 million euro.

As is the case for the other civil disputes, the assessment of the risk related to this type of litigation is carried out individually, taking into account the claims made, the defences submitted, the progress of the proceedings and case-law decisions, for each dispute.

Investors are reminded that in 2014 and 2016, Article 120 of the TUB, which governs the compounding of interest in banking transactions, was amended with the establishment of the ban on anatocism and the delegation of the ICRC (Interdepartmental Committee for Credit and Savings) to regulate this matter. In February 2017, the Italian Antitrust Authority initiated proceedings against Intesa Sanpaolo for alleged unfair business practices involving, among other things, the methods used to request the above-mentioned authorisation from customers for the charging of the interest to the account imposed by the

new regulations introduced in 2016. The Authority completed the proceedings in October 2017, ruling that Intesa Sanpaolo had implemented an "aggressive" policy aimed at acquiring the authorisation, by soliciting customers to provide it through various means of communications and without putting them in a position to consider the consequences of that choice in terms of the interest calculation on the compounded debt interest. As a result, the Authority issued a fine of 2 million euro against Intesa Sanpaolo. Intesa Sanpaolo has submitted an appeal with the Lazio Regional Administrative Court, on the grounds that the ruling was unfounded. By ruling of 2 January 2023, the Regional Administrative Court upheld the fine. The Bank lodged an appeal with the Council of State and the case is pending.

Disputes relating to investment services

There were a total of around 750 disputes with likely risk relating to investment services. The total remedy sought amounted to around 305 million euro, with provisions of 140 million euro, and the most significant subgroup was disputes concerning derivatives. As is the case for the other civil disputes, the assessment of the risk related to this type of litigation is carried out individually, taking into account the claims made, the defences submitted, the progress of the proceedings and the case-law guidance, for each dispute. We also note approximately 32 disputes with a remedy sought of 75 million euro initiated by "wiped out" shareholders and subordinated bondholders of the former "Old Banks" of Banca delle Marche, Banca Popolare dell'Etruria e del Lazio and Cassa di Risparmio della Provincia di Chieti, deemed to be of possible risk. Those disputes are backed by the warranties and obligations to indemnify by the Seller (National Resolution Fund) for the benefit of the former UBI Banca, and now Intesa Sanpaolo, and therefore also cover any liabilities arising from the activities carried out by the Banks (the "**Old Banks**") before they were subject to the resolution procedure, in relation to, inter alia, risks of a legal nature or generally related to ongoing or threatened disputes, or violations of the law and any potential liabilities.

Dispute regarding financial derivative instruments

With regard to derivative transactions, the legal risks linked to legal proceedings with local authorities, their subsidiaries and individuals continue to be subject to careful monitoring.

Specifically, disputes are pending with 19 local authorities, with possible or likely risk, for total claims of 60.6 million euro, down on the previous year as a result of favourable rulings in significant disputes, and disputes with 4 Companies controlled by public entities, with total claims of 55.1 million euro. Disputes with individuals, assessed as having possible or likely risk, total 197, and of these, 53 positions also regard requests for refunds of amounts on other accounts held with the Bank. Net of those latter positions, the total value of the claims lodged in the proceedings regarding only derivatives amounts to around 146.7 million euro.

With regard to the contracts entered into with local authorities, in 2023, two new disputes were initiated against the Bank (Municipality of Ancarano and Municipality of Torrebelvicino) with total claims of 1 million euro.

A summary of the most significant disputes with local authorities is provided below:

- Municipality of Venice: the dispute regards a derivative contract governed by the ISDA, with remedy sought of 71 million euro. By ruling filed on 13 December 2023, the Court of Appeal – in a total reversal of the first instance ruling of the High Court of Justice of London, which had held that the Municipality did not have the capacity to enter into speculative derivative contracts involving debt – declared that the derivative contracts were valid, effective and binding on the Local Authority, stating in particular that they:

- were not speculative in nature (similarly to the previous transaction that the municipality had carried out with Bear Stearns and which Intesa Sanpaolo took over on a pro rata basis with Dexia);

- could not be equated to debt transactions in breach of the limits set in Article 119 of the Constitution.

As a result, the Local Authority was ordered to pay the outstanding differentials, to reimburse the amount paid for the legal expenses of the Municipality, and to cover the legal defence costs of the banks for both instances of proceedings (around 5.3 million euro for ISP's share).

Lastly, the Local Authority filed a permission to appeal directly with the Supreme Court (previously rejected by the Court of Appeal), which can only be made regarding matters of public significance, which do not appear to have been raised in this case.

With regard to the second proceedings involving the Municipality of Venice before the Court of Venice concerning breaches deriving from the mandate and investment services agreements, which were suspended pending the above-mentioned English appeal court ruling, the Court scheduled a new hearing for the admission of any items of evidence.

With regard to the disputes with companies controlled by Public Entities, the following changes occurred during the year:

- in the proceedings brought by EUR S.p.A. concerning ISDA derivatives entered into in connection with a syndicated loan granted by ISP and other intermediaries, on 21 April 2023, the Court of Rome filed its ruling declaring the lack of jurisdiction of the Italian Court in favour of the English Court, with each party paying its own legal fees. The adverse party has appealed against the ruling. Intesa Sanpaolo's risk amounts to 22 million euro;

- in the proceedings brought by Terni Reti Sud S.r.l.[38], concerning a derivative contract entered into in August 2007 by the former Banca delle Marche, a settlement agreement was made that provides for a total payment of 8.9 million euro to be made by the Bank, which will be fully indemnified by the National Resolution Fund managed by the Bank of Italy, which gave its prior approval to the settlement.

Dispute relating to loans in CHF to the Croatian subsidiary Privredna Banka Zagreb Dd

As already noted in the previous financial statements, Potrošač - Croatian Union of the Consumer Protection Association initiated an action against the subsidiary Privredna Banka Zagreb ("**PBZ**") and seven other Croatian banks. According to the plaintiff, the defendant banks engaged in an unfair practice by allegedly using unfair contractual provisions on variable interest rate, which could be changed unilaterally by the bank, and by denominating the loans granted in Swiss francs (or indexing them to Swiss francs) without allegedly appropriately informing consumers of the risks prior to entering into the respective loan agreements. In September 2019, the Croatian Supreme Court rendered a ruling in the collective action proceedings brought by Potrošač, rejecting the appeals filed by the sued banks against the High Commercial Court ruling from 2018 and confirming the position of courts of lower

[38] Note that this dispute is backed by the warranties and obligations to indemnify by the Seller (National Resolution Fund) for the benefit of UBI Banca in relation to the acquisition of the New Banks deriving from the resolution of Banca delle Marche, Banca Popolare dell'Etruria e del Lazio and Cassa di Risparmio della Provincia di Chieti and therefore also cover any liabilities arising from the activities carried out by the Banks (the "Old Banks") before they were subject to the resolution procedure, in relation to, inter alia, risks of a legal nature or generally related to ongoing or threatened disputes, or violations of the law and any potential liabilities.

instance that banks had breached collective interests and rights of consumers by incorporating unfair and null and void provisions on CHF currency clause. In connection with the mentioned proceedings for the protection of the collective interests of consumers, numerous individual proceedings have been brought by customers against PBZ, despite the fact that most of them voluntarily accepted the offer to convert their CHF loans into EUR denominated loans retroactively, in accordance with the Act on the Amendments to the Consumer Credit Act (Croatian Official Gazette 102/2015 – the "**Conversion Law**"). In March 2020, the Croatian Supreme Court, within model case proceedings (a Supreme Court proceedings with obligatory effect on lower instance courts with the aim of unifying/harmonising case law), ruled that the conversion agreements concluded between banks and borrowers under the Croatian Conversion Law of 2015 produce legal effects and are valid even in the case when the provisions of the underlying loan agreements on variable interest rate and CHF currency clause are null and void. In May 2022, the EU Court of Justice, in proceedings regarding reference for a preliminary ruling involving another intermediary, established that the Court of Justice has jurisdiction over the conversion agreements concluded under the Conversion Law, as they occurred after Croatia joined the European Union, and that the EU Directive on unfair terms in consumer contracts does not apply to those conversion agreements, whose content reproduces provisions of national law.

On 20 December 2022, the Civil Law Department of the Croatian Supreme Court provided an interpretation of the legal effects of the agreements for the conversion of loan agreements from CHF to EUR and on consumers' rights. By virtue of that interpretation, consumers that entered into a conversion agreement pursuant to the aforementioned Conversion Law of 2015 have the right to receive legal interest on excess amounts paid that the Bank calculated on converting the loans, from the date of each single payment up to the date of conversion. Once this judicial interpretation is recorded with the Court Practice Records Department, it will be final and binding for lower instance courts.

The number of new individual lawsuits filed against PBZ in 2023 was higher than in 2022. In the central part of 2023, close to the end of the limitation period for filing compensation claims based on the invalidity of the "currency clause" (June 2023), there was an increase in new lawsuits with respect to the previous trend, which fell off significantly at the end of the year. At the end of 2023, the total pending cases amounted to few thousand.

Dispute with the foreign subsidiary Banca Intesa Beograd (Serbia)

The following areas of the mass disputes that have impacted the entire Serbian banking system are shown below.

1) Processing fees

Legal dispute regarding processing fees applied by banks at the time of disbursing loans. The claimants, individuals and legal persons, are requesting the repayment of those charges, as they are deemed as not owed. The first claims arose in 2017 and a significant increase in lawsuits was recorded in the following years, though for modest amounts on average. At the end of 2023, Banca Intesa Beograd had been summoned in around 15,200 lawsuits deemed as having possible or likely risk (at the end of 2022, these amounted to around 18,600); the related total amounts of principal requested to be repaid by the Bank came to around 0.96 million euro. In September 2021, the Supreme Court of Serbia recognised the legitimacy of the costs and fees applied to loans at the time of their disbursement, provided they are indicated in the contract proposal. In 2023, there was a further significant reduction in the flows of new disputes. Most of the lawsuits closed during the year were either won by the Bank or abandoned by the plaintiffs.

2) NKOSK

Legal dispute relating to real estate loans insured through the National Housing Loan Insurance Corporation (NKOSK), whose premium is paid by the borrowers. The borrowers deem that, as the Bank is the Beneficiary of the insurance, the premium should be paid by the Bank. At the end of 2023, Banca Intesa Beograd had been summoned in 1,155 lawsuits deemed as having possible or likely risk (at the end of 2022, these amounted to around 1,100); the related total amounts of principal requested to be repaid by the Bank came to around 1.1 million euro. In September 2021, the Supreme Court of Serbia recognised the legitimacy of requiring the insurance premium to be paid by the borrowers, provided that the obligation is clearly described to the borrowers during precontractual procedures. Most of the disputes closed during the year were either won by the Bank or abandoned by the plaintiffs.

Ruling of the EU Court of Justice of 11 September 2019 on credit agreements for consumers – so-called Lexitor ruling

This strand of litigation relating to consumer credit concerns the reimbursement of unearned charges following the termination of loan agreements (specifically, application costs and fees paid to intermediaries).

There were also a significant number of disputes ongoing in the period before the CJEU Lexitor ruling concerning contracts (referred to as "old contracts") entered into before the transposition of the Consumer Credit Directive 2008/48/EC by Legislative Decree no. 141 of 2010, which does not make a clear distinction between recurring and up-front charges.

There was a new increase in this strand of litigation following the "Lexitor" ruling of 11 September 2019, in Case C-383/18, in which the Court of Justice of the European Union interpreted Article 16(1) of the Consumer Credit Directive, establishing that, in the event of early repayment of credit, the customer is entitled to a proportional reduction of the total cost of the credit, including not only the recurring costs, but also the up-front costs incurred by the customer.

In Italy, the rule introduced by Directive 2008/48/EC was transposed by Article 125-sexies of the TUB.

This rule had always been interpreted, both in the provisions and guidelines issued by the Bank of Italy and by the relevant case law and by the Italian Banking and Financial Ombudsman (ABF), to the effect that contracts had to distinguish between up-front and recurring charges, and when this distinction was clear, only the latter were recognised as reimbursable.

In light of the Lexitor ruling, the Bank of Italy issued a communication on 4 December 2019, which contained "guidance" consistent with the principle established by the EU Court, to the effect that all costs (therefore including up-front costs) should be included in the charges to be reimbursed in the event of early repayment, both for new relationships and for the termination of existing relationships.

Intesa Sanpaolo has decided to follow the Bank of Italy "guidance", even though it believes that the legal arguments set out above regarding the fact that Article 125 sexies of the TUB cannot be interpreted in a manner that complies with the Lexitor ruling are well founded. A provision has therefore been made in the Allowance for Risks and Charges corresponding to the estimated higher charges resulting from the decision to follow the Bank of Italy "guidance".

The case law in this regard was still uncertain.

In this context, the Italian legislation was changed, in order to protect the legitimate expectations of intermediaries, by amending Article 125-sexies of the TUB. Specifically, for contracts entered into after the conversion of the decree (25 July 2021), it stipulated that the cost reduction criterion laid down in the Lexitor ruling should be applied.

At the same time, the legislation established that, for contracts prior to that date, the regime previously in force would continue to apply, namely that arising from the original wording of Article 125-sexies of

the TUB, as well as the "Bank of Italy's transparency and supervisory provisions in force at the date the contracts were signed" (Article 11-octies, paragraph 2).

By ruling no. 263 of 22 December 2022, the Constitutional Court examined the question of constitutionality concerning the "Lexitor amendment" raised by the Court of Turin by order issued on 2 November 2021, in a case brought against another intermediary specialised in the salary-backed loans, in a lawsuit for the restitution of up-front costs not reimbursed upon early repayment. Specifically, the Court dismissed the detailed arguments in support of the constitutionality of the legislation set out in the intermediary's brief and, instead, expressly established "the unconstitutionality of Article 11 octies, paragraph 2, of Law Decree no. 73 of 25 May 2021, converted with amendments into Law no. 106 of 23 July 2021, limited to the words 'and the secondary rules contained in the Bank of Italy's transparency and supervisory provisions'".

As a result, following the Constitutional Court's ruling, the Lexitor ruling is again fully applicable to contracts entered into before 25 July 2021.

In light of the ruling of the Constitutional Court, the Bank made an estimate of the potential charge connected with the effects of the partial declaration of unconstitutionality of Article 11 octies, paragraph 2 of Law Decree no. 73 of 25 May 2021, making a specific provision to the allowance for risks and charges.

On 9 February 2023, the European Court of Justice, within proceedings originating from a reference for a preliminary ruling from the Austrian Supreme Court, ruled on the applicability of the Lexitor principle to mortgage lending to consumers. The Austrian Court asked the European Court of Justice whether Directive 2014/17 on mortgage lending to consumers precluded national legislation providing that the right of the consumer to a reduction in the total cost of the credit in the event of early repayment of the credit covers only interest and costs that are dependent on the duration of the agreement. The Court declared that Directive 2014/17 does not preclude such legislation.

According to the Court, that right to reduction does not, therefore, include costs which, irrespective of the duration of the agreement, are payable by the consumer to either the creditor or third parties for services previously rendered in their entirety at the time of early repayment (such as processing and appraisal fees).

The decision rekindled the debate, also in case law, on the Italian Constitutional Court's ruling and on the effective significance of the Lexitor principle for consumer credit, without this having as yet led to a change in case law.

Lastly, in relation to consumer credit, the text of the new Directive (2023/2225/EU) was published in the EU Official Journal on 31 October 2023, with a deadline of 20 November 2025 for the adoption of the transposition legislation by the Member States.

Italian Antitrust Authority proceedings and representative action of the consumer association "Associazione Movimento Consumatori" against Intesa Sanpaolo and Isybank

In November 2023, the Italian Antitrust Authority (AGCM) announced the initiation of proceedings against Intesa Sanpaolo and Isybank aimed at verifying the existence of an unfair commercial practice regarding the transfer of relationships of around 2.4 million "predominantly digital" customers from Intesa Sanpaolo to Isybank as part of a transfer of business lines, with the accompanying unilateral amendment of the transferred contracts. The transfer of the first business line, comprising around 275,000 customers, had already been made on 16 October 2023, while the transfer of the second business line was scheduled for 18 March 2024.

According to the arguments made by the Authority in initiating the proceedings, the communication sent to the customers concerned was inadequate and the manner and timing of its sending was not commensurate with the importance of the matter addressed. Customers were therefore not fully aware

of the transfer and often only became aware of it after the date set by Intesa Sanpaolo for them to be able to express their refusal of the transfer. In addition, the transfer entailed major changes in contractual conditions and the access to the services. According to the AGCM, the transfer also led to increased account maintenance costs, at least for some account holders.

In November 2023, the AGCM announced that, on a precautionary basis, it had ordered the suspension of the commercial practice considered unfair, specifically instructing the two banks to provide clear and comprehensive information on the characteristics of the new relationship in Isybank and to provide customers a reasonable period of time to give their express consent to the transfer.

In December 2023, Intesa Sanpaolo and Isybank filed a report setting out the measures envisaged to comply with the precautionary measure, and specifically:

- for customers whose transfer to Isybank had already taken place on 16 October 2023, the possibility of opening a new account with Intesa Sanpaolo on terms at least similar to the original terms, with the option to close the Isybank account;

- for customers whose transfer to Isybank was scheduled to take place on 18 March 2024, exclusion from the transfer unless they give their express consent.

In December 2023, the two banks submitted a proposal of commitments to the AGCM, detailing what they had already outlined in the report of compliance with the precautionary measure, for the purpose of reaching a positive conclusion of the proceedings.

The Authority has indicated that it has taken note of the measures adopted to comply with the precautionary measure and must now decide on whether or not to accept the commitments submitted. If the Authority considers the commitments to be sufficient to rectify the claimed unlawfulness of the commercial practice, it will close the proceedings without a finding of infringement (proceedings that would continue if the commitments were to be rejected).

Also with regard to the above-mentioned operation, the consumer association "Associazione Movimento Consumatori" brought a representative action against Intesa Sanpaolo and Isybank (with a petition served in January 2024) before the Court of Turin for alleged "violations of the collective interests of consumers". The association is asking the court to prohibit the use of the new clauses in the transferred contracts, without the consent of the consumers, and the prohibition of the repetition of the unlawful conduct, as well as the adoption of appropriate measures to eliminate or reduce the effects of the violations if the unlawful conduct is confirmed. The first hearing has been set for March 2024. Several aspects raised in the complaint as being critical or detrimental to the consumers appear to have been addressed by the initiatives the two Banks are already implementing in compliance with the AGCM's precautionary measure or in response to needs expressed by customers.

Dispute between Intesa Sanpaolo Vita S.p.A. and RB Holding S.p.A. and the Favaretto family

In May 2020, Intesa Sanpaolo Vita S.p.A. finalised an investment in RBM Assicurazioni Salute S.p.A., the leading Italian insurance company in the healthcare class held by RB Holding S.p.A. referring to the family of Roberto Favaretto, an operation that resulted in Intesa Vita S.p.A. currently controlling the insurance company, now named Intesa Sanpaolo RBM Salute S.p.A..

In May 2022, Intesa Sanpaolo Vita sent the minority shareholder RB Holding S.p.A. an indemnity request pursuant to and in accordance with the investment contract, in relation to the emerging situations that gave rise (or could give rise) to liabilities currently quantifiable at over 129 million euro, which substantially involve:

- the increase in the charges for claims concerning the MètaSalute Policy due to the elimination of unfair business practices subject to proceedings launched by the Italian Antitrust Authority (AGCM);

- credit positions (for "premium settlements") posted to balance sheet assets at the time of closing and fully written down following the closing, due to their verified uncollectibility;

- penalties for delays in payments of claims relating to the ASDEP – Healthcare for Employees of Public Entities Policy.

RB Holding S.p.A. rejected all charges and, in the third week of July 2022, along with the Favaretto family, submitted a petition to the Arbitration Chamber of Milan, claiming the invalidity of several clauses in the investment contract and shareholders' agreement of 2020 (including those relating to the put and call options on the minority interest and the non-competition agreement), breaches by Intesa Sanpaolo Vita of contractual commitments (such as the consultation clause relating to the renewal of the MètaSalute contract and the termination of the relationship with the previous Managing Director), the breach by the latter of the rules of good faith and fairness, with a request for compensation for damages totalling 423.5 million euro.

Intesa Sanpaolo Vita S.p.A. filed its defence to the Arbitration Chamber by the assigned deadline of 5 September 2022, fully contesting the adverse party's arguments and also making a counterclaim for the payment of a total amount of 129.4 million euro, for the breach, by RB Hold S.p.A., of the representations and warranties issued and commitments undertaken through the investment contract, as well as the obligation to act in accordance with fairness and good faith, making full reference to the claims set out in the indemnity request of May 2022.

In March 2023, ISP Vita, RB Hold and the Favaretto family reached an agreement, by which, in addition to regulating the immediate transfer by RB Hold of the residual shareholding in Intesa Sanpaolo RBM Salute in favour of ISP Vita, now 100% owner, the parties agreed to amicably resolve, without any admission of the claims mutually advanced, the Arbitration referred to above, agreeing to proceed to formalize the Milan Chamber of Arbitration the waver of the claims respectively introduced. The waivers have been formalised and the arbitration proceedings have been closed.

Italian Antitrust Authority proceedings against Intesa Sanpaolo RBM Salute

In May 2023, the Italian Antitrust Authority (AGCM) initiated proceedings against Intesa Sanpaolo RBM Salute (ISP RBM) for alleged unfair business practices, purported to have been adopted from January 2023, aimed at hindering the exercise of consumers' rights arising from the contractual relationship, leading them to give up financial and welfare benefits provided by the insurance coverage held by them.

In the course of the proceedings, ISP RBM submitted commitments in order to obtain the closure of the proceedings without a finding of infringement. The Authority did not accept these commitments and issued its conclusions on the preliminary findings in a communication dated 15 February 2024. Based on these findings it confirmed the claims made in the decision to initiate proceedings and also considered that the unfair business practice was still ongoing.

ISP RBM will submit its defence brief, which will also highlight the strategic and operational measures it had already taken prior to the commencement of the proceedings – such as the new agreement signed in March 2023 with Previmedical (which provides ISP RBM a series of services related to the management of the relationship with policyholders) that established stricter rules with respect to the previous agreement concerning, among other aspects, the measurement of service levels, their monitoring, and penalties in the event of underperformance – and the further improvements these measures have brought to the services provided to the policyholders.

The conclusion of the proceedings is set for 9 April 2024, by which time the Authority should have made its final decision known. In the event of an unfavourable decision, ISP RBM has the possibility of appealing it at the Lazio Regional Administrative Court.

In November 2020, the AGCM had initiated similar proceedings against ISP RBM for unfair business practices, which concluded in July 2021 with a fine of 5 million euro and a warning to cease the unfair practice. ISP RBM appellead the AGCM's decision before the Lazio Regional Administrative Court, which, in November 2022, after having considered the complaint made regarding the lateness of the Authority's intervention to be valid, upheld the appeal and annulled the penalty measure in full. The AGCM appealed the judgement of the Regional Administrative Court before the Council of State, which suspended the judgement in January 2024, pending the ruling of the Court of Justice of the European Union on a number of preliminary questions relevant to the judgement. Following the Lazio Regional Administrative Court's judgement, the Italian Antitrust Authority issued an order of "no grounds for further action" in the non-compliance proceedings, which it had initiated on the grounds that ISP RBM was not complying with the warning contained in the penalty measure. However, the Authority has reserved the right to defer any decisions until the outcome of the proceedings before the Council of State.

Disputes arising from the acquisition of certain assets, liabilities and legal relationships of Banca Popolare di Vicenza S.p.A. in compulsory administrative liquidation and Veneto Banca S.p.A. in compulsory administrative liquidation

By order no. 35820 of 21 December 2023, issued in a dispute falling within the Excluded Disputes, the Court of Cassation expressly dealt for the first time with the matter of the Bank's liability for the misselling of shares of the Venetian Banks at the former parent companies.

The Court ruled out the Bank's liability in relation to the compensation claim, attributing the complaint to the marketing of shares/breach of regulations on investment services, envisaged as an exemption by Article 3, paragraph 1, letter b) of Law Decree no. 99/2017.

In January 2018, as part of a criminal proceeding before the Court of Rome for the alleged market rigging and obstructing the Supervisory Authorities in the performance of their functions with respect to officers and executives of Veneto Banca, the preliminary hearing judge decided that Intesa Sanpaolo could be charged with civil liability, assuming that the exclusion from the sale to Intesa Sanpaolo of the debts, responsibilities and liabilities deriving from the sale of shares and subordinated bonds – envisaged by Law Decree 99/2017 – would not be objectionable by third parties, while Article 2560 of the Italian Civil Code would be applicable in the case in question and Intesa Sanpaolo should therefore take on those liabilities.

As a result of this decision, more than 3,800 civil plaintiffs holding Veneto Banca shares or subordinated bonds joined the proceedings. Intesa Sanpaolo thus filed an appearance, requesting that it be excluded from the proceedings. In turn, Veneto Banca in compulsory administrative liquidation intervened voluntarily affirming its exclusive, substantial and procedural capacity to be sued.

In March 2018, the preliminary hearing judge declared his lack of territorial jurisdiction, transferring the files to the Public Prosecutor's Office of Treviso. The charge of civil liability and the joinders of the civil parties were therefore removed.

After the case documents were forwarded to the Public Prosecutor's Office of Treviso, the former Managing Director of Veneto Banca, Vincenzo Consoli, was committed to trial for the offences of market-rigging, obstructing banking supervisory authorities and financial reporting irregularities.

The Judge for the Preliminary Hearing rejected the motion to authorise the summons of Intesa Sanpaolo as civilly liable party.

A similar motion was rejected in the criminal proceedings before the Court of Vicenza against management board members and key function holders and executives of Banca Popolare di Vicenza.

Andrea Abbà + 207

This is a dispute pending before the Court of Milan, Business Section, initiated in 2019 by Mr. Abbà and 207 subordinated bondholders of Banca delle Marche[39]. The claimants seek a declaration voiding the bonds and compensation for the damages suffered. The claim was quantified at around 31 million euro.

The Bank filed its appearance, objecting that it lacked the capacity to be sued, arguing in particular that the bonds in question were outside the scope of the sale by the Bridge Entity to the former UBI Banca. The former UBI Banca also argued that the claimant's claims had become time barred and that the adverse parties lacked capacity, since they were not the "first borrowers" and thus by law were not entitled to claim that the original bonds were inherently flawed. Finally, the lack of grounds to void the bonds and of evidence of the causal relationship between the Bank's conduct at issue and the damages was underscored.

As the manager of the National Resolution Fund, the Bank of Italy intervened in the proceedings, upholding the arguments and conclusions formulated by the former UBI Banca.

In the course of the proceedings, settlement agreements were reached with 164 plaintiffs, with withdrawal of the lawsuit by those parties and with each party bearing their own costs. At present, therefore, the value of the dispute has been reduced to 12.09 million euro as a result of the agreements reached. In procedural terms, the proceedings are still at the preliminary enquiry stage.

Città Metropolitana di Roma Capitale (formerly Provincia di Roma)

Criminal proceedings are pending before the Rome Public Prosecutor's Office against a former Banca IMI manager for commission of aggravated fraud against the Metropolitan City of Rome Capital (formerly the Province of Rome).

The proceedings relate to the overall transaction for the purchase by the local authority, through the real estate fund Fondo Immobiliare Provincia di Roma (fully owned by the Province of Rome), of the new EUR premises.

The real-estate transaction received financing of 232 million euro from UniCredit, BNL and Banca IMI (each with 1/3).

The former Banca IMI employee is accused of having misled – with three other managers of the two other lending banks, seven managers of the asset management company that manages the provincial fund and two public officials – the fund's internal control bodies and representatives of the Province, allowing the lending banks to obtain an unjust profit and thus causing significant damages to the public authority. In addition, the Public Prosecutor claims that the lending banks and the Fund entered into a loan under different, more burdensome conditions than those provided for in the call for tenders held by the public entity for the transaction.

Intesa Sanpaolo (as the company that absorbed Banca IMI) is investigated in the criminal proceeding pursuant to Legislative Decree 231/01 together with the other two lending banks and the real-estate fund management company. By order dated 27 June 2022, which became final in December, the Public

[39] See the previous note.

Prosecutor's Office ordered the dismissal of the proceedings against the Bank, and by order of 30 May 2023, the Preliminary Investigation Judge also ordered the dismissal of the proceedings against the former manager of Banca IMI.

Disputes regarding tax-collection companies

In the context of the government's decision to re-assume responsibility for tax collection, Intesa Sanpaolo sold to Equitalia S.p.A., now the Italian Revenue Agency - Collections Division, full ownership of Gest Line and ETR/ESATRI, companies that managed tax-collection activities, undertaking to indemnify the buyer against any expenses associated with the collection activity carried out up to the time of purchase of the equity investments.

In particular, such expenses refer to liabilities for disputes with tax authorities, taxpayers and employees and out-of-period expenses and capital losses with respect to the financial situation at the time of the sale.

Overall, claims of around 74.9 million euro were made, later reduced to around 74.6 million euro, which were resolved by amicable settlement in the second quarter of 2023.

Isoldi Holding Bankruptcy

The Isoldi Holding Bankruptcy Receiver sued the former UBI Banca (which absorbed Nuova Banca Etruria and Centrobanca), Intesa Sanpaolo and five other banks in June 2020, before the Court of Bologna, claiming that they were liable, jointly and severally with the management body of Isoldi Holding, for a series of acts of diversion of assets that are claimed to have contributed to the company's artificial survival in the period June 2011 – June 2013, due to conduct claimed to have been implemented by preparing a turnaround plan pursuant to Article 67, para. 3, letter d), of the Bankruptcy Law based on unlawful acts and a connected agreement governing the disbursement of new finance, acts that are argued to have artificially deferred the company's crisis and concealed the irreversibility of its default.

The Isoldi Bankruptcy Receiver also formulated a joint claim against Intesa Sanpaolo (prior to the incorporation of UBI Banca) and MPS, claiming their liability, jointly with the Sole Director of Isoldi Holding, for allegedly unlawful conduct connected with the bail-in of Aedes, in which Isoldi Holding was interested in taking over the majority shareholding.

Intesa Sanpaolo and the former UBI Banca filed regular appearances and the assigned Court, with order dated 1 July 2021, declared that it lacked jurisdiction. The adverse party resumed the proceedings, submitting the same claims before the Court of Turin and the Bank duly filed an appearance. At the hearing in February 2023, set for the admission of evidence, the judge reserved the right to decide on the preliminary objections.

In the meantime, a third company filed an application for a bankruptcy arrangement, which was then endorsed.

Having lifted the reservation, the judge appointed an expert panel to carry out the technical appraisal aimed at identifying both the existence and the amount of the damage claimed, which therefore cannot yet be determined. Having completed the formalities for the start of the appraisal work, the judge postponed the examination of the witnesses to October 2024 and the examination of the technical appraisal report to 16 January 2025.

Società Italiana per le Condotte d'Acqua S.p.A. under Extraordinary Administration

By writ of summons of 23 December 2022, Società Italiana per le Condotte d'Acqua S.p.A. (admitted to the "Marzano" proceedings by way of Italian Ministerial Decree of 6 August 2018) asked the Court of Rome to order compensation for damages in the amount of 389.3 million euro (or a different amount that will arise during the proceedings), in addition to monetary revaluation, legal interest and expenses.

The claim has been filed, jointly, against Intesa Sanpaolo (also as the merging company of Mediocredito Italiano, Banca IMI and UBI Banca, as well as "the purchaser of" Veneto Banca and Banca Popolare di Vicenza), the members of the Management Board and the Supervisory Board of Condotte and numerous other banks and factoring companies.

The claim is based on the alleged conduct engaged in for various reasons by the defendants, considered a source of harm to the company's assets and its creditors. Specifically, the banks and factoring companies are allegedly liable for having unlawfully granted to and/or maintained credit for Condotte, thereby contributing to the continuation of its business at a loss and the worsening of its default.

At the first hearing in September 2023, the proceedings were interrupted due to the death of the defence counsel of one of the defendants.

The new hearing, following the resumption, was set for April 2024.

As things stand, it is not possible to estimate the risk attributable to Intesa Sanpaolo, also taking account of the different conduct claimed against the numerous defendants.

The Company has also promoted against Intesa Sanpaolo three bankruptcy revocatory actions before the Court of Rome, with a request to reimburse amounts of around 16 million euro, two of which were settled through favourable settlement agreements. In relation to the remaining revocatory action still pending, concerning a claim of around 3 million euro, the Bank raised an objection of invalidity due to the vagueness of the adverse claim.

Fondazione Cassa di Risparmio di Pesaro

In 2018, the Fondazione Cassa di Risparmio di Pesaro brought a compensation claim against the former UBI Banca (as the alleged successor-in-interest to the issuer Banca delle Marche S.p.A.[40]) and PwC (the independent auditors that certified the financial statements and the figures presented in the prospectus relating to the 2012 capital increase of Banca delle Marche S.p.A.) alleging that the defendants published data and information regarding the financial performance and the income outlooks of Banca delle Marche S.p.A. that later proved to be totally incorrect and misleading. This information, contained in the financial statements as at 31 December 2010 and 30 June 2011 and included in the above-mentioned prospectus, is claimed to have led the Foundation to subscribe for the Bank's shares issued as part of the capital increase in March 2012. The value of these shares then fell to zero, resulting in a loss quantified by the adverse party at around 52 million euro.

During the trial the Bank of Italy joined the suit, upholding the lack of capacity to be sued invoked by UBI, by virtue of the provisions of Legislative Decree 180/2015 governing the resolution procedure for Banca delle Marche.

The Court of Milan, in a ruling published in May 2023, having ascertained and declared the lack of capacity to be sued of Intesa Sanpaolo, as the company that absorbed UBI, rejected the Foundation's claim and ordered that each party pay its own legal fees.

[40] See the previous note.

The Foundation appealed the first instance ruling before the Court of Appeal of Milan and the first hearing has been set for October 2024.

Fondazione Cassa di Risparmio di Jesi

In January 2016, Fondazione Cassa di Risparmio di Jesi brought a compensation claim against UBI Banca (as the alleged successor-in-interest to the issuer Banca delle Marche S.p.A.[41]) and PwC (the independent auditors that certified the financial statements and the figures presented in the prospectus relating to the 2012 capital increase of Banca delle Marche S.p.A.) alleging that the defendants published data and information regarding the financial performance and the income outlooks of Banca delle Marche S.p.A. that later proved to be totally incorrect and misleading. This information, contained in the financial statements as at 31 December 2010 and 30 June 2011 and included in the above-mentioned prospectus, is claimed to have led the Foundation to subscribe for the Bank's shares issued as part of the capital increase in March 2012. The value of these shares then fell to zero, resulting in a loss quantified at around 25 million euro by the adverse party.

During the trial the Bank of Italy joined the suit, upholding the lack of capacity to be sued invoked by the former UBI Banca, by virtue of the provisions of Legislative Decree 180/2015 governing the resolution procedure for Banca delle Marche.

By judgment rendered on 18 March 2020, the Court of Ancona granted the objection of lack of capacity to be sued raised by the Bank, rejecting the Foundation's claims lodged. In the appeal brought by the Foundation, the Court of Appeal of Ancona, by judgment filed on 17 July 2023, rejected the appeal and upheld the first instance judgment, ordering the appellant to pay the costs of the proceedings to Intesa Sanpaolo, as the absorbing company of UBI Banca. The Foundation challenged the second instance ruling before the Court of Cassation with an appeal submitted in February 2024.

Auditors Italiana S.r.l. in compulsory administrative liquidation

In October 2023, the fiduciary and audit company Auditors Italiana Srl in compulsory administrative liquidation brought an action for damages against Intesa Sanpaolo (as the absorbing company of UBI Banca, which had previously acquired Nuova Banca dell'Etruria e del Lazio) for alleged damages of over 32 million euro. According to the reconstruction by the plaintiff, those damages arose from wrongdoings committed by the former Banca Popolare dell'Etruria e del Lazio in relation to a current account in its name, which facilitated the diversion of sums to the detriment of the trustees and of the company, leading to its financial distress and consequent compulsory administrative liquidation.

The Bank filed an appearance in the proceedings, preliminarily asserting (i) its lack of capacity to be sued and (ii) the expiry of the limitation period, in addition to submitting a series of defence arguments on the merits. The first hearing has been set for March 2024.

Mariella Burani Fashion Group S.p.A. in liquidation and bankruptcy

In January 2018, the receiver to Mariella Burani Fashion Group S.p.A. sued its former directors and statutory auditors, its independent auditors and the former UBI Banca (as the company that absorbed Centrobanca), seeking a judgment ordering compensation for alleged damages suffered due to the many acts of mismanagement of the company while in good standing. According to the claimant's arguments, Centrobanca, which was merged into the former UBI Banca, provided financial support to the parent company of the bankrupt company (Mariella Burani Holding S.p.A.) in 2008, in an operation on its

[41] See the previous note.

subsidiary, despite the signs of insolvency that the latter began to show in September 2007, causing damages quantified at approximately 92 million euro.

On a preliminary level, the Bank argued that the receiver lacked capacity to sue since the disputed loan had been disbursed to the parent company of Mariella Burani Fashion Group S.p.A.; moreover, the alleged damages for which the receiver claims compensation were argued to have been in fact sustained by the company's creditors (and not by the procedure).

With regard to the merit of the claims, the Bank stressed that it had acted properly and the borrower in good standing was solely liable since it bore exclusive responsibility for preparing the untrue financial statements, circulating the misinformation and continuing to operate the company in an alleged situation of insolvency.

During the second quarter of 2023, the Bank settled the dispute by means of disbursement covered by a previous provision and the subsequent waiver of the claims by the receiver.

SIM Bankruptcy

By writ of summons served in October 2022, the receiver to SIM S.p.A. summoned Intesa Sanpaolo (along with another 7 banks) before the Court of Catania, with the first hearing scheduled for 31 March 2023.

This is a compensation claim brought for damages allegedly suffered by the company and its creditors due to conduct by the banks defined by the adverse party as "unlawful", which allegedly resulted in the unlawful granting of credit.

The claim for damages has been quantified at around 47 million euro, requesting that the defendant banks be jointly ruled against.

The Bank argued in Court lack of legal standing of the receiver and expiry of the limitation period, among other things, in addition to contesting the factual and legal grounds of the adverse party's claims, with a series of defence arguments on the merits. The President of the Court did not consider that the conditions had been met for the joinder of the action with another action brought by the receiver pursuant to Article 146 of the Bankruptcy Law against the directors of the bankrupt company SIM S.p.A.

The Judge therefore ordered the continuation of the proceedings.

Offering of diamonds

In October 2015, the Bank signed a partnership agreement with Diamond Private Investment (DPI) governing how diamond offerings were made by DPI to the customers of Intesa Sanpaolo. The aim of this initiative was to provide customers with a diversification solution with the characteristics of a "safe haven asset" in which to allocate a marginal part of their assets over the long-term. Diamonds had already been sold for several years by other leading national banking networks.

This recommendation activity was carried out primarily in 2016, with a significant decline starting from the end of that year.

A total of around 8,000 customers purchased diamonds, for a total amount of over 130 million euro. The marketing process was based on criteria of transparency, with safeguards progressively enhanced over time, including quality controls on the diamonds and the fairness of the prices applied by DPI.

In February 2017, the Italian Antitrust Authority (AGCM) initiated proceedings against companies that marketed diamonds, (DPI and other companies), for alleged conduct in breach of the provisions on unfair business practices.

In April, those proceedings were extended to the banks that carried out the recommendation of the services of those companies.

At the end of those proceedings, on 30 October 2017, the AGCM notified the penalties imposed for the alleged breach of the Consumer Code through the conduct of DPI and of the banks which the proceedings had been extended to, consisting - in short - of having provided partial, deceptive and misleading information on the characteristics of the diamond purchases, the methods used to calculate the price - presented as being the market price - and the performance of the market. The Authority issued a fine of 3 million euro against Intesa Sanpaolo, reduced from the initial fine of 3.5 million euro, after the Authority had recognised the value of the measures taken by the Bank from 2016 to strengthen the safeguards on the offering process aimed, in particular, at ensuring proper information to customers.

Following the order by the AGCM, the Bank paid the amount of the fine and filed an appeal against the order with the Lazio Regional Administrative Court, which rejected the appeal on November 2022, upholding the fine. The Bank filed an appeal with the Council of State and the case is still pending.

From November 2017, the Bank:

- terminated the partnership agreement with Diamond Private Investment (DPI) and ceased the activity, which had already been suspended in October 2017;

- started a process that provides for the payment to customers of the original cost incurred for the purchase of the diamonds and the withdrawal of the stones, in order to satisfy the customers' resale needs which, due to the illiquidity that had arisen in the market, are not met by DPI;

- sent a communication in January 2018 to the diamond-holding customers reiterating the nature of the stones as durable goods, and also confirming the Bank's willingness to intervene directly in relation to any realisation needs expressed by the customers and not met by DPI.

In 2023, 36 requests were received for around 0.5 million euro. At the end of the year, a total of 6,890 repurchase requests had been received from customers and met by the Bank, for a total value of 116.9 million euro.

In February 2019, an order for preventive criminal seizure of 11.1 million euro was served, corresponding to the fee and commission income paid by DPI to the Bank.

The preliminary investigations initiated by the Public Prosecutor's Office of Milan also concern four other banks (more involved) and two companies that sell diamonds.

In October 2019, the notice of conclusion of the investigation was served, which stated that two of the Bank's operators were currently under investigation for alleged aggravated fraud (in collusion with other parties to be identified) and other persons are being identified for allegations of self-laundering, while ISP is being charged with the administrative offence pursuant to Italian Legislative Decree 231/2001 in relation to this latter predicate offence.

In reaction to the latter claims, in July 2021, the hearing was held, in which the Preliminary Investigation Judge accepted the plea bargain request – which Intesa Sanpaolo had submitted solely to bring to an end the lengthy legal proceedings and which had been supported by the Public Prosecutor's

Office – issuing a ruling which ordered only a financial penalty of 100,000 euro, and the confiscation of only the sums constituting the profit from the offence of self-laundering, calculated at 61,000 euro.

Following the partial transfer of the proceedings to the Court of Rome, for reasons of territorial jurisdiction, in August 2022 the revocation of the preventive seizure ordered in February 2019 regarding the profit from the alleged crime of fraud was served, with full restitution to the Bank of the amount of 11.1 million euro.

In January 2023 the filing was confirmed of the request to dismiss the case against the two relationship managers under investigation, on the grounds of "the act not constituting an offence". The request for dismissal was also made in respect of two other employees, on the grounds of "not having committed the act", as no evidence against them had emerged during the investigation. The Preliminary Investigation Judge will now need to rule on the requests for dismissal.

Private banker (Sanpaolo Invest SIM, incorporated into its parent company Fideuram - Intesa Sanpaolo Private Banking)

An inspection conducted by the Audit function identified serious irregularities by a private banker of the former Sanpaolo Invest SIM. The checks carried out revealed serious irregularities affecting several customers, including misappropriation of funds and reports with false incremental amounts.

On 28 June 2019, the company terminated the agency agreement with the private banker and reported the findings to the Public Prosecutor's Office of Parma and the Supervisory Authority for financial advisors, which first suspended and then removed the private banker from the Register of Financial Advisors in December 2019.

Following the unlawful actions, the company received a total of 279 compensation claims (including complaints, mediation proceedings and lawsuits), for a total amount of approximately 62.9 million euro, mostly based on alleged embezzlement, losses due to disavowed transactions in financial instruments, false account statements and the debiting of fees relating to advisory service.

There are currently 14 pending compensatory claims, with a present value of approximately 7 million euro, following the resolution of 265 positions.

The total amount of 8.6 million euro was recovered from the improperly credited customers (and already returned to the customers harmed) and there are currently attachment orders, on those customers, for around 1 million euro.

Within the criminal proceedings against the former private banker for fraud, embezzlement and theft aggravated by fraudulent means and misuse of professional position, at the preliminary hearing in November 2023, Fideuram joined the action as a civil plaintiff together with other aggrieved customers, who requested that Fideuram be summoned as a civilly liable party.

A precautionary attachment was ordered against the private banker for an amount equal to the balance found in the accounts and deposits held with credit institutions and the social-security position with Enasarco. In the ensuing case on the merits, the former private banker filed a counterclaim in the total amount of 0.6 million euro by way of non-payment of indemnity for termination of the relationship.

Another lawsuit was also brought against former private banker to recover the claims arising from withdrawal from the agency contract, in the total amount of 1.6 million euro, in addition to interest by way of indemnity in lieu of notice, penalty relating to a loan agreement and reimbursement of advances of bonuses.

Adequate provisions have been set aside for the risks associated with the unlawful conduct discussed above, mainly for the damages verified relating to compensation claims and pending lawsuits.

The above provisions do not consider the coverage envisaged by the specific insurance policy in force, under which the insurance company has already paid an initial advance of 744 thousand euro.

Litigation against Fideuram concerning investment transactions

In October 2022, Fideuram - Intesa Sanpaolo Private Banking S.P.A. was summoned before the Court of Naples with a request for: (i) a declaration of the alleged invalidity of the current account and investment services master agreement entered into by the plaintiff with Fideuram, the consequent invalidity of all the investment transactions carried out and the alleged contractual and non-contractual liability of the Bank, and, as a result, (ii) an order for the Bank to pay compensation for the alleged damages suffered totalling around 29 million euro.

The Bank duly filed an appearance, contesting the factual and legal validity and admissibility of the claims made and confirming the correctness and compliance of its actions with the applicable regulations, also in terms of profiling and customer information.

The first appearance hearing was postponed to April 2024.

Unicredit against Fideuram on the transfer of private bankers

In July 2023, Unicredit S.p.A. initiated legal proceedings against Fideuram - Intesa Sanpaolo Private Banking S.p.A. at the Court of Turin, seeking compensation for alleged damage of approximately 23 million euro, plus interest and revaluation. This claim is based on alleged acts of unfair competition by Fideuram, related to the resignation of several private bankers from Unicredit during the period 2022-2023, who were subsequently employed by Fideuram, as well as alleged unlawful acts committed by those private bankers in the course of their transition to the defendant, for which Fideuram is allegedly also liable.

Fideuram filed an appearance, fully contesting the adverse party claims and requesting the dismissal of the petitions on the grounds that they were baseless in both fact and law, also pointing out that the situations cited in the proceedings were common in the industry, which is characterised by strong competition and mobility of financial advisors, and that Fideuram itself was not immune to this phenomenon.

With regard to the compensation claim, it was fully contested both in terms of its basis and its quantification because it had been calculated using inappropriate methods based on a distorted representation of the profitability of the assets managed by the parties in dispute.

Following the first appearance hearing in January 2024, the case was adjourned to April 2024 for the preliminary investigations.

Reyl & Cie (Switzerland) – Proceedings pursuant to Legislative Decree 231/2001 of the Public Prosecutor's Office of the Court of Milan

The Public Prosecutor's Office of Milan initiated criminal proceedings pursuant to Legislative Decree 231/2001 against Reyl & Cie (a Swiss subsidiary of Fideuram – Intesa Sanpaolo Private Banking) for the predicate offence of money laundering, allegedly committed by one of its former employees (dismissed in 2020), and ordered the seizure of securities owned by Reyl for around 1.1 million euro. The proceedings also involve the Swiss bank Cramer & Cie. Neither Fideuram ISPB nor ISP are currently involved in the proceedings. The circumstances alleged relate to events that took place in

2018, before Reyl & Cie joined the Intesa Sanpaolo Group in May 2021. According to the prosecution, the former employee, together with his brother, an employee of the bank Cramer & Cie, and an external advisor, allegedly engaged in practices aimed at facilitating tax evasion by Italian customers through the transfer of accounts from Switzerland to branches located in the Bahamas, in order to allow those customers to withdraw money from those accounts without the possibility of being traced by the Italian authorities. Within the criminal proceedings pursuant to Legislative Decree 231/01, pending in Italy, the notification of the conclusion of the preliminary investigations was issued at the end of June 2023, thereby granting access to the full content of the investigative files. The examination of this notice and the documentation obtained did reveal any new findings or challenges beyond those identified during the attachment order and it confirmed the information that, unlike for Banca Cramer & Cie, the Milan Public Prosecutor's Office had not submitted a request for a ban against Reyl & Cie conducting operations in Italy.

Although it is possible for Reyl to submit an application to revoke or reduce the attachment order, also considering that it was the Swiss company that reported the suspicious transactions to the Authorities, the Milan Public Prosecutor's Office has rejected a similar petition made by Banca Cramer.

Any consequential damages (for possible fines and/or confiscations) could be covered by the various warranties provided by the seller, for which a reserve claim was made within the terms of the Reyl acquisition agreement.

Lawsuit against two Hungarian subsidiaries of Intesa Sanpaolo

The lawsuit is connected with a lease agreement terminated by one of the subsidiaries in 2010. During 2011, the tenant initiated proceedings in civil court, and during 2021, it supplemented its initial claim, formulating new claims and, as a result, increasing the total of the claims to around 31 million euro.

In July 2022, the Court rejected all the plaintiff company's claims, finding that it lacked standing. The plaintiff filed an appeal against that decision.

In December 2022, the Court of Appeal partially upheld the adverse party's appeal, ordering one of the two defendant companies to pay around 9.5 million euro. The subsidiary filed an appeal with the Supreme Court, which first suspended the execution of the contested judgment and then annulled it, upholding the first instance Court's ruling. Subsequently, the plaintiff instituted proceedings before the Constitutional Court, claiming that the Supreme Court's decision violated the principles of the Fundamental Charter, and initiated review proceedings before the first instance Court. The two proceedings are currently under review for admissibility.

Intesa Sanpaolo's subsidiaries took action in 2012 for the recognition of their receivables claimed against the tenant resulting from unpaid lease rentals. These proceedings are currently pending.

IMI/SIR

With regard to the IMI/SIR dispute, following the final judgement in 2006 establishing the criminal liability of the corrupt judge Metta (and his accomplices Rovelli, Acampora, Pacifico, and Previti), the defendants were ordered to pay compensation for damages, with the determination of those damages referred to the civil courts. Intesa Sanpaolo then brought a case before the Court of Rome to obtain an order of compensation for damages from those responsible.

In its ruling of May 2015, the Court of Rome quantified the financial and non-financial damages for Intesa Sanpaolo and ordered Acampora and Metta – the latter also jointly liable with the Prime Minister's Office (pursuant to Law no. 117/1988 on the accountability of the judiciary) – to pay Intesa Sanpaolo 173 million euro net of tax, plus legal interest accruing from 1 February 2015 to the date of

final payment, plus legal expenses. The amount ordered took account of the amounts received in the meantime by the Bank as part of the settlements with the Rovelli family and with the counterparties Previti and Pacifico.

In July 2016, the Rome Court of Appeal stayed the enforcement of the judgment of first instance with respect to the amount in excess of 130 million euro, in addition to ancillary charges and expenses. As a result of this decision, in December 2016 the Office of the President of the Council of Ministers credited Intesa Sanpaolo with the sum of 131,173,551.58 euro (corresponding to the 130 million euro of the order, in addition to legal interest and reimbursement of expenses). To avoid dispute, only the exact amount of the order, without applying the gross-up, was demanded and collected. On 16 April 2020, the ruling of the Rome Court of Appeal was filed, which essentially upheld the Court's ruling, while reducing the amount of non-financial damages to 8 million euro (compared to 77 million euro that had been quantified by the court of first instance), and set the amount to be paid at 108 million euro (instead of 173 million euro), to be considered net of tax, plus legal interest and expenses.

In the second quarter of 2020, the Bank filed a petition for the correction of a material error contained in the finding regarding the calculation of the damages liquidated; the Court of Appeal rejected the petition by ruling filed on 7 December 2020, holding that the error claimed by the Bank could be remedied by means of an appeal before the Court of Cassation. In May 2021, the Bank filed an appeal with the Court of Cassation against the Rome Court of Appeal's ruling of 16 April 2020 on the following main grounds:

- the reduction to 8 million euro of the non-financial damages made by the Court of Appeal, compared to the 77 million euro recognised in the first instance ruling was arbitrary and devoid of any sound legal or logical reasoning;

- even accepting the reduction under point a), the Court made a miscalculation when redetermining the amount of total damages. That aspect was already the subject of an application for material correction filed in 2020, rejected by the Court as it was deemed to be an issue that could be remedied through appeal.

By ruling no. 5682/2023, the Court of Cassation partially upheld the grounds of appeal filed by Acampora and the Prime Minister's Office, overturning the second instance ruling, in relation to the claims upheld, and referring the case back to the Rome Court of Appeal for the application of the principles of law set forth in the ruling. The outcome differs both from the rulings made at the previous instances and from the conclusions, consistent with them, filed last December by the General Prosecutor at the Court of Cassation.

The Court applied a rule of pre-emption according to which the action for revocation, aimed at obtaining the return of the sums unduly paid, should precede the exercise of the action for damages, in clear conflict with the principles set out in the criminal proceedings in 2006 according to which the independence and dissimilarity of the two actions (the action for damages and the action for extraordinary revocation) "rule out any interference between them and place each in its own sector, with the only limitation of not allowing the duplication of coinciding outcomes in terms of compensation and, therefore, undue enrichment".

In addition, it introduced a further and unprecedented rule of a procedural nature according to which, without prejudice to the right to obtain lost earnings and non-pecuniary damage, in order to claim compensation from the perpetrators of the offence (i.e. Acampora, Metta and the Government) for the damage arising, the injured party, Intesa Sanpaolo, must prove that it had unsuccessfully enforced its claim against the party benefiting from the corrupt ruling.

On 19 May 2023, the Bank notified the other parties involved (Metta, the Prime Minister's Office and Acampora) of the appeal, requesting:

i. as the main claim, on the merits, the award, in addition to the other damages, of the damage arising, subject to correction of the miscalculation made at the time by the Rome Court of Appeal, in consideration of the fact that the "prejudicial conditions" set out by the Court of Cassation had been met because the Bank had pursued the recovery, both in and out of court, of the sums paid to the beneficiary as a result of the revoked ruling. In the event that the main claim is not upheld, the Bank requested at least the award of the lost earnings and non-pecuniary damage;

ii. subordinately to the merits, a reference for a preliminary ruling to the Court of Justice of the European Union (CJEU) pursuant to Article 267 of the Treaty on the Functioning of the European Union (TFEU) for breach of the Treaty on European Union (TEU), highlighting the arbitrary limitation of the right to compensation provided for by the Special Law on damages caused by judges in the performance of their duties (Law 117/88) resulting from the application of the principles set out by the Court of Cassation in its recent ruling.

The Prime Minister's Office and Giovanni Acampora filed an appearance in the review proceedings, responding to the arguments submitted by the Bank. Following the first hearing, which took place in writing on 31 October, the Court declared Vittorio Metta in absentia and adjourned the case for closing arguments to 1 October 2024, without ruling on the petitions from the parties.

After passing an initial summary examination to ensure that it was not clearly inadmissible, the appeal to the European Court of Human Rights (ECHR) was declared inadmissible with a very short statement of reasons that did not consider the points made in the defences. Considering that the ECHR, among its reasons for rejecting the appeal, also mentioned the lack of immediate enforceability of the claim because of the pending compensation proceedings before the Court of Appeal, the appeal could be submitted again after the entire national legal process has concluded.

The Bank has also brought proceedings before the Tax Court to obtain the credit claim of 33.2 million euro, at the time paid as withholding tax for overdue interest on the compensation for damages under the 1994 ruling paid to Ms Battistella, as Nino Rovelli's heir. The Italian Revenue Agency filed an appearance on 20 December 2023, arguing that the request for reimbursement was unfounded. In short, the adverse argument is that since the Bank had entered into a settlement agreement with Ms Battistella, it would not have obtained the repayment of the interest on which the deductions were applied, and therefore the condition for undue payment would not have been fulfilled. The Bank will prepare a defence brief countering the Agency's arguments ahead of the hearing of the case, which has not yet been set by the courts of first instance.

Labour litigation

In line with the situation as at 31 December 2022, as at 31 December 2023 there were no significant cases of labour litigation from either a qualitative or quantitative standpoint. In general, all labour litigation is covered by specific provisions adequate to meet any outlays.

Tax litigation

At Group level, the total value of the claims for tax disputes (taxes, penalties and interest) was 155 million euro at the end of 2023, down sharply on 219 million euro as at 31 December 2022.

The Group's tax litigation risks are covered by adequate provisions to the allowances for risks and charges (51 million euro in 2023 compared to 70 million in 2022).

The Parent Company had 459 pending litigation proceedings (473 as at 31 December 2022) for a total amount claimed (taxes, penalties and interest) of 108 million euro (126 million euro as at 31 December 2022), considering both administrative and judicial proceedings at various instances.

In relation to these proceedings, the actual risks were quantified at 41 million euro as at 31 December 2023 (57 million euro as at 31 December 2022).

Compared to 31 December 2022, for the Parent Company, the main events that gave rise to significant movements consisted of:

- an increase (about 12 million euro) from: i) 4.8 million euro in respect of a long-standing claim by the Portuguese tax authorities on the discontinued Sanpaolo IMI Bank International S.A. (based in Madeira), which was charged with having failed to apply withholding taxes in 2002, 2003 and 2004 on interest paid to foreign bondholders. The increased risk was determined to take into account the most recent certificate of pending tax charges issued by the Portuguese tax authorities, which for the first time sets out the criteria for calculating interest on the principal tax claim; ii) 3.6 million euro for new municipal property tax (IMU) claims on properties from both terminated and current lease contracts, including disputes relating to the absorbed Intesa Sanpaolo Provis; iii) 2.2 million euro for new disputes relating to registration tax on judicial documents; iv) 0.8 million euro for a new dispute relating to the recovery of interest on VAT for the years 2008 and 2009 of the former Medioleasing (merged in 2016 into Nuova Banca delle Marche, with the latter merged in 2017 into UBI Banca) reimbursed in December 2020; v) 0.2 million euro for a dispute relating to the recovery of interest on VAT for the third quarter of 2009 reimbursed in April 2021; vi) 0.2 million euro for interest accrued on the outstanding dispute; and vii) 0.2 million euro for other minor disputes;

- a decrease (around 30.4 million euro), made up of: i) 8.0 million euro in respect of the favourable final judgment of the Court of Cassation in July 2023 on the dispute concerning registration tax on the demerger of a business line from Intesa Sanpaolo to State Street Bank, as the Court deemed that the transaction should not have been reclassified as a transfer of a going concern; ii) 2.0 million euro for a payment notice for penalty and related collection costs for late payment of tax, following an unfavourable ruling by the Court of Cassation in connection with the dispute concerning the registration tax for the demerger of a business line from Intesa Sanpaolo to State Street Bank; iii) 4.1 million euro for the closure of disputes on municipal property tax (IMU) on properties from both terminated and current lease contracts; iv) 8.0 million euro for the closure of various disputes settled by means of "tax truce" finalised on 30 September 2023; v) 3.9 million euro for a further dispute whose settlement was finalised on 2 October 2023; vi) 0.4 million euro for the settlement of tax positions of Intesa Sanpaolo and the subsidiaries Carifriuli, Banca IMI and Banca Fideuram with regard to Corporate Income Tax (IRES) assessments for 2004; vii) 1.1 million euro for the settlement of disputes concerning registration tax mainly relating to registration for judicial documents (0.6 million euro), as well as registration for adjustment of the value of leased property purchase (0.3 million euro); viii) 0.5 million for the settlement of two disputes concerning regional motor vehicle tax; ix) 0.2 million for the settlement of a dispute of the former Banca Carime following the final decision of the Court of Cassation concerning the year 2005; x) 1.8 million euro for the settlement of a dispute resulting from a tax audit report regarding VAT on boat lease transactions following the notice of assessment; and xi) 0.4 million euro for the settlement of various cases involving small amounts.

Again with respect to 31 December 2022, for the Parent Company, the main changes in provisions (-15.4 million euro), including legal expenses, related to:

- an increase (10.3 million euro) attributable to: i) 4.8 million euro in respect of a long-standing claim by the Portuguese tax authorities on the discontinued Sanpaolo IMI Bank International S.A. (based in Madeira), which was charged with having failed to apply withholding taxes in 2002, 2003 and 2004 on interest paid to foreign bondholders. The increase in the provision was necessary to take into account the most recent certificate of pending tax charges issued by the Portuguese tax authorities, which for the first time sets out the criteria for calculating interest on the principal tax claim; ii) 3.9 million euro for disputes concerning municipal property tax (IMU) on properties from both terminated and current lease contracts, including disputes relating to the absorbed Intesa Sanpaolo Provis (of which 3 million euro with no impact on the income statement as it relates to the provision for tax litigation risks allocated following the merger); iii) 1 million euro for the above-mentioned new disputes relating to the recovery of interest on VAT for the former Medioleasing respectively for the years 2008 and 2009 (0.8 million euro) and the former UBI Banca for the third quarter of 2009 (0.2 million euro); and iv) 0.6 million euro for accrued interest on outstanding disputes and legal expenses.

- a decrease (25.7 million euro) attributable to:

    - utilisation (4.6 million euro) of: i) 1.9 million euro for penalty and related collection costs, following the above-mentioned unfavourable ruling by the Court of Cassation in connection with the dispute concerning the registration tax for the demerger of a business line from Intesa Sanpaolo to State Street Bank; ii) 2.1 million euro as the total cost of the settlement of disputes by means of "tax truce"; iii) 0.3 million euro for payment of advisory fees; iv) 0.3 million euro for the settlement of the tax positions of Intesa Sanpaolo and the subsidiaries Carifriuli, Banca IMI and Banca Fideuram with regard to IRES tax assessments for the year 2004;

    - releases to the income statement (21.1 million euro) of: (i) 8.0 million euro with regard to the favourable and final ruling of the Court of Cassation in July 2023 in relation to the dispute concerning registration tax on the demerger of a business line from Intesa Sanpaolo to State Street Bank whose reclassification as a transfer of a going concern was considered incorrect by the Court; ii) 6.3 million euro for the settlement of various disputes concerning state and local taxes by means of "tax truce"; iii) 2.9 million euro for the settlement of disputes concerning municipal property tax (IMU) on property from both terminated and current leases, including 0.4 million euro for the release of the allowance for risks of the former Provis; iv) 1.6 million euro as the release of the provision for a dispute concerning registration tax on the demerger of a business line from Intesa Sanpaolo to Credit Agricole Italia following the consolidation of favourable case law regarding the inability to classify this transaction as a transfer of a going concern and subsequent sale of equity investments as a direct sale of a going concern; v) 1.8 million euro for the settlement of a dispute resulting from a tax audit report regarding VAT on boat lease transactions following the notice of assessment; vi) 0.1 million euro related to the settlement of a VAT dispute concerning leased medical equipment; vii) 0.3 million euro for the settlement of various disputes involving small amounts and release of fees no longer due; and viii) 0.1 million euro for the settlement of disputes concerning registration tax.

In 2023, a total of 161 disputes were settled for a total amount claimed of 29.6 million, with a disbursement of 6.7 million euro. The Parent Company took advantage of the "tax truce/amnesty" provided for in the 2023 Budget Law (Law no. 197/2022) settling disputes for 13.2 million euro, at a "cost" of 2.7 million euro, with 5.8 million euro released to the income statement.

With regard to the Italian subsidiaries, tax disputes totalled 39 million euro as at 31 December 2023 (85 million euro as at 31 December 2022), covered by specific provisions amounting to 5 million euro (9 million euro as at 31 December 2022).

The decrease in provisions with respect to 31 December 2022, amounting to 46 million euro, mainly consisted of:

- +1.3 million euro for new disputes for Siref and Fige (automated checks on 770 form withholding taxes for the years 2015 to 2018);

- +3.3 million euro for the Cargeas disputes in respect of the contested penalties, which were previously considered at a reduced rate;

- +1 million euro for the dispute for the year 2012 of Intesa Sanpaolo Private Banking for higher interest;

- -47.4 million euro relating to disputes of Intesa Sanpaolo Private Banking for IRES and Regional Business Tax (IRAP) for the years 2011, 2013, 2014, 2015 and 2017 for the post-transfer tax realignment pursuant to Article 15 paragraph 10 of Law Decree 185/2008 subject of the pending disputes settled under the "tax truce";

- -3.8 million euro following the absorption of Provis.

The decrease in provisions compared to 31 December 2022, amounting to 4 million euro, was mainly due to the absorption of Intesa Sanpaolo Provis.

The Italian subsidiary Intesa Sanpaolo Private Banking also took advantage of the "tax truce/amnesty", settling 47.4 million disputes at a "cost" of 5.9 million euro.

The tax disputes of the international subsidiaries involve small amounts. Specifically, the claims have a total value of 8 million euro (unchanged from 31 December 2022) for which provisions of 5 million euro have been set aside (4 million euro as at 31 December 2022).

With regard to the disputes, in addition to decreases due to exchange rate differences amounting to 0.9 million euro (mainly relating to positions pertaining to Alex Bank), the following events are noted:

- +1.2 million euro relating to the VAT assessment for the years 2018-2021 of Intesa Sanpaolo Banka D.D. Bosna I Hercegovina;

- +1 million euro relating to the possible extension of the VAT assessment for the years 2021-2023 of Intesa Sanpaolo Banka D.D. Bosna I Hercegovina;

- +0.5 million euro for Brazil interest;

- -2.1 million euro for the successful settlement by the trusts and the related beneficial owners of the notification of penalties for the years 2014 and 2015 of the foreign subsidiary UBI Trustee S.A., with respect to four trusts managed by the company, which impose penalties for breaches of the rules on the "tax monitoring" of capital held abroad by persons resident in Italy.

In the following paragraphs, information is provided regarding the most important ongoing disputes, and on several orders to file appearances and questionnaires served in December 2023.

Tax Proceedings related to the Issuer

Disputes regarding registration tax on the reclassification of business contributions and subsequent sale of the participations as sales of business units and the consequent assessment of a higher enterprise value

These are disputes concerning the recovery of registration tax paid on business contributions and the subsequent sales of the equity investments, which were reclassified by the tax authorities as sales of business lines and then also subject to assessment of a higher value for the business line (total remedy sought of 21 million euro). These disputes were not settled through the "tax amnesty" because the Bank had already provisionally paid the full amount assessed and as a result of the settlement would not have been entitled to the repayment of the sums in excess of the amount due for the settlement, or because there were sound prospects of a favourable outcome to the proceedings pending before the Court of Cassation.

Dispute regarding the municipal property tax ("IMU") on real estate not repossessed following the termination of the related lease contracts

The dispute regarded the identification of the taxpayer liable for the municipal property tax (IMU) in relation to real estate assets owned by the lease companies or banks and leased out to third parties, where the lease was terminated early due to default by the lessee, or as a result of insolvency proceedings involving the lessee, but without the lessee having returned the asset to the lessor. Over the years a tax dispute arose on this matter (also affecting the former Mediocredito Italiano and Provis) relating to whether the lessee is (still) liable for the municipal property tax rather than (already) the lease company/bank in the period between the date of termination (or dissolution) of the lease and the date of physical return of the asset to the lessor. In 2020, the Court of Cassation settled on the view that the lease company/bank was liable for municipal property tax (IMU) from the date of legal termination of the contract, regardless of repossession of the asset. In addition, the 2020 Budget Law provided for the abolition of the single municipal tax (IUC), with regard to its components relating to IMU and TASI, and the unification of the two taxes into the new municipal property tax (IMU). On 18 March 2020, the Ministry of the Economy and Finance – Finance Department – Tax Legislation and Tax Federalism Unit, with circular no. 1/DF, commenting on the latter changes, provided precise indications regarding the liability for the new municipal property tax (IMU) with regard to the date of termination of the lease agreement in accordance with the prevailing case law. Accordingly, starting from 2020, the bank decided to proceed with the payment of municipal property tax for all leased real estate assets with terminated contracts, regardless of repossession of the asset, seeking recovery from the former users, where possible. It was also decided to gradually withdraw from all pending disputes on assessments relating to years up to 2019, following an attempt at settlement with the interested municipalities to quash the penalties and offset trial fees.

The total remedy sought is 6 million euro.

Dispute regarding VAT on boat lease transactions

With respect to 31 December 2022, the disputes relating to boat lease transactions that arose as a result of the audit commenced during 2019 by the Milan Tax Police (Guardia di Finanza) on the merged company Mediocredito Italiano S.p.A., which initially concerned the tax years 2014 and 2015 and was then extended by the Italian Revenue Agency to the years 2016, 2017 and 2018, were definitively settled. The disputes concerned the issuance of a series of invoices for lease payments under the VAT non-taxable regime pursuant to Article 8-bis of Presidential Decree 633/72 established for lease transactions on vessels "used for navigation on the high seas and intended for the exercise of commercial activities". Specifically, the disputes for the years 2014 and 2016 respectively pending before the Lombardy Court of Second Instance and the Milan Court of First Instance, were settled through the tax amnesty with zero penalties and interest for both years. For the years 2017 and 2018,

notices of assessment of immaterial amounts were served in 2023, both of which were settled through acceptance with full payment of taxes and interest and with penalties reduced to one-third of the minimum imposed.

Banco Sudameris Brasil - Direct taxes year 1995 (PDD1 dispute)

With regard to the dispute with the Brazilian tax authorities (value of around 41.6 million euro and provision of 8.1 million euro), concerning income tax and social security contributions for the year 1995, of the company Banco Sudameris Brasil (now Banco Santander Brasil) – better known as the "PDD1 dispute" – the ordinary civil proceedings are pending in second instance. For a detailed analysis of this dispute, see the Notes to the previous consolidated financial statements. A payment notice served by the Brazilian tax authorities in October 2022 for the alleged failure of the taxpayer to provide a deposit by order of the court to cover the tax debt, which is still being challenged, was cancelled following the submission of an opposition statement highlighting the clear error in the calculation of the interest accrued on the deposit by the Brazilian tax authorities.

At the end of December 2023, several Regional and Provincial Directorates of the Italian Revenue Agency (Regional Revenue Office) served "orders to file an appearance" pursuant to Article 5 of Legislative Decree no. 218/1997 on Intesa Sanpaolo, in its capacity as the consolidating entity and then absorbing company of six Group companies, raising doubts concerning the IRES tax treatment that these former subsidiaries had applied in 2017 on the Parent Company's commitment to make shareholder payments to cover the expenses of the subsidiaries for the integration of Banca Popolare di Vicenza and Veneto Banca (below also the "Venetian Banks"). The companies that received the orders by 31 December 2023 were: Cassa di Risparmio di Bologna, Cassa di Risparmio di Forlì e della Romagna, Cassa di Risparmio del Friuli e Venezia Giulia, Cassa di Risparmio di Firenze, Cassa di Risparmio di Pistoia e della Lucchesia, and IMI Investimenti. With the order to file an appearance, the Italian Revenue Agency initiated administrative proceedings involving a 120-day extension of the time limit for the service of a notice of assessment, thereby allowing the Agency to exceed the five-year limitation period set to end on 31 December 2023 for the 2017 tax year. Other orders (and questionnaires) were served in January 2024 to other Group Companies, as the Italian Revenue Agency considers that the time limit for the assessment on 2017 will expire on 26 March 2024 (rather than 31 December 2023), applying the 85-day extension inferable from the provision in Article 67 of Law Decree 18/2020 converted by Law 27/2020.

No notice of assessment has been received.

In this regard, with effect from 26 June 2017, Intesa Sanpaolo signed an agreement with the liquidators of the Venetian Banks to purchase certain assets, liabilities and legal relationships of the two banks. The terms and conditions of the agreement guaranteed the total neutrality of the acquisition with respect to, among other things, the Intesa Sanpaolo Group's dividend policy, providing for a public contribution to cover the charges for integration and rationalisation associated with the acquisition. According to the provisions of Article 7, paragraph 4, of Law Decree no. 99 of 25 June 2017, converted with amendments by Law no. 121 of 31 July 2017, the aforementioned contribution does not contribute to the generation of the overall income for IRES tax and IRAP tax purposes for ISP, without prejudice to the deductibility of the expenses incurred in connection with the corporate restructuring measures. The commitments made by Intesa Sanpaolo entailed incurring charges for the integration of the going concerns acquired, including, for example, charges for IT integration, charges for exit incentives for employees, and charges for the closure, merger and standardisation of branches. These integration activities involved the entire Intesa Sanpaolo Group.

In this context, Intesa Sanpaolo, which managed the integration initiatives at Group level in performance of its management and coordination activities over its subsidiaries, took responsibility for

safeguarding the subsidiaries from the impact that would have been caused to them by incurring such charges, unilaterally undertaking to make a contribution, in the form of one or more shareholder cash payments, without any obligation of repayment and/or reimbursement, equal in amount to the estimated costs, net of tax.

The manner in which the Parent Company took responsibility for offsetting the impact of those charges on its subsidiaries and the consequent tax treatment were in line with the indications also contained in the answer provided to the ruling request no. 954-1528/2017 filed by ISP, in which the Italian Revenue Agency specified that "*any disbursement Intesa Sanpaolo is required to make to other Group Companies, regardless of the reasons, would in any case represent a 'shareholder payment/intragroup loan' from the parent company*".

The various Regional Revenue Offices theorize a claim regarding the reduction applied by the subsidiaries with regard to the income deriving from ISP's commitment to make a non-refundable payment (higher total taxable income of 69.5 million euro, corresponding to IRES of 16.4 million euro).

It is important to note the consistency of the approach adopted by the subsidiaries, which did not tax the payment received from the parent company, and by the parent company, which did not deduct the payment made.

As also confirmed by the opinion of the advisor that assisted the Group in the analysis of the acquisition of the Venetian Banks in 2017, the Italian Revenue Agency's arguments are unfounded for the following reasons: i) the commitments to make "non-refundable" payments assumed by ISP as a shareholder to its subsidiaries are not relevant for the purposes of IRES tax, and for the related additional tax, based on the express provision in Article 88, paragraph 4, of the Combined Tax Regulations; ii) the income in question cannot be classified as grants related to income and therefore be relevant for tax purposes because, pursuant to Article 85 of the Combined Tax Regulations, they must originate from a provision of law or a contractual provision, whereas in this particular case the contribution was not due to the subsidiaries by law or by contract; iii) the argument made by the Italian Revenue Agency conflicts with the rationale underlying the 2017 legal provisions, aimed at ensuring the economic neutrality for the ISP group of the corporate restructuring, necessary following the acquisition of the business lines of the Venetian Banks; and iv) the argument put forward by the Regional Revenue Offices of taxing the income at the subsidiaries should in any case also lead to the recognition of the deduction of the cost for the Parent Company, and considering that the IRES tax rate of some of the subsidiaries was 24% while ISP's was 27.5%, the approach adopted by the Group did not result in any tax revenue loss but rather in an overall net favourable effect for the Tax Authorities.

The disputes settled during the period included the dispute relating to the business contribution and subsequent sale of the equity investment from Intesa Sanpaolo to State Street Bank, which was reclassified by the Italian Revenue Agency as a direct sale of a business (pursuant to Article 20 of Presidential Decree no. 131/1986) with a request for proportionate registration tax (8 million euro). In a definitive ruling filed in July 2023, the Court of Cassation found that the reclassification of the deed of contribution of a business line, followed by the sale of the equity investments in the contributed company is no longer permitted by law (pursuant to Article 20 of Italian Presidential Decree no. 131/1986) and that the tax nature of the deed requires registration tax, as also observed by the Court of Cassation in ruling no. 158/2020. As a result, the allowance for risks made at the time (8 million euro) to fully cover the claim from the Italian Revenue Agency was released.

With regard to Intesa Sanpaolo's international branches, the following is noted.

The VAT tax audit on the London branch, for the tax years 2016, 2017 and 2018, was closed without further observations and without any further amounts being due. On 4 January 2023, the London branch received a questionnaire from the UK Inland Revenue regarding the year 2020. The questions mainly concerned international transfer pricing matters. In June 2023, the UK authority (HMRC) acquired a substantial quantity of documents from our branch in response to the questions raised, which are still currently being analysed by the authority and in relation to which one or more discussion meetings with the auditors are anticipated. So far, the auditors have not yet issued any findings.

Two tax audits are in progress concerning direct taxes of the New York branch. In detail: i) the first audit, which began in January 2021, is being conducted by the Internal Revenue Service (IRS) with regard to the income tax return filed for the tax period 2018. No claims have been made for the time being; ii) the second audit, served in July 2021, is being conducted by the City of New York, with regard to the tax periods 2018 and 2019. No claims have been made for the time being. The audits conducted by the State of New York, regarding the tax periods 2015 and 2016, and by the IRS regarding the tax period 2016, were closed with no claims.

The audit, initiated in 2021, on the Munich branch of the former UBI Banca for the years 2015 to 2018, is in progress. The auditors have obtained the accounting and tax documentation requested. No claims have been made for the time being.

Tax Proceedings related to Group Companies

With regard to Group companies, the following developments occurred also during 2023 in the tax proceedings in which we are a party. In all cases, we have determined the amounts not to be material and therefore have not made any specific provisions, unless otherwise stated below.

For **Banca Fideuram**, as a result of the Bank's appeal, three lawsuits are pending before the Court of Cassation concerning the failure to withhold 27% of the interest accrued in 2009, 2010 and 2011 on foreign bank accounts held at Fideuram Bank (Luxembourg) by two "historic" Luxembourg mutual funds (Fonditalia and Interfund SICAV), for which Banca Fideuram was only the placement bank and correspondent bank in the years in question (total value of the disputes of 9.3 million euro).

Intesa Sanpaolo Private Banking has long had pending IRES and IRAP disputes relating to the deduction (in 2011 and the following years) of the amortisation charge for the goodwill arising from the transfers of the private banking business lines of Intesa Sanpaolo and Cassa dei Risparmi di Forlì e della Romagna in 2009, Banca di Trento e Bolzano and Cassa di Risparmio di Firenze in 2010 and Cassa di Risparmio Pistoia e Lucchesia and Cassa di Risparmio dell'Umbria in 2013, realigned by the transferee in accordance with Article 15, paragraph 10, of Law Decree no. 185 of 29 November 2008.

ISPB made use of the settlement of disputes pursuant to Law no. 197 of 29 December 2022 ("2023 Budget Law"), referred to as the "tax truce" for 5 of the 7 pending disputes. For these years, taking into account the payments already made on a provisional basis and the deduction, recognised by the Italian Revenue Agency, from the cost of the settlement of the substitute tax of 16% paid at the time, the small disbursement resulting from the settlement was considered positive compared to the continuation of a lengthy dispute.

For the disputes still pending, relating to 2012 and 2016, also based on the opinion issued by the advisor, the risk of an adverse ruling is classified as "possible", since the lawfulness of realigning the tax value of the goodwill newly generated for the transferee – something which in the past was done by other Group companies without incurring in tax disputes – has been expressly acknowledged by the Italian Revenue Agency in Circular no. 8/E of 2010 and is consistent with the provisions of Article 15, paragraph 10 of Law Decree 185/2008.

Cargeas Assicurazioni, an insurance company acquired by Intesa Sanpaolo Vita on 27 May 2021, underwent a tax audit by the Italian Revenue Agency, Lombardy Regional Directorate, Large Taxpayers Office, aimed at verifying the correct application, for the years from 2010 to 2018, of the tax rules on private insurance and life annuity contracts pursuant to Law no. 1216 of 29 October 1961.

As a result of the audit, the authorities claimed that redundancy insurance policies (which are mandatorily associated with salary-backed loans and optional with other mortgages, loans and consumer credit), should not be subject to tax on insurance premiums at a rate of 2.5%, but should be classified as credit risk insurance policies, subject to a tax rate of 12.5%. The Revenue Agency maintains that although the risk insured (on the basis of which the premium is determined with statistical/actuarial criteria) is the loss of employment, redundancy policies should be charged the 12.5% rate applicable to credit risk insurance, given that the policy would protect the lending institution's interest in collecting its credit.

The dispute is nothing new for the insurance industry; in fact, insurance companies have been maintaining that the Agency's reasoning is unsubstantiated and biased for years now. ANIA has also given its opinion on the matter through circular no. 0082 of 5 March 2021 (which refers to circular no. 127 of 21 April 2005), pointing out that the Agency's position produces a series of unsystematic and abnormal consequences which certainly do not reflect the intention of the legislator in Law no. 1216, and diverge from the guidance of the financial administration itself which, on this point, had supported application of the 2.5% rate in circular no. 29/E of 2001.

On the merits, ANIA specified that in the policies, the insured party is identified as the natural person who subscribed, in full autonomy, the collective policy proposed by the lending institution, and that contractual structure recognises the natural person debtor as the party in the interest of whom the policy is underwritten, as the risk covered (loss of employment, which results in the impossibility to pay the debt) is specifically borne by the latter.

Moreover, the contractual framework shows that the lender is the contracting party of the policy exclusively in terms of the form, while, by virtue of demonstrating his/her intention to subscribe the contract and due to the cost charged to him/her, which refers exclusively to the insurance premium paid, the financed worker can be effectively classified as the contracting party, as well as the insured party.

Lastly, as additional support, it should also be considered that the communication of data and information regarding the contracting parties, sent annually to the Tax Register contemplates the indication of the individual subscribers of collective policies, as they are the parties that bear the cost of the premium.

Following the audit, Cargeas received the following:

- on 25 May 2021, the notice of assessment no. TMB032S00039/2021 for the year 2010 claiming a higher tax of 1.7 million euro, 0.6 million euro in interest and 3.4 million euro in penalties, for a total of 5.7 million euro. The notice was appealed in 2021 and by ruling no. 2396/2022 the Milan Provincial Tax Commission upheld Cargeas' appeal annulling the notice. In February 2023, the Italian Revenue Agency filed an appeal with the Lombardy Tax Court against the aforementioned ruling no. 2396/2022, in response to which counterclaims were filed by the absorbing company Intesa Sanpaolo Assicura S.p.A. in April 2023. In July 2023, following a partial internal review, the claim was recalculated at 1.5 million euro for higher tax and 3.0 million euro for penalties (plus interest). The Company considered it appropriate to continue the dispute also with regard to the reduced penalty and therefore did not make use of the option of simplified settlement;

- on 6 June 2022, the notice of assessment no. TMB032S00216/2022 for the year 2011 claiming a higher tax of 1.3 million euro, 0.5 million euro in interest and 2.8 million euro in penalties, for a total of 4.6 million euro. This notice was also appealed in 2022, and in its ruling no. 967 of 20 March 2023, the Milan First Instance Tax Court upheld the company's appeal annulling the notice. The term for the Office's appeal is pending. In July 2023, following a partial internal review, the claim was recalculated at 1.1 million euro for higher tax and 2.4 million euro for penalties (plus interest), further reducible to 0.8 million euro in the event of simplified settlement pursuant to Article 17 of Legislative Decree 472/1997. The Company considered it appropriate to continue the dispute also with regard to the reduced penalty and therefore did not make use of the option of simplified settlement;

- on 19 May 2023, the absorbing company Intesa Sanpaolo Assicura received the notice of assessment no. TMB032S00021/2023 for the year 2012 which claimed a higher tax of 0.2 million euro and penalties of 0.4 million euro, plus interest of 0.1 million euro. An appeal was filed in June 2023.

In view of the arguments clearly expressed by ANIA, and due to the assessments formalised by the defence counsel, the Company considers that the risk of a negative outcome is possible, but not probable.

Lastly, regarding the same case, it should be noted that **Intesa Sanpaolo Assicura** received the following two questionnaires in April 2021: a) one relating to 2012 and 2013 for the former Bentos Assicurazioni, merged into Intesa Sanpaolo Assicura in December 2013; b) the second for 2012 for Intesa Sanpaolo Assicura. As a result of these questionnaires, in May 2023, the Italian Revenue Agency served three notices of assessment of which two related to the former Bentos Assicurazioni for 2012 (tax of 5 thousand euro, penalties of 12 thousand euro, plus interest) and 2013 (tax of 30 thousand euro, penalties of 75 thousand euro, plus interest) and one related to Intesa Sanpaolo Assicura for 2012 (tax of 0.3 million euro, penalties of 0.8 million euro, plus interest of 0.1 million euro). The positions of the former Bentos have been settled, while for the positions of Intesa Sanpaolo Assicura an appeal is currently pending at first instance.

On 28 December 2023, **Fideuram ISPB Asset Management SGR** (Fideuram SGR) received from the Italian Revenue Agency – Lombardy Regional Directorate an order to file an appearance for 28 December regarding the year 2017 for IRES and IRAP, following the delivery of documentation in response to a questionnaire served on 4 August 2023, in order to establish a cross-examination on the alleged transfer pricing issues arising in relation to the consideration for fees received by Fideuram SGR in delegated manager activities for investment funds performed in favour of the Irish associate Fideuram Asset Management Ireland (principal). With specific regard to those management fees, the Revenue Agency has repeated the same adjustments made for the years 2011 to 2013 (which gave rise to tax settlement proposals for those years) as well as for the year 2016, which Fideuram accepted by signing the settlement proposal on 15 December 2022 and paying the amount due (0.22 million euro) on 20 December 2022. In this order, the Agency adjusted Fideuram SGR's 2017 taxable income upwards by 1.14 million euro, resulting in higher IRES of 0.27 million euro (plus interest of 0.05 million euro) and higher IRAP of 0.06 million euro (plus interest of 0.01 million euro), for a total of around 0.3 million euro. In addition, the bilateral agreements submitted to the Irish and Italian authorities in 2020 (and therefore applicable from that period for 5 years) concerning the disputed activities are close to be finalised.

With regard to **Eurizon Capital SGR** (EC ITA) concerning the order received on 22 December 2022 relating to 2016 IRES tax and IRAP tax, in 2023 intensive discussions took place with the Assessment Office, at the end of which the Office revised its initial position.

Note that, in the order to file an appearance, the Office had: 1) identified the presence within Eurizon Capital SA (EC LUX) of an intangible asset (amortisable solely for tax purposes and until the year 2018) alleged to have been transferred by EC ITA to EC LUX, which would have affected the correct quantification of the price to be paid by EC LUX to EC ITA for the services provided by the latter to EC LUX; 2) refuted the reliability of the Transfer Pricing (TP) documentation produced by the company, also due to the absence of references to the above-mentioned intangible asset; 3) and therefore denied the penalty protection guaranteed by appropriate TP documentation; and 4) held that the Transactional Net Margin Method (TNMM) was applicable in this particular case, rather than the Comparable Uncontrolled Price (CUP) method adopted by the company. As a result, the Italian Revenue Agency proposed the transfer for taxation in Italy applicable to EC ITA of 151.1 million euro (out of 208 million euro) of EC LUX's income, resulting in higher IRES and IRAP of 50 million euro, penalties reduced to a third in the event of acceptance, amounting to 15 million euro, and interest of 9.6 million euro, for a total initial claim of 104.6 million euro.

Following a detailed exchange, the Office, in effectively accepting the request submitted by the company: 1) abandoned the claim of materiality of the intangible asset; 2) accepted the suitability of the TP documentation produced by the company; and 3) ruled out the applicability of the penalties; then the Office first extended the sample of transactions considered comparable (whereas EC ITA had excluded certain transactions from the analysis because they were not considered comparable) and then moved the placement of the correct transfer price from the first to the third quartile.

The settlement proposal – based on higher Italian taxable income of 26.8 million euro (compared to 151.1 million euro) with respect to a total of 208 million euro for EC LUX, resulting in higher IRES and IRAP due of 8.8 million euro (compared to 50 million euro), plus interest of 1.8 million euro (compared to 9.6 million euro), without the application of penalties (compared to 45 million euro), for a total of 10.6 million euro (compared to 104.6 million euro) – was accepted by the company in order to prevent a tax dispute for significant amounts, whose outcome was not completely certain (because it concerned valuation issues and was therefore inevitably subject to margins of discretion) and which would have lasted years. As a result, EC ITA concluded the dispute concerning its transactions in 2016 with its Luxembourg subsidiary EC SA by means of tax settlement agreement.

Following this settlement, the Italian Revenue Agency - Lombardy Regional Directorate sent EC ITA a new questionnaire concerning IRES and IRAP for the year 2017 "in order to check for any continuing tax issues related to intragroup transfer pricing in relation to the 2016 tax period". EC ITA sent the "Master File" and "National Documentation" to the Agency on 22 June, followed by the requested documentation (audit report and summary statement of increases and decreases in IRES tax and IRAP tax) on 27 June.

Following the receipt of a similar questionnaire on 23 November 2023 for the year 2018, EC ITA also sent the Italian Revenue Agency - Lombardy Regional Directorate a copy of the "National Documentation" on the transfer pricing for the 2018 tax period, together with the audit report and the details of the increases and decreases for IRES tax and IRAP tax purposes.

In addition, on 4 April 2023, the Italian Revenue Agency – Lombardy Regional Directorate – Large Taxpayers Office initiated a similar tax audit on Epsilon SGR S.p.A. ("Epsilon") regarding the year 2017 and concerning direct taxes, IRAP, VAT and obligations of tax collection agents. During the audit, the verification was formally extended to the year 2018 solely for intragroup transactions with non-resident parties. In its tax audit report drawn up on 6 October 2023, in relation to the years 2017 and 2018 concerned, the Office i) found that the cross-border transaction concerning the UCI management service provided by Epsilon to its Luxembourg subsidiary EC LUX was not aligned with arm's length conditions and ii) determined a higher taxable amount of 29.6 million euro over the two years, calculated on the assumption that the correct transfer price corresponded to the third quartile of

the price range applied in comparable transactions with independent parties, based on the same stance adopted by EC ITA in accepting the settlement agreement for the year 2016.

Discussions were then initiated with the Agency to ensure that the transactions between EC ITA, Epsilon SGR and EC LUX were examined in a consistent and coordinated manner.

To avoid forfeiting the power of assessment for the 2017 tax period (2018 will expire by 31 December 2024), on 22 December 2023 the Regional Directorate sent EC ITA and Epsilon each two orders to file an appearance for IRES tax and IRAP tax purposes on 28 December 2023 in which it claimed:

- for EC ITA, higher taxable income for IRES tax and IRAP tax of 34.3 million euro for the year 2017 (corresponding to higher IRES tax of 8.2 million euro, plus interest of 1.6 million euro, and higher IRAP tax of 1.9 million euro, plus interest of 0.4 million euro; without any penalty imposed);

- for Epsilon, higher taxable income for IRES tax and IRAP tax of 15.2 million euro for the year 2017 (corresponding to higher IRES tax of 3.6 million euro, plus interest of 0.7 million euro, and higher IRAP tax of 0.8 million euro, plus interest of 0.2 million euro; without any penalty imposed).

The procedure was initiated on the date set and should be concluded by 29 April 2024.

However, based on the numerous meetings between the companies and the Lombardy Regional Directorate during 2023, it is considered possible that the assessments can be settled for significantly lower amounts than those claimed.

With regard to the international subsidiaries, details are provided below of the main outstanding disputes and tax audits in progress.

Intesa Sanpaolo Brasil S.A. - Banco Multiplo, was audited by Receita Federal do Brasil (RFB). The audit was followed by a notice of assessment for direct taxes for the years 2015 and 2016. This dispute mainly concerns the improper use of carried forward tax losses of Indosuez W.I. Carr Securities Brazil Distribuidora de Titulos e Valores Mobiliarios S.A., which in the opinion of the Brazilian tax authorities could not be used, because they were generated before the reorganisation of Intesa Sanpaolo Brasil S.A. - Banco Multiplo, which would have modified the business activities carried out and the corporate structure. The RFB's claim amounts to 1.9 million euro in principal, plus interest of 0.6 million euro.

Alexbank has a corporate income tax audit in progress concerning the 2018 and 2019 tax periods. At present no claims have been put forward. In addition, there is a pending dispute concerning the non-payment of stamp duty by the bank's branches for a total value of approximately 1.2 million euro for tax periods 1984 – 2008. The tax audit on stamp duty relating to the tax period 2020 was closed with no findings.

The tax audit on **IMI SEC** in relation to direct taxes for the years 2015 and 2016 was closed without any findings. Instead, an audit by the State of New York is under way regarding income tax, for the years 2015, 2016 and 2017.

Lastly, since April 2022, **EXELIA** has been subject to a tax audit by the Romanian tax authorities with regard to corporate income tax relating to the tax periods 2016 and 2017. No findings are noted for the time being.

REGULATORY SECTION

Changes in regulatory framework

The Intesa Sanpaolo Group is subject to extensive regulation and supervision by the Bank of Italy, the Italian Securities and Exchange Commission ("**CONSOB**"), the European Central Bank (the "**ECB**") and the European System of Central Banks and is also subject to the authority of the Single Resolution Board ("**SRB**"). Certain entities within the Intesa Sanpaolo Group are also subject to supervision by the Italian Institute for the Supervision of Insurance and Intesa Sanpaolo S.p.A. is also subject to rules applicable to it as an issuer of shares listed on the Milan Stock Exchange. The banking laws to which the Intesa Sanpaolo Group is subject govern the activities in which banks may engage and are designed to maintain the safety and soundness of such institutions and limit their exposure to risk. In addition, the Intesa Sanpaolo Group must comply with financial services laws that govern its marketing and selling practices. New acts of legislation and regulations may be introduced in Italy and the European Union that may affect the Intesa Sanpaolo Group, including proposed regulatory initiatives that could significantly alter the Intesa Sanpaolo Group's capital requirements.

The rules applicable to banks and other entities in banking groups include implementation of measures consistent with the regulatory framework set out by the Basel Committee on Banking Supervision (the "**Basel Committee**").

In accordance with the regulatory frameworks described above and consistent with the regulatory framework being implemented at the European Union level, the Intesa Sanpaolo Group has in place specific procedures and internal policies to monitor, among other things, liquidity levels and capital adequacy, the prevention and detection of money laundering, privacy protection, ensuring transparency and fairness in customer relations and registration and reporting obligations. 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 Intesa Sanpaolo Group's results of operations, business and financial condition. In addition, as at the date of this Base Prospectus, certain laws and regulations have only been recently approved and the relevant implementation procedures are still in the process of being developed.

The CRD IV Package

The Basel III framework began to be implemented in the EU from 1 January 2014 through Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "**CRD IV**") and Regulation (EU) No 575/2013 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, the "**CRD IV Package**"), Delegated Regulation (EU) 2015/61 and its supplements and the Implementing Regulation (EU) 2016/313. The CRD IV Package has been subsequently updated by Regulation (EU) No. 2019/876 ("**CRR II**") and Directive (EU) No. 2019/878 ("**CRD V**").

Full implementation began on 1 January 2014, with particular elements being phased in over a period of time (the requirements were largely fully effective by 2019 and some minor transitional provisions provide for phase-in until 2024). Further details on the implementation of the EU Banking Reform Package (as defined below) are provided in the paragraph "*Revisions to the CRD IV Package*" below.

The provisions of the CRR are supplemented, in Luxembourg, by the CSSF Regulation N°18-03 on the implementation of certain discretions contained in the CRR and implementing Guideline (EU) 2017/697 of the European Central Bank of 4 April 2017 on the exercise of options and discretions available in Union law by national competent authorities in relation to less significant institutions and by technical regulatory and execution rules relating to the CRD IV and the CRR published through

delegated regulations of the European Commission and guidelines of the EBA. The CRD IV was implemented in Luxembourg by the Luxembourg law of 5 April 1993 on the financial sector, as amended (the "**Banking Act 1993**"). The CSSF has supplemented the Banking Act 1993 by adopting certain regulations.

The provisions of the CRR are supplemented in Ireland by the European Union (Capital Requirements) (No. 2) Regulations 2014 of Ireland with respect to technical requirements and offences in order that the CRR can effectively operate in Irish law. The CRD IV was transposed into Irish law by the European Union (Capital Requirements) Regulations 2014 of Ireland. The CRR and CRD IV are also supplemented in Ireland by the document published by the Central Bank of Ireland in 2014 entitled "Implementation of Competent Authority Discretions and Options in CRD IV and CRR" (with respect to implementation in Ireland of certain discretions and options available to Member States under the CRD IV Package) and by technical rules relating to the CRD IV and the CRR published through delegated regulations of the European Commission and guidelines of the EBA.

In Italy the CRD IV was implemented by Legislative Decree no. 72 of 12 May 2015 which impacted, *inter alia*, on:

(i) proposed acquirers of credit institutions' holdings, shareholders and members of the management body requirements (Articles 22, 23 and 91 CRD IV);

(ii) competent authorities' powers to intervene in cases of crisis management (Articles 102 and 104 CRD IV);

(iii) reporting of potential or actual breaches of national provisions (so-called whistleblowing, Article 71 CRD IV); and

(iv) administrative penalties and measures (Articles 64 and 65 CRD IV).

Moreover, the Bank of Italy published new supervisory regulations on banks in December 2013 (Circular of the Bank of Italy No. 285 of 17 December 2013 (the "**Circular No. 285**")) which came into force on 1 January 2014 and has been amended over time in order to implement, inter alia, the CRD IV Package, as amended by the EU Banking Reform Package, and set out additional local prudential rules concerning matters not harmonised at EU level. Circular No. 285 has been constantly updated after its first issue, the last update being the 47th update published on 7 May 2024. The CRD IV Package, as amended by the EU Banking Reform Package, has also been supplemented in Italy by technical standards and guidelines relating to the CRD IV and the CRR finalized by the European Supervisory Authorities (ESAs), mainly the EBA and ESMA, and delegated regulations of the European Commission and guidelines of the EBA.

According to Article 92 of the CRR, institutions are required at all times to satisfy the following own funds requirements: (i) a Common Equity Tier 1 ("**CET1**") capital ratio of 4.5%; (ii) a Tier 1 Capital ratio of 6%; (iii) a Total Capital Ratio of 8% and; (iv) a leverage ratio of 3%. According to Articles from 129 to 134 of CRD IV, these minimum ratios are complemented by the following capital buffers to be met with CET1 capital, reported below:

- *Capital conservation buffer*: set at 2.5 per cent from 1 January 2019 (pursuant to Article 129 of the CRD IV and Part I, Title II, Chapter I, Section II of Circular No. 285);

- *Counter-cyclical capital buffer* ("**CCyB**"): set by the relevant competent authority between 0% - 2.5% of credit risk exposures towards counterparties each of the home Member State, other Member States and third countries (but may be set higher than 2.5 % where the competent

authority considers that the conditions in the Member State justify this), with gradual introduction from 1 January 2016 and applying temporarily in the periods when the relevant national authorities judge the credit growth excessive (pursuant to Article 130 of the CRD IV and Part I, Title II, Chapter I, Section III of Circular No. 285). The Bank of Italy has set, and decided to maintain, the CCyB (relating to exposures towards Italian counterparties) at 0% for the fourth quarter of 2023 and for the first quarter of 2024;

- *Capital buffers for globally systemically important banks* ("**G-SIBs**"): set as an "additional loss absorbency" buffer varying depending on the sub-categories on which the globally systemically important institutions ("**G-SIIs**") are divided into. The lowest sub-category shall be assigned a G-SII buffer of 1 % of the total risk exposure amount calculated in accordance with Article 92(3) of the CRR and the buffer assigned to each sub-category shall increase in gradients of at least 0,5 % of the total risk exposure amount calculated in accordance with Article 92(3) of the CRR. G-SIBs is. determined according to specific indicators (size, interconnectedness, lack of substitutes for the services provided, global cross border activity and complexity); and being phased in from 1 January 2016 (pursuant to Article 131 of the CRD IV and Part I, Title II, Chapter I, Section IV of Circular No. 285), became fully effective on 1 January 2019. Based on the most recently updated list of G-SIIs published by the Financial Stability Board ("FSB"), neither the Issuer (nor any member of the Intesa Sanpaolo Group) is a G-SIB and therefore they do not need to comply with a G-SIB capital buffer requirement (or leverage ratio buffer); and

- *Capital buffers for other systemically important banks at a domestic level* ("**O-SIIs**"): (the category to which Intesa Sanpaolo currently belongs): up to 3.0% as set by the relevant competent authority (reviewed at least annually), to compensate for the higher risk that such banks represent to the financial system (pursuant to Article 131 of the CRD IV and Title II, Chapter 1, Section IV of Circular No. 285). Recently, the Bank of Italy identified Intesa Sanpaolo Group as an O-SII authorised to operate in Italy in 2024 and has imposed on the Intesa Sanpaolo Group a capital buffer for O-SII of 1.25%, applicable from 1st January 2024.

In addition to the above listed capital buffers, under Article 133 of the CRD IV each Member State may introduce a systemic risk buffer in order to prevent and mitigate long term non-cyclical systemic or macro- prudential risks not covered by the CRD IV Package.

With update No. 38 of 22 February 2022, the Circular No. 285 of 17 December 2013 was amended in order to provide, *inter alia*, the introduction of:

(i) the possibility for the Bank of Italy to activate the systemic risk buffer ("**SyRB**") for banks and banking groups authorised in Italy. In particular, the requirement to maintain a systemic risk buffer of Common Equity Tier 1 is intended to prevent and mitigate macro-prudential or systemic risks not otherwise covered with the macro-prudential instruments provided for by the CRR, the anti-cyclical capital buffer and the capital buffers for G-SII and for O-SII. The buffer ratio for systemic risk can be applied to all exposures or to a subset of exposures and to all banks or to one or more subsets of banks with similar risk profiles; and

(ii) some macro-prudential instruments based on the characteristics of customers or loans (so-called "borrower-based measures"). Specifically, these are measures that are not harmonised at European level, which can be used to counter systemic risks deriving from developments in the real estate market and from high or rising levels of household and non-financial corporate debt.

Furthermore, with update No. 39 of 13 July 2022, the Circular 285 was amended in order to align its provisions with Articles 104 to 104c of the CRD V Directive. In particular, the amendments introduced to Part I, Chapter 1, Title III of the Circular 285 provide, inter alia, the introduction of:

(i) a clear differentiation between components of P2R estimated from an ordinary perspective and the Pillar 2 Guidance determined from a stressed perspective which supervisory authorities may require banks to hold; and

(ii) the possibility for supervisory authorities to require additional capital in the presence of excessive leverage risk, under both ordinary and stressed conditions (P2R and Leverage Ratio and Pillar 2 Guidance Leverage Ratio).

Failure by an institution to comply with the buffer requirements described above (the "**Combined Buffer Requirement**") may trigger restrictions on distributions by reference to the so-called Maximum Distributable Amounts ("**MDA**") and the need for the bank to adopt a capital conservation plan and/or take remedial action (Articles 141 and 142 of the CRD IV).

A further rule introduced by the CRR II, applicable in respect of liabilities issued before 27 June 2019, allows for the "grandfathering" of instruments as, respectively, Additional Tier 1 instruments, Tier 2 instruments and eligible liabilities, even if they do not fully comply with certain requirements of the CRR II. This treatment is available until 28 June 2025 at the latest.

The CRD IV Package also introduced a Liquidity Coverage Ratio (the "**LCR**"). This is a stress liquidity measure based on modelled 30-day outflows. Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 supplementing the CRR with regard to liquidity coverage requirement for credit institutions (the "**LCR Delegated Act**") was adopted in October 2014 and published in the Official Journal of the European Union in January 2015. On 20 May 2022, amendments to the LCR Delegated Act were published in the Official Journal (Commission Delegated Regulation (EU) 2022/786 of 10 February 2022) and applied as of July 2022. Most of these amendments were introduced to better allow the credit institutions issuing covered bonds to comply, on one hand, with the general liquidity coverage requirement for a 30 calendar day stress period and, on the other hand, with the cover pool liquidity buffer requirement, as laid down by Directive (EU) 2019/2162 of the European Parliament and of the Council. The Net Stable Funding Ratio ("**NSFR**") is part of the Basel III framework and aims to promote resilience over a longer time horizon (1 year) by creating incentives for banks to fund their activities with more stable sources of funding on an on-going basis. The NSFR were introduced as a requirement in the CRR II published in June 2019 and is applicable from June 2021.

Revisions to the CRD IV Package

On 23 November 2016, the European Commission presented a comprehensive package of reforms to further strengthen the resilience of EU banks and investment firms (the "**EU Banking Reform Package**"). The EU Banking Reform Package amends many existing provisions set out in the CRD IV Package, the BRRD and the SRM Regulation (as such terms are defined below). These proposals were agreed by the European Parliament, the Council of the EU and the European Commission and were published in the Official Journal of the EU on 7 June 2019 entering into force 20 days after, even though most of the provisions are applicable as of 28 June 2021, allowing for a smooth implementation of the new provisions.

The EU Banking Reform Package includes the main following amendments to the CRR:

(i) revisions to the standardised approach for counterparty credit risk;

(ii) changes to the market risk rules which include the introduction first of a reporting requirement pending the implementation in the EU of the latest changes to the FRTB (as defined below) published in January 2019 by the BCBS and then the application of own funds requirements as of 1 January 2023;

(iii) a binding leverage ratio (and related improved disclosure requirements) introduced as a backstop to risk-weighted capital requirements and set at 3% of an institution's Tier 1 capital;

(iv) a binding NSFR (which will require credit institutions and systemic investment firms to finance their long-term activities (assets and off-balance sheet items) with stable sources of funding (liabilities) in order to increase banks' resilience to funding constraints). This means that the amount of available stable funding will be calculated by multiplying an institution's liabilities and regulatory capital by appropriate factors that reflect their degree of reliability over a year. The NSFR will be expressed as a percentage and set at a minimum level of 100%, indicating that an institution holds sufficient stable funding to meet its funding needs during a one-year period under both normal and stressed conditions. The NSFR will apply at a level of 100% at individual and a consolidated level starting from 28 June 2021, unless competent authorities waive the application of the NSFR on an individual basis as of two years after the date of entry into force of the EU Banking Reform Package;

(v) Changes to the large exposures limits, now calculated as the 25% of Tier 1;

(vi) Improved own funds calculation adjustments for exposures to SMEs and infrastructure projects;

(vii) Requirements for own funds and eligible liabilities; and

(viii) Reporting and disclosure requirements.

Furthermore, CRD V amends the CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures. The amendments proposed better align the current regulatory framework to international developments in order to promote consistency and comparability among jurisdictions.

Such measures entered into force on 27 June 2019, while a) the CRR II is applicable from 28 June 2021, excluding some provisions with a different date of application (early or subsequent), b) the CRD V and BRRD 2 were to be implemented into national law by 28 December 2020 excluding some provisions entered into force subsequently. On 30 November 2021, Legislative Decree no. 193 of 8 November 2021, implementing the BRRD 2, was published in the *Gazzetta Ufficiale* and entered into force on 1 December 2021.

Moreover, it is worth mentioning that the Basel Committee on Banking Supervision ("**BCBS**") concluded the review process of the models (for credit risk, counterparty risk, operational risk and market risk) for the calculation of minimum capital requirements, including constraints on the use of internal models and introducing the so-called "output floor" (setting a minimum level of capital requirements calculated on the basis of internal models equal, when fully implemented, to 72.5 per cent. of those calculated on the basis of the standardised methods). The main purpose is to enhance consistency and comparability among banks. The new framework was finalised for market risk in 2016 and finally revised in January 2019. The new framework for credit risk and operational risk was completed in December 2017. Basel III and Basel IV (as defined below) should be fully implemented with the reform package proposed by the European Commission in October 2021.

On 27 October 2021, the European Commission published, as part of a legislative package that includes also amendments to CRD V (the so-called **CRD VI**), the text of the proposal to amend the CRR II (**CRR III** that, jointly with the CRD VI, constitutes the **2021 Banking Reform Package**). In particular, the 2021 Banking Reform Package aims at implementing in the EU the 2017 Basel Accord and further elements not included in such international framework contributing to financial stability and to the steady financing of the economy in the context of the post-COVID 19 crisis recovery. This general objective can be broken down in four more specific objectives:

(i) to strengthen the risk-based capital framework, without significant increases in capital requirements overall;

(ii) to enhance the focus on ESG risk in the prudential framework;

(iii) to further harmonise supervisory powers and tools; and

(iv) to reduce institutions' administrative costs related to public disclosure and to improve access to institutions prudential data.

(v) to insert in the CRR a dedicated treatment for the indirect subscription of instruments eligible for internal MREL (i.e. "daisy chain approach").

In June 2023, the European Parliament and Council reached a provisional agreement on the 2021 Banking Reform Package. The new rules amending the CRR II are expected to apply from 1 January 2025 with certain elements of the regulation phasing in over the coming years. Changes to the CRD V will have to be transposed by Member States by mid-2025. Once implemented in the Union, the regulatory changes brought by the 2021 Banking Reform Package will impact the entire banking system and consequently could determine changes in the capital calculation and increase capital requirements.

Regular monitoring exercise includes also a monitoring exercise to assess the impact of the Basel III framework on a sample of EU banks that the EBA conducts in coordination and in parallel with the BCBS (**Basel III Monitoring Exercise**). This exercise assesses the impact of the latest regulatory developments at BCBS level in the following area: (a) global regulatory framework for more resilient banks and banking systems; (b) the Liquidity Coverage Ratio and liquidity risk monitoring tools; (c) the leverage ratio framework and disclosure requirements; (d) the Net Stable Funding Ratio; and (e) the post-crisis reforms.

The impact of the Basel III is assessed using mostly the following measures:

(i) percentage impact on minimum required Tier 1 capital (MRC);

(ii) impact, in basis point, on the current actual Tier 1 capital ratio; and

(iii) Tier 1 capital shortfall resulting from the full implementation of Basel III, namely the capital amount that banks need to fulfil the Basel III MCR.

According to EBA Decision no. EBA/DC/2021/373, concerning information required for the monitoring of Basel supervisory standards published on 18 February 2021, as subsequently amended, (**EBA Decision**), the Basel III Monitoring Exercise is mandatory, on an annual basis, for a representative set of EU and EEA credit institutions identified by the relevant competent authorities.

On 26 September 2023, EBA published its first mandatory Basel III Monitoring Report which assess the impact that Basel III full implementation will have on EU banks in 2028. According to this

assessment, the full Basel III implementation would result in an average increase of 12.6% of the current Tier 1 minimum required capital. Thus, to comply with the new framework, banks would need EUR 0.6 billion of additional Tier 1 capital.

On 4 May 2020, EBA published its final draft technical standards on specific reporting requirements for market risk, in accordance with the mandate set out in the provisions of the CRR II.

In particular, the implementing technical standards (ITS) introduced uniform reporting templates, the template related instructions, the frequency and the dates of the reporting, the definitions and the IT solutions for the specific reporting for market risk. These ITS introduce the first elements of the Fundamental Review of the Trading Book (FRTB) into the EU prudential framework by means of a reporting requirement. Based on the ITS submitted by the EBA, the European Commission adopted the Implementing Regulation no. 2021/453/EU of 15 March 2021 which applied from 5 October 2021.

As a final note, on 12 October 2023, the EBA published a report on the role of environmental and social risks in the prudential framework of credit institutions and investment firms. Taking a risk-based approach, the report recommends targeted enhancements to accelerate the integration of environmental and social risks across the Pillar I. In particular, the EBA proposed to: (i) including environmental risk as part of stress testing programmes under both the internal ratings-based (IRB) and the internal model approaches (IMA) under the Fundamental Review of the Trading Book; (ii) encourage inclusion of environmental and social factors as part of external assessment by the credit rating agencies; (iii) encourage the inclusion of environmental and social factors as part of the due diligence requirements and evaluation of immovable property collateral; (iv) require institutions to identify whether environmental and social factors constitute triggers of operational risk losses; and (v) progressively develop environment-related concentration risk metrics as part of supervisory reporting.

Revisions to the Basel III framework

In December 2017, the Basel Committee published of its final set of amendments to its Basel III framework (known informally as "**Basel IV**"). Basel IV is expected to introduce a range of measures, including:

(i) changes to the standardised approach for the calculation of credit risk;

(ii) limitations to the use of IRB approaches, mainly banks will be allowed to use the F-IRB approach and the SA, only for specialised lending the A-IRB will be still used;

(iii) a new framework for determining an institution's operational risk charge, which will be calculated only by using a new standardised approach;

(iv) an amended set of rules in relation to credit valuation adjustment; and

(v) an aggregate output capital floor that ensures that an institution's total risk weighted assets ("**RWA**") generated by IRB models are no lower than 72.5% of those generated by the standardised approach.

According to the Basel Committee, Basel IV should be introduced as a global standard from January 2022, with the output capital floor being phased-in (starting at 50% from 1 January 2022 and reaching 72.5% as of 1 January 2025). In this occasion, the Basel Committee postponed the suggested implementation date for the Fundamental Review of the Trading Book ("**FRTB**") has been postponed by the Basel Committee to January 2025 to allow it to finalise the remaining elements of the framework and align the implementation date with the other Basel IV reforms.

Additional reforms to the banking and financial services sector

In addition to the substantial changes in capital and liquidity requirements introduced by Basel IV and the EU Banking Reform Package there are several other initiatives, in various stages of finalisation, which represent additional regulatory pressure over the medium term and have the potential to impact the Intesa Sanpaolo Group's business and operations. These initiatives include, amongst others, a revised EU securitisation framework. On 12 December 2017, the European Parliament adopted the Regulation (EU) 2017/2402 (the "Securitisation Regulation") which entered into force in January 2019, while a number of underlying regulatory and implementing technical standards delivered by the EBA and ESMA are being adopted. The Securitisation Regulation introduced changes to the existing securitisation framework in relation to the nature of the risk retention obligation and due diligence requirements, the introduction of an adverse selection test for certain assets and a new framework for so-called "simple transparent and standardised securitisations" which will receive preferential capital treatment subject to a number of conditions.

On 9 November 2015, the Financial Stability Board ("**FSB**") published its final Total Loss-Absorbing Capacity ("**TLAC**") Principles and Term Sheet, proposing that G-SIBs maintain significant minimum amounts of liabilities that are subordinated (by law, contract or structurally) to liabilities excluded from TLAC, such as guaranteed insured deposits, derivatives, etc. and which forms a new standard for G-SIBs. The TLAC Principles and Term Sheet contains a set of principles on loss absorbing and recapitalisation capacity of G-SIBs in resolution and a term sheet for the implementation of these principles in the form of an internationally agreed standard. The TLAC Principles and Term Sheet require a minimum TLAC requirement for each G-SIB at the greater of (a) 16% of RWA (as of 1 January 2019) and 18% of RWA (as of 1 January 2022), and (b) 6% of the Basel III Tier 1 leverage ratio requirement (as of 1 January 2019), and 6.75 % (as of 1 January 2022). Liabilities that are eligible for TLAC include capital instruments and instruments that are contractually, statutorily or structurally subordinated to certain "excluded liabilities" (including insured deposits and liabilities that cannot be effectively written down or converted into equity by relevant authorities) in a manner that does not give rise to a material risk of compensation claims or successful legal challenges.

With a view to ensuring full implementation of the TLAC standard in the EU, the EU Banking Reform Package and the BRRD2 introduce minimum requirements for own funds and eligible liabilities ("**MREL**"), which apply to EU credit institutions, including G-SIIs (global systematically important institutions). Consistent with the TLAC standard, MREL requirements allow resolution authorities, on the basis of bank-specific assessments, to require that G-SIIs comply with a supplementary MREL requirement strictly linked to the resolvability analysis of a given G-SII. Based on the most recently updated list of G-SIIs published by the FSB on 27 November 2023, neither the Issuer nor any member of the Intesa Sanpaolo Group has been identified as a G-SIB in the 2023.

The BRRD2 includes important changes as it introduces a new category of banks, the so-called top-tier banks, being banks which are resolution entities that are not G-SIIs but are part of a resolution group whose total assets exceed €100 billion. ISP is a top-tier bank for this purpose. At the same time, the BRRD2 introduces a minimum harmonised MREL requirement (also referred to as a "**Pillar 1 MREL requirement**") which applies to G-SIIs and top-tier banks. In addition, resolution authorities will be able, on the basis of bank-specific assessments, to require that G-SIIs and top- tier banks comply with a supplementary MREL requirement (a "**Pillar 2 MREL requirement**"). A subordination requirement is also generally required for MREL eligible liabilities under BRRD2, but exceptions apply.

In order to ensure compliance with MREL requirements, and in line with the FSB standard on TLAC, the BRRD2 provides that in case a bank does not have sufficient eligible liabilities to comply with its MREL requirements, the resultant shortfall is automatically filled up with CET1 Capital that would otherwise be counted towards meeting the combined capital buffer requirement. However, under certain

circumstances, BRRD2 envisages a nine-month grace period before restrictions to discretionary payments to the holders of regulatory capital instruments senior management of the bank and employees take effect due to a breach of the combined capital buffer requirement. Delegated regulation 2021/763 (EU), applicable since 28 June 2021, lays down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities.

ECB Single Supervisory Mechanism

On 15 October 2013, the Council of the European Union adopted Council Regulation (EU) No. 1024/2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions (the "**SSM Regulation**") for the establishment of a single supervisory mechanism (the "**Single Supervisory Mechanism**" or "**SSM**"). The SSM Regulation provides the ECB, in conjunction with the national competent authorities of the Eurozone and participating Member States, with direct supervisory responsibility over "banks of significant importance" in those Member States. "Banks of significant importance" include any Eurozone bank in relation to which (i) the total value of its assets exceeds €30 billion or – unless the total value of its assets is below €5 billion – the ratio of its total assets over the national gross domestic product exceeds 20%; (ii) is one of the three most significant credit institutions established in a Member State; (iii) has requested, or is a recipient of, direct assistance from the European Financial Stability Facility or the European Stability Mechanism and/or (iv) is considered by the ECB to be of significant relevance where it has established banking subsidiaries in more than one participating Member State and its cross-border assets/liabilities represent a significant part of its total assets/liabilities. Intesa Sanpaolo S.p.A. and the Intesa Sanpaolo Group have been classified, respectively, as a significant supervised entity and a significant supervised group pursuant to the SSM Regulation and Regulation (EU) No. 468/2014 of the European Central Bank of 16 April 2014 (the "**SSM Framework Regulation**") and, as such, are subject to direct prudential supervision by the ECB.

The relevant national competent authorities continue to be responsible, in respect of Intesa Sanpaolo and its subsidiaries, for supervisory functions not conferred on the ECB, such as consumer protection, money laundering, payment services, and supervision over branches of third country banks. The ECB is exclusively responsible for the prudential supervision of Intesa Sanpaolo Group, which includes, inter alia, the power to: (i) authorise and withdraw authorisation; (ii) assess acquisition and disposal of holdings; (iii) ensure compliance with all prudential requirements laid down in general EU banking rules; (iv) set, where necessary, higher prudential requirements to protect financial stability under the conditions provided by EU law; (v) ensure compliance with robust corporate governance practices and internal capital adequacy assessment controls and (vi) intervene at the early stages when risks to the viability of a bank exist, in coordination with the relevant resolution authorities. The ECB may exercise options and discretions under the SSM and SSM Framework Regulation in relation to the Intesa Sanpaolo Group.

The Intesa Sanpaolo Group is subject to the provisions of the EU Bank Recovery and Resolution Directive

On 2 July 2014, the directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (the "**BRRD**") entered into force. The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an institution that is failing or likely to fail so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. The BRRD contains four resolution tools and powers which may be used alone (except for the asset separation tool) 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. other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing interests in shares or other instruments of ownership) (the "**general bail-in tool**"). Such shares or other instruments of ownership could also be subject to any exercise of such powers by a resolution authority under the BRRD.

In addition to the general bail-in tool, the BRRD provides for resolution authorities to have the further power to permanently write-down/convert into shares or other instruments of ownership at the point of non-viability and before any other resolution action is taken ("**non- viability loss absorption**"). The point of non-viability under the BRRD is the point at which the relevant authority determines that the institution meets the conditions for resolution (but no resolution action has yet been taken) or that the institution or its group will no longer be viable unless the relevant capital instruments are written-down/converted or extraordinary public support is to be provided.

Resolution authorities have the power to amend or alter the maturity of certain debt instruments issued by an institution under resolution, amend the amount of interest payable under such instruments, the date on which the interest becomes payable (including by suspending payment for a temporary period) and to restrict the termination rights of holders of such instruments. The BRRD also provides for a Member State, after having assessed and exhausted the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. Resolution authorities may provide public equity support to an institution and/or take the institution into public ownership. Such measures must be taken in accordance with the EU state aid framework and will require a contribution to loss absorption from shareholders and creditors via write-down, conversion or otherwise, in an amount equal to at least 8% of total liabilities (including own funds).

As an exemption from these principles, the BRRD allows for three kinds of extraordinary public support to be provided to a solvent institution without triggering resolution: 1) a State guarantee to back liquidity facilities provided by central banks according to the central banks' conditions; 2) a State guarantee of newly issued liabilities; or 3) an injection of own funds in the form of precautionary recapitalisation. In the case of precautionary recapitalization EU state aid rules require that shareholders and junior bond holders contribute to the costs of restructuring.

The SRM provides for the setting up of a Single Resolution Fund in the relevant Member State (the "**SRF**" or the "**Fund**"), established under the control of the SRB, as of 1 January 2016 in which the national resolution funds had been pooled together. The SRF is intended to ensure the availability of funding support while a bank is resolved and will contribute to resolution if, and only after, at least 8 % of the total liabilities (including own funds) of the bank have been subject to bail-in. The SRF is expected to reach a target of around €80 billion (the basis being 1 per cent. of the covered deposits in the financial institutions of the Eurozone). Once this target level is reached, in principle, institutions will have to contribute only if the resources of the SRF are used up in order to deal with resolution

action taken by the relevant authorities. The BRRD has been implemented in Italy through the adoption of two Legislative Decrees by the Italian Government, namely, Legislative Decrees No. 180/2015 and 181/2015 (together, the "**BRRD Decrees**"), both of which were published in the Italian Official Gazette (*Gazzetta Ufficiale*) on 16 November 2015. Legislative Decree No. 180/2015 is a stand-alone law which implements the provisions of BRRD relating to resolution actions, while Legislative Decree No. 181/2015 amends the existing Banking Law (Legislative Decree No. 385 of 1 September 1993, as amended) and deals principally with recovery plans, early intervention and changes to the creditor hierarchy. The BRRD Decrees entered into force on 16 November 2015, save that: (i) the bail-in tool applied from 1 January 2016; and (ii) a "depositor preference" granted for deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SME's applied from 1 January 2019.

It is important to note that, pursuant to Article 49 of Legislative Decree No. 180/2015, resolution authorities may not exercise the bail-in powers in relation to secured liabilities, including covered bonds or their related hedging instruments, save to the extent that these powers may be exercised in relation to any part of a secured liability (including covered bonds and their related hedging instruments) that exceeds the value of the assets, pledge, lien or collateral against which it is secured. The BRRD specifically contemplates that *pari passu* ranking liabilities may be treated unequally. Accordingly, holders of Securities of a particular Series may be subject to write-down/conversion upon an application of the general bail-in tool while other Series of Securities (or, in each case, other *pari passu* ranking liabilities) are partially or fully excluded from such application of the general bail-in tool.

Further, although the BRRD provides a safeguard in respect of shareholders and creditors upon application of resolution tools, Article 75 of the BRRD sets out that such protection is limited to the incurrence by shareholders or, as appropriate, creditors, of greater losses as a result of the application of the relevant tool than they would have incurred in a winding up under normal insolvency proceedings. It is therefore possible not only that the claims of other holders of junior or *pari passu* liabilities may have been excluded from the application of the general bail-in tool and therefore the holders of such claims receive a treatment which is more favourable than that received by holders of Securities, but also that the safeguard referred to above does not apply to ensure equal (or better) treatment compared to the holders of such fully or partially excluded claims. This is due to the fact that the safeguard is not intended to address such possible unequal treatment but rather to ensure that shareholders or creditors do not incur greater losses in a bail-in (or other application of a resolution tool) than they would have received in a winding up under normal insolvency proceedings.

Certain categories of liability are subject to the mandatory exclusions from bail-in foreseen in Article 44(2)(g) of the BRRD. For instance, most forms of liability for taxes, social security contributions or to employees benefit from privilege under Italian law and as such are preferred to ordinary senior unsecured creditors in the context of liquidation proceedings. Article 108 of the BRRD requires that Member States modify their national insolvency regimes such that deposits of natural persons and micro, small and medium sized enterprises in excess of the coverage level contemplated by deposit guarantee schemes created pursuant to the BRRD have a ranking in normal insolvency proceedings which is higher than the ranking which applies to claims of ordinary, unsecured, non-preferred creditors. In addition, the BRRD does not prevent Member States, including Italy, from amending national insolvency regimes to provide other types of creditors, with rankings in insolvency higher than ordinary, unsecured, non-preferred creditors. Legislative Decree No. 181/2015 has amended the creditor hierarchy in the case of admission of Italian banks and investment firms to resolution as well as compulsory liquidation procedures by providing that, as from 1 January 2019, all deposits other than those protected by the deposit guarantee scheme and excess deposits of individuals and SMEs will benefit from a preference in respect of senior unsecured liabilities, though with a ranking which is lower than that provided for individual/SME deposits exceeding the coverage limit of the deposit guarantee scheme. On 25 October 2017 the European Parliament, the Council and the European

Commission agreed on elements of the review of the BRRD. As part of this process Article 108 of the was amended by Directive (EU) 2017/2399. Member States were required to adopt and publish relevant laws, regulations and administrative provisions necessary to comply with the amendment to the creditor hierarchy by 29 December 2018. The recognition of the new class of so called "Senior Non-Preferred Debt" has been implemented in the EU through the Directive (EU) 2017/2399 of the European Parliament and of the Council of 12 December 2017 amending BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy. In Italy, the Directive has been implemented with the law No. 205/2017, modifying article 12-*bis* of the Consolidated Banking Act.

Legislative Decree No. 181/2015 has also introduced strict limitations on the exercise of the statutory rights of set-off normally available under Italian insolvency laws, in effect prohibiting set-off by any creditor in the absence of an express agreement to the contrary. Since each holder of Securities will have expressly waived any rights of set-off, counterclaim, abatement or other similar remedy which they might otherwise have, under the laws of any jurisdiction, in respect of such Securities, it is clear that the statutory right of set-off available under Italian insolvency laws will likewise not apply.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. As indicated above, holders of Securities may be subject to write-down/conversion into shares or other instruments of ownership on any application of the general bail-in tool.

The BRRD also established that institutions shall meet, at all times, their MREL requirement. Under Article 45 of the BRRD, MREL is to be calculated as the amount of own funds and eligible liabilities expressed as a percentage of total liabilities and own funds of the institution or based on the leverage ratio exposure measure, according to Article 429 and 429a of the CRR II.

Revisions to the BRRD framework

The EU Banking Reform Package included Directive (EU) 2019/879, which provides for a number of significant revisions to the BRRD (known as "BRRD2"). BRRD2 provides that Member States are required to ensure implementation into local law by 28 December 2020 with certain requirements relating to the implementation of the TLAC standard applying from January 2022 while the transitional period for full compliance with MREL requirements is foreseen until 1 January 2024, with interim targets for a linear build-up of MREL set at 1 January 2022. The EU Banking Reform Package includes, amongst other things:

(i) full implementation of the FSB's TLAC standard in the EU and revisions to the existing MREL regime. Additional changes to the MREL framework include changes to the calculation methodology for MREL, criteria for the eligible liabilities which can be considered as MREL, the introduction of internal MREL and additional reporting and disclosure requirements on institutions;

(ii) introduction of a new category of "top-tier" banks, being banks which are resolution entities that are not G-SIIs but are part of a resolution group whose total assets exceed €100 billion;

(iii) the introduction of a new moratorium power for resolution authorities and requirements on the contractual stays in resolution; and

(iv) amendments to the article 55 regime in respect of the contractual recognition of bail-in.

Changes to the BRRD under BRRD2 will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

On 1 December 2021, Legislative Decree no. 193 of 8 November 2021 (**Decree No. 193**), implementing the BRRD2 into the Italian jurisdiction, entered into force, amending Legislative Decree no. 180/2015 (**Decree no. 180**) and the Banking Law.

The provisions set forth in the Decree No. 193 includes, among other things:

(i) Changes to the MREL regulatory framework

The amendments introduced to Legislative Decree no. 180/2015 aligned the Italian regulatory framework regulating MREL, and the criteria according to which it is determined, to the provisions set forth in BRRD2.

In particular, the amended version of Decree No. 180 clearly envisages that MREL shall be determined by the Bank of Italy on the basis of the following criteria:

a) the need to ensure that the application of the resolution tools to the resolution entity is adequate to meet the resolution's objectives;

b) the need to ensure that the resolution entity and its subsidiaries belonging to the same corporate group subject to resolution have sufficient own funds and eligible assets to ensure that, if the bail-in tool or write-down or conversion powers, respectively, were to be applied to them, losses could be absorbed and that it is possible to restore the total capital ratio and, as applicable, the leverage ratio to a level necessary to enable them to continue to comply with the conditions for authorisation, according to the regulatory framework currently in force, even if the resolution plan envisages the possibility for certain classes of eligible liabilities to be excluded from bail-in or to be transferred in full to a recipient under a partial transfer;

c) the size, the business model, the funding model and the risk profile of the entity; and

d) the extent to which the failure of the entity would have an adverse effect on financial stability, due to the interconnectedness of the entity with other institutions or entities or with the rest of the financial system.

(ii) New ranking for subordinated instruments of banks which do not qualify as own fund

Article 91 of the Banking Law has been modified by Decree No. 193 to transpose into the Italian legislative framework the provisions envisaged by Article 48(7) of the BRRD2.

In particular, according to the amended version of Article 91, subordinated instruments which do not qualify (and no part thereof is recognised) as own funds items shall rank senior to own funds items (including any instruments only partly recognised as own funds items) and junior to senior non-preferred instruments. Moreover, if own funds items cease, in their entirety, to be classified as such, they will rank senior to own funds items but junior to senior non-preferred instruments.

The abovementioned provisions also apply to instruments issued before the entrance into force of Decree No. 193, such as 1 December 2021.

(iii) New minimum denomination requirement

Article 12-ter of the Banking Law, introduced by Decree No. 193, provides for the determination of a minimum unit value for bonds and debt securities issued by banks or investment firms equal to Euro 200,000 for subordinated bonds and other subordinated securities or Euro 150,000 for Senior Non Preferred debt instruments ("*strumenti di debito chirografario di secondo livello*").

Any contracts entered into with non professional investors and relating to investment services having as their object the instruments referred to in Article 12-ter of the Banking Law issued after 1 December 2021, that do not respect the minimum unit value, shall be declared as null and void (Article 25-*quarter* of the Financial Services Act, as amended by Decree No. 193).

Without prejudice to the restrictions outlined above on the sale to retail investors, the ban previously in force on the placement of Senior Non Preferred debt instruments with non qualified investors has been repealed by Article 5 of Decree No. 193.

It is worth mentioning that on 18 April 2023, the European Commission published a legislative proposal on the Crisis Management and Deposits Insurance (**CMDI Reform**) framework. The package consists of four legislative proposals that would amend existing EU legislation: the BRRD, the Deposit Guarantee Scheme Directive (**DGSD**) and the SRMR. New aspects of the framework could include: i) expanding the scope of resolution through a revision of the public interest assessment to include a regional impact so more eurozone banks could be brought into the resolution framework, ii) the use of deposit guarantee schemes to help banks, especially the small ones, to meet a key threshold for bearing losses of 8% of their own funds and liabilities, which then allows them to have access to the Single Resolution Fund, also funded by bank contributions, and help sell the problem banks' assets and fund their exit from the market, iii) amending the hierarchy of claims in insolvency and scrapping the "super-preference" of the DGS to put all deposits on equal pegging in an insolvency, but still above ordinary unsecured creditors with the aim of enabling the use of DGS funds in measures other than pay out of covered deposits without violating the least cost test. The proposal will need to be agreed by the Member States and the European Parliament, a process whose duration and outcome remains uncertain as at the date of this Base Prospectus.

Intesa Sanpaolo Group is subject to the provisions of the Regulation establishing the Single Resolution Mechanism

On 19 August 2014, the Regulation (EU) No. 806/2014 establishing a Single Resolution Mechanism (the "**SRM Regulation**") entered into force. The SRM Regulation became operational on 1 January 2016. There are, however, certain provisions including those concerning the preparation of resolution plans and provisions relating to the cooperation of the SRB with national resolution authorities, which entered into force on 1 January 2015. The SRM Regulation was subsequently updated with the EU Banking Reform Package in June 2019. The SRM Regulation, which complements the SSM (as defined above), applies to all banks supervised by the SSM. It will mainly consist of the SRB and the SRF.

Regulation (EU) No. 2019/877 of the European Parliament and of the Council of 20 May 2019 ("**SRM II Regulation**") amends the SRM Regulation as regards the loss-absorbing and recapitalization of credit institutions and investment firms.

The Single Resolution Mechanism framework ensures that, instead of national resolution authorities, there will be a single authority – i.e. the SRB – which takes all relevant decisions for the resolution of banks being supervised by the SSM and part of the Eurozone. In line with the changes to BRRD2 described above, revisions to the provisions of the SRM Regulation (in relation to MREL) are due to change in due course. In this context, as mentioned above, it is also worth mentioning that, as part of the CMDI Reform, amendments to the SRM, have been recently proposed by the European co-legislator. The main purpose of this legislative reform is to build on the objectives of the crisis management framework and to ensure a more consistent approach to resolution so that any bank in crisis can exit the market in an orderly manner, while preserving the financial stability, taxpayer money and ensuring deposit confidence.

Regulatory and supervisory framework on non-performing exposures

Among the measures adopted at European level in order to reduce the amount of non-performing exposures in banks' balance sheets within adequate levels, the following are worth mentioning:

Guidance to banks on non-performing loans published by ECB on 20 March 2017 and Addendum to the Guidance to banks on non-performing loans published by ECB on 15 March 2018: the NPL guidance contains recommendations and lays out the bank's approach, processes and objectives regarding the effective management of the exposures. The guidance addresses all non-performing exposures ("NPEs"), as well as foreclosed assets, and touches on performing exposures with an elevated risk of turning non-performing, such as "watch-list" exposures and performing forborne exposures. According to the guidance, the banks need to establish a strategy to optimize their management of NPLs based on a self assessment of the internal capabilities to effectively manage; the external conditions and operating environment; and the impaired portfolios specifications.

On 15 March 2018, the ECB published the Addendum to the Guidance on NPL which sets out supervisory expectations for the provisioning of exposures reclassified from performing to nonperforming exposures (NPEs) after 1 April 2018 (the "ECB Addendum"). In addition, the ECB's bank-specific supervisory expectations for the provisioning of the stock of NPLs (before 31 March 2018), was set out in its 2018 supervisory review and evaluation process (SREP) letters and the ECB will discuss any divergences from these prudential provisioning expectations with institutions as part of future SREP exercises.

On 22 August 2019, the ECB decided to revise its supervisory expectations for prudential provisioning of new non-performing exposures. The decision was made after taking into account the adoption of Regulation (EU) 2019/630 amending the CRR (Regulation (EU) No 575/2013) as regards minimum loss coverage for non-performing exposures published in the Official Journal of the EU on 25 April 2019, also known as the "Pillar 1 Backstop Regulation", which introduces Pillar 1 provisioning requirements, following principles similar to those already guiding the finalisation of the ECB Addendum.

The initiatives that originate from the ECB are strictly supervisory (Pillar II) in nature. In contrast, the European Commission's requirement is legally binding (Pillar I). Therefore the above mentioned guidelines result in three "buckets" of NPEs based on the date of the exposure's origination and the date of NPE's classification:

- Loans classified as NPEs before 31 March 2018 (Pillar II - Stock): 2/7 years vintage buckets for unsecured/secured NPEs, subject to supervisory coverage recommendations and phase-in paths as communicated in SREP letters;

- Loans originated before 26 April 2019 (Pillar II – ECB Flows) and classified as NPEs after 31 March 2018: 3/7/9 years vintage buckets for unsecured/secured other than by immovable property/secured by immovable property, progressive path to 100%. NPEs guaranteed or insured by an official export credit agency are subject to a special treatment, i.e. coverage expectation of 100% is applicable to export credit exposures after more than 7 years of NPE status;

- Loans originated on or after 26 April 2019 (Pillar I – CRR Flows) and then classified as NPEs: 3/7/9 years vintage buckets for unsecured/secured other than by immovable property/secured by immovable property, progressive path to 100%. NPEs guaranteed or insured by an official export credit agency are subject to a special treatment, i.e. coverage expectation of 100% is applicable to export credit exposures after more than 7 years of NPE status.

Action plan to address the problem of non-performing loans in the European banking sector published by the European Council on 11 July 2017: the action plan outlines an approach based on a mix of four policy actions: the bank supervision; the reform of insolvency and debt recovery frameworks; the development of secondary markets for NPLs; promotion of the banking industry restructuring. An updated Action Plan was published in December 2020.

Guidelines on management of non-performing and forborne exposures published by the EBA on 31 October 2018: the Guidelines aim to ensure that credit institutions have adequate tools and frameworks in place to manage effectively their non-performing exposures (NPEs) and to substantially reduce the presence of NPEs on the balance sheet. Only for credit institutions with a gross NPL ratio above 5 per cent., the EBA asked to introduce specific strategies, in order to achieve a reduction of NPEs, and governance and operational requirements to support them.

Guidelines on disclosure of non-performing and forborne exposures published by the EBA on 17 December 2018 (as amended on 12 October 2022): in force since 31 December 2019, the Guidelines set enhanced disclosure requirements and uniform disclosure formats applicable to credit institutions' public disclosure of information regarding nonperforming exposures, forborne exposures and foreclosed assets. The amending Guidelines published on 12 October 2022 are applicable from 31 December 2022.

Regulation (EU) 2019/630 amending CRR as regards minimum loss coverage for non-performing exposures: the Regulation establishes, in the context of Pillar I, the prudential treatment of the non-performing exposures for loans originated prior to 26 April 2019, requiring a deduction from own funds where NPEs are not sufficiently covered by provisions or other adjustments. The Regulation's purpose is to encourage a timely and proactive management of the NPEs. Loans are divided in vintage buckets of 3/7/9 years and a progressive coverage path is applied for each bucket. A 100% coverage is applicable to: (i) unsecured exposures from the third year after the classification as NPE, (ii) exposures secured by immovable collateral and residential loans guaranteed by an eligible protection provider as defined in CRR, from the ninth year after the classification as NPE; and (iii) secured exposures, from the seventh year after the classification as NPE.

Directive (EU) 2021/2167 on credit servicers, credit purchasers and the recovery of collateral (COM/2018/0135): the proposal is aimed to achieve (i) a better management of NPLs by increasing the efficiency of debt recovery procedures through the availability of a distinct common accelerated extrajudicial collateral enforcement procedure (**AECE**); (ii) the development of secondary markets for NPLs in the EU's markets by harmonizing the regulatory regime for credit servicers and credit purchasers. The European Commission finalized and published on 8 December 2021, in the Official Journal of the European Union, the Directive no. 2021/2167 on credit services and credit purchasers (**NPLs Directive**). The NPLs Directive enters into force on the twentieth day following that of its publication in the Official Journal (i.e. 28 December 2021) and was expected to be implemented by the Member States by 29 December 2023.

The part of the Directive related to the AECE mechanism remains not adopted.

Opinion on the regulatory treatment of non-performing exposure securitisations published by the EBA on 23 October 2019: the Opinion recommends to adapt the CRR and the Regulation (EU) 2017/2401 (**Securitisation Regulation**) to the particular characteristics of NPEs by removing certain constraints imposed by the regulatory framework on credit institutions using securitisation technology to dispose of NPE holdings. In preparing its proposal to the European Commission, the EBA outlined the fact that the securitisations can be used to enhance the overall market capacity to absorb NPEs at a faster pace and larger rate than otherwise possible through bilateral sales only, as a consequence of securitisations'

structure in tranches of notes with various risk profiles and returns, which may attract a more diverse investor pool with a different Risk Appetite.

On 24 July 2020, as part of the Capital Markets Recovery Package, the European Commission presented amendments to review, *inter alia*, some regulatory constraints in order to facilitate the securitisation of non-performing loans (i.e. increasing the risk sensitivity for NPE securitisations by assigning different risk weights to senior tranche). After the approval by the European Parliament at the end of March, on 6 April 2021, Regulation (EU) 2021/557 which introduces amendments to the Securitisation Regulation and Regulation (EU) 2021/558 amending Regulation (EU) 2013/575 as regards adjustments to the securitisation framework to support the economic recovery in response to the COVID-19 crisis were published on the Official Journal of the European Union. Both Regulations entered into force on 9 April 2021.

In addition, the European Commission published in December 2020 a new Action plan on tackling NPLs. In order to prevent a renewed build-up of NPLs on banks' balance sheets as a result of the COVID-19 pandemic, the European Commission proposed a series of actions with four main goals: (i) further develop secondary markets for distressed assets (in particular by finalizing the Directive on credit servicers, credit purchasers and the recovery of collateral; establishing a data hub at European level and reviewing the EBA templates to be used during the disposal of NPLs); (ii) reform the EU's corporate insolvency and debt recovery legislation; (iii) support the establishment and cooperation of national asset management companies at EU level; (iv) introduce precautionary public support measures, where needed, to ensure the continued funding of the real economy under the EU's Bank Recovery and Resolution Directive and State aid frameworks. As a result, the European Commission published on 18 October 2022 the Communication on the guidelines for a best-execution process for sales of non-performing loans on secondary markets. The main objectives of such communication are to (i) encourage good sell and buy-side processes for NPL transactions in EU secondary markets and, in particular, (ii) to help sellers and buyers that may have less experience with secondary market transactions throughout the sale process.

To further improve the transparency and efficiency of secondary market for NPLs, on 16 June 2021 the European Commission released a public consultation aimed at identifying and gathering information on remaining obstacles to the proper functioning of secondary markets for NPLs as well as possible enabling actions that could be taken to foster these markets by improving the quantity, quality and comparability of NPL data. The public consultation ended on 8 September 2021.

Measures to counter the impact of the "COVID-19" virus

European and national authorities have undertaken several measures to support the banking and financial market to counter the economic effects of COVID-19.

On 10 March 2020, through an addendum to the 2019 credit agreement between the Italian Banking Association ("**ABI**") and the Business Associations, the possibility of requesting suspension or extension was extended to loans granted until 31 January 2020. The moratorium refers to loans to micro, small and medium-sized companies affected by the COVID-19 outbreak. The capital portion of loan repayment instalments may be requested to be suspended for up to one year, later extended until 30 June 2021. The suspension is applicable to medium/long-term loans (mortgages), including those concluded through the issue of agricultural loans, and to property or business assets leasing transactions. In the latter case, the suspension concerns the implicit capital instalments of the leasing. On 21 April 2020, through an agreement entered into with the consumer associations, the moratorium was extended to credit to households, including the suspension of the principal portion of mortgage-backed loans and unsecured loans repayable in instalments.

The ECB, at its monetary policy meeting held on 12 March 2020, decided to adopt a comprehensive set of monetary policy measures, consisting of three key elements: first, safeguarding liquidity conditions in the banking system through a series of favourably-priced longer term refinancing operations (LTROs); second, protecting the continued flow of credit to the real economy through a fundamental recalibration of targeted longer term refinancing operations (TLTROs); and, third, preventing tightening of financing conditions for the economy in a pro-cyclical way via an increase in the asset purchase programme (APP).

As regards TLTRO, the Governing Council decided to apply considerably more favourable terms during the period from June 2020 to June 2022 to all TLTRO III operations outstanding during that time. Throughout this period, the interest rate on these TLTRO III operations will be 50 basis points below the average rate applied in the Eurosystem's main refinancing operations.

Recently, a significant upward revision in the outlook for medium-term inflation (since the end of 2021) as well as in 2022 an unexpected high increase of energy costs, supply deficiencies and trade disruption, mainly due to the Russian invasion of Ukraine, caused a material rise in inflation which call for a reassessment of the appropriate monetary policy stance.

As part of this re-evaluation package, on 27 October 2022, the Governing Council adopted decision no. 2022/2128 (**ECB Decision No. 2128**), whereby it decided that from 23 November 2022 until the maturity date or early repayment date of each outstanding TLTRO III operations (**TLTRO III Operations**), the interest rate on TLTRO III Operations will be indexed to the average applicable key ECB interest rates over this period and no longer over the entire life of the program tranche. The measures laid down by ECB Decision No. 2128 have modified the TLTRO III program in a more restrictive way by removing almost all remuneration incentives and resulted in a sharp worsening of the funding rate and thus ECB introduced a new early repayment window on the date of the change effectiveness to allow banks to exit the program before relative conditions change.

The Governing Council also added a temporary envelope of additional net asset purchases of Euro 120 billion until the end of 2020, ensuring a strong contribution from the private sector purchase programmes. On 18 March 2020 this was followed by the announcement of the Euro 750 billion Pandemic Emergency Purchase Program (**PEPP**), increased with a further Euro 600 billion on 4 June 2020. The Governing Council intends to reinvest the principal payments from maturing securities purchased under the PEPP until at least the end of 2024. In any case, the future roll-off of the PEPP portfolio will be managed to avoid interference with the appropriate monetary policy stance.

Among the various measures adopted by the Italian government to address the epidemiological emergency due to COVID-19 outbreak, on 17 March 2020 Law Decree No. 18 (Cura Italia Decree) was adopted. The Cura Italia Decree has introduced special measures derogating from the ordinary proceeding of the Guarantee Fund for SMEs in order to simplify the requirements for access to the guarantee and strengthen the intervention of the Guarantee Fund for SMEs itself, as well as the possibility of transforming the DTA relating to losses that can be carried forward but not yet deducted and to the amount of the ACE ("***Aiuto alla Crescita Economica***") notional return exceeding the total net income, to the extent of 20 per cent. of the impaired loans sold by 31 December 2020.

On 27 March 2020, the Basel Committee's oversight body, the Group of Central Bank Governors and Heads of Supervision (GHOS), has deferred Basel III implementation to increase operational capacity of banks and supervisors to respond to the immediate financial stability priorities resulting from the impact of the COVID-19 on the global banking system.

The measures endorsed by the GHOS comprise the following changes to the implementation timeline of the outstanding Basel III standards:

- the implementation date of the Basel III standards finalised in December 2017 has been deferred by one year to 1 January 2023. The accompanying transitional arrangements for the output floor has also been extended by one year to 1 January 2028.

- the implementation date of the revised market risk framework finalised in January 2019 has been deferred by one year to 1 January 2023.

- the implementation date of the revised Pillar 3 disclosure requirements finalised in December 2018 has been deferred by one year to 1 January 2023.

In continuity with the Cura Italia Decree, Law Decree no. 23 of 8 April 2020 (**Liquidity Decree**) was issued, a further measure deemed necessary to support Italian entrepreneurship. The Liquidity Decree, in addition to providing an additional guarantee managed by SACE Simest (SACE), a company of the Cassa Depositi e Prestiti group, aims to further strengthen the Guarantee Fund for SMEs by redrawing its rules for accessing, by including also companies with no more than 499 employees and professionals, as well as increasing the guarantee coverage percentages already provided by Article 49 of the Cura Italia Decree (provision that is repealed). In the wake of the latter provision, the Liquidity Decree makes further exceptions to the ordinary rules of the Guarantee Fund for SMEs, which will be applicable until 31 December 2020. The Government is going to extend such measures until 31 December 2021 (the prorogation was provided by the Law Decree of the end of April 2021).

On 19 May 2020, the Law Decree No. 34 of 19 May 2020 (the so-called "**Decreto Rilancio**") was published in the Official Journal, introducing urgent measures in the areas of healthcare, work and economic support, as well as social policies, related to the epidemiological emergency caused by COVID-19.

Such decree has been signed in the Law No. 77/2020. It introduced some provisions (valid until 31 December 2020) which are aimed at strengthening SME's capital, thus preventing their insolvency risk. Particular reference is made to two public tools: "Patrimonio PMI" fund, which is aimed at subscribing new bonds issued by SME corporates with €10 million turnover, which have been impacted by COVID-19 a turnover reduction of 33 per cent. in April and May 2020 (two tax credits are granted to other investors <20 per cent. of the investment> in such corporates, and to the corporates above indicated which have suffered losses <50 per cent. of the losses which exceed the 10 per cent. of the Net worth, but in the limit of the 30 per cent. of the capital increase>); and the so-called "Patrimonio rilancio" (Dedicated assets within CDP) which is aimed at subscribing new bonds (mainly convertible bonds) and shares in order to support the real economy.

In August 2020 the Government approved the Law Decree "August" (Law Decree 14 August 2020, No. 104, converted into Law 13 October 2020, No. 126) containing several urgent measures in support of health, work and economy, linked to the COVID-19 emergency. The measures introduced by the Law regard the extension of the moratorium for SME until 31 January 2021 (formerly 30 September 2020) and, for tourist sector, until 31 March 2021. Such prorogation operate automatically, unless expressly waived by the beneficiary company. They also provide technical changes to the possibility (Article 55, Law Decree Cura Italia No. 18/2020) to convert the DTAs into tax credits (application to special regimes, such as consolidated and transparency). The decree above mentioned also widens the scope of the public guarantee, too, extending the FCG guarantee scope to companies which already got a prorogation of the guarantee due to temporary difficulties of the beneficiary and including financial intermediation and holding financial assets activities in the 30k guaranteed loans. It also extends SACE guarantee scope also to companies admitted to the arrangement procedure with business continuity (or certified plans and restructuring agreements) if their exposures are not classifiable as non-performing exposures (at the date of submission of the application), they don't present amounts in arrears and the lender can reasonably assume the full repayment of the exposure at maturity.

Sustainable Finance Regulation

The banking system needs to be able to collect high quality data on companies' sustainable activities and projects to contribute to the radical transformation towards climate neutrality and sustainability, which are the basis for green finance decision-making and necessary to ensure that the banks shall comply with the regulations on the disclosure of financial and non-financial information.

The EBA Action plan on the implementation of the ESG risks in the prudential framework aims to amend the European legislation not before 2025. In May 2018, the European Commission published a package of legislative measures in order to promote a sustainable finance in line with the objectives of its action plan of March 2018. In such context, the European Commission has started preparatory works in order to amend MiFID II. In such regard, ESMA submitted technical advice on sustainable finance to the European Commission.

The Non-Financial Reporting Directive (Directive (EU) 2014/95 – NFRD), came into effect on 1 January 2017. It requires listed large corporates, banks, and insurance companies with more than 500 employees to publicly report on ESG matters including employment, board diversity, human rights, anti-corruption and bribery. On 20 February 2020, the European Commission launched a public consultation with a view to align the non-financial reporting requirements with the EU legislation in the area of ESG disclosure (e.g. Sustainable Finance Disclosure Regulation (as defined below) and the EU Taxonomy Regulation). On 21 April 2021, the Commission published a proposal for the review of the NFRD. The new Corporate Sustainability Reporting Directive (CSRD) proposes to extend the scope to listed SMEs (excluding listed microundertakings) and to not listed large companies; introduces the requirement to report according to common EU sustainability reporting standards envisaging specific standards for listed SMEs while non-listed SMEs may decide to use those standard on a voluntary basis, and a transition period of three years since the application of the Directive; requires mandatory assurance of the reported information that should be published as part of the company's management report and in machine readable format. On November 2022 the CSRD text has been adopted by both the co-legislators and entered into force on 5 January 2023. On the 31st of July 2023, the European Commission adopted the final Delegated Act (DA) (Annex I including standards and Annex II including glossary) on the European Sustainability Reporting Standards (ESRS) mandated under the CSRD.

On 9 December 2019, Regulation (EU) 2019/2088 on sustainability - related disclosures in the financial services sector (**SFDR** - Sustainable Finance Disclosure Regulation) has been published, which lays down harmonised rules for financial market participants and financial advisers on transparency.

On 25 July 2022, the European Commission published, in the Official Journal of the European Union, the Delegated Regulation 2022/1288, which sets out certain regulatory technical standards supplementing the SFDR. The Delegated Regulation 2022/1288 entered into force on 14 August 2022 and is applicable from 1 January 2023.

In particular, the Delegated Regulation 2022/1288 contains the regulatory technical standards specifying the details of the content, methodologies and presentation of the information in relation to the principle of "do no significant harm", sustainability indicators and adverse sustainability impacts as well as the promotion of the environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and periodic reports. The European Commission in April 2022 has mandated the Joint Committee of the ESAs to review and revise Delegated Regulation 2022/1288. A Final Report on draft Regulatory Technical Standards on the review of PAI and financial product disclosures in the SFDR Delegated Regulation has been published in December 2023 and is currently at the attention of the European Commission.

On 9 March 2020, the European Commission Technical Expert Group on Sustainable Finance (**TEG**) published its final report on the taxonomy, following the public consultation launched after the publication of the June 2019 report. The EU Taxonomy Regulation, which is part of the Action 1 of the Action Plan on financing sustainable growth published on 8 March 2018 by the Commission, aims to establish a unique classification system for the economic activities which can be classified as sustainable. The EU Taxonomy Regulation was published in the Official Journal of the European Union on 22 June 2020 and entered into force on 12 July 2020. So far five delegated acts under the EU Taxonomy Regulation have been adopted by the European Commission: a first delegated act on technical screening criteria on climate change mitigation and adaptation objectives has been adopted in April 2021; a second delegated act, supplementing Article 8 of the EU Taxonomy Regulation, on taxonomy-related disclosures has been adopted in July 2021 (specifying the content, methodology and presentation of information to be disclosed by financial and non-financial undertakings concerning the proportion of environmentally sustainable economic activities in their business, investments or lending activities); a third delegated act, complementary to the first, including technical screening criteria on nuclear and gas energy activities has been adopted in February 2022; a fourth delegated act establishing the technical screening criteria on the four environmental objectives (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems); a fifth delegated act amending the first delegated act on climate change mitigation and adaptation.

Together with EU Taxonomy final report, TEG has released a guide for how to use the EU's Green Bond Standard (**EU GBS**). The document incorporates several updates related to the political agreement on Taxonomy reached in December 2019 by the Commission, Council and European Parliament, and the Green Deal launched by the Commission. The EU GBS regulation is included in Commission's initiatives set out in Action 2 of the Action Plan, which envisages to create standards and labels for green financial products. In July 2021, the European Commission adopted a legislative proposal for EU GBS, which has been adopted by co-legislators and published in the EU Official Journal, was approved by the European Parliament on 5 October 2023 and by the Council on 23 October 2023. Finally, on 30 November 2023, the regulation on the "European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds" was published in the Official Journal and will enter into force on the 20 December 2023; the regulation will be applicable from 21 December 2024.

On 12 March 2020, CONSOB has drawn attention to the current investor protection safeguards applicable to intermediaries that provide investment services, when they address clients with an offer characterized as sustainable.

On 8 April 2020, European Commission launched a public consultation to collect opinions in relation to the Commissions renewed strategy on sustainable finance, until now based on the Action Plan on financing sustainable growth published on 8 March 2018. On 6 July the European Commission adopted its long awaited Renewed Sustainable Finance Strategy, entitled "Strategy for financing the transition to a sustainable economy" (attached). The renewed Strategy aims to integrate the objectives of the European Green Deal into the financial system and outlines four main areas where further action is needed: i) financing the path to sustainability; ii) inclusiveness; iii) resilience and contribution of the financial sector; and iv) global cooperation.

On 20 January 2021, the European Commission opened a targeted consultation on the establishment of a European single access point (**ESAP**) for financial and non-financial information publicly disclosed by companies. The establishment of ESAP is the first point of the new action plan on the Capital Markets Union 2020 aiming to create a register of ESG data at EU level to provide easily accessible, comparable and machine readable information through standardization of formats to remove the difficulties encountered by the various stakeholders in accessing, comparing and using companies'

financial and sustainability related information. The consultation closed on 12 March 2021. On 27 November 2023, the Council of the European Union adopted the final texts of the ESAP legislative package. The final texts were published in the Official Journal of the European Union by on 20 December 2023 and entered into force on the twentieth day following the publication.

On 21 April 2021, the European Commission published a package of measures on Sustainable Finance, which included proposals for inclusion of ESG into the existing MiFID II. The financial advisors are required to gather information about ESG preferences of clients and take them into consideration when providing advice or propose financial products. Additionally, the financial institutions are requested to integrate sustainability factors, risks and preferences into organizational and operational processes. The delegated acts, namely Commission Delegated Regulation (EU) 2021/1253 and Commission Delegated Regulation 2021/1269, were published in the Official Journal of the European Union on 2 August 2021 and applied from 22 November 2022.

OVERVIEW OF THE FINANCIAL INFORMATION OF THE INTESA SANPAOLO GROUP

Audited Consolidated Annual Financial Statements

The annual financial information below as at and for the years ended 31 December 2023 and 31 December 2022 has been derived respectively from the audited consolidated annual financial statements of the Intesa Sanpaolo Group as at and for the year ended 31 December 2023 (the **2023 Audited Financial Statements**) and from the consolidated annual financial statements of the Intesa Sanpaolo Group as at and for the year ended 31 December 2022 (the **2022 Unaudited Financial Statements presented for comparison in 2023**).

Incorporation by Reference

Both the audited consolidated annual financial statements as at and for the years ended 31 December 2023 and 31 December 2022 are incorporated by reference in this Base Prospectus (see "*Information Incorporated by Reference*"). The financial information set out below forms only part of, should be read in conjunction with and is qualified in its entirety by reference to the above-mentioned audited consolidated annual financial statements, together with the accompanying notes and auditors' reports.

Accounting Principles

The audited consolidated annual financial statements referred to above have been prepared in accordance with the accounting principles issued by the International Accounting Standards Board and the relative interpretations of the International Financial Reporting Interpretations Committee, otherwise known as International Accounting Standards and International Financial Reporting Standards (IAS/IFRS), as adopted by the European Union under Regulation (EC) 1606/2002. In particular, the half-yearly condensed consolidated financial statements referred to above have been prepared in compliance with the IAS/IFRS issued by the International Accounting Standards Board (IASB) and the relative interpretations of the International Financial Reporting Interpretations Committee (IFRIC) endorsed by the European Commission, as provided for by EU Regulation 1606 of 19 July 2002 and in force as at 31 December 2023.

For the purpose of preparing the consolidated annual financial statements as at 31 December 2023, in addition to the accounting standards specified with regard to the insurance assets and liabilities, the accounting standards adopted with regard to the classification, recognition, measurement and derecognition of the financial assets and liabilities in the balance sheet, and the recognition methods for revenues and costs, were updated compared to those adopted for the Intesa Sanpaolo Group 2022 Annual Report, to implement the entry into force of IFRS 17 and IFRS 9 for the insurance companies of the Intesa Sanpaolo Group. For all other aspects of the accounting standards adopted by the Intesa Sanpaolo Group that were not modified, refer to that illustrated in the 2023 Financial Statements.

In addition, the indications provided by the authorities and the IASB, together with the application decisions made by Intesa Sanpaolo, as described in the chapter "Overview of 2023", should be consulted on the impact for the ISP Group of the military conflict between Russia and Ukraine, together with the chapter “Risks, uncertainties and impacts of the Russian/Ukrainian crisis” included in the “Notes to the consolidated financial statements – Part A – Accounting policies - Section 5 - Other aspects” of the Annual Report 2023.

With regard to the changes in the accounting regulations, considering the significance for the Intesa Sanpaolo Group and, in particular, for the insurance companies, it is primarily noted that IFRS 17 Insurance Contracts, published by the IASB in May 2017 and subject to subsequent amendments, endorsed with Regulation (EU) no. 2036/2021 of 19 November 2021, is applicable from 1 January 2023.

As from the preparation of the Interim Statement as at 31 March 2023, the Intesa Sanpaolo Group's accounting situations have been prepared applying IFRS 17. At the same time, the Insurance Companies of the Intesa Sanpaolo Group also applied for the first time IFRS 9 Financial Instruments, the application of which was deferred by virtue of the application of the deferral approach[42]. In that regard, the following aspects are noted:

- in line with the previous interim statements, the Financial Statements as at 31 December 2023 include a specific section providing disclosure on the transition to IFRS 17 and IFRS 9 for the insurance companies, and a complete illustration of the provisions of these standards, the Group's choices and the impacts deriving from the application of IFRS 17 and IFRS 9 for the companies in the Insurance Division to which reference should be made for additional information;
- the accounting standards adopted with regard to the classification, recognition, measurement and derecognition of the balance sheet assets and liabilities, and the recognition methods for revenues and costs, have been updated starting from the Interim Statement as at 31 March 2023 to implement the entry into force of IFRS 17 and IFRS 9 for the insurance companies of the Intesa Sanpaolo Group;
- the structure of the consolidated financial statements has been updated to incorporate the new regulatory provisions in compliance with the 8th update to Bank of Italy Circular no. 262/2005, and the comparison periods adjusted following the retrospective application of the two standards. Specifically, the consolidated balance sheet balances as at 31 December 2023 were compared with the adjusted figures as at 31 December 2022 and 1 January 2022 , while income statement balances were compared with the adjusted income statement for 2022.
- the Notes to the 2023 consolidated financial statements have been supplemented in accordance with the 8th Update of Bank of Italy Circular 262/2005, which took into account the similar instructions issued by IVASS for the disclosure required by IFRS 17.

For further details on the first adoption of the new principle IFRS 17 and IFRS 9 for Group's insurance companies, including a complete illustration of the provisions of these standards, the Group's choices and the related impacts, please refer to the specific section "*Transition to IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments by the Group's insurance companies*" " included in the Half-Yearly Report as at 30 June 2023.

A summary of the endorsing Regulations in force since 2022 is provided below (for more details please refer to "*Notes to the consolidated financial statements – Part A – Accounting policies*" of the 2022 Annual Report and the 2023 Annual Report).

Regulation endorsement in force since 1st January 2022:

- **Regulation (EU) no. 1080/2021** of 28 June 2021, which implements several narrow-scope amendments, published by the IASB on 14 May 2020, to the international accounting standards IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRS 3 Business Combinations. None of the amendments is particularly significant for the Intesa Sanpaolo Group. The Regulation in question also endorses the Annual Improvements to IFRS Standards 2018-2020 Cycle. The Regulation introduces several changes and clarifications of little significance which, therefore, do not have significant impacts on the Group.

[42]Note that, by virtue of the application of the Deferral Approach, the financial assets and liabilities of the subsidiary insurance companies continued to be recognised in accordance with the provisions of IAS 39, while awaiting the entry into force of the new international financial reporting standard on insurance contracts (IFRS 17).

Regulation endorsement in force since 1st January 2023:

- **Regulation 357/2022** of 2 March 2022: this Regulation adopts several narrow-scope amendments and clarifications to support entities in applying materiality judgements in illustrating accounting policies (amendments to IAS 1) and distinguishing between accounting policies and estimates (amendments to IAS 8). Therefore, it doesn't have significant impacts on the Group, even though it could be a useful reference for analyses and for improving financial statement disclosure.

- **Regulation no. 1392/2022** of 11 August 2022: the European Commission adopted the amendment to IAS 12 Income Taxes "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction", published by the IASB on 7 May 2021. The amendments clarify how companies have to account for deferred taxes on transactions such as leases and decommissioning obligations and aim to reduce diversity in the reporting of deferred tax assets and liabilities on those transactions. These amendments don't have significant impacts on the Group.

- **Regulation no. 2468/2023** of 8 November 2023 - Amendments to IAS 12 Income taxes - International tax reform - Pillar Two model rules: the Regulation amends IAS 12 Income Taxes with respect to the international tax reform. The amendments introduced a mandatory temporary exception from accounting for deferred taxes arising from the implementation of the OECD's Pillar Two model rules, as well as targeted disclosures for affected entities to be provided in interim and annual financial statements. Specifically, the amendments introduced:

  – a mandatory exception from accounting for deferred taxes arising from the implementation of the Pillar Two model rules; and

  – targeted disclosures for affected entities. In particular:

    - an entity shall disclose that it has applied the exception to recognising deferred tax assets and liabilities related to Pillar Two taxes on income;
    - an entity shall disclose separately its current tax expense (income) related to Pillar Two taxes on income;
    - in periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, an entity shall disclose known or reasonably estimable information that helps users of financial statements understand the entity's exposure to Pillar Two taxes on income arising from that legislation. To meet the disclosure objective, an entity shall disclose qualitative and quantitative information about its exposure to Pillar Two taxes on income at the end of the reporting period. This information does not have to reflect all the specific requirements of the Pillar Two legislation and can be provided in the form of an indicative range. To the extent information is not known or reasonably estimable, an entity shall instead disclose a statement to that effect and disclose information about the entity's progress in assessing its exposure. In this respect, in paragraphs 88C–88D, the IASB provides examples of information an entity could disclose to meet the disclosure requirements.

  The exception is to be applied immediately and retrospectively in accordance with IAS 8. The disclosure requirements are to be applied to annual reporting periods beginning on or after 1 January 2023.

Finally, for the sake of completeness, we note the publication of **Regulation 1803/2023** of 13 August 2023 in the Official Journal of the European Union of 26 September 2023, which, however, did not

introduce any changes to the international accounting standards currently in force. As described in the Regulation, in order to simplify Union legislation on international accounting standards, for the sake of clarity and transparency, Regulation no. 1803/2023 repealed and replaced Regulation no. 1126/2008, which had adopted the international accounting standards until 15 October 2008 and was amended several times to include the standards and the related interpretations issued by the IASB and adopted by the European Commission until 8 September 2022 in accordance with Regulation no. 1606/2002. Therefore, all IAS/IFRSs and interpretations published by the IASB and IFRS-IC and endorsed in the European Union until 8 September 2022 are listed in an annex to Regulation no. 1803/2023. The subsequent EU Regulations transposing amendments to IAS/IFRSs will amend Regulation no. 1803/2023 (and no longer Regulation no. 1126/2008).

Moreover, as part of the criteria for the preparation of the Financial Statements as at 31 December 2023, additional information is provided below about certain aspects of the Italian rule on banks' excess profits. In this regard, it should be recalled that Decree Law no. 104 of 10 August 2023, converted with amendments by Law no. 136 of 9 October 2023, includes a provision for a one-off tax for banks determined by applying a rate of 40% – in the separate financial statements – on the amount of the "net interest income" included in caption 30 of the accounts for the year 2023 that exceeds the net interest income of the year 2021 by at least 10%. However, the law sets a maximum limit of 0.26% of risk-weighted assets for the tax levy due and provides banks the option not to pay the theoretically due tax if, when approving the 2023 financial statements, the allocation to a non-distributable reserve of an amount equal to two and a half times the amount theoretically due is approved. With regard to any accounting impacts related to the application of this rule, the tax was considered to fall within the scope of IFRIC 21 "Levies", as it was applied on the net interest income (or, upon reaching a set cap by law, on the risk-weighted assets - RWA), which was not considered to constitute "taxable income" under IAS 12.

IFRIC 21 requires the recognition of the tax expense in profit or loss when an "obligating event" occurs that gives rise to the liability, i.e., the specific activity/action that triggers the payment of the tax. In the current case, the existence of an "obligating event" is positively triggered by the achievement of a net interest income above the threshold set by law. In addition, as noted, the law provides an option for those potentially subject to the liability not to pay the tax and instead establish a specific non-distributable reserve. In this regard, please note that:

- on 25 October, the Board of Directors of Intesa Sanpaolo decided to propose to the Shareholders' Meeting, when approving 2023 Financial Statements, net income allocation and dividend distribution to shareholders, the allocation to the non-distributable reserve of around 1,991 million euro, equivalent to two and a half times the amount of the tax of around 797 million euro, in lieu of payment of said tax, thus taking up the option provided by the above-mentioned measure.

- in accordance with the instruction of the Parent Company, similar commitments were also made by the Boards of Directors of the subsidiary banks impacted by the measure: Fideuram - Intesa Sanpaolo Private Banking, Intesa Sanpaolo Private Banking and Isybank.

In lieu of the one-off tax, the Shareholders' Meetings, called to approve the 2023 Financial Statements, within the scope of the allocation of the net income, established also the non-distributable reserve in compliance with the law on the so-called "excess-profits" (art. 26 of the Decree-Law of 10 August 2023 no. 104, converted with amendments into the Law 9 October 2023 n. 136).

In consideration of the above, no obligation to pay the tax has been identified and ,accordingly, no profit or loss effect has been recognised in the financial statements.

The audited consolidated annual financial statements as at 31 December 2023 are, drawn up in euro as the functional currency, are prepared in condensed form as permitted by IAS 34, and contain the consolidated Balance sheet, the consolidated Income statement, the Statement of consolidated comprehensive income, the Changes in consolidated shareholders' equity, the consolidated Statement of cash flows and the explanatory notes. They are also complemented by information on significant events which occurred in the period, on the main risks and uncertainties to be faced, as well as information on significant related party transactions. The amounts indicated in the financial statements and explanatory notes are expressed in millions of euro, unless otherwise specified. In addition to the amounts for the reporting period, the financial statements also indicate the corresponding comparison figures for the period ended 31 December 2022. The Explanatory notes contain specific dedicated chapters that set out several detailed tables of the Income Statement and the Balance Sheet in the format established by the 8th update to the Bank of Italy Circular 262/2005 (the **New Bank of Italy's Circular 262**) on Notes to Annual Financial Statements, regarding the composition of the main financial statement captions concerning banking operations.

Moreover, in accordance with IFRS 5, the balance sheet as at 31 December 2023 and the relevant disclosures in the Notes to the consolidated financial statements include among the components relating to discontinued operations, a portfolio of unlikely-to-pay loans and performing loans, with a gross book value of approximately 0.2 billion euro, which was involved in a de-risking action approved by the Board of Directors of Intesa Sanpaolo in December 2023 and expected to be closed in the first half of 2024.

In addition to the properties held for sale, this caption also includes the investment in Cronos Vita, in which Intesa Sanpaolo Vita holds a 22.5% interest, as part of the system-wide transaction aimed at protecting the policyholders of Eurovita, which, inter alia, involved five leading Italian insurance companies. Specifically, for the purposes of applying IFRS 5, the existence from the outset of a clear intention by the shareholder companies to hold the interest in Cronos Vita for a limited period, and in accordance with the agreements made within the overall approval of the transaction, was considered. It was also verified, in line with IFRS 5, that the fair value of the investment, net of costs to sell, was not lower than the carrying amount.

Conversely, with regard to the portfolios of non-performing loans classified among assets held for sale as at 31 December 2022, all the related project activities of the 2021-2022 de-risking plans were completed in March 2023, finalising the related sales. With regard to (i) the assets and liabilities pertaining to the PBZ Card business line dedicated to merchant acquiring and (ii) the investment in Zhong Ou Asset Management Co. Ltd, classified under assets held for sale at the end of 2022, the related sales were carried out on 28 February and 16 May 2023, respectively.

The audited consolidated annual financial statements as at 31 December 2023 are complemented by certification of the Managing Director – CEO and the Manager responsible for preparing the Intesa Sanpaolo Group's financial reports pursuant to Article 154-bis of Legislative Decree 58/1998 (Consolidated Law on Finance) and have been subject to review by the Independent Auditors EY S.p.A..

INTESA SANPAOLO S.P.A.
CONSOLIDATED ANNUAL BALANCE SHEET
AS AT 31 DECEMBER 2023

The annual financial information below includes comparative figures as at 31 December 2022 presented according to the New Bank of Italy's Circular 262 and adjusted for the application of IFRS 9 – IFRS 17 by the Insurance Companies of the Group. As a result, these comparative figures have been identified as unaudited.

	31.12.2023	31.12.2022
Assets	**Audited**	**Unaudited**
	(in millions of €)	
Cash and cash equivalents	89,270	112,924
Financial assets measured at fair value through profit or loss	144,594	150,616
a) financial assets held for trading	*38,163*	*42,607*
b) financial assets designated at fair value	*1*	*1*
c) other financial assets mandatorily measured at fair value	*106,430*	*108,008*
Financial assets measured at fair value through other comprehensive income	140,753	119,508
Financial assets measured at amortised cost	518,950	528,081
a) due from banks	*32,899*	*32,884*
b) loans to customers	*486,051*	*495,197*
Hedging derivatives	7,006	10,075
Fair value change of financial assets in hedged portfolios (+/-)	-5,695	-9,752
Investments in associates and companies subject to joint control	2,501	2,013
Insurance assets	813	151
a) insurance contracts issued that are assets	*412*	*18*
b) reinsurance contracts held that are assets	*401*	*133*
Property and equipment	9,825	10,505
Intangible assets	9,524	9,237
of which:		
- goodwill	*3,672*	*3,626*
Tax assets	14,533	18,130
a) current	*1,932*	*3,520*
b) deferred	*12,601*	*14,610*
Non-current assets held for sale and discontinued operations	264	638
Other assets	31,232	22,461
Total Assets	**963,570**	**974,587**

INTESA SANPAOLO S.P.A.
CONSOLIDATED ANNUAL BALANCE SHEET
AS AT 31 DECEMBER 2023

The annual financial information below includes comparative figures as at 31 December 2022 presented according to the New Bank of Italy's Circular 262 and adjusted for the application of IFRS 9 – IFRS 17 by the Insurance Companies of the Group. As a result, these comparative figures have been identified as unaudited.

Liabilities and Shareholders' Equity	**31.12.2023** **Audited**	**31.12.2022** **Unaudited**
	(in millions of €)	
Financial liabilities measured at amortised cost	642,119	670,127
a) due to banks	*93,242*	*138,132*
b) due to customers	*440,449*	*454,595*
c) securities issued	*108,428*	*77,400*
Financial liabilities held for trading	43,493	46,512
Financial liabilities designated at fair value	72,782	63,007
Hedging derivatives	5,188	5,517
Fair value change of financial liabilities in hedged portfolios (+/-)	-3,967	-8,031
Tax liabilities	1,946	2,021
a) current	*458*	*303*
b) deferred	*1,488*	*1,718*
Liabilities associated with non-current assets held for sale and discontinued operations	2	15
Other liabilities	12,741	10,763
Employee termination indemnities	767	852
Allowances for risks and charges	4,523	4,960
a) commitments and guarantees given	*524*	*711*
b) post-employment benefits	*98*	*139*
c) other allowances for risks and charges	*3,901*	*4,110*
Insurance liabilities	119,849	117,575
a) insurance contracts issued that are liabilities	*119,674*	*117,561*
b) reinsurance contracts held that are liabilities	*175*	*14*
Valuation reserves	-2,009	-2,458
Redeemable shares	-	-
Equity instruments	7,948	7,211
Reserves	14,697	15,073
Interim dividend (-)	-2,629	-1,400
Share premium reserve	28,003	28,053
Share capital	10,369	10,369
Treasury shares (-)	-140	-124
Minority interests (+/-)	164	166
Net income (loss) (+/-)	7,724	4,379
Total Liabilities and Shareholders' Equity	**963,570**	**974,587**

INTESA SANPAOLO S.P.A.
CONSOLIDATED ANNUAL STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

The annual financial information below includes comparative figures for the year ended 31 December 2022 presented according to the New Bank of Italy's Circular 262 and adjusted for the application of IFRS 9 – IFRS 17 by the Insurance Companies of the Group. As a result, these comparative figures have been identified as unaudited.

	31.12.2023	31.12.2022
	Audited	Unaudited
	(in millions of €)	
Interest and similar income	32,525	15,709
of which: interest income calculated using the effective interest rate method	*28,482*	*15,185*
Interest and similar expense	-15,589	-3,874
Interest margin	**16,936**	**11,835**
Fee and commission income	10,528	10,925
Fee and commission expense	-2,727	-2,552
Net fee and commission income	**7,801**	**8,373**
Dividend and similar income	660	645
Profits (Losses) on trading	513	36
Fair value adjustments in hedge accounting	-59	33
Profits (Losses) on disposal or repurchase of:	-467	-474
a) financial assets measured at amortised cost	*-58*	*167*
b) financial assets measured at fair value through other comprehensive income	*-445*	*-669*
c) financial liabilities	*36*	*28*
Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss	2,367	-5,443
a) financial assets and liabilities designated at fair value	*-3,619*	*5,866*
b) other financial assets mandatorily measured at fair value	*5,986*	*-11,309*
Net interest and other banking income	**27,751**	**15,005**
Net losses/recoveries for credit risk associated with:	-1,416	-2,636
a) financial assets measured at amortised cost	*-1,359*	*-2,579*
b) financial assets measured at fair value through other comprehensive income	*-57*	*-57*
Profits (Losses) on changes in contracts without derecognition	-29	-5
Net income from banking activities	**26,306**	**12,364**
Insurance service result	2,038	1,961
a) insurance revenue arising from insurance contracts issued	*3,118*	*3,195*
b) insurance service expenses arising from insurance contracts issued	*-1,090*	*-1,206*
c) insurance revenue arising from reinsurance contracts held	*177*	*138*
d) insurance service expenses arising from reinsurance contracts held	*-167*	*-166*
Balance of financial income and expenses related to insurance operations	-5,318	3,691
a) net financial expenses/revenue related to insurance contracts issued	*-5,319*	*3,691*
b) net financial expenses/revenue related to reinsurance contracts held	*1*	-
Net income from banking and insurance activities	**23,026**	**18,016**
Administrative expenses:	-11,505	-11,058
a) personnel expenses	*-6,781*	*-6,455*
b) other administrative expenses	*-4,724*	*-4,603*
Net provisions for risks and charges	-326	-469
a) commitments and guarantees given	*50*	*-209*
b) other net provisions	*-376*	*-260*
Net adjustments to / recoveries on property and equipment	-684	-681
Net adjustments to / recoveries on intangible assets	-973	-869
Other operating expenses (income)	910	934
Operating expenses	**-12,578**	**-12,143**
Profits (Losses) on investments in associates and companies subject to joint control	163	232
Valuation differences on property, equipment and intangible assets measured at fair value	-33	-46
Goodwill impairment	-	-
Profits (Losses) on disposal of investments	168	16
Income (Loss) before tax from continuing operations	**10,746**	**6,075**
Taxes on income from continuing operations	-2,994	-1,673
Income (Loss) after tax from continuing operations	**7,752**	**4,402**
Income (Loss) after tax from discontinued operations	-	-
Net income (loss)	**7,752**	**4,402**
Minority interests	-28	-23
Parent Company's net income (loss)	**7,724**	**4,379**
Basic EPS – Euro	**0.42**	**0.23**
Diluted EPS – Euro	**0.42**	**0.23**

OFFERING AND SALE

The Securities may be offered to retail clients, professional clients and other eligible counterparties. No action has been or will be taken by the Issuer that would permit a public offering of any Securities or possession or distribution of any offering material in relation to any Securities in any jurisdiction where action for that purpose is required. No offers, sales, resales or deliveries of any Securities, or distribution of any offering material relating to any Securities, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer.

1. PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS REGULATION

If the Final Terms in respect of any Securities specifies "Prohibition of Sales to Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area (each, a "**Relevant Member State**"), each Manager has represented and agreed that, and each further Manager appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of the Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto may not be offered to the public in that Relevant Member State, except that such Securities may be offered to the public in that Relevant 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 Relevant 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 Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to the prior consent of the relevant Manager(s) nominated by the Issuer for any such offer having been obtained; or

(d) at any time in any other circumstances falling within a Prospectus Exemption (as defined below),

provided that no such offer of Securities referred to in (b) to (d) above shall require the publication by the Issuer or any Manager of a prospectus pursuant to Article 3(1) of the Prospectus Regulation or the supplementing by the Issuer or any Manager of a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an **offer of Securities to the public** in relation to any Securities in any Relevant 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.

The expression "**Prospectus Exemptions**" means Article 1 (4) of the Prospectus Regulation, as applicable, and includes any additional exemptions and implementation measures applicable in the Relevant Member State.

2. UNITED STATES

No Securities of any series nor, in case of Physical Delivery Securities, the Entitlement to be delivered upon the exercise of such Securities, have been, nor will they be registered under the Securities Act or with any securities authority of any State or other jurisdiction of the U.S., and trading in the Securities has not been approved by the CFTC under the Commodity Exchange Act. The Securities and the Entitlements may not be offered, sold,

pledged or otherwise transferred, directly or indirectly, within the United States or to a U.S. person unless such offer or sale has been registered under the Securities Act or pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act.

The Securities and the Entitlements are being offered and sold outside the U.S. to persons that are not U.S. persons (as defined in Regulation S) in reliance on Regulation S. No Securities of any series, or interests therein, or Entitlements may at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in or into the United States (as defined in Regulation S) or to, or for the account or benefit of, any U.S. person and any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised.

The Securities and Entitlements may not be legally or beneficially owned by U.S. persons at any time. Each holder and each beneficial owner of a Security or an Entitlement hereby represents, as a condition to purchasing or owning the Security, the Entitlement or any beneficial interest therein, that neither it nor any person for whose account or benefit the Securities or Entitlements are being purchased is located in the United States, is a U.S. person or was solicited to purchase the Securities while present in the United States. Each holder and each beneficial owner of a Security or an Entitlement hereby agrees not to offer, sell or deliver any of the Securities or the Entitlements, at any time, directly or indirectly, in the U.S. or to any U.S. person. The term "U.S. person" has the meaning ascribed to it in Regulation S under the Securities Act.

Each Manager of an issue of Securities will be required to agree that it, its affiliates and any person acting on its or their behalf will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Securities of such series in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Each Manager of an issue of Securities will be required to agree that it, its affiliates, and any person acting on its or their behalf will not offer or sell the Securities at any time except in accordance with Rule 903 of Regulation S under the Securities Act, and that neither it, its affiliates, nor any persons acting on its or their behalf will engage in any "directed selling efforts" (as defined in Regulation S of the Securities Act) with respect to the Securities and it and they will comply with the offering restrictions requirements of Regulation S under the Securities Act. The terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Any person purchasing Securities of any series or Entitlements must agree with the Manager or the seller of such Securities that (i) it is not a U.S. person and it is not located in the United States and was not solicited to purchase the Securities while present in the United States, (ii) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Securities of such series so purchased in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of any, U.S. person, (iii) it is not purchasing any Securities of such series or any Entitlement for the account or benefit of any U.S. person and (iv) it will not make offers, sales, resales, trades, pledges, exercises, redemptions, transfers or deliveries of any Securities of such series (otherwise acquired) or Entitlements, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. Each Manager of an issue of Securities will also be required to agree, and any person purchasing Securities of any series must agree, to send each person who purchases any Securities of such series or Entitlements from it, at or prior to confirmation of sale of any Securities, a written confirmation (which shall include the definitions of "United States" and "U.S. persons" set forth herein) stating that the Securities and Entitlements have not been registered under the Securities Act or any state securities laws, and that trading in the Securities has not been approved by the Commodity Futures Trading Commission under the Commodity Exchange Act and stating that such purchaser agrees that it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver Securities or Entitlements, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. Prior to the delivery of the Entitlement in respect of a Physical Delivery Security the holder thereof will be required to represent that, inter alia, he is not a U.S. person, the Security was not exercised on

behalf of a U.S. person and in the case of Physical Delivery Securities, no securities or other property have been or will be delivered within the United States or to, or the account or benefit of, a U.S. person in connection with any exercise thereof. See Condition 19(A) in respect of Warrants and Condition 21(A) in respect of Certificates.

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

In July 2010 the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**") was enacted, which provides for substantial changes to the regulation of the futures and over-the-counter (OTC) derivative markets. Dodd-Frank requires regulators, including the CFTC, the Securities and Exchange Commission (the "**SEC**"), the Department of the Treasury, the Financial Stability Oversight Council (the FSOC), the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation to adopt regulations to implement many of the requirements of the legislation.

Most of the regulations under Dodd-Frank have been adopted and these legislative and regulatory changes have increased the level of regulation of markets and market participants, and therefore the costs of participating in the commodities, futures and OTC derivative markets. Without limitation, these changes will require many OTC derivative transactions to be executed on regulated exchanges or trading platforms and cleared through regulated clearing houses. Swap dealers are required to be registered, to comply with business conduct standards and to clear certain classes of interest rate and credit default swaps through registered derivatives clearing organizations (unless an exception to clearing applies). The various legislative and regulatory changes, and the resulting increased costs and regulatory oversight requirements, could result in market participants being required to, or deciding to, limit their trading activities, which could cause reductions in market liquidity and increases in market volatility. These consequences could adversely affect the return on and value of the Securities.

US Tax Selling Restrictions

Securities that constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982, the Code, or US Treasury Regulations and are not considered to be in "registered form" for US federal income tax purposes ("**TEFRA Notes**") are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person except in compliance with (i) US Treas. Reg. §1.163-5(c)(2)(i)(D) or any successor rules in substantially the same form that are applicable for proposes of Section 4701 of the Code (the "**D Rules**"), or (ii) US Treas. Reg. §1.163-5(c)(2)(i)(C) or any successor rules in substantially the same form that are applicable for proposes of Section 4701 of the Code (the "**C Rules**").

With respect to TEFRA Notes issued in compliance with the D Rules, the Issuer and each Manager has represented and agreed that:

(i) except to the extent permitted under the D Rules, (a) it has not offered or sold, and during the required restricted period it will not offer or sell such TEFRA Notes to a person who is within the United States or its possessions or to a United States person and (b) it has not delivered and agrees that it will not deliver within the United States or its possessions Global Securities that are TEFRA Notes that will be sold during the restricted period;

(ii) it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling such TEFRA Notes are aware that such TEFRA Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person (except to the extent permitted under the D Rules);

(iii) if it is a United States person, it is acquiring such TEFRA Notes for purposes of resale in connection with

their original issuance, and if it retains such TEFRA Notes for its own account, it will do so in accordance with the requirements of the D Rules; and

with respect to each affiliate or distributor that acquires such TEFRA Notes from the Issuer or the Manager for purpose of offering or selling such TEFRA Notes during the restricted period, the Issuer or Dealer either repeats and confirms the representations and agreements contained in Paragraphs (i), (ii) and (iii) above on such affiliate's or distributor's behalf or agrees that it will obtain from such affiliate or distributor for the benefit of the Issuer and each Dealer the representations and agreements contained in such Paragraphs.

With respect to TEFRA Notes issued in compliance with the C Rules, the Issuer and each Manager has represented and agreed that:

(i) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such TEFRA Notes within the United States or its possessions in connection with their original issuance; and

(ii) it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if it is within the United States or its possessions or otherwise involve its US office, if any, in the offer or sale of such TEFRA Notes.

Terms used in this Section shall have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, ("**Code**") and the US Treasury Regulations promulgated thereunder, including the C Rules and the D Rules.

The Hiring Incentives to Restore Employment Act of 2010 repealed the C Rules and D Rules for TEFRA Notes issued after 18 March 2012. However, in Notice 2012-20, the US Department of Treasury and the US Internal Revenue Service indicated that they intend to provide in regulations that rules identical to the C Rules and D Rules will apply to non-US issuers of TEFRA Notes for purposes of establishing an exemption from the excise tax imposed by Section 4701 of the Code. (The amount of the excise tax is one per cent. of the principal amount of the obligation, multiplied by the number of calendar years until the obligation reaches maturity). Consequently, TEFRA Notes issued in accordance with the C Rules or D Rules should continue to be treated as "foreign targeted obligations" that are exempt from the excise tax.

3. PROHIBITION OF SALES TO RETAIL INVESTORS

Unless the Final Terms in respect of any Securities specifies the "Prohibition of Sales to Retail Investors" as "Not Applicable", each Manager has represented and agreed, and each further Manager 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 either in the European Economic Area or in the specified jurisdictions only. 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 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

iii. not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"); or

iv. a retail client within the meaning of any equivalent definition under the applicable legislation of the specified jurisdiction outside the EEA; 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 the Securities.

4. SWITZERLAND

Qualification as structured products

If and to the extend the Securities qualify as structured products in Switzerland pursuant to article 70 of the Swiss Financial Services Act ("**FinSA**"), they are neither subject to authorisation nor supervision by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"). None of the Securities constitutes a participation in a collective investment scheme within the meaning of the Collective Investment Schemes Act ("**CISA**") and investors do not benefit from the specific investor protection provided under CISA. Investors bear the credit risk of the Issuer.

Restrictions for distribution to Private Clients (as defined below)

Securities may be offered to private clients (*Privatkundinnen und -kunden*) ("**Private Clients**"; see also Opting-in Client defined below) pursuant to article 4 para. 2 FinSA in or from Switzerland only if a key investor document pursuant to article 58 et seqq. FinSA (*Basisinformationsblatt*) ("**KID**") or pursuant to the PRIIPs Regulation ("**PRIIPs-KID**") relating to the Securities has been prepared and provided to Private Clients, unless Private Clients may exclusively purchase Securities under an asset management agreement pursuant to article 58 para. 2 FinSA.

If such disclosure document has not been prepared and provided to Private Clients, the Securities may only be offered in or from Switzerland to Private Clients which exclusively purchase Securities under an asset management agreement pursuant to article 58 para. 2 FinSA, professional clients (*professionelle Kunden*) and institutional clients (*institutionelle Kunden*) ("**Professional and Institutional Clients**") as defined in article 4 para. 3 and 4 and article 5 para. 1 FinSA. In such case, neither this Base Prospectus nor any other documents aimed at marketing specific Securities shall be despatched, copied to or otherwise made available to, and the Securities may not be offered for sale or advertised to any person in Switzerland, except to such Private Clients, Professional and Institutional Clients, i.e. to (a) regulated financial intermediaries pursuant to the Swiss Banking Act, the Swiss Financial Institutions Act and CISA (as currently in force), (b) regulated insurance institutions pursuant to the Swiss Insurance Supervision Act, (c) foreign financial intermediaries subject to a prudential supervision comparable to the one over the persons pursuant to (a) and (b) above, (d) central banks, (e) public entities with professional treasury operations, (f) occupational pension schemes and other institutions whose purpose is to serve occupational pensions with professional treasury operations, (g) undertakings with professional treasury operations, (h) large companies that exceed two of the three relevant thresholds, being (x) balance sheet total of CHF 20 million, (y) turnover of CHF 40 million, and/or (z) equity capital of CHF 2 million, (i) private investment structures for high-net worth individuals with professional treasury operations and (j) Opting-out Clients (as defined below), provided such clients in (a) through (h) are not Oping-in Clients (as defined below).

An "**Opting-in Client**" is a by default Professional or Institutional Client who confirms in writing according to article 5 para. 5 and 6 FinSA, respectively, that it shall be deemed and is forthwith treated as Private Client pursuant to article 4 para. 2 FinSA.

An "**Opting-out Client**" is a private individual or a private investment structure who confirms credibly and in writing (i) that, based on his/her education and his/her professional experience or based on comparable experience in the financial sector, he/she has the necessary knowledge to understand the risks connected with an investment in the Securities and who owns, directly or indirectly, eligible financial assets of at least CHF 500'000, or (ii) that he/she owns, directly or indirectly, eligible financial assets of at least CHF 2 million.

No public offering

Furthermore, this Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Securities described herein. The Securities may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the FinSA and neither this Base Prospectus nor any KID, PRIIPs-KID or other offering or marketing material relating to the Securities may be publicly distributed or otherwise made publicly available in Switzerland except if the following prospectus requirements are complied with.

Compliance of this Base Prospectus, the Final Terms and additional offering documents required, if any, with article 40 et seqq. FinSA, approval of this Base Prospectus according to the requirements of the FinSA by a prospectus review body authorized by FINMA for that purpose pursuant to article 51 et seqq. FinSA (the "**Review Body**"), and the registration of the relevant Final Terms with the Review Body according to the requirements of the FinSA, unless an exception from such obligations pursuant to article 36 et seqq. FinSA applies.

5. GENERAL

The Manager or, as the case may be, each Manager will be required to represent and agree that it will (to the best of its knowledge) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of 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 Issuer nor any Manager shall have any responsibility therefor.

Neither the Issuer nor any Manager represents that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the Manager or, as the case may be, each Manager will be required to comply with such other restrictions as the Issuer and the Manager(s) shall agree and as shall be set out in the applicable Final Terms.

FORM OF FINAL TERMS

[PROHIBITION OF SALES TO 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 (the "**EEA**")] [and] [*Insert jurisdiction(s)* [•]]. 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 2016/97/EU ("**IDD**"), 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 [or (iv) a retail client within the meaning of any equivalent definition under the applicable legislation of [*Insert jurisdiction(s)* [•]]. 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] [and] [*Insert jurisdiction(s)* [•] [only]] has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in [the EEA] [and] [*Insert jurisdiction(s)* [•] [only]] may be unlawful under the PRIIPS Regulation.]

FINAL TERMS

[*Insert date*]

Intesa Sanpaolo S.P.A.

Legal entity identifier (LEI): 2W8N8UU78PMDQKZENC08

[*Title of Warrants or Certificates*]

[[*commercial name*:] [referred to for commercial purposes as**] ["[●]"]**

under the Warrants and Certificates Programme IMI Corporate & Investment Banking

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 12 June 2024 [and the supplement[s] to the Base Prospectus dated [●] [which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation as amended][1]. This document constitutes the Final Terms of the Securities described herein [for the purposes of Article 8(1) of the Prospectus Regulation] [2] and must be read in conjunction with the Base Prospectus [as supplemented]. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus [as supplemented]. The Base Prospectus [and the supplement to the Base Prospectus] is [are] available for viewing during normal business hours at the registered office of the Issuer [and the specified offices of the Principal Security Agent][3]. The Base Prospectus [and the supplement to the Base Prospectus] [has] [have] been published on the websites of the Luxembourg Stock Exchange (www.luxse.com) and the Issuer (www.prodottiequotazioni.intesasanpaolo.com). [An issue specific summary of the Securities is annexed to these Final Terms]. [In the case of the Securities admitted to trading on the regulated market of the Luxembourg Stock Exchange, the Final Terms will be published on the website of the Luxembourg Stock Exchange [and of the Issuer][4].]]

(*The Final Terms relating to each issue of Securities will contain (without limitation) such of the following information as is applicable in respect of such Securities. Any information that is not applicable will be deleted*)

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 insofar as they relate to such series of Securities, save as where otherwise expressly provided.

---

1 Delete wording in square brackets where an exempt offer of Securities is anticipated.
2 Delete wording in square brackets where an exempt offer of Securities is anticipated.
3 Delete wording in square brackets in the case of Italian Dematerialised Securities.
4 Delete wording in square brackets where an exempt offer of Securities is anticipated.

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 [Warrants/Certificates] that are the subject of these Final Terms and references to "Securities" and "Security" shall be construed accordingly.

(*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date:)*

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Securities (the "**Conditions**") set forth in the Base Prospectus dated 30 May 2023, which are incorporated by reference in the Base Prospectus dated 12 June 2024. This document constitutes the Final Terms of the Securities described herein for the purposes of Article 8(1) of the Prospectus Regulation and must be read in conjunction with the Base Prospectus dated 12 June 2024 [and the supplement[s] to it dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the "**Base Prospectus**"), including the Conditions incorporated by reference in the Base Prospectus [as supplemented]. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus [as supplemented]. The Base Prospectus [and the supplement to the Base Prospectus] is [are] available for viewing during normal business hours at the registered office of the Issuer [and the specified offices of the Principal Security Agent]. The Base Prospectus [and the supplement to the Base Prospectus] [has] [have] been published on the websites of the Luxembourg Stock Exchange (www.luxse.com) and the Issuer (www.prodottiequotazioni.intesasanpaolo.com). [An issue specific summary of the Securities is annexed to these Final Terms.]]

1. Specific provisions for each Series:

Series Number	**No. of Securities issued**	**[Issue Price][Indicative Price] per Security**	**[Reduced Initial Listing Price per Security]**
● ●	● ●	● ●	● ●

2. Tranche Number: [ ] [Not applicable]

3. Minimum Exercise [Amount][Number]: [ ] [Not applicable]

4. Minimum Trading [Amount][Number]: [ ] [Not applicable]

5. Consolidation: *(Only applicable in relation to Securities which are fungible with an existing Series of Securities)* [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*]]. [Not applicable]

6. Type of Securities and Underlying(s):

(a) The Securities are [Certificates][[Covered] Warrants]. [The Certificates are [Index Securities] [and] [Share Securities] [and] [Exchange Rate Securities] [and] [Interest Rate Securities] [and] [Futures Contract Securities] [and] [Commodity Securities] [and] [Fund Securities] [and] [Govies Securities] [and] [Combined Securities].] [The Warrants are [European][American] Style Warrants.]

(b) The item(s) to which the Securities relate [is] [are] [*specify the Underlying(s) in relation to the remuneration amounts and the Cash Settlement Amount*]

[*if the Underlying is a Share, specify: name of the issuer of the share and ISIN or other identification*

code]

[*if the Underlying is an Index specify the name of the Index, and where the composition, set of rules and governing rules may be found*]

[*if the Underlying is an Interest Rate, describe the interest rate*]

[*if the Underlying qualifies as "benchmark" for the purposes of the Benchmark Regulation insert:*

[*specify benchmark(s)*] [is/are] provided by [*insert administrator(s) legal name(s)*] [*repeat as necessary*]. [As at the date of these Final Terms, [*insert administrator(s) legal name(s)*] [appear[s]]/[[does]/[do] not appear] [*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. [As far as the Issuer is aware, [[*insert benchmark(s*)] [does/do] not fall within the scope of the Benchmark Regulation [by virtue of Article 2 of that Regulation] [*repeat as necessary*] *OR* [the transitional provisions in Article 51 of that Regulation apply, such that [*insert administrator(s) legal name(s)*] [is/are] not currently required to obtain recognition, endorsement or equivalence]. [*repeat as necessary*].]

[*if the Underlying is an Exchange Rate, a Commodity, an ADR or GDR, insert description of the Underlying and specify where to obtain information about such Underlying*]

[*if the Underlying is a Futures Contract, insert description of the Underlying, specify if Futures Contract N-th Near-by Feature is applicable (and relevant details) and specify where to obtain information about such Underlying*]

[*if the Underlying is a Government Bond, specify: (i) whether the Underlying is the Government Bond or the Yield of Government Bond, (ii) the name of the issuer of the security and (iii) the ISIN or other identification code. Where the Underlying is the Yield of Government Bond, specify also the information source*]

[*Specify where information about the past and the future performance of the Underlying and its volatility can be found*]

[*in case of Basket insert*:

a Basket of [ ] composed as follows:

i	**Basket Constituent**	**[Basket Constituent Weight]**	**[Cap]**

[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]

]

[*In case of Securities linked to a Basket of Baskets insert:*

a Basket of baskets (each a "**Basket Constituent**") composed as follows:

i	**Basket Constituent**	**[Basket Constituent Weight]**	**[Cap]**	**t**	**Financial assets composing the Basket Constituent**	**Weight of the financial asset composing the Basket Constituent**
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
				[ ]	[ ]	[ ]
				[ ]	[ ]	[ ]
				[ ]	[ ]	[ ]
				[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
				[ ]	[ ]	[ ]
				[ ]	[ ]	[ ]
				[ ]	[ ]	[ ]
				[ ]	[ ]	[ ]
				[ ]	[ ]	[ ]

]

[*in case of Multiperformance Certificates insert*:

the following Underlyings:

i	**Underlying**
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]

]

[*in case of Currency Certificates insert:*

the following exchange rates:

Exchange Rate	Exchange Rate Weight
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]

]

[*in case of Spread Certificates or if Spread is applicable insert*:

Underlying A: [ ]

Underlying B: [ ]]

7.	Reference Underlying: *(Delete sub-paragraphs if not applicable)*	[ ] [Not applicable]
	Trigger Value:	[ ] [Not applicable]
8.	Typology:	[Standard (Long/Short) Certificates] [Max (Long/Consolidation Long/Short) Certificates] [[Type A][Type B][Type C][Type D] Spread Certificates] [Twin Win (Long/Short) Certificates] [Benchmark (Long/Short) Certificates] [Turbo (Long/Short) Certificate] [Outperformance (Long/Short) Certificates] [Buffer Protection Certificates] [Global Performance Certificates] [Lucky Protection (Long/Short) Certificates] [Dynamic Protection (Long/Short) Certificates] [Currency Certificates] [Digital Certificates] [Discount Certificates] [Combined Amount Certificates] [Long Outperformance Combined Certificates] [Multiperformance Certificates] [Gap (Long/Short) Certificates] [Dual Currency FX Certificates] [Calendar Certificates] [One Star Certificates] [Switch Certificates] [Reverse Butterfly Certificates] [Multiple Strike Certificates] [[Type A][Type B] Constant Leverage (Long/Short) Certificates] [Call Certificates] [Call [Covered] Warrants][Call Spread Warrants][Put [Covered] Warrants][Put Spread Warrants][Interest Rate Warrants] [Corridor Warrants]
9.	(i) Exercise Date:	[ ] [Not applicable]
	(ii) Renouncement Notice Cut-off	[ ] [Not applicable]

	Time:	
10.	Settlement Date:	[ ][Not applicable]
11.	Delivery Date:	[ ][Not applicable]
12.	Issue Date:	[ ]
13.	Issue Currency:	[The Issue Currency is] [ ].
14.	Purchase Price: *(Only applicable in relation to Digital Certificates)*	[ ][Not applicable]
15.	Business Day:	[Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention][ ]
16.	Exchange Business Day:	[Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention][ ]
17.	Settlement Business Day: *(Only applicable in case of Physical Delivery Securities)*	[Settlement Business day means [ ].] [Not applicable]
18.	Settlement:	Settlement will be by way of [cash payment (**Cash Settled Securities**)] [or] [physical delivery (**Physical Delivery Securities**)] (*in case of Physical Delivery Securities, specify if Physical Delivery Confirmation Notice is applicable and/or any other applicable details*).
19.	Exchange Rate:	The applicable Exchange Rate for conversion of the Underlying Reference Currency into the Settlement Currency, is [*insert rate of exchange and details of how and when such rate is to be ascertained*] [Not applicable].
20.	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*)] [the Early Redemption Amount] [and any other remuneration amount under the Securities]] is [ ]. [*If the Securities are Cash Settled Securities that are Dual Currency Securities*: The Securities are Dual Currency Securities (*For the purposes of Condition 3 and Condition 23 include applicable provisions, such as:* *- Exchange Rate/method of calculating the Exchange Rate* *- the party, if any, responsible for calculating the Cash Settlement Amount* *- the provisions applicable where calculation by reference to the Rate of Exchange is impossible or impracticable, including a description of market disruption or settlement disruption events and adjustment provisions* *- person at whose option the Specified Currency(ies) are payable*).]
21.	Name and address of Calculation	The Calculation Agent is [ ]. [*Insert address of Calculation*

	Agent:	*Agent*]
22.	Exchange(s):	[The relevant Exchange[s] [is/are] [ ][in respect of each component security of the Index (each an Index Constituent), [ ] [the principal stock exchange on which such Index Constituent is principally traded, as determined by the Calculation Agent]]. [Not applicable]
23.	[Reference Source] [, Index Sponsor] [, Fund Manager] [, Calculation Entity]:	[ ] [Not applicable]
24.	Related Exchange(s):	[(*For the purposes of Condition 15*) The relevant Related Exchange(s) [is/are] [ ] [Not applicable]
25.	Futures Contract N-th Near-by Feature: *(Only applicable in relation to Futures Contract Securities, delete the sub-paragraphs if not applicable)*	[Applicable [*Specify details*]] [Not applicable]
	Futures Contract N-th Near-by:	[ ]
	N-th Near-by Initial Date: *(Only applicable if the Initial Reference Value is determined on the basis of the Futures Contract N-th Near-by)*	[ ] [Not applicable]
	Rolling:	[Applicable [*Specify details*]] [Not applicable]
	Rollover Date(s):	[ ] [Not applicable]
26.	Open End Feature:	[Applicable][Not applicable]
27.	Put Option: *(Only if Put Option or Open End Feature is specified as applicable. Delete the sub-paragraphs if not applicable)*	[Applicable [*Specify details required to exercise the Put Option*]][Not applicable]
	Put Option Amount:	[Applicable [*Specify details*]][Not applicable]
	Put Valuation Period(s):	[ ] [Not applicable]
	Put Exercise Date:	[ ]
	Put Notice Period:	[from [ ] to [ ]] [ ] (*Specify each period if more than one*)
28.	Call Option: *(Only if Call Option or Open End Feature is specified as applicable.*	[Applicable][Not applicable]

	Delete the sub-paragraphs if not applicable)	
	Call Valuation Period(s):	[ ] [Not applicable]
	Call Exercise Date:	[ ]
	Call Notice Period:	[from [ ] to [ ]] [ ] (*Specify each period if more than one*)
29.	Maximum Level:	[Applicable [*specify level*]/ Not applicable]
30.	Minimum Level: *(Only applicable in relation to Fund Securities)*	[Applicable [*specify level*]/ Not applicable]
31.	Settlement Amount:	[*Insert details of how Cash Settlement Amount / Physical Delivery is to be calculated pursuant to Condition 23 (Pay-out Provisions)* [ ] [*Specify the Underlying(s) which will be considered for the purposes of the calculation of the Cash Settlement Amount or, if the Combo Feature is applicable, the method of calculation and the payout formula for each Underlying/Basket Constituent*]
32.	Multiplier:	[The Multiplier to be applied is [ ]][Not applicable]
33.	Relevant Asset(s): (*Only applicable in relation to Physical Delivery Securities*)	[The Relevant Asset to which the Securities relate [is/are] [ ]] [Not applicable]
34.	Entitlement: (*Only applicable in relation to Physical Delivery Securities*)	[Not applicable.] [The Entitlement in relation to each Security is [ ] (*For the purposes of Condition 3 and Condition 22 insert if necessary, details of how the Entitlement will be calculated*). The Entitlement will be evidenced by [*For the purposes of Condition 22 insert details of how the Entitlement will be evidenced*] The Entitlement will be delivered [*For the purposes of Condition 22 insert details of the method of delivery of the Entitlement*].]
35.	AMF: *(Only applicable in relation to Benchmark Certificates, delete sub-paragraph if not applicable)*	[Not applicable] [Applicable. [*Specify details*]]
	AMF Percentage:	[Not applicable] [Applicable. [*Specify details*]]
36.	VMF: *(Only applicable in relation to Benchmark Certificates and Constant Leverage Certificates,*	[Not applicable] [Applicable. [*Specify details*]]

	delete sub-paragraph if not applicable)	
	VMF Percentage$_x$:	[Not applicable] [Applicable. [*Specify details*]]
	AMF Percentage:	[Not applicable] [Applicable. [*Specify details*]]
37.	Index Leverage Factor:	[ ] [Not applicable]
38.	Constant Leverage Factor: *(Only applicable in relation to Type B Constant Leverage Certificates, delete sub-paragraphs if not applicable)*	[ ] [Not applicable]
	Trigger Value:	[ ] [Not applicable]
	Reference Rate:	[ ] [Not applicable]
	Cross Currency Rate:	[[ ][*Specify also the relevant source*] [Not applicable]]
	Repo Rate$_0$:	[ ] [Not applicable]
	Spread Cost$_0$:	[ ] [Not applicable]
	Tax Adjustment Factor$_0$:	[ ] [Not applicable]
	Dividend Publication:	[ ] [Not applicable]
39.	Strike Price: *(Only applicable in relation to Short Benchmark Certificates, Type A Short Constant Leverage Certificates and Turbo Certificates, delete sub-paragraphs if not applicable)*	[ ] [Not applicable]
	Dividend Percentage:	[[ ] [subject to adjustment by the Calculation Agent]
	Restrike Cost$_t$:	[*specify details*]
40.	Conversion Rate: *(Only applicable in relation to Dual Currency FX Certificates)*	[ ] [Not applicable]
41.	Underlying Reference Currency:	The Underlying Reference Currency is [ ]
42.	Quanto Option:	[Applicable [in relation to [ ]] [Not applicable]
43.	Determination Date(s):	[ ] / from [ ] to [ ] [Not applicable] *(Specify for each Underlying, if more than one)*
44.	Valuation Date(s):	[ ] / from [ ] to [ ] [Not applicable] *(Specify for each Underlying, if more than one)*

45.	Intraday Value:	[Applicable] [Not applicable]
46.	Reference Value:	[For the purposes of the [determination of the] [Accumulating Event] [Barrier Event] [Barrier Gap Event] [Consolidation Floor Event] [Coupon Event] [Digital Event] [Cliquet Valuation Period] [Early Redemption Event] [Extra Consolidation Digital Event] [Gearing Event] [Knock-in Event] [Knock-out Event] [Multiple Strike Event$_i$] [Participation Rebate Event] [Restrike Event] [Switch Event] [Internal Return Amount] [Participation Remuneration Event] [Participation Remuneration Amount] [Memory Effect] [Consolidation Effect] [Click-on Effect] [One Star Event]] [calculation of the performance in relation to the [Global Performance] [Performance Sum]] the Reference Value [*insert determination or calculation method among those specified within Condition 3, including, if applicable, the Intraday Value details and, in relation to Securities with more than one Underlying, the Underlying(s) to be considered for the determination of the relevant event. In the event that the Adjusted Price applies, specify details (e.g. Dividend Period Start Date, Synthetic Ex-Dividend Date and Synthetic Dividends)*.] [Not applicable]
47.	Initial Reference Value:	[ ] [*insert calculation method of the Initial Reference Value among those specified within Condition 3 and, in relation to Securities with more than one Underlying, the Underlying(s) to be considered or, if applicable, the Intraday Value details for each Underlying*] [Not applicable]
	Initial Reference Value Determination Period(s):	[[ ] / from [ ] to [ ]] [Not applicable]
48.	Final Reference Value:	[ ] [*insert calculation method of the Final Reference Value among those specified within Condition 3 and, in relation to Securities with more than one Underlying, the Underlying(s) to be considered or, if applicable, the Intraday Value details for each Underlying. In the event that the Adjusted Price applies, specify details (e.g. Dividend Period Start Date, Synthetic Ex-Dividend Date and Synthetic Dividends)*] [Not applicable]
	Final Reference Value Determination Period(s):	[[ ] / from [ ] to [ ]][Not applicable]
49.	Best Of Feature:	[Applicable [*Specify details*]] [Not applicable]
50.	Worst Of Feature: (*Delete sub-paragraphs if not applicable*)	[Applicable [*Specify details*]] [Not applicable]
	Click-on Effect:	[Applicable [*Specify details*]] [Not applicable]
	Click-on Level:	[Applicable [*Specify details*]] [Not applicable]

	Click-on Valuation Period:	[Applicable [*Specify details*]] [Not applicable]
	Magnet Feature:	[Applicable [*Specify details*]] [Not applicable]
51.	Rainbow Feature:	[Applicable [*specify details*]] [Not applicable]
52.	Reverse Split: *(Only applicable in relation to Turbo Certificates, Benchmark Certificates and Constant Leverage Certificates, delete the sub-paragraph if not applicable)*	[Applicable [*specify details*]] [Not applicable]
	Reverse Split Notice Period:	[*Specify the Reverse Split Notice Period for the purposes of Condition 24*]

PROVISIONS RELATING TO CERTIFICATES

[Applicable][Not applicable].

53.	Performance Cap:	[Applicable. Equal to [ ]%] [In relation to Performance of the Underlying A equal to [ ]% and in relation to Performance of the Underlying B equal to [ ]%] [Not applicable.]
	Performance Floor:	[Applicable. Equal to [ ]%] [In relation to Performance of the Underlying A equal to [ ]% and in relation to Performance of the Underlying B equal to [ ]%] [Not applicable.]
	Performance Participation Factor:	[[ ]%][Not applicable]
54.	Initial Percentage:	[[ ]%] [*specify details in case of more than one Initial Percentages*] [Not applicable]
55.	Participation Factor:	[[ ]%][Not applicable]
56.	Down Participation Factor:	[[ ]%][Not applicable]
57.	Up Participation Factor:	[[ ]%][Not applicable]
58.	Initial Leverage: *(Delete sub-paragraph if not applicable)*	[[ ]%] [Not applicable]
	Adjust Factor:	[ ]%
59.	Barrier Event: *(Delete sub-paragraph if not applicable)*	[Applicable [*specify details*]] [Not applicable]
	Barrier Event Determination Period(s):	[ ] [from [ ] to [ ]] [Not applicable]
	Barrier Level:	[ ][*Specify the level of the period or the different levels for the same period and for each period if more than one*] [Not applicable]

	Lower Barrier Level:	[ ] [Not applicable]
	Upper Barrier Level:	[ ] [Not applicable]
	Barrier Selection Period:	[ ] [Not applicable]
	Strike Observation Period:	[ ] [Not applicable]
	Air Bag Factor:	[ ] [Not applicable]
	Protection Level:	[ ] [Not applicable]
	Protection Percentage:	[ ]% [Not applicable]
	Spread Protection:	[ ] [Not applicable]
	Protection Amount:	[ ] [Not applicable]
	Dropdown Protection Level:	[ ] [Not applicable]
	Dropdown Protection Amount:	[ ] [Not applicable]
	Dynamic Protection Level: *(Only applicable in relation to Dynamic Protection Certificates)*	[ ] [Not applicable]
	Step Up Amount: *(Only applicable in relation to Dynamic Protection Certificates)*	[ ] [Not applicable]
	Sigma Amount:	[ ] [Not applicable]
	Predetermined Loss Percentage:	[[ ]%] [Not applicable]
	Short Protection: *(Only in case of Standard Short Barrier Protected Certificates and Max Short Barrier Protected Certificates)*	[ ] [Not applicable]
	Butterfly Level: *(Only in case of Reverse Butterfly Certificates)*	[[ ]% of the Initial Reference Value] [Not applicable]
60.	Barrier Gap Event: *(Delete sub-paragraphs if not applicable)*	[Applicable [*specify details*]] [Not applicable]
	Barrier Gap Observation Period(s):	[ ] [from [ ] to [ ]] *(Specify each period if more than one)*
	Barrier Gap Level:	[[ ]%][Not applicable]
	Barrier Gap Leverage:	[Applicable [*specify details*]]
61.	Cap Level(s):	[Applicable [*specify details*]] [Not applicable]

	(Delete sub-paragraphs if not applicable)	
	Cap Percentage:	[[ ]%] [*if Spread is applicable specify in case of more than one Cap Percentages*] [Not applicable]
	Cap Amount:	[ ] [Not applicable]
	Cap Style 1: *(Only in case of Restrike Feature)*	[Applicable [*specify details*]] [Not applicable]
	Cap Style 2: *(Only in case of Restrike Feature)*	[Applicable [*specify details*]] [Not applicable]
62.	Floor Percentage:	[[ ]%][*if Spread is applicable specify in case of more than one Floor Percentages*] [Not applicable]
63.	Consolidation Floor Event: *(Delete sub-paragraphs if not applicable)*	[Applicable [*specify details*]] [Not applicable]
	Consolidation Floor Valuation Period(s):	[ ] [from [ ] to [ ]
	Consolidation Floor Level:	[ ] (*Specify the level both for the purposes of the occurrence of the event and for the Cash Settlement Amount, if different*) (*Specify the level of the period or the different levels for the same period and for each period if more than one and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)*
	Consolidation Participation Factor:	[Applicable. Equal to [ ]%] [Not applicable]
	Cap Consolidation Amount:	[Applicable [specify details]] [Not applicable]
64.	Cap Barrier Amount:	[ ] [Not applicable]
65.	Cap Down Amount:	[ ] [Not applicable]
66.	Strike Percentage:	[[ ]%] [Not applicable]
67.	Calendar Cap Percentage:	[[ ]%] [Not applicable]
68.	Calendar Floor Percentage:	[[ ]%] [Not applicable]
69.	Gearing Factor: *(Only applicable in relation to Standard Long Certificates)*	[[ ]%] [Not applicable]
70.	One Star Event: *(Only applicable in relation to One Star Certificates, delete sub-paragraphs if not applicable)*	[Applicable. [*Specify details*]] [Not applicable]
	One Star Trigger Level:	[ ]% (*specify for each Underlying or each Basket Constituent)*

	Lower One Star Trigger Level:	[ ] [Not applicable]
	Upper One Star Trigger Level:	[ ] [Not applicable]
	One Star Determination Period:	[ ][ ] / from [ ] to [ ]
	One Star Selection Period:	[ ] [ ] / from [ ] to [ ] [Not applicable]
71.	Switch Event: *(Delete sub-paragraphs if not applicable)*	[Applicable. [*Specify details*]] [Not applicable]
	Switch Level:	[ ] %
	Switch Valuation Period:	[ ][ ] / from [ ] to [ ]
72.	Multiple Strike Event$_i$: *(Delete sub-paragraphs if not applicable)*	[Applicable. [*Specify details*]] [Not applicable]
	Multiple Strike Level$_i$:	[ ] *(Specify details)*
	Multiple Strike Valuation Period(s):	[ ] *(Specify each period if more than one)* [Not applicable]
	Multiple Participation Factor$_i$:	[ ]
	Multiple Amount$_i$:	[Applicable [*Specify details*]] [Not applicable]
73.	Spread: *(Delete sub-paragraph if not applicable)*	[Applicable [*Specify details*]] [Not applicable]
	Margin:	[Applicable. Equal to [ ]%] [Not applicable.][ ]
74.	Gearing Event: *(Only applicable in relation to Dynamic Protection Certificates, delete sub-paragraphs if not applicable)*	[Applicable [*specify details*]] [Not applicable]
	Gearing Level:	[ ]
	Gearing:	[ ]%
	Initial Gearing:	[ ]%
75.	Buffer Event: *(Delete sub- paragraphs if not applicable)*	[Applicable. [*Specify details*]] [Not applicable]
	Buffer Percentage:	[ ] %
	Performance Sum:	[The Performance Sum will be calculated on the Performance Observation Date(s) [*insert calculation method and strategy*].
	Performance Sum Cap:	[Applicable. Equal to [ ]%] [Not applicable.]

	Performance Sum Floor:	[Applicable. Equal to [ ]%] [Not applicable.]
	Protection Percentage:	[ ] %
	Buffer Valuation Period(s):	[ ]
76.	Global Performance: *(Delete sub-paragraphs if not applicable)*	[Applicable] [The Global Performance will be calculated on the Performance Observation Date(s) [*insert calculation method*] [Not applicable]
	Participation Factor:	[ ]%
	Local Floor Percentage:	[ ]%
	Global Strike Percentage:	[ ]%
	Performance Observation Date(s): *(Only applicable in case of Buffer Protection Certificates and Global Performance Certificates)*	[ ] [ ] / from [ ] to [ ]
	Strike Level: *(Only applicable to Dual Currency FX Certificates)*	[[ ]%][Not applicable]
77.	Failure to Deliver due to Illiquidity: *(Only applicable in case of Physical Delivery Securities)*	[Not applicable] [Failure to Deliver due to Illiquidity applies to the Securities].
78.	Digital Percentage: *(Only applicable to Digital Certificates)*	[[ ]%][Not applicable]
79.	Settlement Level: *(Only applicable to Digital Certificates)*	[[ ]%][Not applicable]
80.	Combined Amount: *(Only applicable to Combined Amount Certificates. Delete sub-paragraph if not applicable)*	[Applicable] [The Combined Amount will be equal to the product of the Multiplier of the Underlying specified below and the relevant Final Reference Value] [Not applicable]
	Underlying:	[ ] [*specify underlying to be used for the determination of the Combined Amount*]
81.	Darwin Feature:	[Applicable [*Specify details*]] [Not applicable]

PROVISIONS RELATING TO REMUNERATION AMOUNTS AND EARLY REDEMPTION AMOUNTS

[Applicable][Not applicable]

82.	Knock-out Feature: *(Delete sub-paragraphs if not applicable)*	[Applicable in relation to [ ]] [Not applicable]
	Knock-out Event:	[ ] *(Specify details for each period if more than one)*

	Knock-out Level:	[ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)*
	Knock-out Valuation Period(s):	[ ] *(Specify each period if more than one)*
83.	Knock-in Feature: *(Delete sub-paragraphs if not applicable)*	[Applicable in relation to [ ]] [Not applicable]
	Knock-in Event:	[ ] *(Specify details for each period if more than one)*
	Knock-in Level:	[ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)*
	Knock-in Valuation Period(s):	[ ] *(Specify each period if more than one)*
84.	Digital Amount(s): *(Delete sub-paragraphs of not applicable)*	[ ] (*specify details for each level/period if more than one*) [Equal to Coupon Premium 1 or Coupon Premium 2 depending on the occurrence of Coupon Event] [Not applicable] [*If Multiple Level Option is applicable, specify details and each amount (i.e. the Digital Amount 1, the Digital Amount 2 and so on) and in relation to which Digital Valuation Period(s))*]
	Underlying(s):	[ ] [*specify Underlying(s) in relation to each Digital Event*]
	Digital Level(s):	[ ] *(Specify details of the level(s) and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)* [Multiple Level Option applicable. [ ] *(Specify details and each level (i.e. the Digital Level 1, the Digital Level 2 and so on) and in relation to which Digital Valuation Period(s))*]
	Digital Valuation Period(s):	[ ] *(Specify each period if more than one)*
	Digital Payment Date(s):	[ ] *(Specify for each period if more than one)*
	[Record Date:]	[ ]
	Digital Combo Feature:	[Applicable [*specify details*]] [Not applicable]
	Cliquet Feature:	[Applicable [*specify details*]] [Not applicable]
	Cliquet Valuation Period(s):	[Applicable [*specify details*]] [Not applicable]
	Consolidation Effect:	[Applicable [*specify details*]] [Not applicable]
	Consolidation Level:	[ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)* [Not applicable]
	Consolidation Valuation Period(s):	[ ] *(Specify each period if more than one)* [Not applicable]
	Extra Consolidation Digital Feature:	[Applicable [*specify details*]][Not applicable]

	Extra Consolidation Digital Level:	[ ] *(Specify for each period if more than one)* [Not applicable]
	Extra Consolidation Digital Period(s):	[ ] *(Specify each period if more than one)* [Not applicable]
	Memory Effect:	[Applicable [*specify details*]] [Not applicable]
	Memory Level:	[ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)* [Not applicable]
	Memory Valuation Period(s):	[ ] *(Specify each period if more than one)* [Not applicable]
	Path Dependency Effect:	[Applicable [*specify details*]] [Not applicable]
	Path Dependency Amount:	[ ] [Not applicable]
85.	Restrike Feature: *(Delete sub-paragraphs if not applicable)*	[Applicable [*specify details*]] [Not applicable]
	Restrike Level:	[ ] % *(Specify for each period if more than one)*
	Restrike Observation Date(s):	[ ] *(Specify each period if more than one)*
	Restrike Percentage:	[ ]% *(Specify for each period if more than one)*
86.	Plus Amount(s): *(Delete sub-paragraph if not applicable)*	[Applicable [*specify details*]] [Not applicable]
	Plus Payment Date(s):	[ ] *(Specify each date if more than one)*
	[Record Date:]	[ ]
87.	Accumulated Amount(s): *(Delete sub-paragraph if not applicable)*	[Applicable. (*If an Early Redemption Level is applicable, specify whether the payment of the Accumulated Amount is conditional upon occurrence of an Early Redemption Event*)] [Not applicable]
	Accumulating Amount(s):	[ ] *(Specify for each period if more than one)*
	Accumulating Event(s):	[ ] *(Specify details)*
	Underlying(s):	[ ] (*Specify Underlying(s) in relation to the determination of the Accumulating Event*) [Not applicable]
	Accumulating Level(s):	[ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)* [Not applicable]
	Accumulating Valuation Period(s):	[ ] *(Specify each period if more than one)*
	Accumulated Valuation Date(s):	[ ] *(Specify for each period if more than one)*

	Accumulated Payment Date(s):	[ ] *(Specify for each period if more than one)*
	[Record Date:]	[ ]
	Accumulating Autocallable Trigger Amount(s):	[ ] *(Specify for each period if more than one)* [Not applicable]
88.	Early Redemption Amount(s): *(Delete sub-paragraph if not applicable)*	[Applicable] [ ] *(Specify for each period if more than one)* [Equal to Coupon Premium 1 or Coupon Premium 2 depending on the occurrence of Coupon Event] [The Early Redemption Amount[s] [is] [are] [Long [Cap] Early Redemption Amount[s]] [and] [Short [Cap] Early Redemption Amount[s]] (*For the purposes of Condition 3 and Condition 23, insert details for each Early Redemption Amount and the valuation date(s) for the determination of the performance of the Underlying if different from the Early Redemption Valuation Period(s))*] [Not applicable]
	Underlying(s):	[ ] (*Specify Underlying(s) in relation to each Early Redemption Event*)
	Early Participation Factor$_t$:	[ ] *(Specify details)* [Not applicable]
	Early Cap Level:	[ ] *(Specify details)* [Not applicable]
	Early Cap Percentage:	[ ] *(Specify details)* [Not applicable]
	Early Cap Amount:	[ ] *(Specify details)* [Not applicable]
	Early Redemption Event:	[ ] *(Specify details)*
	Underlying(s):	(*Specify underlying(s) in relation to the calculation of the Early Redemption Amount.*) [Not applicable]
	Early Redemption Level:	[ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)*
	Early Redemption Valuation Period(s):	[ ] *(Specify each period if more than one)*
	Early Payment Date(s):	[ ] *(Specify for each period if more than one)*
89.	Early Partial Capital Payment Amount: *(Delete sub-paragraph if not applicable)*	[ ] [Not applicable]
	Early Partial Capital Payment Date:	[ ] [Not applicable]
	[Record Date:]	[ ]
	Outstanding Amount Determination Date(s):	[ ] [Not applicable]
90.	Cumulated Bonus Amount: *(Delete*	[Applicable] [Not applicable]

sub-paragraphs if not applicable)

	Bonus Percentage:	[ ]
	Bonus Observation Date(s):	[ ]
	Bonus Payment Date(s):	[ ]
	[Record Date:]	[ ]
91.	Coupon Event: *(Delete sub-paragraphs if not applicable)*	[Applicable [*Specify details*]] [Not applicable]
	Coupon Level:	[ ]
	Coupon Determination Period:	[ ]
	Coupon Valuation Date:	[ ]
	Coupon Premium 1:	[ ]
	Coupon Premium 2:	[ ]
92.	Internal Return Amount: *(Delete sub-paragraphs if not applicable)*	[Applicable [*IRA Compound / IRA Simple*] [Not applicable]
	Underlying(s):	[ ] *(Specify Underlying(s) in relation to the calculation of the Internal Return Amount.*][Not applicable]
	Annual Valuation Period(s):	[ ]
	IRA Cap:	[[ ]%] [Not applicable]
	Annual Remuneration Payment Date(s):	[ ] (*Specify date(s) for each Annual Valuation Period if more than one*)
	[Record Date:]	[ ]
93.	Participation Remuneration Amount: *(Delete sub-paragraph if not applicable)*	[Applicable. The Participation Remuneration Amount[s] [is] [are] [Long Participation Remuneration Amount[s] Form A] [and] [Long Participation Remuneration Amount[s] Form B] [Short Participation Remuneration Amount[s]] [Spread Participation Remuneration Amount[s]] (*Specify details and each amount (i.e. the Participation Remuneration Amount 1, the Participation Remuneration Amount 2 and so on*)] [Not applicable]
	Underlying(s):	[ ] (*Specify Underlying(s) in relation to each Participation Remuneration Amount*)
	Participation Remuneration Payment Date(s):	[ ]
	[Record Date:]	[ ]

Participation Performance Period(s):	[ ] *(Specify in relation to each Participation Remuneration Amount if more than one)* [Not applicable]
Participation Valuation Date(s)$_j$:	[ ] [Not applicable]
Participation Valuation Date(s)$_t$:	[ ] *(Specify in relation to each Participation Remuneration Amount if more than one)*
Strike Remuneration Percentage$_j$:	[ ] [Not applicable]
Floor Percentage$_t$:	[ ] [Not applicable]
Cap$_t$:	[ ] [Not applicable]
Base Premium Percentage$_t$:	[ ] [Not applicable]
Participation Remuneration Amount Gearing$_t$:	[ ] [Not applicable]
Net Profit Feature:	[Applicable *(Specify details. Specify the relevant Participation Remuneration Amount(s) and the relevant Remuneration Payments Date(s) for the calculation of the Remuneration Sum)*] [Not applicable]
Tarn Feature:	[Applicable *(Specify details. Specify the relevant Participation Remuneration Amount(s) and the relevant Remuneration Payments Date(s) for the calculation of the Remuneration Sum)*] [Not applicable]
Tarn Amount	[ ] [Not applicable]
Participation Combo Feature:	[Applicable *(Specify details)*] [Not applicable]
Participation Factor$_t$:	[ ] [Not applicable]
Participation Remuneration Event:	[Applicable *(Specify details)*] [Not applicable]
Participation Remuneration Level(s):	[ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)*
Cliquet Feature:	[Applicable [*specify details*]] [Not applicable]
Cliquet Valuation Period(s):	[Applicable [*specify details*]] [Not applicable]
Participation Remuneration Event Valuation Period(s):	[ ] *(Specify each date if more than one)*
Consolidation Effect:	[Applicable *(Specify details)*] [Not applicable]
Consolidation Level:	[ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)* [Not applicable]

Consolidation Valuation Period(s): [ ] *(Specify each period if more than one)* [Not applicable]

Memory Effect: [Applicable *(Specify details)*] [Not applicable]

Memory Level: [ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)* [Not applicable]

Memory Valuation Period(s): [ ] *(Specify each period if more than one)* [Not applicable]

94. Participation Rebate Feature: *(Delete sub-paragraphs if not applicable)* [Applicable] [Not applicable]

Participation Rebate Event: [Applicable *(Specify details)*]

Participation Rebate Level: [ ] *(Specify the level and, if a range applies, the Up Range Level/Down Range Level, for each period if more than one)*

Participation Rebate Valuation Period(s): [ ] (*Specify each period if more than one*)

95. Floating Amount: *(Only applicable in relation to Interest Rate Warrants. Delete the sub-paragraphs if not applicable*) [Not applicable] [Applicable]

Floating Amount Determination Period/ Floating Amount Payment Date(s)/ Notional Amount$_t$:

t	**Floating Amount Determination Period$_t$**		**[Notional Amount$_t$]**	**Floating Amount Payment Date**
	from	**to**		
[ ]	[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]	[ ]
[ ]	[ ]	[ ]	[ ]	[ ]

[The Notional Amount$_t$ is equal to the [Notional Amount] [ ] in relation to all the Floating Amount Determination Periods.]

Floating Amount Determination Date(s): [ ]

Interest Cap: [ ]

Day Count Fraction: [ACT/360] [Actual/Actual] [30/360] [ ] (*Specify details, if necessary*)

[following] [modified following] [adjusted] [unadjusted]

	Reference Rate:	[ ]
	- Manner in which Reference Rate is to be determined:	[*Insert relevant provisions for the purposes of Condition 23:* [ ]
96.	Premium Gap Amount: *(Delete the sub-paragraphs if not applicable*):	[Not applicable.] [Applicable: [Floating Premium] [and] [Fixed Premium] [and] [Difference in Rates] determined on the basis of the number of days within the [relevant] Premium Gap Observation Period, which is the period that will be composed by: i. if a Barrier Gap Event has not occurred, the same number of days comprised in the [relevant] Premium Determination Period; or ii. if a Barrier Gap Event has occurred, the number of days from [and including] [but excluding] the initial day of the [relevant] Premium Determination Period to [and including] [but excluding] the day on which the Barrier Gap Event has occurred and not on the basis of all the days of the [relevant] Premium Determination Period. [If a Barrier Gap Event occurs, after the payment of the Premium Gap Amount that will be paid on the payment date following the Barrier Gap Event Date on which a Barrier Gap Event has occurred, no further Premium Gap Amount will be paid to the Securityholders.]
	Fixed Premium: (*Delete the following sub-paragraph if not applicable*)	[Applicable *(Specify in relation to which period if more than one)*][Not applicable]
	– Premium Percentage:	[ ]
	– Day Count Fraction:	[ACT/360] [Actual/Actual] [30/360] (*Specify details, if necessary*) [following] [modified following] [adjusted] [unadjusted]
	– Premium Determination Period:	[from [ ] to [ ]] (*Specify for each period if more than one*)
	– Premium Gap Payment Date(s):	[ ] (*Specify for each period if more than one*)
	– [Record Date:]	[ ]
	Floating Premium: (*Delete the following sub-paragraph if not applicable*):	[Applicable (*Specify in relation to which period if more than one*)] [Not applicable]
	– Premium Percentage:	[ ]

– Premium Margin	[Applicable (*Specify details*) [Not applicable] (Please note that *the Premium Margin may be equal to zero if the Issuer decides not to apply it for the calculation of the relevant Premium Gap Amount*)
– Day Count Fraction:	[ACT/360][Actual/Actual] [30/360] (*Specify details, if necessary*) [following] [modified following] [adjusted] [unadjusted]
– Premium Determination Period:	[from [ ] to [ ]] (*Specify for each period if more than one*)
– Premium Gap Payment Date(s):	[ ] (*Specify for each period if more than one*)
– [Record Date:]	[ ]
– Manner in which the rate of interest is to be determined:	[*Insert relevant provisions for the purposes of Condition 23:* [ ]
Difference in Rates: (*Delete the following sub-paragraph if not applicable*):	[Applicable (*Specify in relation to which period if more than one*)] [Not applicable]
– Day Count Fraction:	[ACT/360][Actual/Actual][30/360] (*Specify details, if necessary*) [following] [modified following] [adjusted] [unadjusted]
– Premium Determination Period:	[from [ ] to [ ]] (*Specify for each period if more than one*)
– Premium Gap Payment Date(s):	[ ] (*Specify for each period if more than one*)
– [Record Date:]	[ ]
– Rate 1:	[ ]
(i) Premium Percentage:	[ ]
(ii) Premium Margin:	[Applicable (*Specify details*) [Not applicable] (Please note that *the Premium Margin may be equal to zero if the Issuer decides not to apply it for the calculation of the relevant Premium Gap Amount*)
(iii) Manner in which Rate 1 is to be determined:	[*Insert relevant provisions for the purposes of Condition 23:* [ ]

–	Rate 2:	[ ]
	(i) Premium Percentage:	[ ]
	(ii) Premium Margin:	[Applicable (*Specify details*) [Not applicable] (Please note that *the Premium Margin may be equal to zero if the Issuer decides not to apply it for the calculation of the relevant Premium Gap Amount*)
	(iii) Manner in which Rate 2 is to be determined:	[*Insert relevant provisions for the purposes of Condition 23:* [ ]

PROVISIONS RELATING TO WARRANTS

[Applicable][Not applicable].

97.	Type of Warrants:	[(i) the Warrants are [European/American] Style Warrants (ii) the Warrants are [Call] [Put] [Corridor][Covered] [Interest Rate] Warrants][Not applicable]
98.	Notional Amount [and Final Notional Amount (*Only applicable in relation to Interest Rate Warrants*)] :	[Not applicable] [ ]
99.	Day Count Fraction:	[Not applicable] [ACT/360] [Actual/Actual] [30/360] (*specify details, if necessary*) [following] [modified following] [adjusted] [unadjusted]
100.	Exercise Price: (*Only applicable for Covered Warrants*)	[Not applicable] [ ]
101.	Premium:	[Not applicable] [[ ] [[being] [ ]% of the Notional Amount]] for each Warrant.]
102.	Barrier Event:	[Applicable (*Specify details*)] [Not applicable]
	Barrier Event Determination Period(s):	[from [ ] to [ ] [Not applicable]
	Barrier Valuation Period(s):	[from [ ] to [ ] [Not applicable]
	Lower Barrier Level:	[ ] (*Specify the level for each period if more than one*) [Not applicable]
	Upper Barrier Level:	[ ] (*Specify the level for each period if more than one*) [Not applicable]
	Corridor Early Amount:	[ ][Not applicable]
	Corridor Early Payment Date:	[ ][Not applicable]

103.	Strike Percentage:	[[ ]%] [Not applicable]
104.	Exercise Period: (*Only applicable for American Style Warrants*)	[Not applicable] [[ ]]
105.	Maximum Exercise Number: (*Not applicable for European Style Warrants*)	[Not applicable] [The maximum number of Warrants that must be exercised on any day by any Securityholder or group of Securityholders is [ ]]
106.	Settlement Determination Period: *(Only applicable for Interest Rate Warrants)*	[from [ ] to [ ]] [Not applicable]
107.	Settlement Determination Date: *(Only applicable for Interest Rate Warrants)*	[[ ]] [Not applicable]

GENERAL

108.	Form of Securities:	[Bearer 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.]] [Registered Securities] [Italian Dematerialised Securities]
109.	Prohibition of Sales to Retail Investors:	[Applicable. 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 (the "**EEA**")] [and] [*Insert jurisdiction(s)* [•]] [*Insert any other selling restriction* [•]].] [The Securities are only intended to be offered, sold or otherwise made available to investors via the professional segment of [the regulated market of the Luxembourg Stock Exchange]/[the Euro MTF Market]/[•].] [Not applicable] (*If the Securities clearly do not constitute "packaged" products, "Not applicable" should be specified. If the Securities may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
	[MREL eligible liabilities:]	[[Applicable] / [Not applicable]]

DISTRIBUTION

110.	Syndication:		[Not applicable.] [The Securities will be distributed on a [non-]syndicated basis.]
	(i)	[If syndicated, names and addresses of Managers and underwriting commitments:	[*give names, and addresses and underwriting commitments*] [Not applicable.]] (*Including 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 and an indication of the material features of the agreements, including, where applicable, the quotas. Where not all of the issue is underwritten, a statement of the portion not covered. Also provide an indication of the placing commission*)
	(ii)	[Date of Subscription Agreement:	[ ] [Not applicable.]]
	(iii)	[Stabilising Manager (if any):	[Not applicable][*give name and address* (*)]]
	[If non-syndicated, name and address of Manager (if not the Issuer):		[*Name and address*] [Not applicable.]]
	[Total commission and other costs:		[*specify the total commission and cost (e.g. placement commissions or – in case the Issuer acts as Distributor – distribution commissions), the single components of commission and cost, if any, and the elements to be taken into account for the purposes of determining the variable commission, if any, or other structuring fees, other structuring costs, if any*] [Not applicable.]]

ADDITIONAL INFORMATION

Example(s) of complex derivatives securities:	[Not applicable] [*Insert, where available, scenarios and simulations of the Certificates, for informative and illustrative purposes only, with a statement that they do not purport either to be comprehensive or anticipate or guarantee future returns.*]

[DISTRIBUTION IN OR FROM SWITZERLAND TO PRIVATE CLIENTS AND PUBLIC OFFER[**]

If and to the extend the Securities qualify as structured products in Switzerland pursuant to article 70 of the Swiss Financial Services Act ("**FinSA**"), they are neither subject to authorisation nor supervision by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"). None of the Securities constitutes a participation in a collective investment scheme within the meaning of the Collective Investment Schemes Act of 23 June 2006 ("**CISA**") and investors do not benefit from the specific investor protection provided under CISA. Investors bear the credit risk of the Issuer.

[*If (i) Securities are not distributed in or from Switzerland to Private Clients or (ii) Private Clients in or from Switzerland may exclusively purchase Securities under an asset management agreement pursuant to article 58*

[**] Distribution in or from Switzerland is exempt from the Prospectus Regulation.

para. 2 FinSA, add: The Securities may be distributed in or from Switzerland only to professional and institutional clients and, only under certain conditions, to private clients as defined in article 70 para. 1 FinSA. No KID or PRIIPs-KID in accordance with the requirements of the FinSA is required or has been prepared for the purpose of such distribution.

[*If Securities are distributed in or from Switzerland to Private Clients, unless Private Clients may exclusively purchase Securities under an asset management agreement pursuant to article 58 para. 2 FinSA, add:* The Securities may be distributed in or from Switzerland. A [KID][PRIIPs-KID] has been prepared and made available in accordance with the requirements of FinSA at: [*insert contact details of Issuer*][*if electronic version is retrievable online:* and *[insert URL*]

[*If Securities are publicly offered, directly or indirectly, in Switzerland within the meaning of the FinSA:* The Base Prospectus constitutes a base prospectus within the meaning of the FinSA. It has been approved according to the requirements of the FinSA by a prospectus review body authorized by FINMA for that purpose pursuant to article 51 et seqq. FinSA (the "**Review Body**") and these Final Terms have been registered with the Review Body according to the requirements of the FinSA.**]]**

[THIRD PARTY INFORMATION

[The information relating to ● [and ●] (the "**Reference Information**") contained herein has been accurately [reproduced] [extracted] from [*insert information source(s)*]. As far as the Issuer is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the [reproduced] [extracted] information inaccurate or misleading. The Issuer accepts responsibility for the accuracy of such [extraction][reproduction] but accepts no further or other responsibility in respect of such information.]]

[Signed on behalf of the Issuer:

By: .....

Duly authorised]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing:	[Application [[has] [may] [will]] [also] [been] [be] made in] [is expected to be made in] [Luxembourg [- Luxembourg Stock Exchange]] [and] [Austria [- Vienna Stock Exchange]] [Belgium [– Brussels Stock Exchange]] [Croatia [- Zagreb Stock Exchange]] [France [- Euronext Paris]] [Greece [- Athens Stock Exchange]] [Hungary [- Budapest Stock Exchange]] [Ireland – Official List of Euronext Dublin]] [Italy [– Euronext Milan]] [Portugal – Official List of Euronext Lisbon]] [Slovakia [- Bratislava Stock Exchange]] [Slovenia [- Ljubljana Stock Exchange]] [Spain [- Bolsa de Madrid]] [None]
(ii)	Admission to trading:	[Application [[has] [may] [will]] [also] [been] [be] made][is expected to be made] for the Securities to be admitted to trading on [*specify details of the relevant market/trading venue in Luxembourg/ Austria/ Belgium/ Croatia/ France/ Greece/ Hungary/ Ireland/ Italy/ Portugal/ Slovakia/ Slovenia/ Spain as the case may be*] with effect from [ ]. (*specify all the relevant markets / trading venues - if more than one - by enlisting them in different paragraphs*)] [[After the Issue Date] [A][a]pplication may be made to list the Securities on other stock exchanges or regulated markets or to admit to trading on other trading venues as the Issuer may decide.] [Not Applicable.] (*Where documenting a fungible issue need to indicate that original securities are already admitted to trading*) [Only qualified investors, as defined in Article 2 (e) of the Prospectus Regulation, are allowed to purchase the Securities on the [•].]

2. NOTIFICATION

[The CSSF [has been requested to provide/has provided] the [*names of competent authorities of host Member State(s)*] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Regulation.]

[Not applicable.]

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

[Save for any commission payable to the Manager[s] [and costs payable to the Issuer], so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer. – *Amend as appropriate if there are other interests. In the event that the Issuer acts as Calculation Agent*

or the Calculation Agent is an affiliate of the Issuer, include a reference to the risk factor "Potential Conflicts of Interest".]

4. 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 (for example for Green Certificates, Climate Certificates, Social Certificates, or Sustainability Certificates) 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:	[None.] [ ]. [*Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".*] (*(i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.*)

5. TERMS AND CONDITIONS OF THE OFFER

[Applicable][Not applicable (*if not applicable, delete the entire section*)]

[Non-exempt Offer Jurisdiction(s)]	[Grand Duchy of Luxembourg] [and] [Austria] [and] [Belgium] [and] [Croatia] [and] [France] [and] [Greece] [and] [Hungary] [and] [Republic of Ireland] [and] [Republic of Italy] [and] [Portugal] [and] [Slovakia] [and] [Slovenia] [and] [Spain] [[The Issuer] [•] intends to publish advertising material in Italy referring to the Securities and the admission to trading of the Securities on the [•], which may be qualified as a public offer of Securities in [Italy] [•] under [Italian law] [•] and this Final Terms are prepared for this purpose.]
[Offer Price:]	[Issue Price][*specify*]
[Conditions to which the offer is subject:]	[Not applicable/*give details*]
[The Offer Period, including any possible amendments, during which the offer will be open and description of the application	[Not applicable/*give details*]

process:]

[Details of the minimum and/or maximum amount of the application:]	[Not applicable/*give details*]
[Description of possibility to reduce subscriptions and manner for refunding amounts paid in excess by applicants:]	[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*]
[Whether tranche(s) have been reserved for certain countries:]	[Not applicable/*give details*]
[Process for notifying to applicants of the amount allotted and an indication whether dealing may begin before notification is made:]	[Not applicable/*give details*]
[Amount of any expenses and taxes charged to the subscriber or purchaser:]	[Not applicable/*give details*]
[Consent to use of Base Prospectus:]	[Not applicable.] [The Issuer consents to the use of the Base Prospectus in [Luxembourg] [and] [Austria] [and] [Belgium] [and] [Croatia] [and] [France] [and] [Greece] [and] [Hungary] [and] [Ireland] [and] [Italy] [and] [Portugal] [and] [Slovakia] [and] [Slovenia] [and] [Spain] by [all financial intermediaries] [the following financial intermediar[y][ies]: [*Insert name[s]] and address[es]*] (the "**Authorised Offeror[s]**").] The consent is subject to the condition that the Authorised Offeror[s] compl[y][ies] with the applicable selling restrictions as well as the other conditions specified under the Base Prospectus. [The consent is also subject to and given under the following additional condition[s]: [•].] [The subsequent resale of the Certificates in [Luxembourg] [and] [Austria] [and] [Belgium] [and]

		[Croatia] [and] [France] [and] [Greece] [and] [Hungary] [and] [Ireland] [and] [Italy] [and] [Portugal] [and] [Slovakia] [and] [Slovenia] [and] [Spain] by the Authorised Offeror[s] can be made [as long as the Base Prospectus is valid in accordance with article 12 of the Prospectus Regulation] [*include relevant period if less than 12 months*] [and under the following additional condition[s]: [•]].]]

6. DISTRIBUTION

(i)	Name(s) and address(es), to the extent known to the Issuer, of the Managers / Distributors in the various countries where the offer takes place:	[None*/give details*]
(ii)	Name and address of the co-ordinator(s) of the global offer and of single parts of the offer:	[Not applicable] [●]
(iii)	Name and address of any paying agents and depository agents in each country (in addition to the Principal Security Agent):	[Not applicable] [●]
(iv)	Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements:	[Not applicable] [●]
(v)	Date of signing of the [underwriting] / [placement] agreement	[Not applicable] [●]

7. POST-ISSUANCE INFORMATION

The Issuer [intends to provide post-issuance information [*specify what information about the Underlying(s) will be reported and where it can be obtained*]] [does not intend to provide post-issuance information, except if required by any applicable laws and regulations].

8. OPERATIONAL INFORMATION

(i)	ISIN Code:	[ ]
[(ii)]	[Common Code][●][*specify other security identification code, if any*]:	[ ][Not applicable]
[(iii)]	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, S.A., relevant address(es), and relevant identification number(s):	[Not applicable/Monte Titoli/*give name(s) and number(s)*]

[(iv)]	Names and addresses of initial Security Agents:	[ ]
[(v)]	[Name(s) and address(es) of Listing Agent(s) *(only applicable for Listing Agent(s) other than the Luxembourg Listing Agent. Delete if not applicable)*:]	[[ ]]

APPLICABLE FINAL TERMS - ISSUE SPECIFIC SUMMARY OF THE SECURITIES

[Insert the issue specific summary for the Securities]

[ANNEX TO THE FINAL TERMS
(Only applicable in the case of multi-products issuance)]
[*Applicable table in case of Warrants:*

Series Number (Item 1 of Part A [and Section [•] of the Issue Specific Summary (*Delete when Summary is not applicable*)**])**	**Warrants Isin Code [or other security identification code if different from ISIN Code] (Paragraph 8 of Part B [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])**	**Minimum Exercise Amount (Item 3 of Part A [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])**	**Underlying (Item 6 of Part A [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])**	**[Settlement Date (Item 10 of Part A [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*) **])]**	**Exchange (Item 23 of Part A and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*) **])**	**Sponsor of the Index (Item 24 of Part A and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*) **])**	**[Valuation Date (Item 45 of Part A [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*) **])]**	**Call/ Put/Corridor/Covered/Interest Rate (Item 98 of Part A [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*) **])**	**Notional Amount (Item 99 of Part A [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])**	**Strike Percentage (Item 104 of Part A [and Element C.19 of the Summary** (*Delete when Summary is not applicable*)**])**	**[Lower Barrier Level]** (*specify for each period if more than one*) **(Item 103 of Part A [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])**	**[Upper Barrier Level]** *specify for each period if more than one*) **(Item 103 of Part A [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])**	**[Exercise Date] [Exercise Period] (Item 9 and 106 of Part A [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])**	**Corridor Early Amount (Item 103 of Part A [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])**	**[•]**

]

**[*Applicable table in case of Certificates:*

Series Number (Item 1 of Part A [and Section [•] of the Issue Specific Summary (*Delete when Summary is not applicable*)**])**	**Certificates Isin Code [or other security identification code if different from ISIN Code] (Paragraph 8 of Part B) [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])**	**Underlying(s) (Item 6 of Part A [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])**	**Isin Underlying (Item 6 of Part A [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])**	**[Settlement Date (Item 10 of Part A [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])]**	**Exchange (Item 23 of Part A and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])**	**[Reference Source] [Index Sponsor] [Fund Manager] [Calculation Entity](Item 24 of Part A and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])**	**[Valuation Date (Item 45 of Part A [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])**	**[•] Amount** (*specify for each period if more than one*) **(Item [•] of Part A [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])**	**[•] Level** (*specify for each period if more than one*) **(Item [•] of Part A [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])**	**[•] [Valuation] [Observation] [Determination] [Date/Period] (Item [•] of Part A [and Section [•] of the Issue Specific Summary** (*Delete when Summary is not applicable*)**])**	**[•]**

]

TAXATION

1. GENERAL

The tax legislation of the investor's Member State and of the Issuer's country of incorporation may have an impact on the income received from the Securities.

Transactions involving Securities may be subject to stamp taxes and give rise to certain other tax consequences for potential purchasers which may depend, amongst other things, upon the status of the potential purchaser and laws relating to transfer and registration taxes. Paragraphs below summarise, for information purposes only, certain aspects of the tax treatment of transactions involving Securities in Luxembourg, Austria, Belgium, Croatia, France, Greece, Hungary, Ireland, Italy, Portugal, Slovakia, Slovenia, Spain, Switzerland and United States. However, such transactions may have tax consequences in other jurisdictions. Potential purchasers who are in any doubt about the tax position of any aspect of transactions involving Securities should consult their own tax advisers.

The following general discussion does not take into account taxation which may be imposed by way of withholding or otherwise in Luxembourg, Austria, Belgium, Croatia, France, Greece, Hungary, Ireland, Italy, Portugal, Slovakia, Slovenia, Spain, Switzerland and United States or in any other jurisdiction, on income and capital gains in any form, on any of the underlying assets to which the Securities may relate.

Condition 10 (*Expenses and Taxation*) should be considered carefully by all potential purchasers of any Securities.

2. LUXEMBOURG

The statements herein regarding tax considerations in Luxembourg are based on the laws in force in Luxembourg as of the date of this Base Prospectus and are subject to any changes in law.

The following information is of a general nature, is not intended to be, nor should it be construed to be, legal or tax advice, and does not purport to be a comprehensive description of all the Luxembourg tax considerations which may be relevant to a decision to purchase, own or dispose of the Securities. 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 as a result of the purchase, ownership and disposition of the Securities.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of similar nature refers to Luxembourg tax law and/or concepts only.

Withholding tax

Non-Resident holders of Securities

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Securities, nor on accrued but unpaid interest in respect of the Securities, nor is any Luxembourg withholding tax payable upon settlement, repurchase or exchange of the Securities held by non-resident holders of Securities.

Resident holders of Securities

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Law**), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Securities, nor on accrued but unpaid interest in respect of Securities,

nor is any Luxembourg withholding tax payable upon settlement, repurchase or exchange of Securities held by Luxembourg resident holders of Securities.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg are at present subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest or similar income under the Securities coming within the scope of the Law will be subject to withholding tax of 20 per cent.

Taxation of Corporate Holders

Luxembourg corporate holders

Holders of Securities who are residents of Luxembourg will not be liable for any Luxembourg income tax on a repayment of principal.

A corporate holder of Securities who is a resident of Luxembourg for tax purposes, or who has a permanent establishment or a fixed place of business in Luxembourg to which the Securities are attributable, is subject to Luxembourg corporation taxes in respect of the interest received or accrued on the Securities as well as on any redemption premium received or issue discount realized.

Gains realized by a corporate holder of Securities who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg to which the Securities are attributable, on the sale or disposal of their Securities, are subject to Luxembourg corporation taxes.

Non-resident corporate holders not having a permanent establishment or a fixed place of business in Luxembourg

Gains realized by a non-resident corporate holder of Securities who does not have a permanent establishment or a fixed place of business in Luxembourg to which the Securities are attributable, on the sale or disposal of their Securities, are not subject to Luxembourg income tax.

Wealth tax

Under present Luxembourg tax laws, a holder of Securities who is a resident of Luxembourg for tax purposes, or a non-resident holder of Securities who has a permanent establishment or a fixed place of business in Luxembourg to which the Securities are attributable, has to take into account the Securities for purposes of the Luxembourg wealth tax, with the exception of certain holders falling within the laws on family estate management companies dated May 11, 2007, on regulated investment funds dated December 17, 2010, on specialized investment funds dated February 13, 2007, on securitization companies dated March 22, 2004, as amended, and on reserved alternative investment funds dated July 23, 2016.

Taxation of Individual Holders

Resident individuals

Holders of Securities who are residents of Luxembourg will not be liable for any Luxembourg income tax on a repayment of principal.

An individual holder of Securities managing their private wealth, who is a resident of Luxembourg for tax purposes, is subject to income tax at progressive rates in respect of interest received, redemption premium received or issue discount realized on the Securities, except where (i) such interest has been subject to withholding tax under the law of December 23, 2005, as amended, or (ii) the individual holder of the Securities has opted for the application of a 20% tax in full discharge of income tax in

accordance with the law of December 23, 2005, as amended, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State).

Under Luxembourg tax laws, a gain realized by an individual holder of Securities managing their private wealth and who is a resident of Luxembourg for tax purposes, on the sale or disposal of the Securities is not subject to Luxembourg income tax, provided this sale or disposal took place at least six months after the acquisition of the Securities. An individual holder of Securities, managing their private wealth and who is a resident of Luxembourg for tax purposes, has to further include the portion of their gain corresponding to accrued but unpaid interest income in respect of the Securities in their taxable income, except where such interest has been subject to withholding tax under the law of December 23, 2005, as amended.

Gains realized upon the sale or disposal of the Securities by an individual holder of their Securities, managing a professional or business undertaking, who is a resident of Luxembourg for tax purposes or who has a permanent establishment or a fixed place of business in Luxembourg to which the Securities are attributable, are subject to Luxembourg income tax. There is no wealth tax for individuals.

An individual holder of Securities managing a professional or business undertaking must include this interest in their taxable basis. If applicable, the tax levied in accordance with the law of December 23, 2005, as amended, will be credited against their final tax liability.

Non-resident individuals

A non-resident holder of Securities, not having a permanent establishment or permanent representative in Luxembourg to which/whom such Securities are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premium received or issue discount realized on the notes or gains realized on the sale or disposal of the Securities.

Indirect Taxes

In principle, neither the issuance nor the transfer, repurchase or redemption of Securities will give rise to any Luxembourg registration tax or similar taxes.

Inheritance and gift taxes

Under present Luxembourg tax laws, in the case where a holder of Securities is a resident for tax purposes of Luxembourg at the time of his death, the Securities are included in his taxable estate for inheritance tax purposes and gift tax may be due on a gift or donation of notes if a deed is registered in Luxembourg.

No stamp duty

A fixed or ad valorem registration duty may be due upon the registration of a document linked to the Securities in Luxembourg in the case where such document is physically attached to a public deed or to any other document subject to mandatory registration, as well as in the case of a registration of such document on a voluntary basis.

3. AUSTRIA

The following is a general discussion of certain Austrian tax consequences of the acquisition, holding and disposal of the Securities. It does not purport to be a comprehensive description of all Austrian tax considerations that may be relevant to a decision to purchase the Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. It is not intended to be, nor should it be construed to be, legal or tax advice.

As each Series or Tranche of Securities may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Securities as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment of Securities to be considered capital assets (Kapitalvermögen) under Sec 27 Austrian Income Tax Act.

Prospective purchasers of the Securities are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of the Securities, including the effect of any state, local or church taxes, under the tax laws of Austria and any country of which they are resident or whose tax laws apply to them for other reasons. This overview is based on Austrian law as in force when drawing up this Base Prospectus. The laws and their interpretation by the tax authorities and tax courts may change and such changes may also have retroactive effect. It cannot be ruled out that the Austrian tax authorities adopt a view different from that outlined below.

Austrian individuals

Realized capital gains (*Einkünfte aus realisierten Wertsteigerungen*) from the Securities whose ongoing payments are considered to be income from the provision of capital (*Einkünfte aus der Überlassung von Kapital*) within the meaning of Sec 27 Para 2 of the Austrian Income Tax Act (*Einkommensteuergesetz*) or income from derivatives (*Einkünfte aus Derivaten*) within the meaning of Sec 27 Para 4 of the Austrian Income Tax Act derived by individuals, whose domicile or habitual abode is in Austria, in general are subject to Austrian income tax at a special rate of 27.5% (depending on the specifics of the respective Security exemptions from this special tax rate may apply and progressive taxation may apply). Realised capital gain (*Einkünfte aus realisierten Wertsteigerungen*) means inter alia any income derived from the sale or redemption of the Securities. The tax base is, in general, the difference between the sale proceeds or the redemption amount and the acquisition costs, in each case including accrued interest. Income from derivatives (*Einkünfte aus Derivaten*) means inter alia any cleared differences (*Differenzausgleich*), writer premiums (*Stillhalterprämie*) and income from the sale or other settlement of derivatives. Expenses which are directly connected with income subject to the special tax rate are not deductible. For Securities held as private assets, the acquisition costs shall not include incidental acquisition costs. The income may in general be subject to withholding tax *(Kapitalertragsteuer)* if the Securities are kept or administrated in a custodial institution (*depotführende Stelle*) or paying agent (*auszahlende Stelle*) in Austria. If the income from the capital gain is not subject to withholding tax deduction, the taxpayer will have to include the income from the capital gain in his personal income tax return pursuant to the provisions of the Austrian Income Tax Act. Generally the possibilities of tax loss offset are limited for capital assets held as private assets.

If ongoing payments of the Securities are considered to be income from the provision of capital (*Einkünfte aus der Überlassung von Kapital*) within the meaning of Sec 27 Para 2 of the Austrian Income Tax Act (*Einkommensteuergesetz*) (e.g. dividend payments, interest payments) this income will in general be subject to Austrian income tax at a special tax rate of 27.5% provided that the income is derived by individuals, whose domicile or habitual abode is in Austria (depending on the specifics of the respective Security exemptions from this special tax rate may apply and progressive taxation may apply) The tax base is, in general, the received payment by the individual. The income may in general be subject to withholding tax *(Kapitalertragsteuer)* if the Securities are kept or administrated in a paying agent (*auszahlende Stelle*) in Austria or if the debtor has its seat, place of management in Austria or is the branch of a foreign credit institute. If the income from the capital gain is not subject to withholding tax deduction, the taxpayer will have to include the income from the capital gain in his personal income tax return pursuant to the provisions of the Austrian Income Tax Act.

The Issuer does not assume any responsibility for Austrian withholding tax (*Kapitalertragsteuer*) at source and is not obliged to make additional payments in case of withholding tax deductions at source.

Austrian corporations

Corporations seated in Austria or whose place of management is in Austria are subject to corporate income tax at a tax rate of 23%. This in general includes ongoing income from Securities and realized capital gains or derivative income from Securities.

Under certain prerequisites, Austrian corporations holding Securities may declare exemption from withholding tax deduction by submitting a corresponding statement (*Befreiungserklärung*) to the Austrian custody bank and competent financial authority. With this statement the Austrian corporation has to declare its identity and has to confirm that the Securities are held as business assets. If such declaration is not submitted all income from the Securities will in general be subject to withholding tax deduction. Such withheld tax may be set off with the corporate income tax.

Again, the Issuer does not assume any responsibility for Austrian withholding tax (*Kapitalertragsteuer*) at source and is not obliged to make additional payments in case of withholding tax deductions at source.

Non-resident taxation

Individuals who do not have their domicile of their habitual abode in Austria are subject to Austrian limited income tax liability (non-resident taxation) with certain types of income. Income derived from the Securities subject to this non-resident taxation may be subject to the special tax rate in the amount of 27.5% (depending on the specifics of the respective Security exemptions from this special tax rate may apply and progressive taxation may apply). The income may be subject to withholding tax *(Kapitalertragsteuer)* or may need to be declared in a respective personal income tax return. The individual may be eligible to apply for a refund to Austrian tax on the basis of applicable double taxation treaties.

Corporations who do not have their seat or place of management in Austria are subject to Austrian limited corporate income tax liability (non-resident taxation) with certain types of income. Income derived from the Securities subject to this non-resident taxation may be subject to withholding tax *(Kapitalertragsteuer)* or may need to be declared in a respective corporate income tax return. The corporation may be eligible to apply for a refund to Austrian tax on the basis of applicable double taxation treaties or Directives of the European Union.

Again, the Issuer does not assume any responsibility for Austrian withholding tax (*Kapitalertragsteuer*) at source and is not obliged to make additional payments in case of withholding tax deductions at source.

4. BELGIUM

Prospective holders of Securities are advised to consult their own advisors as to the tax consequences of the purchase, ownership and disposal of securities, including the effect of any taxes under Belgian law. The present does not claim nor purport to be a comprehensive description of all tax considerations related to the acquisition, holding and disposal of Securities. It does not take into account the specific circumstances of particular holders of Securities, some of which may be subject to special rules, or the tax laws of any country other than Belgium.Furthermore, this description is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this document, which are subject to future amendments, which may or may not have retroactive effect. The characterization of income gathered from Securities as interest or dividend income and the regime applicable thereto for Belgian tax purposes, will depend on the specific type of Security and the specific circumstances in which the income is gathered. It is therefore strongly recommended that (prospective) holders of Securities seek advice from their tax advisors on the basis of such and other relevant elements.

Belgian income taxes regarding Securities

Belgian resident individual private investor

The following tax treatment applies to individual Belgian residents who are subject to Belgian personal income tax (*Personenbelasting/Impôt des personnes physiques*) and hold Securities as a private investment. Other rules can however apply when Securities are linked to such investor's professional activity or when the individual's transactions with respect to the Securities fall outside the scope of the normal management of his private estate.

If interest or dividend income is paid outside Belgium without the intervention of a Belgian paying agent, the income received (after deduction of any foreign withholding tax) has to be declared in the Belgian investor's personal income tax return and will be taxed at a rate of 30%.

The payment will be subject to Belgian withholding tax of in principle 30%, if it is collected through a Belgian paying agent. Such taxation is normally final and the Belgian individual does not need to report that income in his personal income tax return.

Capital gains realised on the disposal of Securities should as a rule be tax exempt, except to the extent they qualify as interest. Capital losses realised upon the disposal of Securities held as non-professional investment are in principle not tax deductible.

Foreign sourced income may be subject to withholding tax abroad. Belgian domestic tax law does not provide for a tax credit, but this may be available based on the relevant double tax treaty (it should, however, be assessed on a case-by-case basis whether the double tax treaty provisions can be invoked).

Tax treatment in the hands of Belgian corporations

Belgian corporations that are subject to Belgian Corporate Income Tax (*Vennootschapsbelasting/Impôt des sociétés*) and that do not qualify for a special corporate tax regime (e.g. *Beveks/Sicavs*, *Private privaks/Pricafs privées*, *Organismen voor de Financiering van Pensioenen/Organismes de financement de pensions*) are subject to the following tax treatment with respect to the Securities.

Income derived by Belgian corporate investors on the Securities and capital gains on the Securities will generally be subject to Belgian corporate income tax of in principle 25%. Furthermore, subject to certain conditions, small and medium-sized companies are taxable at the reduced corporate income tax rate of 20% for the first income band of EUR 100,000.

Belgian resident companies may (subject to certain limitations) be able to deduct 100% of gross dividends received from their taxable income (dividend received deduction), provided that certain subject-to-tax and holding conditions are met.

As a general rule, Belgian withholding tax is due by the Belgian paying agent (if any), e.g. a Belgian bank which acts as an intermediary during the pay-out of the income. A number of exemptions are available. When Belgian withholding tax is levied, such withholding tax is creditable against the corporate income tax due and reimbursable provided that the legal requirements for creditability are met.

Foreign sourced income may be subject to withholding tax abroad. In the case of interest, Belgian corporations may be eligible for a (partial or full) Belgian Foreign Tax Credit, provided that certain conditions are met. For dividends, Belgian domestic tax law does not provide for a similar foreign tax credit, but this may be available based on the relevant double tax treaty (it should, however, be assessed on a case-by-case basis whether the double tax treaty provisions can be invoked).

Other legal entities

Legal entities that are Belgian residents for tax purposes and that are subject to Belgian tax on legal entities (*Rechtspersonenbelasting/impôt des personnes morales*) are subject to the following tax treatment with respect to the Securities.

Payments of income on the Securities made through a paying agent in Belgium will in principle be subject to a 30% withholding tax in Belgium. If Belgian withholding tax has been withheld, the income will in principle not be taxed further. If the interest payment is collected abroad without Belgian withholding tax, the investor is required to declare this income and to pay 30% income tax on their own initiative.

Capital gains realized on the sale of the Securities are in principle tax exempt, except to the extent the capital gain qualifies as interest. Capital losses are in principle not tax deductible.

Foreign sourced income may be subject to withholding tax abroad. Belgian domestic tax law does not provide for a tax credit, but this may be available based on the relevant double tax treaty (it should, however, be assessed on a case-by-case basis whether the double tax treaty provisions can be invoked).

Special tax regimes

Under Belgian tax law, a number of entities such as qualifying pension funds and qualifying investment companies enjoy a special tax regime, whereby income out of investments (such as interest income and capital gains) is not taken into account for determining the taxable basis.

Non-resident investors

Investors who are non-residents of Belgium for Belgian tax purposes, are not holding the Securities through a Belgian establishment, and do not invest the Securities in the course of their Belgian professional activity, will in principle not incur or become liable for any Belgian tax on income or capital gains (save as the case may be, in the form of a 30% withholding tax, subject to such relief as may be available under applicable domestic and tax treaty provisions).

Where the withholding tax is due, it is due by the Belgian company attributing the relevant income, or in the absence thereof, a Belgian paying agent (e.g. Belgian bank) provided it acts as an intermediary during the pay-out of the income. Certain exemptions may however apply. If the income is not attributed by a Belgian company, and it is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax should be due.

The non-resident companies or professionals who use the Securities to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident companies or Belgian professionals.

Tax on Stock Exchange Transactions

The Belgian Tax on Stock Exchange Transactions is only due on transactions relating to existing Securities (secondary market transactions). No such tax is due upon the issuance of new Securities (primary market transactions).

The attribution of already existing Securities to the investors or the transfer for consideration of Securities on the secondary market may trigger the Tax on Stock Exchange Transactions if (i) it is executed in Belgium through a professional intermediary, or (ii) if it is deemed to be executed in Belgium, which is the case if the order is, directly or indirectly, made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence in Belgium, or by legal entities for the account of their head office or establishment in Belgium.

Depending on the characteristics of the Security, the tax will be due on each sale and acquisition separately at the rate of 0.12% (capped at EUR 1.300), 0,35% (capped at EUR 1.600) or 1,32% (capped at EUR 4.000). The Tax on Stock Exchange Transactions is due by each party to the transaction and both taxes are collected by the professional intermediary. However, if the intermediary is established outside of Belgium, the tax will in principle be due by the instructing private individual or legal entity, unless that individual or entity can demonstrate that the tax has already been paid.

Alternatively, professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Belgian representative for tax purposes, which will be liable for the payment of the Tax on Stock Exchange Transactions in respect of the transactions executed through the professional intermediary.

The Tax on Stock Exchange Transactions will not be payable by exempt persons acting for their own account. This includes non-resident holders of Securities - provided that they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status - and certain Belgian institutional investors as defined in article 126/1, 2° of the Code of miscellaneous taxes and duties.

Tax on securities accounts

A 0.15% annual subscription tax is due on a securities account if the average value of the taxable securities (all types of financial securities are in scope, as well as the cash held on such account) held in the securities account amounts to more than euro 1.000.000 during a reference period ("**Tax on Securities Accounts**"). The reference period is a period of 12 consecutive months starting on 1 October and ending on 30 September of the following year. The euro 1.000.000 threshold is in principle assessed on the average value of the assets in the securities account at four reference points within the reference period (31 December, 31 March, 30 June and 30 September).

The subscription tax may apply to a securities account held by a resident or non-resident investor, irrespective of the capacity of the account holder (individual, company,…). For Belgian resident investors, all securities accounts with taxable securities that meet the threshold are in scope, irrespective of where the financial intermediary is located, while securities accounts held by non-resident investors will only be subject to the tax in case these securities accounts are held with financial intermediaries incorporated or established in Belgium or with a branch in Belgium.

If the securities accounts are held with financial intermediaries incorporated or established in Belgium or with foreign financial intermediaries which have appointed a responsible representative in Belgium, the financial intermediary or responsible representative will be obliged to file the annual subscription tax return on behalf of the investors and will be liable towards the Belgian Treasury to pay the tax due on the securities accounts. If the foreign intermediary did not appoint a representative in Belgium, the investors must submit their own subscription tax return and will thus be liable for the payment of the tax due.

Financial Transactions Tax

The European Commission has published a proposal for a Directive for a common financial transactions tax ("**FTT**"). The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax. For Belgium, the Tax on Stock Exchange transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

Gift tax and inheritance tax

Belgian tax legislation provides both gift tax and inheritance tax.

The applicable rules vary depending on the Region in which the donator or the deceased has/had his residence (Brussels Region, Flemish Region, Walloon Region).

5. FRANCE

The following is a general discussion of certain French taxation matters and is (i) based on the laws and practice in force as of the date of this Base Prospectus and subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect and (ii) prepared on the assumption that the Issuer is not a French resident for French tax purposes and is not acting from a French branch or permanent establishment in connection with the Securities. Investors should be aware that the statements below are of a general nature and addressed to French investors excluding those who invest on a regular basis under the same conditions as stock exchange professional investors. They do not constitute legal or tax advice and should not be understood as such. Prospective investors should consult their professional advisers so as to determine, in the light of their individual situation, the tax consequences of the purchase, holding, redemption or sale of the Securities.

Automatic exchange of information in tax matters

Following the introduction of FATCA, the OECD introduced a global standard for the automatic exchange of financial account information (**Common Reporting Standard** or **CRS**). CRS requires financial institutions to identify and disclose information on those account holders that are tax resident in a Reportable Jurisdiction. The Council of the European Union adopted EU Council Directive 2014/107/EU amending EU Council Directive 2011/16/EU which effectively incorporated CRS by extending the cooperation between EU tax authorities to automatically exchange financial account information (commonly referred to as "DAC"). CRS has been implemented into French law as at 1 January 2016 onwards. These provisions impose on certain qualifying financial institutions as defined by CRS to disclose to the competent tax authorities certain information on the financial accounts held by their clients.

Transfer tax and other taxes

The following rules are applicable to the disposal of French shares:

- The disposal for consideration of French shares is, in principle, subject to a 0.1 per cent. transfer tax (the **Transfer Tax**), provided in the case of shares listed on a recognised stock exchange that the transfer is evidenced by a deed or agreement.

- A financial transaction tax in France (the French **Financial Transaction Tax**) is imposed on certain acquisitions of French shares (or certain assimilated securities) which are listed on a recognized stock exchange where the relevant issuer's stock market capitalisation exceeds €1 billion (on 1 December of the previous calendar year). Since 1 January 2017, the French Financial Transaction Tax rate is 0.3 per cent. of the acquisition price of the transaction.

- If the French Financial Transaction Tax applies to a transaction, an exemption in respect of the Transfer Tax would be applicable.

For further information about the EU Financial Transaction Tax please refer to paragraph “EU Financial Transaction Tax” below.

French tax implications for the French resident holders of Securities

(i) With respect to French individual tax residents

Subject to the application of the relevant double tax treaty, income and gains realised in respect of the Securities by a French individual tax resident, as the case may be, (assuming that such payments would not be attributable to an enterprise carried on by the French income tax resident subject to French individual income tax) should be deemed as income from movable capital and subject to a 12.8 per cent flat tax (with respect to dividends payments, the 12.8 per cent flat tax is due at the time where the income is paid and deemed as an advance payment made in respect of their personal income tax and deductible from their personal income tax liability in respect of the year in which payment has been made). Social contributions are also applicable at an overall rate of 17.2 per cent on income from

movable capital received by French individual tax residents (with respect to dividend payments, the social contributions are also levied at the time where the income is paid). In addition, an exceptional contribution to income tax may be assessed in respect of individuals with taxable income over €250,000 for single taxpayers and €500,000 for taxable households. French resident individuals should seek tax advice from their professional adviser in particular as regards the precise timing and collection process for income tax purposes of the income and gains mentioned above.

(ii) With respect to French corporate tax residents

Income and capital gains realised by a French corporate tax resident on the Securities, as applicable, would be subject to (i) French corporate income tax at the normal rate of 25 per cent and (ii) a social surcharge levied at 3.3 per cent. of the French corporate income tax rate on any corporation tax exceeding €763,000. French corporate tax residents should seek tax advice from their professional adviser in particular as regards the precise timing and computation for corporate tax purposes of the income and capital gains mentioned above.

6. CROATIA

The statements herein regarding taxation are based on the laws in force in Croatia as of the date of this Base Prospectus and are subject to any changes in law and/or entry into force of any relevant law occurring after such date, which changes could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Securities.

Taxation of individuals

Tax obligor is a natural person - income earner and heir to all tax obligations arising from income earned by the decedent until his death. The heir is at the same time tax obligor to income accrued from inherited sources of income.

Taxable sources of income are:

(i) income from salaried employment,
(ii) income from self-employment,
(iii) income from property and property rights,
(iv) income from capital,
(v) other income.

Resident is a natural person whose residence or habitual abode is in the Republic of Croatia. Resident is also a natural person not having the place of residence or habitual abode in the Republic of Croatia and is employed with a governmental office of the Republic of Croatia and receives salary on that basis.

Non-resident is a natural person not having the place of residence or habitual abode in the Republic of Croatia and earning income in the Republic of Croatia which is taxable according to the Croatian Income Tax Act.

Taxable basis i.e. tax base:

a. for a resident is the total amount of income gained from salaried employment, self-employment, property and property rights, capital and other income gained by the resident in the country and abroad (world income principle) less resident's personal allowance,

b. for a non-resident is the total amount of income from salaried employment, self-employment, property and property rights, capital and other income gained by the non-resident in the country (domicile land principle) less non-resident's personal allowance.

With respect to income gained by non-resident natural persons in capacity of performers (artists, entertainers, athletes), there is no obligation to charge, withhold and pay income tax advance or income tax when compensation for their performances is paid to a foreign person, which is not a legal person, pursuant to an agreement with such foreign person, i.e. such compensation is taxable according to withholding tax provisions.

Income from capital are deemed receipts from interests, withdrawals of assets and use of services charged against income of the current period, capital gains and shares in profit realised from allocation or option purchase of treasury shares, which are realised in the tax period, including dividends and shares in profit on the basis of shares in capital.

Croatian Income Tax Act provides a wide list of earnings from interests being subject to taxation (at applicable rate as provided for in the Croatian Income Tax Act), including those realized under a) interests payable on securities (*vrijednosni papiri*), b) interest on EUR and foreign savings, c) interests realized on the basis of granted loans and facilities and d) revenues realized based on division of income of an investment fund in form of interest, if they are not taxed as profit shares on the basis of distribution of profit or income of an investment fund. However, the Croatian Income Tax Act provides for explicit statutory exemption, among others in case of default interest and interest realised through investment in the notes (being *obveznice* under applicable Croatian laws), regardless of the issuer and type of notes as well as in debt securities and money market instruments issued by the Republic of Croatia and local and regional self-government units. As no guidance has been published by the Croatian Tax Authorities, potential interpretation of the said provisions by the Croatian Tax Authorities cannot be assessed.

Pursuant to the Croatian Income Tax Act, capital income on the basis of capital gain represents a difference between the agreed selling price, i.e. revenue determined based on the market value of financial assets being disposed of and the purchase value.

Within the meaning of the foregoing paragraph, the following revenues are considered as revenues realized by disposal of financial assets (financial instruments and structured products), i.e. receipts from: (i) transferable securities (vrijednosni papiri) and structured products, including shares in companies and other associations whose shares may be disposed of similarly as shares in companies; (ii) money market instruments; (iii) units of joint ventures; (iv) derivatives; and/or (v) proportional value of liquidation estate in case of liquidation of an investment fund and other revenues realized from ownership shares in case of liquidation, cessation or withdrawal.

Within the meaning of the foregoing paragraphs, disposal of financial assets means sale, exchange, gift or other transfer, however does not include: (i) transfer of share from one pension fund to another; (ii) exchange of securities (vrijednosni papiri) with the equivalent securities of the same issuer, whereby the ratios among the holders and capital of issuer are not altered, as well as exchange of securities (vrijednosni papiri), i.e. financial instruments with other securities (vrijednosni papiri) or financial instruments, and acquisition of securities (vrijednosni papiri) or financial instruments in case of change of status changes, provided that in all these cases there is no cash flow and the sequence of acquisition of financial property is ensured (acquisition value shall be considered the value determined on the date of first acquisition of financial property); (iii) division of stocks of the same issuer, whereupon the share capital shall not be altered and there shall be no cash flow; (iv) exchange of shares among the investment sub-funds under the same umbrella fund, i.e. exchange of shares among the investment funds managed by the same management company, provided that the sequence of acquisition of financial property is ensured (acquisition value shall be considered the value determined on the date of first acquisition of financial property); (v) repurchase of shares of the Croatian War Veterans' Fund and their families and/or disposal of debt securities and money market instruments issued by the Republic of Croatia and local and regional self-government units.

Capital income from revenues from joint ventures shall be determined in the amount of realized yield, decreased for costs of management of investments, i.e. costs of management of investment fund assets (net yield), i.e. in case of discounted securities (vrijednosni papiri) and zero-coupon bonds, in the amount of difference between the purchase value at the moment of issue and realized value at maturity if the purchaser holds the security until its maturity. Capital income on the basis of capital gains realized through the investment of financial assets into portfolios, in line with the regulations applicable for capital markets, shall be determined in the moment of realization of yield from the portfolio decreased by the costs of portfolio management (net yield).

Capital income on the basis of capital gains shall not be taxed if disposal has been made between the spouses and first-degree relatives and other members of immediate family (as defined in the Croatian Income Tax Act), between the divorced spouses if disposal is in immediate connection with the divorce, inheritance of financial assets and if financial assets are disposed of after two years from the date of purchase, i.e. acquisition of the same.

If financial assets were acquired as a gift and disposed of in a period of two years from the date of acquisition, the person disposing the assets shall be determined the capital income in line with the Croatian Income Tax Act.

Capital losses may be deducted only from the income from capital gains which is realized in the same calendar year. Capital losses may be stated up to the amount of the tax basis.

Capital income realized in a foreign currency shall be calculated in EUR counter value by application of the middle exchange rate of the Croatian National Bank on the day of payment.

Specifically, as income from capital are deemed capital gains and gains from dividends and profit sharing on the basis of shares in capital and are taxed at the rate of 12%. Dividends and profit sharings on the basis of shares in capital are taxable at source. The obligor of calculation, withholding and payment of tax for capital gains is:

(i) the tax obligor acquirer of revenue from the country or from the abroad, if not provided to the contrary by an international treaty (or the company managing financial assets of the tax obligor or Central Depository and Clearing Company);
(ii) for income from capital based on disposal of share in capital, a tax obligor and;
(iii) a person disposing of financial assets in case of financial assets was acquired as a gift and disposed of in a period of two years from the date of acquisition.

The company, payer of dividends or shares in profit is obliged to assess, withhold and pay tax simultaneously with the payment of dividends or profit.

If the resident receives income from capital from abroad without a local intermediary, he is obliged to pay tax at the applicable tax rate. In a situation where the tax payer chose that Central Depository and Clearing Company shall keep records, calculate income and income tax and report to tax authorities thereof, he is obliged to deliver all data necessary for determination of income tax to Central Depository and Clearing Company.

The general tax rules outlined above apply to the extent there are no limitations imposed under applicable double tax treaties. Source taxation may be obviated or reduced pursuant to the terms of an applicable double taxation treaty under the conditions as provided for in the applicable tax legislation.

Inheritance and gift taxation

In accordance with Local Taxes Act and subject to any applicable double taxation treaty, any natural person or legal entity who inherits or receives gifts (including securities) with individual value higher than EUR 6,700 in the Republic of Croatia is under an obligation to pay Croatian tax in respect of such inheritance or gift at a rate of 4%. Certain exemptions with respect to application of the aforestated tax are available in line with the Local Taxes Act.

No gross-up for taxes withheld

Purchasers of the Securities should note that neither the Issuer nor any other person will assume any liability for taxes withheld from payments under the Securities, nor make any additional payments in regard of these taxes, i.e. no gross-up will apply if a withholding tax is imposed.

EU Financial Transaction Tax

On the European Union level negotiations are underway in order to implement a harmonized financial transaction tax which might have a negative impact on the receipts deriving from the Securities.

Taxation of corporations

Corporate (profit) tax obligors are:

1. companies and other legal entities and natural persons residing in the Republic of Croatia that are self-employed and perform economic operations permanently and for the purpose of making the profit, income or revenues or other valuable commercial benefits;
2. local business units of a foreign entrepreneur (non-resident);
3. a natural person determining income in a manner prescribed for self-employment according to income tax regulations or natural person commencing with self-employment if he/she declares that he/she will pay corporate (profit) tax instead of income tax;
4. a natural person determining income in a manner prescribed for self-employment according to income tax regulations or natural person commencing with self-employment if the total turnover in the previous tax period exceeded EUR 1,000,000.00 or
5. exceptionally, government administration bodies, regional self-administration bodies, local self-administration bodies, Croatian National Bank, institutions of regional self-administration units, institutions of local self-administration units, state institutes, religious communities, political parties, trade unions, chambers, associations, artists associations, voluntary fire-fighting societies, technical culture communities, tourist communities, sports clubs, sports societies and associations, trusts and funds, if they perform commercial activities whose non-taxation would lead to unjustified advantages on the market (they are subject to corporate (profit) tax for such commercial activities). The tax authority will at own initiative or at the proposal of other tax obligors declare in its decision that the above stated persons are obliged to pay corporate (profit) tax for such commercial activities;
6. each entrepreneur and his legal successor not counted to entrepreneurs counted in items 1 through 5 who is not an income tax obligor according to the income tax regulations and whose profit is not taxable elsewhere.

The tax base shall be the profit determined pursuant to the accounting regulations as the difference between revenues and expenditures before the profit tax assessment, increased and reduced in accordance with the provisions of Croatian Profit Tax Act. The tax base of a resident taxpayer shall be the profit earned in Croatia and abroad and the tax base of a non-resident shall only be the profit earned in Croatia which shall be assessed in accordance with the provisions of Croatian Profit Tax Act. Income from the liquidation or other procedure by which the payer terminates operations in accordance with special regulations, income from sale, changes in the legal form and division of the payer is included in the tax base, and the tax base is determined according to the market value of the assets, unless otherwise provided by Croatian Profit Tax Act.

Withholding tax obligors are payers of interests (certain exemptions available under the Croatian Profit Tax Act), dividends, shares in profit, royalties for copyrights and other intellectual property rights (copyrights, patents, licences, trademarks, designs or models, production processes, production formulae, drawings, plans, industrial or scientific experience and similar rights) to foreign persons other than natural persons and paying for market research services, tax and business consulting or audit services to foreign persons and paying any other kinds of services paid to persons having their registered seats or places of actual administration or supervision in countries deemed tax havens or financial centres other than EU member states and countries with which the Republic of Croatia entered

into and applies double tax treaties and which are included in the List of Countries issued by the Finance Minister and published on web pages of the Ministry of Finance and Tax Administration.

In case of withholding tax the subject of taxation is the gross amount of payment paid by a payer in the country to a non-resident - foreign recipient.

Corporate (profit) tax rate is 10% if the income of the obligor in the tax period amounts to EUR 1,000,000.00 and 18% if the income of the obligor in the tax period is equal or over the amount of EUR 1,000,000.00, withholding tax rate is 15%, except for dividends and shares in profit for which the withholding tax rate is 10%, and 25% for all kinds of services including market research, tax and business consulting and audit services, paid to persons having their registered seat or place of actual administration or supervision in countries deemed tax havens or financial centres other than EU member states and countries with which the Republic of Croatia entered into and applies double tax treaties and which are included in the List of Countries issued by the Finance Minister and published on web pages of the Ministry of Finance and Tax Administration.

Croatian withholding tax can be reduced under an effective double tax treaty.

Finally, Council Directive 2003/49/EC of 3 June 2003 on a common system of taxation applicable to interest and royalty payments made between associated companies of different Member States, the Council Directive 90/435/EEC on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States and Council Directive 2017/952 of 29 May 2017 as regards hybrid mismatches with third countries, have been transposed to Croatian legal system through Profit Tax Act.

7. GREECE

The following is a summary of certain key aspects of tax treatment by the Hellenic Republic ("Greece") at the date hereof in relation to the purchase, ownership and disposal of the Securities by holders that are beneficial owners of the Securities, whether or not they reside or maintain a permanent establishment in Greece for Greek tax purposes. This summary is of general nature and does not constitute a complete analysis of relevant matters. In particular, it is based on the provisions of tax laws currently in force in Greece and current administrative practice of the Greek tax authorities, without taking into account any developments or amendments after the date hereof, whether or not such developments or amendments have retroactive effect. A number of key matters pertaining to Greek taxation summarised below are governed by Greek Law 4172/2013 (on the taxation of income generated as of 1 January 2014), as amended and currently in force. These laws are subject to potential contrary or different future interpretations, guidelines or other forms of instruction that may be issued by the Greek Ministry of Finance in the form of circulars, ministerial decisions or other secondary legislation, and court interpretation.

As a result, this summary is a general guide and should be treated with appropriate caution and, therefore, potential investors should consult their own tax advisers as to Greek tax consequences of the purchase, ownership and disposal of the Securities.

Withholding and Income Tax

Non-resident holders of Securities

Holders of Securities who neither reside nor maintain a permanent establishment in Greece for Greek law tax purposes will not be subject to withholding tax in Greece with respect to principal, premium or interest payments under the Securities, or accrued (but unpaid) interest at the time of disposal of the Securities, as the case may be.

Resident holders of Securities

Holders of Securities who either reside or maintain a permanent establishment in Greece for Greek tax

law purposes will be taxed as follows:

Individuals

Interest payable under the Securities in favour of individuals who are Greek tax residents will be subject to income tax at the flat rate of 15 per cent. If interest payments to individual resident holders are effected through an intermediary Greek banking institution, a withholding of 15 per cent may be applied, which will exhaust the individual's Greek tax liability.

Legal entities

Interest payable under the Securities in favour of legal entities holding Securities, that are either Greek tax resident or maintain a permanent establishment in Greece for Greek tax law purposes, will be treated as part of their annual gross income taxed at the standard applicable corporate income tax (in their annual income tax return). If interest payments to such entities are effected through an intermediary Greek banking institution, a withholding of 15 per cent may be applied, which will not exhaust the entire tax liability, but can be offset against the entities' final Greek income tax liability. The prevailing applicable tax rate for corporate income for the fiscal years 2019 and 2020 was 24 per cent and is currently 22% as of the fiscal year 2021 for legal entities keeping double-entry books (including Société Anonymes, Limited Liability Companies and Private Capital Companies).

Any income tax payable as above by individuals or legal entities holding Securities that are tax residents of Greece can be reduced by the amount of tax they have paid in another country for the same income (foreign tax credit), subject to the provisions of the applicable tax treaty for the avoidance of double taxation between Greece and such other country. Such credit is available only up to the amount of the tax that would be payable in Greece. The same tax treatment applies to interest accrued (but unpaid) at the time of disposal of the Securities.

Capital gains realized from the transfer of the Securities

Non-resident holders of Securities

No Greek capital gains tax will apply to capital gains realised from the disposal of the Securities by holders that are not Greek tax residents and/or do not have a permanent establishment in Greece for tax purposes, provided that such gain is realised outside Greece.

Resident holders of Securities

Capital gains arising from the disposal of the Securities by individuals are subject to tax at a rate of 15 per cent whereas capital gains arising from the disposal of Securities by legal entities that are Greek tax residents and/or have a permanent establishment in Greece for tax purposes are included in their taxable revenues for income tax purposes.

Value Added Tax

The value added tax treatment in Greece upon disposal of the Securities would depend on the terms of the specific Securities transferred and on the type of contracting parties.

Inheritance Tax and Taxation on Gifts

Inheritance tax

Securities will be subject to Greek inheritance tax in the event the deceased holder was a Greek resident or a Greek national. If, however, the Securities were located outside Greece and the deceased Greek national holder of Securities had been residing outside Greece for at least ten successive years prior to his/her death, the Securities will generally be exempt from Greek inheritance tax (subject to certain limited exemptions).

Greek inheritance tax is calculated pursuant to progressive tax scales depending on the relationship between the heir and the deceased (a tax free amount may apply subject to certain conditions). In the event no family relationship exists between the heir and the deceased, inheritance tax rates are set on the basis of a progressive tax scale from 0 per cent to 40 per cent., depending on the value of the Securities inherited.

Any foreign tax paid on the Securities in a country other than Greece may be credited against the relevant Greek tax liability, but the amount credited may not exceed the respective amount of Greek inheritance tax due on these Securities.

Gift tax

A gift of Securities is subject to Greek tax, if the holder of the Securities (donor) is a Greek national, or if the recipient thereof is a Greek national or resident. The rates of gift tax are the same as those for inheritance tax.

Stamp Duty

No Greek stamp duty applies to the issuance or transfer of the Securities.

8. HUNGARY

The following discussion is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Hungary and as applied on the date of this Base Prospectus, which may be subject to change, possibly with retroactive or retrospective effect. It is not intended to be, nor should it be construed to be, legal or tax advice, therefore should be treated with appropriate caution. This is a general discussion and does not constitute a complete description of all the tax issues that may be relevant in making the decision to invest in Securities in Hungary. Prospective investors in the Securities who are in any doubt as to their tax position should consult their own professional advisers.

Taxation of resident private individuals

Personal Income Tax

Resident private individuals shall be subject to tax liability in respect of all their income (all-inclusive tax liability).

Income from interest

According to the provisions of the Personal Income Tax Act, in the case of individual holders, interest income (**Interest Income**) - among others - is the income paid as interest and the capital gains realised upon the redemption or the sale of publicly offered and publicly traded debt Securities (with the exception of the sale of collective investment securities on the Hungarian stock market or the stock market of any EEA or OECD state). The term "*debt securities*" is defined in Act CXX of 2001 on the Capital Market. Generally, securities which do not pertain to the category of securities representing membership rights, should be treated as debt securities, therefore, income deriving from the Securities may qualify as income deriving from debt securities from personal income tax perspective. Securities listed on a regulated market of an EEA member state are considered publicly offered and traded securities. The Interest Income is subject to personal income tax of 15 per cent, which will be withheld by the Payor (*kifizető*) (for the definition of Payor please see below). In the absence of a Payor, the individual is obliged to assess, report and pay the tax on Interest Income.

During the state of emergency in Hungary (expected to be in force until 24 May 2024 that may be extended), the amount taken into account as the tax base for personal income tax on Interest Income is subject to social tax (at 13 per cent) from 1 July 2023. This applies for the Interest Income paid with respect to Securities acquired from 1 July 2023. This social tax payment obligation does not apply to

persons qualifying as “foreigner” for Hungarian social security purposes or persons insured for social security purposes in an EU member state or by an EU institution pursuant to Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (**Foreigners**). If such social tax has been deducted by the Payor (for the definition of Payor please see below), the Foreigner involved is entitled to file a claim for a social tax refund with the Hungarian Tax and Customs Authority. The social tax refund is transferred by the Hungarian Tax and Customs Authority to the payment account indicated by the private individual.

The proceeds paid on privately placed Securities which are not listed on a regulated market of an EEA member State are considered as other income (**Other Income**) which is taxable at a rate up of 15 per cent and may be subject to uncapped social tax of 13 per cent, as well.

The capital gains realised on the sale or redemption of such securities is considered, as a general rule, capital gains income **(Capital Gains Income)**. The tax rate applicable to Capital Gains Income is 15 per cent, while the rate of social tax payable on the basis of Capital Gains Income realised by Hungarian resident individuals is 13 per cent. For this purpose, the aggregate annual upper threshold of the social tax amount is 13 per cent of 24 times the all-time effective minimum wage in Hungary (which means HUF 832,416 annual social tax cap calculated based on the 2024 minimum wage amount effective in Hungary).

The rules of the Personal Income Tax Act may in certain circumstances impose a requirement upon the **Payor** (for the definition of Payor please see below) to withhold tax on the interest payments to individual holders. In certain circumstances, Act LII of 2018 on Social Tax also imposes a requirement on the Payor to withhold social tax on payments provided to private individuals which are subject to social tax.

Pursuant to Act CL of 2017 on the Rules of Taxation the definition of a Payor covers a Hungarian resident legal person, other organisation, or private entrepreneur that (who) provides taxable income, irrespective of whether such payment is made directly or through an intermediary (post office, credit institution). In respect of interest, Payor shall mean the borrower of a loan or the issuer of a note, including the investment service provider or credit institution providing the interest instead of it. In respect of revenues originating from a transaction concluded with the involvement of a licensed stockbroker, Payor shall mean such stockbroker. In respect of income that is earned in a foreign country and taxable in Hungary, Payor shall mean the "paying agent" (*megbízott*) (legal person, organisation or private entrepreneur) having tax residency in Hungary, except in cases where the role of a financial institution is limited to performing the bank transfer or payment.

In addition, for personal income tax purposes Payor means the Hungarian resident credit institution agent which provides taxable income in connection with the service provision of the foreign person/entity performed in Hungary.

Personal Income Tax Rate

In Hungary the personal income tax rate is 15 per cent.

Social Tax Rate

In Hungary the social tax rate is 13 per cent.

Withholding tax

As long as the income from the transaction - according to the tax regulations of the payer’s country legislation – is considered as dividends, it may be limitedly taxable by the Issuer or by the entity performing the payments related to the Securities on behalf of the Issuer.

Taxation of resident entities

Corporate Tax and Dividend Tax

The tax liability of resident taxpayers shall apply to their income from Hungary and from abroad, both (total tax liability). In general, resident entities are those established under the laws of Hungary (i.e. having a Hungarian registered seat). Foreign persons having their place of management in Hungary are also considered as Hungarian resident taxpayers.

In general, the interest and capital gain realized on the transactions with Securities by resident entities will be the part of their pre-tax profit/loss and will be taxable in the same way as the income from the regular operation where pre-tax profit, adjusted with the tax base modifying items shall represent the corporate tax base.

The corporate tax rate is 9 per cent. (flat rate) of the positive tax base.

Duties and Local Business Tax for resident taxpayers (individual and corporate)

The Securities should be classified as movable tangible properties in respect of duties. In case of inheritance, gifting or quid pro quo transfer of property of Securities in certain cases it is necessary to count with the occurrence of duty paying liability. The general rate of inheritance and gift duty is 18 per cent of the net worth of the inheritance or gifts received by any one heir, legatee or donee. The general rate of duty on the quid pro quo transfer of property is 4 per cent.

The proceeds received on Securities held by credit institutions, financial enterprises, insurance companies or investment firms can be subject to local business tax. Generally, in case of other taxpayers, the proceeds realized from similar transactions is not part of the local business tax base.

Withholding tax

The legislation of withholding tax for resident entities is similar to resident private individuals, and it is regulated in the double taxation treaty.

Taxation of non-resident private individuals

Personal Income Tax

Non-resident private individual shall mean all natural persons other than resident private individuals. The tax liability of non-resident private individuals shall apply to income that originates in Hungary as the place of gainful activity or is taxable in Hungary by virtue of international agreement or reciprocity (limited tax liability).

Generally, Interest Income should be treated as having a Hungarian source - among others - where the relevant issuer is resident in Hungary for tax purposes. As in the present case the Issuer of the Securities should not be considered as an entity resident in Hungary for tax purposes, the Interest Income should not be regarded as having a Hungarian source.

Please note that the provisions of applicable double tax conventions, if any, should also be considered when assessing the Hungarian tax liabilities of a foreign resident individual holder.

Social Tax

During the state of emergency in Hungary (expected to be in force until 24 May 2024 that may be extended), the amount taken into account as the tax base for personal income tax on Interest Income is subject to social tax (at 13 per cent) from 1 July 2023. This applies for the Interest Income paid with respect to Securities acquired from 1 July 2023. This social tax payment obligation does not apply to

persons qualifying as "foreigner" for Hungarian social security purposes or persons insured for social security purposes in an EU member state or by an EU institution pursuant to Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (**Foreigners**). If such social tax has been deducted by the Payor, the Foreigner involved is entitled to file a claim for a social tax refund with the Hungarian Tax and Customs Authority. The social tax refund is transferred by the Hungarian Tax and Customs Authority to the payment account indicated by the private individual.

Taxation of non-resident entities

Corporate Tax and Dividend Tax

Foreign nationals shall be deemed taxpayers, as well as non-resident entities whose head office is located abroad if they (a) carry out business operations via a permanent establishment in Hungary, provided that they are not considered resident taxpayers due to the location of their head office (**non-resident entrepreneurs**) or (b) obtain any income through the transfer or withdrawal of participating interest in a company with real estate holdings (**member of a company with real estate holdings**).

The tax liability of non-resident entrepreneurs shall apply to their income attributable to the Hungarian permanent establishment (limited tax liability).

When establishing the corporate tax, resident taxpayers and non-resident entrepreneurs shall adjust the tax base so that it contains no income that is subject to taxation abroad, if so prescribed by international treaty. In other cases, resident taxpayers and non-resident entrepreneurs may deduct from the corporate tax any tax paid (or payable) abroad that is equivalent to corporate tax.

Duties for non-resident taxpayers

In general, the rules of duties for the non-resident individuals and entities are the same.

The rules of inheritance duty should be applied to all heritage located in Hungary. The same provisions should be applied to the movable tangible properties (e.g. Securities) inherited by a Hungarian citizen or a non-Hungarian citizen residing in Hungary or a legal entity established in Hungary, where the heritage is situated abroad if no inheritance duty or tax corresponding thereto is payable in the state in which such heritage is situated.

The provisions governing duties on gifts and transfer for consideration of property shall apply to moveable tangible properties (e.g. the Securities), unless otherwise provided for by an international agreement.

If the transfer of movable tangible property took place in Hungary, the owner of that movable tangible property should calculate with the duty paying liability, in line with the general rules mentioned regarding resident private individuals.

9. IRELAND

The following is an overview of the Irish withholding tax treatment of the Securities. The overview 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 overview 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.

Generally, the rate is 20% however in the case of the latter (i.e. distributions) the rate is 25%.

On the basis that the Issuer is not resident in Ireland for the purposes of Irish tax, nor does the 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 Issuer or any paying agent acting on behalf of the Issuer 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, a purchaser of the Securities 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

Irish encashment tax will be required to be withheld at a rate of 25 per cent. from interest or other distribution on any Securities where such interest or other distribution is collected or realised by a paying agent in Ireland on behalf of any Securityholder. There is an exemption from encashment tax where the payments are made (i) in Ireland to a non-resident that is beneficially entitled to the income and has made a declaration to this effect in the prescribed form to the paying agent or (ii) to an Irish tax resident company beneficially entitled to that income and which is within the charge to Irish corporation tax in respect of that income.

10. ITALY

The following is a general discussion of current Italian law and practice relating to the taxation of the Securities.

The statements herein regarding taxation are based on the laws in force in Italy as of the date of this Base Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following overview does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Securities.

As each Series or Tranche of Securities may be subject to a different tax treatment due to the specific terms of such Series or Tranche of Securities as set out in the respective Final Terms, the following section only provides some general information on the possible tax treatment.

This summary may not provide prospective investors with a comprehensive description of the tax consequences of an investment in Securities that are redeemed by physical delivery.

As clarified by the Italian tax authorities in resolution No. 72/E of 12 July 2010, the Italian tax consequences of the purchase, ownership and disposal of the Securities may be different depending on whether: (a) they represent a securitized debt claim, implying a static "use of capital" (impiego di capitale), through which the subscriber of the Securities transfers to the Issuer a certain amount of capital for the purpose of obtaining remuneration on the same capital and subject to the right to obtain its (partial or entire) reimbursement at maturity; or (b) they represent a securitized derivative financial instrument or bundle of derivative financial instruments that do not entail a "use of capital", through which the subscriber of the Securities invests indirectly in underlying financial instruments for the purpose of obtaining a profit deriving from the terms of such underlying financial instruments.

The following summary does not describe the tax treatment of bonds (obbligazioni) and similar securities (which are debentures incorporating an unconditional obligation of the Issuer to pay, at redemption, an amount not lower than their nominal value).

Italian taxation of the Securities

Payments in respect of Securities qualifying as securitised derivatives are subject to Article 67 of the Presidential Decree No. 917 of 22 December 1986 and Legislative Decree No. 461 of 21 November 1997, as subsequently amended, where the Italian resident Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains accrued under the sale or the exercise of the Securities are subject to a 26 per cent. substitute tax (*imposta sostitutiva*).

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.

The recipient may opt for one of the three regimes described below:

(1) Under the "*tax declaration*" regime (*regime della dichiarazione*), which is the default regime 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, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Securityholder, holding Securities not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

(2) As an alternative to the tax declaration regime, Italian resident individual Securityholders holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Securities (the "*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *risparmio amministrato* 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 redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a

corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Securityholder is not required to declare the capital gains in the annual tax return.

(3) Any capital gains realised by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Securities, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any decrease in value of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Securityholder is not required to declare the capital gains realised in the annual tax return.

Where an Italian resident Securityholder is a company or a similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Securities are effectively connected, capital gains arising from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Securityholder's income tax return and are therefore subject to Italian corporate tax ("**IRES**") and, in certain circumstances, depending on the "status" of the Securityholder, also as a part of the net value of production for the purposes of the Italian regional tax on productive activities ("**IRAP**").

Any capital gains realised by a Securityholder which is an open-ended or closed-ended investment fund (subject to the tax regime provide by Law No. 77 of 23 March 1983) (the "**Fund**") or an open-ended investment company (*società di investimento a capitale variabile* – SICAV) or an close-ended investment company, other than a real estate investment company (società di investimento a capitale fisso – SICAF) will not be subject to the *imposta sostitutiva*. The proceeds distributed by the Fund or the SICAV/SICAF or received by certain categories of unitholders upon redemption or disposal of the units will be taxed on the investors who subscribe the quotas of the Funds or the shares of the SICAV/SICAF on a distribution basis.

Capital gain realised by an investor which is an Italian resident real estate investment fund established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 or an Italian real estate investment company (the "**Real Estate SICAF**") are subject neither to substitute tax nor to any other income in the hands of the same real estate investment fund or Real Estate SICAF.

Any capital gains realised by a Securityholder which is an Italian pension fund (subject to the regime provided by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. *ad hoc* substitute tax on their annual net accrued result (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, not having a permanent establishment in Italy to which the Securities are connected, are not subject to Italian taxation, provided that the Securities (i) are traded on regulated markets, or (ii) are held outside of Italy. Moreover, even if the Securities are held in Italy, no *imposta sostitutiva* applies if the non-Italian resident Securityholder

beneficial owner is resident for tax purposes in a country which recognises the Italian tax authorities' right to an adequate exchange of information or in a country which entered into a double taxation treaty with Italy allowing for the taxation of such capital gains only in the residence country of the recipient Securityholder, provided that the relevant procedures and conditions are met.

Atypical securities

According to a certain interpretation of Italian tax law there is the possibility that, on the basis of certain features of the Securities, the Securities would be qualified for tax purposes as atypical securities and will be subject to the provisions of Article 5 of law Decree No. 512 of 30 September 1983. As a consequence, payments relating to these Securities shall be subject to a withholding tax levied at the rate of 26 per cent. (final or on account depending on the "*status*" and tax residence of the Securityholder) by the Issuer or by the entity performing the payments related to the Securities on behalf of the Issuer. Where the Securityholder is (i) an Italian individual engaged in an entrepreneurial activity to which the Securities are connected, (ii) an Italian company or a similar Italian commercial entity, (iii) a permanent establishment in Italy of a foreign entity, (iv) an Italian commercial partnership or (v) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases 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 rate of withholding tax in case of payments to non Italian resident Securityholders, subject to proper compliance with relevant subjective and procedural requirements.

Inheritance and gift tax

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, bonds or other securities, such as the Securities) as a result of death or donation are taxed as follows:

(i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding €1,000,000;

(ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding € 100,000; and

(iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the heir/heiress and/or the donee is a person with a severe disability pursuant to Law n. 104 of February 5, 1992, inheritance tax or gift tax is applied to the extent that the value of the inheritance or gift exceeds € 1,500,000.

Transfer tax

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarized deeds

are subject to fixed registration tax at rate of €200; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

Stamp duty

Pursuant to Article 13 par. 2/ter of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, as amended by Article 1 par. 581 of Law No. 147 of 27 December 2013 ("**Decree 642**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients in respect of any financial product and instrument, which may be deposited with such financial intermediary in Italy. The stamp duty applies at the rate of 0.20 per cent. and it cannot exceed € 14,000 for taxpayers which are not individuals. This stamp duty is determined on the market value or – in the absence of a market value – on the nominal value or the redemption amount of any financial product or financial instruments. Based on the interpretation of the law, it may be understood that the stamp duty applies both to Italian resident and non-Italian resident Securityholders, to the extent that the Securities are held with an Italian-based financial intermediary.

The statement is considered to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable pro-rata.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the relevant regulations issued by the Bank of Italy) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth tax on financial assets deposited abroad

According to Article 19 par. from 18 to 23 of Law Decree No. 201 of 6 December 2011, Italian resident individuals, non-commercial entities, non-commercial partnerships and similar institutions holding financial assets – including the Securities – outside of the Italian territory are required to declare in its own annual tax declaration and pay a wealth tax at the rate of 0.2 per cent ("**IVAFE**"). Starting from 1 January 2024, IVAFE applies at the rate of 0.4 per cent if the Securities are held in a country listed in the Italian Ministerial Decree dated 4 May 1999.

IVAFE cannot exceed €14,000 for taxpayers which are not individuals. This tax is calculated on the market value at the end of the relevant year (or at the end of the holding period) or, if no market value figure is available, on the nominal value or redemption value, or in case the face or redemption values cannot be determined, on the purchase value of any financial asset (including the Securities) held abroad. A tax credit is granted for any foreign property tax levied in the State where such financial assets are held (up to the amount of IVAFE due). The financial assets held abroad are excluded from the scope of IVAFE, if such financial assets are administered by Italian financial intermediaries pursuant to an administration agreement and the items of income derived from the Securities have been subject to tax by the same intermediaries. In this case, indeed, the above mentioned stamp duty provided for by Article 13 of the Tariff attached to Decree 642 does apply.

Tax monitoring

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August, 1990, as amended, individuals, non-commercial institutions and non-commercial partnerships resident in Italy who hold investments abroad or have financial activities abroad must, in certain circumstances, disclose the aforesaid and related transactions 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 time as prescribed for the income tax return).

The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Financial Transaction Tax

Pursuant to Article 1, para. 491 and followings of Law No. 228 of 24 December 2012, the Italian Parliament introduced a financial transaction tax ("**FTT**") which applies to (a) the transfer of ownership of shares and other participating securities issued by Italian resident companies or of financial instruments representing the just mentioned shares and/or participating securities (irrespective of whether issued by Italian resident issuers or not) (the "**Relevant Securities**"), (b) transactions on financial derivatives (i) the main underlying assets of which are the Relevant Securities, or (ii) whose value depends mainly on one or more Relevant Securities, as well as to (c) any transactions on the securities (as set forth by article 1, paragraph 1-bis, letters c) and d), of the Legislative Decree No. 58 of 24 February 1998), (iii) which is allowed to mainly purchase or sell one or more Relevant Securities or (iv) implying a cash payment determined with main reference to one or more Relevant Securities.

Warrants and certificates are expressly included in the scope of application of the FTT if they meet the requirements set out above.

With specific reference to the transactions on securitised derivatives on the Relevant Securities (such as the Securities) the FTT is due, as of 1 September 2013, regardless of the tax residence of the parties and/or where the transaction is executed.

The FTT is levied at a fixed amount that varies depending on the nature of the relevant instrument and the notional value of the transaction, and ranges between EUR 0.01875 and EUR 200 per transaction.

The amount of FTT payable is reduced to 1/5 of the standard rate in case the transaction is performed on regulated markets or multilateral trading facilities of certain EU Member States and of the SEE.

The FTT on derivatives is due by each of the parties to the transactions. The FTT is not applied where one of the parties to the transaction is the European Union, the BCE, central banks of the EU Member States, foreign Central Banks or entities which manage the official reserves of a foreign State, or international bodies or entities set up in accordance with international agreements which have entered into force in Italy. Further specific exemptions exist, inter alia, for (i) subjects who carry on market making activities; (ii) mandatory social security entities and pension funds set up according to Legislative Decree No. 252 of 5 December 2005; and (iii) intragroup transfers of the Relevant Securities.

The FTT shall be levied, and subsequently paid, to the Italian Revenue by the subject (generally a financial intermediary) that is involved, in any way, in the performance of the transaction. If more than one subject is involved in the execution of the transaction, the FTT is payable by the subject who receives the order of execution by the ultimate purchaser or counterparty. Intermediaries that are not resident in Italy but are liable to collect the FTT from the taxpayers and to pay it to the Italian Revenue can appoint an Italian tax representative for the purposes of the FTT. If no intermediary is involved in the performance of the transaction, the FTT must be paid directly by the taxpayers.

For further information about the EU Financial Transaction Tax please refer to paragraph "EU Financial Transaction Tax" below.

11. PORTUGAL

The following is a general discussion of the current Portuguese tax treatment at the date hereof in relation to certain aspects of the Portuguese taxation of payments in respect of the Securities. The statements do not deal with other Portuguese tax aspects regarding the Securities and relate only to the position of persons who are absolute beneficial owners of the Securities. The following is a general guide, does not constitute tax or legal advice and should be treated with appropriate caution. This summary does not take into account or discuss the tax laws of any country other than Portugal and deals only with investors who are absolute beneficial owners of the Securities. Holders of and prospective investors in the Securities should consult their own tax advisors as to the Portuguese and

any other tax consequences that may be involved in acquiring, holding, redeeming, selling or gratuitously transferring the Securities.

Security holders income tax

The Portuguese tax implications arising from the Securities will depend on the treatment of the underlying income as investment income or as capital gains, as described below.

Whenever there is the obligation to withhold tax at source, such responsibility shall fall on the Portuguese resident paying agent.

Personal Income Tax ("PIT")

(i) Investment income

Investment income (*e.g.* interest income or dividends) derived by Portuguese tax resident individuals is subject to PIT which shall be withheld at the current final withholding rate of 28 per cent., if there is a Portuguese resident paying agent, as from the moment the respective amounts are made available to the individual resident in Portugal for tax purposes (assuming they act in their capacity as private investors, *i.e.* the investment is not linked to a professional investment activity). This final 28 per cent. rate will not apply for individuals who elect to include the income in their taxable income, in which case the income will be subject to tax at the applicable progressive PIT rates (currently, up to 48 per cent.) on income in excess of €81,199, and an additional PIT rate of 2.5 per cent. will be due on the part of the taxable income exceeding €80,000 up to €250,000 and of 5 per cent. on the part of the taxable income exceeding €250,000. In this case, the tax withheld is deemed to be a payment on account of the final tax due. Investment income paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 per cent., unless the relevant beneficial owner(s) of the income is/are identified, in which case the general tax rates applicable to such beneficial owner(s) will apply.

Investment income payments due by non-resident entities to Portuguese tax resident individuals are subject to an autonomous taxation at a rate of 28 per cent., whenever those payments are not subject to Portuguese withholding tax (i.e. when there is no payment agent in Portugal to which the withholding obligation is attributable). This final 28 per cent. rate will not apply to those individuals who elect to aggregate this income with their remaining taxable income, in which case the investment income will be subject to tax at progressive PIT rates of up to 48 per cent.. If this election is made, an additional PIT rate of 2.5 per cent. will be due on the part of the taxable income exceeding €80,000 up to €250,000 and of 5 per cent. on the part of the taxable income exceeding €250,000.

(ii) Capital gains

As of January 1, 2023, the treatment of capital gains from the sale of securities derived by Portuguese tax residents suffered material changes and short-term net capital gains from the sale of securities (defined as those arising from securities held for less than 365 days) are currently subject to progressive PIT rates, provided that the taxpayer has a taxable income (including such net capital gains) in excess of the amount subject to the last PIT bracket (currently, annual amount of €81,199).

The progressive rates range from 13.25 per cent. up to 48 per cent.. In addition, as mentioned above, a solidarity surcharge of 2.5 per cent. applies on the part of the taxable income exceeding €80,000 up to €250,000 and of 5 per cent. on the part of the taxable income exceeding €250,000.

For capital gains derived from the sale of shares held for more than 365 days or held by taxpayers that do not fall in the last bracket mentioned, a flat 28 per cent. rate would apply, unless the individuals resident in Portugal elect to include the income in their taxable income, in which case the progressive rates mentioned above (including the additional solidarity rates, if due) will apply. The above framework assumes the individuals act in their capacity as private investors, not linked to a professional investment activity.

There is no Portuguese withholding tax on capital gains.

Corporate Income Tax (CIT)

Investment income and capital gains

Investment income and capital gains derived by Portuguese corporate resident entities in relation to the Securities will be included in their taxable income and subject to CIT at a rate of (i) 21 per cent. or (ii) 17 per cent. if the taxpayer qualifies as a small or medium-sized company or as a small mid cap, as defined in Decree-Law no. 372/2007, of 6 November, applicable to taxable profits up to € 50,000 (the excess thereof will be subject to the standard CIT rate of 21 per cent.). In the case of startups (as defined in the Portuguese legislation) the rate applicable to the first €50,000 of taxable profits is reduced to 12.5 per cent. (subject to certain conditions). A municipal surcharge ("*derrama municipal*") of up to 1.5 per cent. may also be due over the Securityholder taxable profits. A State Surcharge ("*derrama estadual*") may also be due at a rate of (i) 3 per cent. on the part of the taxable profits exceeding € 1,500,000 up to € 7,500,000, (ii) 5 per cent. on taxable profits exceeding € 7,500,000 up to € 35,000,000, and (iii) 9 per cent. on the part of the taxable profits exceeding € 35,000,000.

Foreign Account Tax Compliance Act

Portugal has implemented, through Law 82-B/2014 of 31 December 2014 (amended by Law 98/2017, of 24 August), the legal framework based on reciprocal exchange of information on financial accounts subject to disclosure in order to comply with FATCA. Additional legislation was published in the last quarter of 2016, namely regarding certain procedures, rules and dates in connection with FATCA (i.e., Decree-Law 64/2016, of 11 October, amended by Law 98/2017, of 24 August and by Law 17/2019, of 14 February, and Ministerial Order 302-A/2016, of 2 December, amended by Ministerial Order 169/2017, of 25 May, and Ministerial Order 302-D/2016, of 2 December, amended by Ministerial Orders 255/2017, of 14 August and 58/2018, of 27 February). Furthermore, the governments of Portugal and the United States have entered into an intergovernmental agreement based largely on the Model 1 IGA on 6 August 2015.

EU Financial Transaction Tax

On the European Union level negotiations are underway in order to implement a harmonized financial transaction tax which might have a negative impact on the receipts deriving from the Securities.

For further information about the EU Financial Transaction Tax please refer to paragraph "EU Financial Transaction Tax" below.

12. SLOVAKIA

The purpose of the overview below is to provide a general overview of the relevant Slovak tax rules based on the laws in force in Slovakia as of the date of this Base Prospectus. It does not purport to be a comprehensive description of all tax implications that might be relevant to an investment decision. Please note that Investors in the securities should consult with their professional advisers particular circumstances which should be examined and considered in detail.

Income tax

Residents

Individuals, who are residents in Slovakia, are subject to unlimited income tax liability on their world-wide income (i.e. income from domestic and foreign sources). An individual is resident in Slovakia if he/she has his/her domicile (a registered permanent stay), residence or habitual place of abode (a physical presence for more than 183 days in a calendar year) in Slovakia. Residence shall mean (in the context of the double-taxation treaties) the possibility of accommodation, which is permanently available to physical person, other than occasional accommodation for the purposes of business travels,

tourism, recreation, etc., while an intention of physical person to permanently reside in the state with respect to his/her personal and economic ties is obvious. Corporations having their registered office and/or their place of effective management in the territory of Slovakia are subject to corporate income tax in Slovakia on their world-wide income (i.e. income from domestic and foreign sources).

Non-residents (both individuals and corporations) are subject to income tax only on income from the sources in Slovakia. Both in case of residents and non-residents Slovakia's right to tax may be restricted by a relevant double taxation treaty.

Interests

In general, the interest income earned from the securities is subject to a withholding tax of 19%. The exception are interests paid to states (i) with which Slovakia has not concluded a treaty on avoidance of double taxation or on mutual exchange of information in tax matters, or (ii) which are included in the EU list of non-cooperative countries, or do not apply (or have zero tax rate of) the corporate income tax ("uncooperative jurisdictions"), for which a tax rate of 35% shall be applied. The Ministry of Finance of the Slovak Republic publishes the list of states deemed as cooperative jurisdictions. Revenues (incomes) from bonds and treasury bills sourced in Slovakia and paid to an individual are taxed by a withholding tax except for the revenues from state bonds and state treasury bills. In case of interest income with source outside of Slovakia, such interest income received by an individual shall be included in the special tax base and reported in annual personal income tax return. With respect to corporations, the interest income having source abroad shall be included in the general tax base and declared in annual corporate income tax return. The withholding tax shall also be withheld from the income paid to companies which are not established for business purposes and to the National Bank of Slovakia.

The tax is to be withheld by a paying entity at the moment of payment. The paying entity is obliged to pay the tax withheld to tax authority within 15 days following the end of month in which the income payment was carried out and within the same deadline submit an announcement report. The tax withheld could have an effect of a final taxation or, under the stipulated conditions, the taxpayer could offset it against the tax due in the same fiscal period.

Individual investors

In case the income from interest on the securities originates from sources abroad to an individual, it shall be included in the special tax base. The tax rate for individuals will be at the level of 19% of the special tax base.

However, it is necessary to review the respective Double Taxation Avoidance Treaty concluded between Slovakia and another country in which the securities are generated, whether such other country has a right for the taxation of income from these securities.

Corporations

In general, a corporation shall include the interest received in its general corporate income tax base, which is taxable at a tax rate of 21%, if the taxable income of the legal entity for the taxation period exceeds 60,000 EUR or 15%, if the taxable income of the legal entity for the taxation period does not exceed 60,000 EUR (effective for taxable periods commencing on or after 1 January 2024).

Capital gains – Income from sale of the securities

Income from sale of securities originating from a source abroad is subject to (personal/corporate) income tax in Slovakia if the recipient is a Slovak tax resident. Such income should be included in the taxpayer's income tax base (no withholding tax shall be applied). Individual investor´s capital gains from sale of the securities are subject to personal income tax at a rate of 19% or 25% depending on the amount of this income. The tax base not exceeding the amount of EUR 47,537.98 (valid for year 2024) is taxed by 19% tax rate, the amount exceeding the cap for 19% is taxed by a higher 25% tax rate

(progressive tax rate). Provided that certain conditions are met this kind of personal income may be exempt from the tax. More details on potential exemption can be found in the text below. Taxable income from capital gains of individuals subject to the Slovak system of social security are subject to 15% health insurance contributions, without any maximum cap applicable. Health insurance contribution is after its payment regarded as tax deductible cost.

Capital gains from sale of the securities are included in the corporate income tax base and as such taxed at tax rate of 21% if the taxable income of the legal entity for the taxation period exceeds 60,000 EUR or 15%, if the taxable income of the legal entity for the taxation period does not exceed 60,000 EUR.

When considering the taxation of sale of the securities the source of which is e.g. in Italy and are paid to a Slovak tax resident, the provisions of the existing double taxation treaty between Italy and Slovakia should be taken into consideration. Under the provisions of this double taxation treaty capital gains from sale of such securities are in general taxable only in Slovakia, i.e. the country of tax domicile. The income tax is levied as follows:

Individual investors (private and business investors)

The tax base shall be equal to the taxable income less any expenses, which may be documented as having been incurred in order to generate the income. Expenses that can be deducted are the purchase price proven to be paid for the securities, or when there is no purchase (i.e. free of charge - donation, inheritance) then the price for the securities determined at the time when the securities were acquired, and the expenses related to the acquisition or purchase of the securities.

The capital gains from the sale of the securities will be exempt from Slovak personal income tax if the aggregate of the tax base related to the "other income" category (i.e. debentures, shares, bills of exchange etc.) does not exceed the flat amount of EUR 500. The same limit for exemption relates to rental income, income from transfer of options and income from transfer of ownership interest in a company. Thus, the exemption of EUR 500 shall be applied to the aggregate of all afore mentioned incomes (“the other income”, rental income, transfer of options and of ownership interests in a company). If the above mentioned limit is exceeded, only the excess amount is included in the tax base.

Further, the income from sale of the securities accepted for trading on a regulated market or a similar foreign regulated market shall be exempt from tax and that after one year from their acquisition, if the period between their admission to a regulated market or to a similar foreign regulated market and their sale exceeds one year. Such income from sale of the securities is not exempt from tax if the securities were included into business assets of the taxpayer.

From the tax shall be exempt also the income from sale of securities, options and income from derivative transactions derived from long-term investment savings after fulfilment of conditions set (determined) in the special act including income paid after 15 years from the beginning of long-term investment savings. Such income from sale is not exempt from tax if such securities, options and income from the derivative transactions were included into business assets of the taxpayer.

A loss from sale of securities shall not be offset against gains from other types of income in the same fiscal period - only the expenses up to the amount of income shall be considered upon the calculation of the tax base.

Under the specific conditions stated below, the full loss incurred may be considered as a tax deductible expense, these are:

i. bonds, the selling price of which is not lower by more than the interest accrued on the bonds and included in the tax base prior to the date of sale or the date of maturity of the bond; and

ii. for taxable persons who engage in trading with securities pursuant to special legislation, and which may deduct the expense of the acquisition of the securities up to the amount posted as their cost.

Corporations

In Slovakia, there is no difference in taxation of the capital gains of the individual investors holding securities as a business asset and corporations, therefore the section above applies to the corporations as well.

According to the Slovak Income Tax Act, a loss generated from the sale of securities shall not be offset against gains from sale of securities in the same fiscal period - only the expenses up to the amount of income shall be considered upon the calculation of the tax base.

Under the specific conditions stated below, the loss incurred is entirely accepted as a tax deductible expense:

(i) bonds, the selling price of which is not lower by more than the interest accrued on the bonds and included in the tax base prior to the date of sale or the date of maturity of the bond; and

(ii) for taxable persons who engage in trading with securities pursuant to special legislation, and which may deduct the expense of the acquisition of the securities up to the amount posted as their cost.

Non-residents

Interests

Non-residents (both individuals and corporations) are taxed only on their Slovak-source income. The interest income earned from securities paid out by a Slovak tax resident or a permanent establishment of a Slovak tax non-resident to a Slovak tax non-resident are taxed at the domestic withholding tax rate of 19% (35% in case of residents in uncooperative jurisdictions within the meaning as per above) unless such rate is reduced by a double taxation treaty or exempt under the EU Interest and Royalties Directive. The responsibility for withholding of the tax at source is vested with the Slovak tax resident or a permanent establishment of a Slovak tax non-resident making the relevant payment.

EU Savings Directive

The Slovak Republic has implemented the Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU, which is dealing with mandatory automatic exchange of information in the field of taxation into the Slovak act on international assistance and cooperation in tax administration and into Slovak act on automatic exchange of information regarding to financial accounts for the purpose of tax administration. This council directive has replaced the previous Council Directive 2003/48/EC (Saving Directive) in the field of exchange of information.

Interest income subject to the automatic exchange of information constitutes, inter alia, income incurred from participation certificates, bonds, certificates of deposit, treasury bills and other securities of similar characteristics during the holding of such a financial instrument or income accrued at the sale, refund or redemption of the financial instrument.

Withholding tax in relation to securities

Provided that (i) the securities shall be issued outside the Slovak Republic, (ii) the Issuer shall be a Slovak tax non-resident and (iii) all payments in relation to securities shall be executed by the Issuer or by the entity executing such payments on behalf of the Issuer, any income earned from the securities shall be qualified as the income having a source outside the Slovakia and as such shall not be subject to withholding tax in Slovakia.

Capital gains – Income from sale of the securities

The capital gains realised by a Slovak tax non-resident on sale of the securities issued by a foreign entity are not treated as a Slovak-source income (i.e. it is not subject to tax in Slovakia). In general, only the capital gains realised by Slovak tax non-residents on the sale of securities issued by tax payers having their seat in Slovakia, shall be taxed in Slovakia under local tax law except of the revenues from the state bonds and state treasury bills.

Dividends

The tax treatment of and related health insurance obligations arising on dividend income differ with respect to taxable period in which the profit was generated from which the dividends shall be distributed. The treatment is determined irrespective of when the actual dividend payment occurs. The dividend income derived from profit achieved in taxable periods up to 2003 and then since 2017 is subject to income tax in Slovakia. Dividends distributed from profit achieved in periods between 2011 and 2012 shall not be subject to tax, however in the case that these dividends are paid to individuals, they are subject to 10 % health insurance obligation. Dividends from profits of 2013 to 2016 also shall not be subject to tax, but the health insurance obligation of 15% arises. Dividends paid to the individuals from profits generated in tax periods commencing on or after 1 January 2017 shall be subject to income tax at a rate of 7%, and from profits generated in tax periods commencing on or after 1 January 2024 shall be subject to income tax at a rate of 10%; however there is no obligation to pay health insurance on such income.

Nevertheless, the fact whether Slovakia is entitled to tax dividend income shall be analysed thoroughly with regards to provisions of double taxation treaty concluded between Slovakia and the other state. It may be that the relevant treaty includes a cap as to the amount of tax that may be charged by either state.

Shall an individual or a business entity who are considered as tax residents of Slovakia, receive dividend income from uncooperative jurisdictions within the meaning as per above, the applicable tax rate amounts to 35%.

As to business entities, with the exception of the above mentioned uncooperative jurisdictions, dividend income shall be exempt from tax provided that the dividend paying entity does not treat it as a tax deductible expense.

The Slovak health insurance contributions received from the dividends are applicable only to individuals who participate on obligatory in the Slovak health insurance system and do not have any confirmation on participation in another foreign obligatory health insurance system, e.g. in a form of an A1 form. The amount of health insurance contribution is capped by a so-called maximum calculation base ("*maximálny vymeriavací základ*") for the amount of income on which the contributions shall be paid. The maximum limit set for income received in 2024 amounts to EUR 78,240.

Other taxes

There is no inheritance tax, gift tax, ownership tax or transfer tax in the Slovak Republic.

However, if securities are donated by an employer to a Slovak tax resident who is an employee, or if securities are donated to a Slovak tax resident who is self-employed and these securities are donated in connection with the carrying out of this self-employment, the value of the gift is subject to Slovak income tax and related health insurance contributions. The value of gift is also subject to the Slovak social insurance contributions since the assessment base for social insurance purposes generally follows the tax base of the individual (employee or self-employed person), although some exemptions may apply.

13. SLOVENIA

The following is a general description of certain Slovenian tax considerations relating to the Securities, based on the Issuer's understanding of the current law and its practice in Slovenia. It does not purport to be a complete analysis of all relevant tax considerations. Furthermore, it only relates to the position of investors who are beneficial owners of the Securities and the interest and may not apply to certain classes of investors. Prospective purchasers of the Securities should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of the Republic of Slovenia of acquiring, holding and disposing of the Securities and receiving payments of interest, principal and/or other amounts under the Securities. This overview is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may

take effect after such date.

1. Taxation of individuals

Residents and non-residents

In accordance with the Personal Income Tax Act (*Zakon o dohodnini; ZDoh-2)*, an individual is deemed to be a resident of Slovenia if his registered permanent address, habitual place or the centre of his personal and economic interests is in Slovenia. In addition, any person who has been present in Slovenia in a tax year for more than 183 days in the aggregate is deemed to be a resident in the tax year. Resident individuals are subject to income tax on their worldwide income. In general, all income, profits and gains are taxable, unless specifically exempt by law.

In accordance with the Personal Income Tax Act, non-residents are subject to tax on income derived from a source in Slovenia. Withholding tax is generally levied at a rate of 25%. Source taxation may be obviated or reduced pursuant to the terms of an applicable double taxation treaty, with the holder applying for a refund with the Slovenian tax authorities providing proof of eligibility.

Taxation of financial derivatives

Under the Personal Income Tax Act (*Zakon o dohodnini; ZDoh-2*), capital gains from the sale or other disposition of debt securities and other financial derivatives held as non-business assets are in general exempt from taxation. Capital gains derived from the alienation of financial derivatives (as defined in the Article 7 of the Financial Instruments Market Act (*Zakon o trgu finančnih instrumentov; ZTFI-1*) and debt securities (except for coupon debt securities and discount debt securities) by a resident individual are taxed at the rate of 40% (in the first 12 months of holding) and 27.5% (in the following 4 years of holding) according to the Act on the Taxation of Profits from the Disposal of Derivatives (*Zakon o davku od dobička od odsvojitve izvedenih finančnih instrumentov; ZDDOIFI*). The tax rate is further reduced by 7.5 percentage points for the next 5 years of holding, so that the rate of 20% applies after 5th year of holding, and further by 5 percentage points for each following 5 years of holding so that 15% and 10% tax rate applies after the 10th and 15th year of holding, respectively. After the 20th year of holding 0% tax rate applies. Tax return must be filed by Slovenian tax resident (Individual) until 28th February for previous year. Slovenian tax residents are taxed based on the principle of worldwide income; any income - deriving from Slovenia or abroad - is subject to taxation. If withholding tax is paid abroad, the credit may not exceed the lower of the following: a) the tax actually paid on the foreign-source income (according to the tax treaty, if applicable); and b) the tax payable on such income in Slovenia which would apply in the absence of the credit relief.

Taxation of interest

Under the Slovenian tax laws currently in effect, the payment of interest on the debt securities (as defined in the Article 81 of the Slovenian Personal Income Tax Act (*Zakon o dohodnini; ZDoh-2*) in accordance with their terms and conditions to a resident individual (within the meaning of the relevant provisions of ZDoh-2) will generally be subject to tax at a flat rate of 25%. (levied by way of withholding or by way of assessment), provided that these qualify as non-business assets. Income from a disposal or repurchase by the issuer of discounted debt securities (including non-coupon debt securities) shall also be considered as interest income (in accordance with the Article 88 of ZDoh-2). Tax return must be filed by Slovenian tax resident (Individual) until the 28th of February for previous year.

Pursuant to the Article 54 of ZDoh-2 interest on Securities issued in series held by a resident individual as business assets will generally qualify as non-business income, in which case it would be subject to the flat rate of 25% as described above, instead of the progressive tax rate of up to 50%, which generally applies to business income.

Taxation of dividends and capital gains

Dividends and other profit distributions are taxed by way of a 25% final withholding tax.

In general, individuals are subject to income tax on their capital gains if derived from the disposal of immovable property, shares and other participation rights, investment coupons etc. Taxable capital gains are generally taxed at a 25% final tax rate. After five years of holding, capital gains are taxed at a 20% final tax rate. The rate is later reduced by five percentage points per each five years of holding. Consequently, any gains are exempt after a 20 year-holding. Capital gains derived from the alienation of financial derivatives are not taxed according to this rule but are taxed only as described previously under *Taxation of financial derivatives*. Tax return must be filed by Slovenian tax resident (Individual) until the 28th of February for previous year.

Inheritance and gift taxation

Individuals and private law entities (within the meaning of the Article 3 of the Slovenian Inheritance and Gift Tax Act (*Zakon o davku na dediščine in darila; ZDDD*) are subject to Slovenian inheritance and gift tax in case of a transfer of the Securities mortis causa or inter vivos. The rate of such tax depends upon the value of the assets transferred and upon the relationship between the deceased/the donor on the one hand and the heir/the donee on the other hand. An exemption may apply in certain cases, such as to transfers between direct descendants and between spouses, as well as to a transfer of movable property the total value of which does not exceed EUR 5,000.

Withholding tax

Withholding tax must be withheld at source and deducted from payments of interest, dividends, royalties, and other incomes if such taxable income is paid by local tax payer. In other cases, tax return must be filed by individual upon receipt of such income.

EU Savings Directive

EU Savings Directive has been incorporated in sub-chapter 10 of chapter 1 of part five of Slovenian Tax Procedure Act (*Zakon o davčnem postopku; ZDavP-2*) and has come into force on 1st July 2005. However, since then the Directive (EU) 2015/2060 repealing the EU Savings Directive has come into force and these provisions have been stricken and the directive has also been implemented in chapter II of part four of Slovenian Tax Procedure Act.

For further information please refer to the paragraph below, headed *EU Savings Directive*.

No gross-up for taxes withheld

Purchasers of the Securities should note that neither the Issuer nor any other person will assume any liability for taxes withheld from payments under the Securities, nor make any additional payments in regard of these taxes, i.e. no gross-up will apply if a withholding tax is imposed.

EU Financial Transaction Tax

On the European Union level negotiations are underway in order to implement a harmonized financial transaction tax which might have a negative impact on the receipts deriving from the Securities.

For further information please refer to the paragraph below, headed *The proposed financial transactions tax*.

Other Taxes

No stamp, issue or registration taxes or such duties will be payable in Slovenia in connection with the issuance, delivery or execution of the Securities. Currently, net assets tax is not levied in Slovenia.

2. Taxation of corporations

Under the Slovenian tax laws currently in effect, the payment of interest on the Securities in accordance with their terms and conditions within the meaning of the relevant provisions of the Slovenian Corporate Income Tax Act (*Zakon o davku od dohodkov pravnih oseb; ZDDPO-2*) received by (i) a legal person resident for tax purposes in the Republic of Slovenia; or by (ii) a permanent establishment (*poslovna enota*) in the Republic of Slovenia of a legal person not resident for tax purposes in the Republic of Slovenia, is considered as a part of the overall taxable income. The Corporate Income Tax is levied on the net profits, defined according to the profit and loss account, as stipulated by the law and the Accounting Standards. According to the Slovenian Act on Reconstruction, Development and the Provision of Financial Resources (*Zakon o obnovi, razvoju in zagotavljanju finančnih sredstev*; ZORZFS) the tax rate for years 2024, 2025, 2026, 2027 and 2028 is 22%.

Taxation of dividends

Dividends and income similar to dividends (with the exception of certain hidden reserves) are, pursuant to article 24 of the Slovenian Corporate Income Tax Act, exempt from the tax base of a corporate shareholder, if the payer of dividends is:

- liable for corporate income tax in accordance with the Slovenian Corporate Income Tax Act; or

- for taxation purposes, a resident of an EU Member State in accordance with the law of that Member State, and is in accordance with a double taxation treaty concluded with a non-EU Member State not considered to reside outside of the EU, and is additionally liable for one of the taxes for which a common system of taxation is applicable to parent companies and affiliates from different EU Member States, as determined by the Slovenian Minister of Finance, where a company which is exempt from corporate income tax or that has the option of choosing its taxation is not considered to be liable for payment of corporate income tax; or

- liable for the payment of corporate income or profit tax comparable to Slovenian corporate income tax and is not resident of a state, in case of a permanent establishment, it is not in a country or jurisdiction included in a special list of countries or jurisdictions.

The above rules are applicable to non-resident recipients of dividends if their interest in the capital or in the management of the company paying the dividends is connected with business activities performed through an establishment in Slovenia.

The above-described exemption from the tax base of a corporate holder of the notes is applicable under the condition that the current or past taxation period's revenues have been included in the corporate holder's tax base, on the basis of such income.

In accordance with article 70 of the Slovenian Corporate Income Tax Act, the payer must, at the time of dividend payment, withhold and pay withholding tax at the rate of 15%, unless the recipient is: the Republic of Slovenia or a self-governing local community in Slovenia; the Bank of Slovenia; a resident who notifies the payer of their tax number, or a non-resident liable for the payment of corporate income tax deriving from their activities in or through a permanent establishment in the Republic of Slovenia who notifies the payer of their tax number, if the dividends are payable to such permanent establishment.

In accordance with article 70 of the Slovenian Corporate Income Tax Act, the tax shall not be calculated, withdrawn and paid if the dividends are payable to:

- a resident of an EU or an EEA Member State who is liable to pay income taxes in a foreign state (except for income paid to the permanent establishment of a non-resident in Slovenia), if such entity cannot claim the withholding tax in the state of its residence (as with, for example, the exemption of dividends from the tax base) and the transaction is not considered to represent tax avoidance; or

- foreign pension funds, investment funds and insurance companies providing pension plans,

residents of the EU or EEA Members States (except for income paid to the permanent establishment of a non-resident in Slovenia), if such entity cannot claim the withholding tax in the state of their residence (if, for example, such funds or insurance companies are exempt from tax payment or are subject to a 0% tax rate).

- exemptions determined in the previous two points do not refer to payments made to states with which the exchange of information is not assured (a list of such states is published by the Slovenian Minister of Finance).

Pursuant to article 71 of the Slovenian Corporate Income Tax Act, tax shall not be withheld from payments of dividends and income similar to dividends if the entity authorised to receive a given payment is subject to the common system of taxation applied to parent companies and affiliate companies from different EU Member States, provided that:

- the entity authorised to receive the payment holds at least 10% of the value or number of shares or interests in the share capital, nominal capital, or voting rights of the company paying the dividend; and

- such minimum participation in the value or number of shares or interest in the share capital, nominal capital or voting rights, has been in effect for at least 24 months; and

- the entity authorised to receive the payment is: a) a legal entity formed as an entity for which a common taxation system is used and which is applicable to parent companies and affiliates from different EU Member States, as determined by the Slovenian Minister of Finance; b) for taxation purposes, a resident of an EU Member State in accordance with the law of that Member State and is in accordance with a double taxation treaty concluded with a non-EU member state not considered to reside outside of the EU, and c) is liable for one of the taxes subject to the common system of taxation applicable to parent companies and affiliates from different EU Member States or, with respect to companies exempt from income tax or that may choose their taxation, is determined by the Slovenian Minister of Finance to be an entity subject to corporate income tax.

Withholding tax

Withholding tax must be withheld at source and deducted from payments of interest, dividends, royalties, and some other payments if such payments have source in Slovenia and are paid abroad.

Other Taxes

No stamp, issue or registration taxes or such duties will be payable in Slovenia in connection with the issuance, delivery or execution of the Securities. Currently, net assets tax is not levied in Slovenia.

3. Financial Services Tax

The subject of taxation according to Financial Services Tax Act (*Zakon o davku na finančne storitve; ZDFS*) are the following services: a) granting and negotiation of credit or loans in monetary form and the management of credit or loans in monetary form by the person who is granting the credit or the person who is granting the loan; b) issuing of credit guarantees or any other security for money and management of credit guarantees by the person who is granting the credit; c) transactions, including negotiation, concerning deposit and current or transaction accounts, payments, transfers, debts, cheques and other negotiable instruments; d) transactions, including negotiation, concerning currency, bank notes and coins used as legal tender; e) services provided by insurance brokers and agents.

A taxable person shall be any person who provides the financial services in the territory of the Republic of Slovenia. It shall be deemed that above stated financial services have been provided in the territory of Slovenia if they were provided by a person who has established its business or has a fixed establishment from which such financial service is provided or has its usual or permanent place of residence in the territory of Slovenia. It shall be also deemed that a financial service has been provided

in the territory of Slovenia if it is provided by a person who has established his business or has a place of establishment from which the service is provided or has or has his usual or permanent place of residence outside Slovenia, but may, in accordance with the existing legislation, provide the financial services in the territory of Slovenia directly to clients or recipients of services who have established their business or have a place of establishment or their usual or permanent place of residence in the territory of Slovenia.

Applicable tax rate is 8,5% and is chargeable on the commission of a financial service. It shall be deemed that a financial service has been provided when a fee for the commission of the service has been paid. The above stated commission shall exclude interest payable by a customer of services to a taxable person for the provision of the agreed financial service when such interest does not constitute the payment of expenses by a taxable person for the service provided.

14. SPAIN

The following discussion is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Spain, though it is not intended to be, nor should it be construed to be, legal or tax advice. This section does not constitute a complete description of all the tax issues that may be relevant in making the decision to invest in the Securities or of all the tax consequences that may derive from the subscription, acquisition, holding, transfer, redemption or reimbursement of the Securities and does not purport to describe the tax consequences applicable to categories of investors subject to special tax rules. Prospective investors in the Securities should therefore consult their own professional advisers as to the effects of state, regional or local law in Spain, to which they may be subject.

Individuals with Tax Residence in Spain

Certificates

Personal Income Tax

Personal Income Tax is levied on an annual basis on the worldwide income obtained by Spanish resident individuals, whatever the source is and wherever the relevant payer is established. Therefore any income that Spanish holders of the Certificates may receive under the Certificates will be subject to Spanish taxation.

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Certificates obtained by individuals who are tax resident in Spain will be regarded as financial income for tax purposes (i.e. a return on investment derived from the transfer of own capital to third parties), regardless of whether is in kind or in cash.

Both types of income will be included in the savings part of the taxable income subject to Personal Income Tax and will be taxed at the following tax rates: (i) for financial income up to €6,000: 19 per cent.; (ii) for financial income from €6,000.01 to €50,000: 21 per cent.; (iii) for financial income from 50,000.01 to 200,000: 23 per cent.; (iv) for financial income from 200,000.01 to 300,000: 27 per cent.; and (v) for any amount in excess of €300,000.01: 28 per cent..

Spanish holders of the Certificates shall compute the gross interest obtained in the savings part of the taxable base of the tax period in which it is due, including amounts withheld, if any.

Income arising on the disposal, redemption or reimbursement of the Certificates will be calculated as the difference between: (a) their disposal, redemption or reimbursement value; and (b) their acquisition or subscription value. Costs and expenses effectively borne by the holder on the acquisition and transfer of the Certificates may be taken into account for calculating the relevant taxable income, provided that they can be duly justified.

Likewise, expenses relating to the management and deposit of the Certificates, if any, will be tax deductible, excluding those pertaining to discretionary or individual portfolio management.

Losses that may derive from the transfer of the Certificates cannot be offset if the investor acquires homogeneous Certificates within the two-month period prior or subsequent to the transfer of the Certificates, until he/she transfers such homogeneous Certificates.

Additionally, tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Certificates, if any.

Wealth Tax

Individuals with tax residence in Spain are subject to the Spanish Wealth Tax on all their assets (such as the Certificates) in tax year 2024. The potential Wealth Tax liability should be analysed in connection with local regulations of each Spanish Region. Wealth Tax is levied on the net worth of an individual's assets and rights. The marginal rates range between 0.2 per cent. and 3.75 per cent. and some reductions could apply. Individuals with tax residency in Spain who are under the obligation to pay Wealth Tax must take into account the value of the Certificates which they hold as at 31 December each year, when calculating their Wealth Tax liabilities.

As regards the application of Spanish Wealth Tax in tax year 2024 and onwards, prospective investors should confirm with their tax advisors.

Inheritance and Gift Tax

Inheritance and Gift Tax is levied on individuals' heirs and donees resident in Spain for tax purposes. It is calculated taking into account several circumstances, such as the age and previous net worth of the heir or donee and the kinship with the deceased person or donor. The applicable tax rate currently ranges between 7 and 36.5 per cent. Depending on the particular circumstances, although the final tax payable may increase up to 87.6 per cent. This is nevertheless subject to the specific rules passed by the relevant Spanish regions with respect to this tax.

Warrants

Personal Income Tax

The premium or amount paid for the subscription of the Warrants would not be considered as a deductible expense, but as the acquisition value, which would include the expenses and commissions, inherent to the acquisition, paid by the acquirer.

Income obtained by the holders of the Warrants covered by this Base Prospectus on their transfer before the Expiration Date, will be considered as capital gains or losses in accordance with the provisions of the Spanish Personal Income Tax Law. The gain or loss shall be calculated as a difference between the transfer value, once any expenses and commissions paid by the taxpayer have been deducted, and the acquisition value, as defined above.

Upon the exercise of the Warrants, income obtained would be considered as a capital gain or loss, which will be calculated as the difference between (i) the Settlement Price or the value of the Physical Delivery Securities, once any expenses and commissions paid by the taxpayer have been deducted, and (ii) the acquisition value, as defined above.

Failure to exercise any Warrants on the Expiration Date would give rise to a capital loss on the acquisition value.

Income derived from the transfer or exercise of the Warrants will be included in the savings part of the taxable income generally subject to Personal Income Tax at the following tax rates: (i) for financial

income up to €6,000: 19 per cent.; (ii) for financial income from €6,000.01 to €50,000: 21 per cent.; (iii) for financial income from 50,000.01 to 200,000: 23 per cent.; (iv) for financial income from 200,000.01 to 300,000: 27 per cent.; and (v) for any amount in excess of €300,000.01: 28 per cent.

Wealth Tax

Individuals with tax residence in Spain are subject to the Spanish Wealth Tax on all their assets (such as the Warrants) in tax year 2024. The potential Wealth Tax liability should be analysed in connection with local regulations of each Spanish Region. Wealth Tax is levied on the net worth of an individual's assets and rights. The marginal rates range between 0.2 per cent. and 3.75 per cent. and some reductions could apply. Individuals with tax residency in Spain who are under the obligation to pay Wealth Tax must take into account the value of the Warrants which they hold as at 31 December each year, when calculating their Wealth Tax liabilities.

As regards the application of Spanish Wealth Tax in tax year 2024 and onwards, prospective investors should confirm with their tax advisors.

Inheritance and Gift Tax

Inheritance and Gift Tax is levied on individuals' heirs and donees resident in Spain for tax purposes. It is calculated taking into account several circumstances, such as the age and previous net worth of the heir or donee and the kinship with the deceased person or donor. The applicable tax rate currently ranges between 7 and 36.5 per cent. depending on the particular circumstances, although the final tax payable may increase up to 87.6 per cent. This is nevertheless subject to the specific rules passed by the relevant Spanish regions with respect to this tax.

Legal Entities with Tax Residence in Spain

Certificates

Corporate Income Tax

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Certificates obtained by entities which are resident for tax purposes in Spain shall be computed as taxable income of the tax period in which they accrue.

The general tax rate for limited liability companies is 25 per cent. Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions or credit entities).

Tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Securities, if any.

Warrants

As a general rule, income obtained either through the transfer or the exercise of the Warrants and obtained by taxpayers subject to Corporate Income Tax will be included in their taxable income under the general provisions described for Certificates.

Individuals and legal entities with no Tax Residence in Spain

Certificates

A non-resident holder of Certificates, who has a permanent establishment in Spain to which such Certificates are effectively connected with, is subject to Spanish Non-Residents' Income Tax on any income under the Certificates, including both interest periodically received and income arising on the disposal, redemption or reimbursement of the Certificates. In general terms, the tax rules applicable to individuals and legal entities with no tax residence in Spain but acting through a permanent

establishment in Spain are the same as those applicable to Corporate Income taxpayers (explained above).

Warrants

As a general rule, income obtained by a permanent establishment located in Spain of a non-resident would be subject to taxation in a similar way than that applicable to Spanish tax resident corporate income taxpayers.

Spanish withholding tax

Where a financial institution (either resident in Spain or acting through a permanent establishment in Spain) acts as depositary of the Certificates or intervenes as manager in the collection of any income under the Certificates, such financial institution will be responsible for making the relevant withholding on account of Spanish tax on any income deriving from the Certificates (income from Warrants will always be not subject to withholding tax in Spain). Currently, the withholding tax rate in Spain is 19 per cent..

Amounts withheld in Spain, if any, can be credited against the final Spanish Personal Income Tax liability, in the case of Spanish tax resident individuals, or against final Spanish Corporate Income Tax liability, in the case of Spanish corporate, or against final Non-Residents' Income Tax, in the case of a Spanish permanent establishment of a non-resident holder of the Certificates. However, holders of the Certificates who are Corporate Income Taxpayers or Non-Residents' Income Taxpayers acting through a permanent establishment in Spain to which the Certificates are effectively connected with could benefit from a withholding tax exemption when the Certificates are listed in an OECD official stock exchange. This will be the case as the Certificates are expected to trade on the Luxembourg Stock Exchange's Regulated Market.

Furthermore, such financial institution may become obliged to comply with the formalities set out in the Regulations on Spanish Personal Income Tax (Royal Decree 439/2007, of 30 March) and Corporate Income Tax (Royal Decree 634/2015, of 10 July) when intervening in the transfer or reimbursement of the Certificates.

Indirect taxation

The acquisition, transfer, redemption, reimbursement and exchange of the Securities will be subject to and exempt from Transfer Tax and Stamp Duty as well as Value Added Tax.

The exemption applicable for Value Added Tax purposes would not cover deposit and management services related to the Securities.

EU Financial Transaction Tax

On the European Union level negotiations are underway in order to implement a harmonized financial transaction tax which might have a negative impact on the receipts deriving from the Securities.

Additionally, on 16 January 2021 the Financial Transaction Tax entered into force in Spain. It is an indirect tax on onerous acquisitions of shares in Spanish companies with a market capitalisation of more than 1 billion euros, in the form and under the conditions established by Law 5/2020, of 15 October.

For further information about the EU Financial Transaction Tax please refer to paragraph “EU Financial Transaction Tax” below. Prospective Securityholders are advised to seek their own professional advice in relation to the EU Financial Transaction Tax.

15. EUROPEAN FINANCIAL TRANSACTION TAX

On 14 February 2013, the European Commission issued proposals, including a draft Directive (the **Commission Proposal**), for a financial transaction tax (**FTT**) to be adopted in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**)[1]. However, Estonia has since stated that it will not participate. If the Commission's Proposal was adopted, the FTT would be a tax primarily on "financial institutions" (which could include the Issuer) in relation to "financial transactions" (which would include the conclusion or modification of derivative contracts and the purchase and sale of financial instruments).

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Certificates 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 may give rise to tax liabilities for the relevant Issuer with respect to certain transactions if it is adopted based on the Commission's Proposal. Examples of such transactions are the conclusion of a derivative contract in the context of the relevant Issuer's hedging arrangements or the purchase or sale of securities (such as charged assets) or the exercise/settlement of a warrant. The relevant Issuer is, in certain circumstances, able to pass on any such tax liabilities to holders of the Securities and therefore this may result in investors receiving less than expected in respect of the Securities. It should also be noted that the FTT could be payable in relation to relevant transactions by investors in respect of the Securities (including secondary market transactions) if conditions for a charge to arise are satisfied and the FTT is adopted based on the Commission's Proposal. Primary market transactions referred to in Article 5(c) of Regulation EC No 1287/2006 are expected to be exempt. There is however some uncertainty in relation to the intended scope of this exemption for certain money market instruments and structured issues.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to implementation, the timing of which remains unclear. Additional Member States may decide to participate. Prospective Securityholders are advised to seek their own professional advice in relation to the FTT.

16. INTERNATIONAL EXCHANGE OF INFORMATION

Based on the "OECD Common Reporting Standard (CRS)" states, which have committed themselves to apply the OECD Common reporting Standards ("Participating States"), exchange information with respect to financial accounts held by persons in another Participating State. The same applies to Member States of the European Union. Since 2017 the competent authorities of each EU member state automatically has to submit information on financial accounts and advance cross-border rulings of each person domiciled in the respective EU member state to the competent authorities of each other EU member state.
Since 2018 the competent authorities of each EU member state automatically has to submit anti-money laundering information. Investors should obtain information and/or seek advice if required.

17. U.S. FOREIGN ACCOUNT TAX COMPLIANCE WITHHOLDING

The Issuer and other financial institutions through which payments on the Securities are made may be

[1] Several EU Member States (e.g. France, Italy and Spain) have already introduced national FTTs.

required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, "foreign passthru payments" (a term not yet defined) made two years after the date of publication of final U.S. Treasury Regulations defining the term “foreign passthru payment", or later. This withholding would potentially apply to payments in respect of (i) any 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 after the "grandfathering date" which (A) with respect to Securities that give rise solely to foreign passthru payments, is the date that is six months after the date on which final U.S. Treasury Regulations defining the term foreign passthru payment are filed with the Federal Register, and (B) with respect to Securities that give rise to a dividend equivalent pursuant to Section 871(m) of the Code as discussed below (and therefore do not give rise to foreign passthru payments), is the date that is six months after the date on which obligations of their type are first treated as giving rise to dividend equivalents, or in either case are issued on or before the grandfathering date and are materially modified thereafter, and (ii) any Securities characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Securities are issued on or before the grandfathering date, and additional Securities of the same series are issued after that date, the additional Securities may not be treated as grandfathered, which may have negative consequences for the existing Securities, including a negative impact on market price.

While the Securities are in global form and held within the clearing systems, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. FATCA also may affect payment to any ultimate investor that is a financial institution not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose their custodians and intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer’s obligations under the Securities are discharged once it has paid the common depositary for the clearing systems (as bearer or registered holder of the Securities) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the hands of the clearing systems and custodians or intermediaries. The documentation expressly contemplates the possibility that the Securities may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA withholding.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from payments on the Securities, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive a lesser amount than expected. Holders of Securities should consult their own tax advisers for a more detailed explanation of FATCA and how FATCA may apply to payments they receive under the Securities.

FATCA is particularly complex and its application to the Issuer, the Securities, and investors in the Securities is uncertain at this time. The application of FATCA to "foreign passthru payments" on the Securities or to Securities issued or materially modified after the grandfathering date may be addressed in the relevant Final Terms or a supplement to the Base Prospectus, as applicable.

On 10 January 2014, representatives of the Governments of Italy and the United States signed an intergovernmental agreement to implement FATCA in Italy (the "**IGA**"), which entered into force on 1st July 2014. The IGA ratification law entered into force on 8 July 2015. Under these rules, the Issuer,

as a reporting financial institution, will be required to collect and report certain information in respect of its account holders and investors to the Italian tax authorities, which would automatically exchange such information periodically with the U.S. Internal Revenue Service.

18. U.S. DIVIDEND EQUIVALENT PAYMENTS

U.S. Treasury Regulations under Section 871(m) of the Code imposing a withholding tax on certain "dividend equivalents" under certain "equity linked instruments" exclude from their scope instruments issued before calendar year 2021 that do not have a "delta of one" with respect to underlying securities that could pay U.S.-source dividends for U.S. federal income tax purposes (each an "Underlying Security"). Subject to this pre-2021 exemption, Section 871(m) of the Code will apply to a financial instrument (a "Specified Security") if it meets either (i) a "delta" test, if it is a "simple" contract, or (ii) a "substantial equivalence" test, if it is a "complex" contract. Section 871(m) of the Code provides certain exceptions to this withholding regime, in particular for instruments linked to certain broad-based indices that meet requirements set forth in the applicable Treasury regulations, as well as instruments that track such indices. If the terms of a financial instrument issued before calendar year 2021 (that is exempt from withholding under Section 871(m) of the Code) are "significantly modified" sometime after calendar year 2020 such that the financial instrument is treated as retired and reissued for U.S. federal income tax purposes, it will lose this exemption. Withholding in respect of dividend equivalents will generally be required when cash payments are made on a Specified Security or upon the date of maturity, lapse or other disposition by the non-U.S. holder of the Specified Security. If U.S. Underlying Equities are expected to pay dividends during the term of the Specified Security, withholding generally will still be required even if the Specified Security does not provide for payments explicitly linked to dividends. If the Issuer or any other relevant withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

Section 871(m) of the Code is complex and its application may depend on your particular circumstances, including whether you enter into other transactions with respect to an Underlying Security. You should consult your tax advisor regarding the potential application of Section 871(m) of the Code to the Securities.

19. SWITZERLAND

The following summary is an overview of certain aspects of taxes in Switzerland relating to the taxation of the Securities issued under the Programme and is included herein solely for information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. This summary is based upon the Swiss tax laws as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date. Because this overview does not address all tax considerations under Swiss law and as the specific tax situation of an investor cannot be considered in this context, prospective investors are recommended to consult their personal tax advisers as to the tax consequences of the purchase, ownership, sale or redemption of and the income derived from the Securities issued under the Programme including, in particular, the effect of tax laws of any other jurisdiction.

On 3 October 2017, the Swiss Federal Tax Administration has issued updated Circular Letter No. 15 in relation to bonds and derivative financial instruments as subject of Swiss direct federal tax, Swiss withholding tax and Swiss stamp duties ("**Circular Letter No. 15**"). The Securities issued under the Programme will be taxed in accordance with this Circular Letter No. 15 and its appendices, as updated from time to time. Depending on the qualification of the relevant Security by the competent Swiss tax authorities the taxation of each Security may be different.

(a) Federal, Cantonal and Communal Individual Income Tax and Corporate Income Tax

Securities held by non-Swiss holder

Holders of Securities who are not resident in Switzerland for tax purposes, and who during the respective taxation year, have not engaged in a trade or business carried out through a permanent establishment or a fixed place of business situated in Switzerland to which the Securities are attributable for tax purposes and who are not subject to income taxation in Switzerland for any other reason ("**Non-Resident Securityholders**") are in respect of the Securities not subject to any federal, cantonal and communal income tax, whether on interest (and/or discount and/or premium, if any) paid, on the payment of principal or on any gain realised on the sale or other disposition of the Securities.

Securities held as private asset by a Swiss resident holder

Individuals resident in Switzerland who hold their Securities as private assets ("**Resident Private Securityholders**") are required to include payments on such Securities, which are considered, from a Swiss taxation perspective, as investment income (dividends or interests or other income), in their personal income tax return for the relevant tax period and will be taxable on any net taxable income for such tax period.

Gains or losses realised upon a sale or other disposition by Resident Private Securityholders qualifying as private capital gains or losses for Swiss tax purposes are generally not subject to income taxation or are not deductible from taxable income respectively. Capital gains may, however, be subject to income taxation, if a Security or a distinguishable part thereof qualifies as a bond where the predominant part of the annual yield is paid in a one-time payment (*überwiegende Einmalverzinsung*) or the Security is considered as not transparent for Swiss tax purposes. Losses arising from predominant one-time interest paying bonds may be deducted from gains from similar instruments in the same tax period. Furthermore, for low exercise price options (LEPO) with a maturity exceeding one year, the interest component is subject to income tax.

Profits and option premiums from Securities, which are considered as pure derivatives for Swiss tax purposes (financial futures, options) are not subject to the income tax as such profits are in general considered as private capital gains provided the investor is holding the Securities as private assets. Possible losses are not tax-deductible.

Income derived from a Security which is neither a private capital gain nor a repayment of paid-in capital (or face value in case of shares) is generally subject to income tax. This applies, inter alia, to any issuance discount, repayment premium, other guaranteed payments (besides repayment of capital) or any combination thereof. Payments received by an investor because of dividends, interest etc. of the underlying may be subject to income tax for such investor. This may apply likewise to payments or credits derived from underlying funds.

Securities held as business asset by a Swiss resident holder

Corporate entities and individuals who hold their Securities as part of a trade or business in Switzerland, which in the case of residents abroad, is carried out through a permanent establishment or a fixed place of business in Switzerland ("**Domestic Commercial Securityholders**"), are required to recognise the payments of interest and any gain realised on the sale, redemption or exercise of such Securities (including a gain relating to interest accrued) and any loss on such Securities in their income statement for the respective tax period and will be taxable on any net taxable earnings for such period. The same taxation treatment also applies to Swiss resident individuals who, for income tax purposes, are classified as "professional securities dealers" for reasons of, inter alia, frequent dealings and leveraged investments in securities.

(b) Cantonal and Communal Wealth Tax and Capital Tax, Gift, Estate and Inheritance Tax

Holders of Securities who are Non-Resident Securityholders are not subject to cantonal and communal wealth tax or capital tax.

Holders of Securities who are Resident Private Securityholders or individuals that are Domestic Commercial Securityholders are required to report the Securities as part of their private wealth or as part of their Swiss business assets, as the case may be, and are subject to annual cantonal and/or communal wealth tax on any net taxable wealth (including the Securities); however, in the case of individuals that are Domestic Commercial Securityholders, only to the extent aggregate taxable wealth is allocable to Switzerland. Corporate Domestic Commercial Securityholders are required to report the Securities as part of their assets in their financial statements and are subject to cantonal and communal capital tax on net taxable equity; however, in the case of a non-Swiss resident corporate Domestic Commercial Securityholders holding Securities as part of a Swiss permanent establishment, only to the extent aggregate taxable equity is allocable to Switzerland. No wealth tax and no capital tax are levied at federal level.

The transfer of Securities may be subject to cantonal and/or communal gift, estate or inheritance taxes if the donor is, or the deceased was, resident for tax purposes in a Swiss canton levying such taxes.

(c) Withholding Tax

All payments in respect of the Securities by the non-Swiss issuer are currently not subject to withholding tax, provided that the Issuer is at all times resident and effectively managed outside Switzerland for Swiss tax purposes.

If there was a deduction or withholding of withholding tax on any interest payments in respect of the Securities, the holders of the Securities would not be entitled to receive any additional amounts as a result of such deduction or withholding under the terms of the Securities.

(d) Securities Transfer Tax

Securities transfer tax (*Umsatzabgabe*) is levied on the transfer of ownership against consideration of certain taxable securities (which may include the Securities) if a securities dealer in Switzerland or Liechtenstein, as defined in the Swiss federal stamp duty act (*Bundesgesetz über die Stempelabgaben*), is a party or acts as an intermediary to the transaction and no exemption applies. Hence, secondary market transactions in the Securities may be subject to securities transfer tax at a rate of up to 0.3%, calculated on the purchase price or sales proceeds. Also, the physical delivery of the underlying upon settlement (future) or exercise (option) is generally subject to securities transfer tax, if the underlying itself qualifies as taxable security for Swiss stamp duty purposes.

However, those Securities which classify as pure derivatives for Swiss stamp duty purposes do generally not qualify as taxable securities and are thus not subject to securities transfer tax. This excludes those Securities which, due to specific features, are considered debt financing instruments (bonds or money market securities), share-like or fund-like products, as well as Low Exercise Price Options (LEPO) on shares (with a maturity exceeding one year) for Swiss stamp duty purposes.

(e) Automatic Exchange of Information

On 19 November 2014, Switzerland signed the Multilateral Competent Authority Agreement (the "**MCAA**"). The MCAA is based on article 6 of the OECD/Council of Europe administrative assistance convention and is intended to ensure the uniform implementation of Automatic Exchange of Information (the "**AEOI**"). The Federal Act on the International Automatic Exchange of Information in Tax Matters (the "**AEOI Act**") entered into force on 1 January 2017. The AEOI Act is the legal basis for the implementation of the AEOI standard in Switzerland.

The AEOI is being introduced in Switzerland through bilateral agreements or multilateral agreements. The agreements have, and will be, concluded on the basis of guaranteed reciprocity, compliance with the principle of speciality (i.e. the information exchanged may only be used to assess and levy taxes (and for criminal tax proceedings)) and adequate data protection. An up-to-date list of the AEOI agreements of Switzerland in effect or signed and becoming effective, including the dates of

commencement of data collection and data exchange, can be found on the website of the State Secretariat for International Financial Matters SIF <www.sif.admin.ch>.

Based on such bilateral or multilateral agreements, as the case may be, and the implementation of Swiss law, Switzerland collects and exchanges data in respect of financial assets, including the Securities, held in, and income derived thereon and credited to, accounts or deposits with a paying agent in Switzerland for the benefit of individuals resident in a European Union member state or in a treaty state.

IMPORTANT INFORMATION RELATING TO OFFERS OF SECURITIES

Offers: Issue Price and Offer Price

The Securities will be issued by the Issuer at the Issue Price specified in the applicable Final Terms. The Issue Price will be determined by the Issuer in consultation with the relevant Manager at the time of the relevant Offer and will depend, amongst other things, on the remuneration applicable to the Securities and prevailing market conditions at that time.

Securities to be offered pursuant to an Offer in the primary market or in the secondary market will be subscribed or purchased by the investors at the Offer Price.

In case of an Offer in the primary market, the Offer Price of the Securities will be the Issue Price or such other price as may be specified in the applicable Final Terms.

In case of an Offer in the secondary market, the Offer Price will be equal to the market price of the Securities applicable from time to time, in addition to any costs and commissions payable to the relevant Authorised Offeror (if applicable) and the purchase and settlement of the Securities will be made in accordance with the rules of the relevant trading venue.

Restrictions on Offers of Securities in Relevant Member States where there is no exemption from the obligation under the Prospectus Regulation to publish a prospectus.

Certain Tranches of Securities may be offered in circumstances where there is no exemption from the obligation under the Prospectus Regulation to publish a prospectus. Any such offer is referred to as a **Non-exempt Offer**. This Base Prospectus has been prepared on a basis that permits Non-exempt Offer of Securities. However, any person making or intending to make a Non-exempt Offer of Securities in any Member State of the European Economic Area where the Prospectus Regulation is applicable (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, in case of a subsequent resale of the Securities, 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 offer of such Securities.

Save as provided above, neither the Issuer nor any Manager have authorised, nor do they authorise, the making of any Offer of Securities in circumstances in which an obligation arises for the Issuer or any Manager to publish or supplement a prospectus for such Offer.

In the context of any Non-exempt Offer of Securities, the Issuer has requested or may request the CSSF 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 Austria, Belgium, Croatia, France, Greece, Hungary, Ireland, Italy, Portugal, Slovakia, Slovenia and Spain (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 Non-exempt Offer in the Host Member States. Investors should refer to the Final Terms for any issue of Securities to see whether the Issuer has elected to make a Non-exempt Offer of Securities in either Luxembourg or in a Host Member State (each a "**Non-exempt Offer Jurisdiction**").

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

The Issuer accepts responsibility in the Non-exempt 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.

The consent and conditions attached to it are set out under "*Consent*" and "*Common Conditions to Consent*" below.

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

Save as provided below, none of the Issuer and any Manager has authorised the making of any Offer by any offeror nor have they consented to the use of this Base Prospectus by any other person in connection with any Offer of Securities. Any Offer made without the consent of the Issuer is unauthorised and none of the Issuer or any Manager accepts any responsibility or liability for the actions of the persons making any such unauthorised offer. If, in the context of an Offer, an Investor is offered Securities by a person which is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Base Prospectus for the purposes of Article 11 of the Prospectus Regulation in the context of the Offer and, if so, who that person is. If the Investor is in any doubt about whether they can rely on this Base Prospectus and/or who is responsible for its contents they should take legal advice.

Consent

The consent referred to relates to Offer Periods occurring within 12 months from the date of approval of this Base Prospectus.

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

(1) the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with an Offer of such Securities during the relevant Offer Period stated in the applicable Final Terms by the relevant Manager and by:

(a) any financial intermediary specified in the applicable Final Terms; and

(b) any financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the Issuer's website (https://www.intesasanpaolo.com/) and identified as an Authorised Offeror in respect of the relevant Offer; and

(2) if (and only if) Part B of the applicable Final Terms specifies that the Issuer consents to the use of the Base Prospectus by all financial intermediaries, the Issuer hereby offers to grant its consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with an Offer of Securities during the relevant Offer Period stated in the applicable Final Terms by any financial intermediary which satisfies the "Specific Conditions to Consent" set out below.

Common Conditions to Consent

The conditions to the Issuer's consent to the use of this Base Prospectus in the context of the relevant Offer are (in addition to the conditions described under "*Specific Conditions to Consent*" below if Part B of the applicable Final Terms specifies "General Consent" as "Applicable") that such consent:

(i) is only valid with reference to Offers occurring within 12 months from the date of this Base Prospectus;

(ii) only extends to the use of this Base Prospectus to make Offers of the relevant Tranche of Securities in one or more of Luxembourg, Austria, Belgium, Croatia, France, Greece, Hungary,

Ireland, Italy, Portugal, Slovakia, Slovenia, Spain as specified in the applicable Final Terms; and

(iii) is subject to any other conditions set out in Part B of the applicable Final Terms.

Each Tranche of Securities may only be offered to Investors as part of an Offer in the Relevant Member State(s) specified in the applicable Final Terms, or otherwise in circumstances in which no obligation arises for the Issuer or any Manager to publish or supplement a prospectus for such Offer.

Specific Conditions to Consent

The conditions to the Issuer's consent are that:

(i) the financial intermediary must be authorised to make such offers under the applicable legislation implementing the MiFID II in the Relevant Member State;

(ii) the financial intermediary accepts the Issuer's offer to grant consent to the use of this Base Prospectus by publishing on its website the following statement (with the information in square brackets completed with the relevant information):

" *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 Intesa Sanpaolo S.p.A. (the "**Issuer**"). We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Securities (the "**Offer**") in accordance with the Authorised Offeror Terms (as defined and specified in the Base Prospectus) and subject to the conditions to such consent, each as specified in the Base Prospectus, we confirm that we are authorised under MiFID II to make, and we are using the Base Prospectus in connection with, the Offer accordingly*".

The **Authorised Offeror Terms**, being the terms to which the relevant financial intermediary agrees in connection with using the Base Prospectus, are that the financial intermediary:

(1) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer and the relevant Manager that it will, at all times in connection with the relevant Offer:

(a) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**"), from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Securities by any person and disclosure to any potential Investor, and will immediately inform the Issuer and the relevant Manager if at any time such financial intermediary becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;

(b) comply with the restrictions set out under "Offering and Sale" in this Base Prospectus which would apply as if it were a Manager;

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

(d) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Securities under the applicable laws and regulations of the Relevant Member State;

(e) comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance

with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Securities by the Investor), and will not permit any application for Securities in circumstances where the financial intermediary has any suspicions as to the source of the application monies;

(f) retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the Issuer and the relevant Manager or directly to the appropriate authority with jurisdiction over any Manager in order to enable the Issuer or any Manager to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to the Issuer or any Manager;

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

(h) co-operate with the Issuer and the relevant Manager in providing such information (including, without limitation, documents and records maintained pursuant to paragraph (f) above) upon written request from the Issuer or the relevant Manager as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by the Issuer or the relevant Manager:

(i) in connection with any request or investigation by any regulator in relation to the Securities, the Issuer or the relevant Manager; and/or

(ii) in connection with any complaints received by the Issuer and/or the relevant Manager relating to the Issuer and/or the relevant Manager or another Authorised Offeror including, without limitation, complaints as defined in rules published by any regulator of competent jurisdiction from time to time; and/or

(iii) which the Issuer or the relevant Manager may reasonably require from time to time in relation to the Securities and/or as to allow the Issuer or the relevant Manager fully to comply within its own legal, tax and regulatory requirements,

in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;

(i) (i) not sell the Securities at any price other than the Offer Price; (ii) in case of Offers in the primary market, not sell the Securities otherwise than for settlement on the Issue Date specified in the relevant Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed with the relevant Manager); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Securities (unless otherwise agreed with the relevant Manager); and (v) comply with such other rules of conduct as may be reasonably required and specified by the relevant Manager;

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

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

(l) comply with the conditions to the consent referred to under "*Common conditions to consent*" above and any further requirements relevant to the Offer as specified in the applicable Final Terms;

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

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

(2) agrees and undertakes to indemnify each of the Issuer and the relevant Manager (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer or the relevant Manager; and

(3) agrees and accepts that:

(a) the contract between the Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's offer to use the Base Prospectus with its consent in connection with the relevant 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) subject to (d) below, 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) (a "**Dispute**") and the Issuer and financial intermediary submit to the exclusive jurisdiction of the English courts;

(c) for the purposes of (b) above and (d) below, the financial intermediary waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum to settle any dispute;

(d) to the extent permitted by law, the Issuer and the Manager may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions; and

(e) each relevant Manager 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 its benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

Any financial intermediary who meets all of the conditions set out in "*Specific Conditions to Consent*" and "*Common Conditions to Consent*" above who wishes to use this Base Prospectus in connection with an Offer is required, for the duration of the relevant Offer Period, to publish on its website the statement (duly completed) specified at paragraph (ii) under "*Specific Conditions to Consent*" above.

ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY SECURITIES IN AN 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 THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE OFFER OR SALE OF THE SECURITIES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER. NONE OF THE ISSUER AND ANY MANAGER (EXCEPT WHERE SUCH MANAGER IS THE RELEVANT AUTHORISED OFFEROR) HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF THE INFORMATION DESCRIBED ABOVE.

GENERAL INFORMATION

Listing, Approval and Admission to Trading

Application has been made to the CSSF, in its capacity as competent authority under the Prospectus Law 2019, which implements the Prospectus Regulation, to approve this document as a base prospectus. The CSSF assumes no responsibility for the economic and financial opportuneness of the transactions set out under this Programme or the quality or solvency of the Issuer in compliance with the provisions of article 6(4) of the Prospectus Law 2019. Application has also been made to the Luxemburg Stock Exchange for Securities issued under the Programme (i) to be listed on the Official List of the Luxembourg Stock Exchange; and (ii) to be admitted to trading on the Luxembourg Stock Exchange Regulated Market and the EuroMTF. The Luxembourg Stock Exchange Regulated Market is a regulated market for the purposes of MiFID II. The EuroMTF is not a regulated market for the purposes of MiFID II, but it is subject to the supervision of the CSSF.

Securities may be issued under the Programme which are not listed or admitted to trading, as the case may be, on the Luxembourg Stock Exchange or any other stock exchange or market or trading venue, or Securities may be issued which are listed or admitted to trading, as the case may be, on such other stock exchange or markets or trading venues as the Issuer may specify in the applicable Final Terms. After the Issue Date, application may be made to list the Securities on other stock exchanges or regulated markets or to admit to trading on other trading venues as the Issuer may decide.

Authorisation

The establishment of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer dated 5 May 2020. For the issue of any Series of Securities under the Programme no separate resolution of the Board of Directors of the Issuer is necessary.

Conditions for determining price

The price and amounts of Securities to be issued under the Programme will be determined by the Issuer and any Manager(s) at the time of issue in accordance with prevailing market conditions.

Litigation

Save as disclosed in this Base Prospectus under "*Description of the Issuer – Legal Proceedings*", none of the Issuer or any member of the Intesa Sanpaolo Group is or has been involved in any governmental, legal or 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 Intesa Sanpaolo Group's financial position or profitability and, so far as the Issuer is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

Independent Auditors

On 30 April 2019, the ordinary shareholders' meeting of Intesa Sanpaolo appointed EY S.p.A. as independent auditors for the financial years 2021-2029. EY S.p.A. is an independent public accounting firm registered under no. 70945 in the Register of Accountancy Auditors (Registro Revisori Legali) held by the Italian Ministry for Economy and Finance pursuant to Legislative Decree No. 39 of 27 January 2010 and the Ministerial Decree No. 145 of 20 June 2012. EY S.p.A. is also a member of the ASSIREVI – Associazione Italiana delle Società di Revisione Legale, being the Italian Auditors Association. The business address of EY S.p.A. is Via Meravigli 12, 20123 Milan, Italy. EY S.p.A. audited, in accordance with International Standards on Auditing (ISA Italia), the consolidated financial statements of the Intesa Sanpaolo Group, as at and for the years ended 31 December 2023 and 2022, as stated in the English translation of their audit reports incorporated by reference into this Base Prospectus.

Trend information / No Material Change

Since 31 December 2023, there has been no material adverse change in the prospects of the Issuer.

Since 31 March 2024, there has been no significant change in the financial performance of the Intesa Sanpaolo Group and no significant change in the financial position of the Issuer and of the Intesa Sanpaolo Group.

Material contracts

None of Intesa Sanpaolo S.p.A. and Intesa Sanpaolo's other 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 the Issuer' ability to meet its obligations to Securityholders.

Documents available for inspection

In addition to the availability of the Base Prospectus and documents incorporated by reference therein in electronic form as set out below, for so long as the Programme remains valid with the Luxembourg Stock Exchange or any Securities shall be outstanding, copies and, where appropriate, the following documents (translated into English, where applicable) may be obtained by the public during normal business hours at the specified office of the Luxembourg Listing Agent and at the registered offices of the Issuer, namely:

(a) this Base Prospectus and any supplements to this Base Prospectus (together with any prospectuses published in connection with any future updates in respect of the Base Prospectus) and any other information incorporated herein or therein by reference;

(b) a certified copy of the constitutive documents of Intesa Sanpaolo;

(c) the Agency Agreement;

(d) any Final Terms (save that Final Terms relating to 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 will only be available for inspection by the relevant Securityholders and such holder must produce evidence satisfactory to the Issuer and the Listing Agent as to its holding of Securities and identity);

(e) any supplemental agreement prepared and published in connection with the Programme; and

(f) the Green, Social and Sustainability Bond Framework together with any opinion on each such framework issued by a second party consultant as well as any public reporting by or on behalf of Intesa Sanpaolo in respect of the application of the proceeds of any issue of Green Bonds, Climate Bonds, Social Bonds and Sustainability Bonds, from time to time published by Intesa Sanpaolo, will be available in the investor relations section on the website of Intesa Sanpaolo. For the avoidance of doubt, neither the Green, Social and Sustainability Bond Framework nor any second party opinion or public reporting are incorporated in and/or form part of this Base Prospectus.

In addition, copies of this Base Prospectus, any supplements to this Base Prospectus, each Final Terms relating to the Securities which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website (https://www.luxse.com), and at the following website: www.prodottiequotazioni.intesasanpaolo.com.

This Base Prospectus, any supplements to this Base Prospectus, each Final Terms relating to the Securities will remain published on the Issuer's website (www.prodottiequotazioni.intesasanpaolo.com) for at least 10 years after their publication.

Copy of the constitutive documents of Intesa Sanpaolo are available on the following website: https://group.intesasanpaolo.com/en/governance/company-documents/2022.

The information on the websites with the exception of links to the electronic addresses where information incorporated by reference is available does not form part of the Base Prospectus and has not been scrutinised or approved by the CSSF.

Financial statements available

In addition to the availability of the documents incorporated by reference in this Base Prospectus in electronic form as set out above, for so long as the Programme remains in effect or any Securities shall be outstanding, copies and, where appropriate, English translations of the following documents may be obtained during normal business hours at the specified office of the Luxembourg Listing Agent and at the registered offices of the Issuer:

a) the audited consolidated annual financial statements of Intesa Sanpaolo as at and for the years ended 31 December 2022 and 2023, together with the accompanying notes and any auditors' report;

b) (whether audited or unaudited) the most recent audit annual, or unaudited interim, consolidated financial information of Intesa Sanpaolo published from time to time (whether audited or unaudited), commencing with (following publication) its unaudited consolidated quarterly financial statements as at and for the three months ended 31 March 2024.

Post-issuance information

The Issuer does not intend to provide any post-issuance information except to the extent required by any applicable laws and regulations.

Clearing Systems

Securities to be represented by a Global Security have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The common code or any other security identification code, and ISIN for each issue of Securities allocated by Euroclear and Clearstream, Luxembourg, as applicable, will be specified in the applicable Final Terms. 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.

Italian Dematerialised Securities will be accepted for clearance in Monte Titoli. Italian Dematerialised Securities will be in bearer form (*al portatore*) and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli (with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy).

If the Securities of any series are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

LEI Code

The Legal Entity Identifier ("**LEI**") Code of Intesa Sanpaolo is **2W8N8UU78PMDQKZENC08**.

Declaration of the officer responsible for preparing Intesa Sanpaolo's financial reports

The officer responsible for preparing the company's financial reports, Elisabetta Stegher, declares, pursuant to paragraph 2 of Article 154-*bis* of the Consolidated Law on Finance (Legislative Decree No. 58 of 24 February 1998, as amended and supplemented from time to time) that the accounting information contained in this Base Prospectus corresponds to Intesa Sanpaolo's documentary results, books and accounting records.

Use of the Base Prospectus - Consent

With respect to Article 5(1) of the Prospectus Regulation, the Issuer's consent, to the extent and under the conditions specified in this Base Prospectus and any additional condition specified in the applicable 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 of the Securities by any financial intermediary which was given consent to use the prospectus.

Such consent may be given to all (general consent) or only one or more (specific consent) specified financial intermediaries and/or for a limited or indefinite period (within the period of validity of the Base Prospectus), as stated in the Final Terms, in Austria, Belgium, Croatia, France, Greece, Hungary, Ireland, Italy, Portugal, Slovakia, Slovenia and Spain (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 Issuer is subject to each 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 financial intermediary 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 Issuer reserves the right to withdraw its consent to the use of this Base Prospectus in relation to certain and/or each financial intermediary.

In case of an offer being made, such 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 financial intermediaries (general consent), any 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 financial intermediaries (specific consent), any new information with respect to financial intermediaries unknown at the time of the filing of the applicable Final Terms will be published on the website of the Issuer (www.intesasanpaolo.com).

THE ISSUER

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Piazza San Carlo, 156
10121 Turin
Italy

PRINCIPAL SECURITY AGENT, REGISTRAR AND LUXEMBOURG LISTING AGENT

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L-1855 Luxembourg
Grand Duchy of Luxembourg

CALCULATION AGENT

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as to English law and Italian law

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