



UniCredit S.p.A.

(incorporated with limited liability as a "Società per Azioni" under the laws of the Republic of Italy)

€35,000,000,000

Obbligazioni Bancarie Garantite Programme

Guaranteed by UniCredit OBG S.r.l.

(incorporated with limited liability as a "Società a responsabilità limitata" under the laws of the Republic of Italy)

Under the €35,000,000,000 Obbligazioni Bancarie Garantite Programme (the "**Programme**") described in this prospectus (the "**Prospectus**"), UniCredit S.p.A. (in its capacity as issuer of the OBG, as defined below, the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue *obbligazioni bancarie garantite* (the "**OBG**") guaranteed by UniCredit OBG S.r.l. (the "**OBG Guarantor**") pursuant to Title I-bis of Italian Law No. 130 of 30 April 1999 (*Disposizioni sulla cartolarizzazione dei crediti*), as amended from time to time (including by the Legislative Decree No. 190 of 5 November 2021 (the "**Decree 190**") (the "**Law 130**") and the supervisory instructions of the Bank of Italy set out in Part III, Chapter 3 of the "Disposizioni di Vigilanza per le Banche" dated 30 March 2023 (Circolare No. 285 of 17 December 2013), as amended from time to time (the "**Bol OBG Regulations**").

The payment of all amounts due in respect of the OBG will be unconditionally and irrevocably guaranteed by the OBG Guarantor. Recourse against the OBG Guarantor is limited to the Available Funds (both as defined below).

The maximum aggregate nominal amount of OBG from time to time outstanding under the Programme will not at any time exceed €35,000,000,000, subject to increase as provided for under the Dealer Agreement.

The OBG issued under the Programme will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof or such other higher denomination as may be specified in the relevant Final Terms.

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

This Prospectus has been approved by the Commission de Surveillance du Secteur Financier (the "**CSSF**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The CSSF only approves this 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 either the Issuer, the OBG Guarantor or the quality of the OBG that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the OBG.

By approving this Prospectus, the CSSF assumes no responsibility as to the economic and financial soundness of the transaction and the quality and solvency of the Issuer in accordance with the provisions of Article 6 (4) of the Luxembourg law on prospectuses for securities of 16 July 2019.

Application has also been made to the Luxembourg Stock Exchange for the OBG issued under the Programme to be admitted during the period of 12 months from the date of this Prospectus to the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. References in this Prospectus to OBG being "listed" (and all related references) shall mean that such OBG have been admitted to the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments. However, unlisted OBG may be issued pursuant to the Programme. The relevant Final Terms (as defined below) in respect of the issue of any OBG will specify whether or not such OBG will be listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market (or any other stock exchange).

This Prospectus is valid for a period of 12 months from the date of its approval. The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of the OBG, prepare a supplement to this Prospectus. The obligation to prepare a supplement to this Prospectus in the event of any significant new factor, material mistake or inaccuracy does not apply when the Prospectus is no longer valid. The validity of this Prospectus ends upon expiration on 11 May 2024.

Each Series or Tranche (both as defined below) of OBG may be issued without the consent of the holders of any outstanding OBG, subject to certain conditions. OBG of different Series may have different terms and conditions, including, without limitation, different maturity dates. Notice of the aggregate nominal amount of OBG, interest (if any) payable in respect of OBG, the issue price of OBG and any other terms and conditions not contained herein which are applicable to each Tranche will be set out in final terms (the "**Final Terms**") which, with respect to OBG to be listed on the Luxembourg Stock Exchange, will be delivered to the Luxembourg Stock Exchange on or before the date of issue of the OBG of such Series or Tranche.

The OBG will be issued in dematerialised form (*emessa in forma dematerializzata*), will be subject to the generally applicable terms and conditions of the OBG (contained in the section headed "Terms and Conditions of the OBG") and the applicable Final Terms and will be held in such form on behalf of the beneficial owners, until redemption and cancellation thereof, by Monte Titoli S.p.A. with registered office at Piazza degli Affari, 6, 20123 Milan, Italy ("**Monte Titoli**") for the account of the relevant Monte Titoli Account Holders. The expression "**Monte Titoli Account Holders**" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli (and includes any Relevant Clearing System which holds account with Monte Titoli or any depositary banks appointed by the Relevant Clearing System). The expression "**Relevant Clearing Systems**" means any of Clearstream Banking, *société anonyme* with registered office at 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. as operator of the Euroclear System with registered office at 1 Boulevard du Roi Albert II, B-1210, Brussels, Belgium ("**Euroclear**"). The OBG of each Series or Tranche, issued in dematerialised form, will be deposited by the Issuer with Monte Titoli on the relevant Issue Date (as defined herein), will be in bearer form, will be at all times be in book entry form and title to the relevant OBG of each Series or Tranche will be evidenced by book entry in accordance with the provisions of Article 83-bis of Italian legislative decree No. 58 of 24 February 1998, as amended and supplemented (the "**Financial Services Act**"), and with regulation issued by the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") on 13 August 2018, as subsequently amended. No physical document of title will be issued in respect of the OBG of each Series or Tranche.

Each Series or Tranche of OBG may be assigned, on issue, a rating by Moody's Investors Service ("**Moody's**" or the "**Rating Agency**", which expression shall include any successor thereof) or may be unrated as specified in the relevant Final Terms. Where a Tranche or Series of OBG is to be rated, such rating will not necessarily be the same as the rating assigned to the OBG already issued. Whether or not a rating in relation to any Tranche or Series of OBG will be (i) issued by a credit rating agency established in the European Economic Area ("**EEA**") and registered under Regulation (EC) No 1060/2009 on credit rating agencies as amended from time to time (the "**EU CRA Regulation**") or by a credit rating agency which is certified under the EU CRA Regulation and/or (ii) issued or endorsed by a credit rating agency established in the United Kingdom (the "**UK**") and registered under Regulation (EC) No 1060/2009 on credit rating agencies, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**" and, together with the EU CRA Regulation, the "**CRA Regulations**") or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the relevant Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (i) the rating is provided by a credit rating agency not established in the EEA is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (ii) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation. The European Securities and Markets Authority ("**ESMA**") is obliged to maintain on its website <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs> a list of credit rating agencies registered and certified under the EU CRA Regulation (and such registration has not been withdrawn or suspended).

A credit rating is not a recommendation to buy, sell or hold OBG and may be subject to revision, suspension or withdrawal by any or all of the Rating Agencies and each rating shall be evaluated independently of any other.

The OBG of each Series or Tranche will mature on the date mentioned in the applicable Final Terms (each a "**Maturity Date**"). Before the relevant Maturity Date, the OBG of each Series or Tranche will be subject to mandatory and/or optional redemption in whole or in part in certain circumstances (as set out in the Conditions (as defined below)).

Subject to certain exceptions as provided for in Condition 10 (*Taxation*), payments in respect of the OBG to be made by the Issuer will be made without deduction for or on account of withholding taxes imposed by any tax jurisdiction. In the event that any such withholding or deduction is made the Issuer will be required to pay additional amounts to cover the amounts so deducted. In such circumstances and provided that such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the OBG will be redeemable (in whole, but not in part) at the option of the Issuer. See Condition 8(c). The OBG Guarantor will not be liable to pay any additional amount due to taxation reasons in case an Issuer Event of Default (as defined below) has occurred. See "*Taxation*", below.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus.

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

Important – UK Retail Investors - If the Final Terms in respect of any OBG includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the OBG are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the OBG or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the OBG or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Amounts payable under the OBG may be calculated by reference to EURIBOR, in each case as specified in the relevant Final Terms. As at the date of this Prospectus, the European Money Markets Institute (“EMMI” as administrator of EURIBOR) is included in the ESMA’s register of administrators and benchmarks established and maintained pursuant to article 36 of Regulation (EU) 2016/1011 (the “the BMR”).

MiFID II product governance / target market. The Final Terms in respect of any OBG may include a legend entitled “MiFID II product governance / Professional investors and ECPs only target market” which will outline the target market assessment in respect of the OBG and which channels for distribution of the OBG are appropriate. Any person subsequently offering, selling or recommending the OBG (a “**distributor**”) should take into consideration the target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the OBG (by either adopting or refining the target market assessment) and determining the appropriate distribution channels.

A determination will be made in relation to each issue on whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any OBG is a manufacturer in respect of such OBG. Otherwise, neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules. The OBG may not be a suitable investment for all investors.

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

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

Sole Arranger

UniCredit Bank AG

Dealer

UniCredit Bank AG

The date of this Prospectus is 11 May 2023.

This Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation and for the purpose of giving information with regard to the Issuer, the OBG Guarantor and the OBG which, according to the particular nature of the OBG, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and of the OBG Guarantor and of the rights attaching to the OBG.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The OBG Guarantor has provided the information set out in the section headed “*Description of the OBG Guarantor*” below and any other information contained in this Prospectus relating to itself for which the OBG Guarantor, together with the Issuer, accepts responsibility. To the best of the knowledge of the OBG Guarantor the information and data in relation to which it is responsible as described above are in accordance with the facts and do not contain any omission likely to affect the import of such information and data. With respect to such information provided by the OBG Guarantor, the responsibility of the Issuer is limited to their correct reproduction.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Prospectus (and, therefore, acting in association with the Issuer) in connection with an offer of OBG are the persons named in the applicable Final Terms as the relevant Dealer(s).

Copies of the Final Terms will be available from the registered office of the Issuer and the specified office set out below of the Paying Agent (as defined below) and on the website of the Luxembourg Stock Exchange (www.luxse.com).

This Prospectus is to be read in conjunction with any document incorporated herein by reference (see “*Documents Incorporated by Reference*” below). This Prospectus shall be read and construed on the basis that such documents are incorporated by reference in and form part of this Prospectus.

Full information on the Issuer, the OBG Guarantor and any Series or Tranche of OBG is only available on the basis of the combination of the Prospectus, any supplements, the relevant Final Terms and the documents incorporated by reference.

Unless otherwise defined in the relevant section of this Prospectus in which they are used, capitalised terms used in this Prospectus shall have the meaning ascribed to them in the section headed “*Terms and Conditions of the OBG*” below. For ease of reference, the section headed “*Index of Defined Terms*” below indicates the page of this Prospectus on which each capitalised term is defined.

None of the Dealers or the Sole Arranger makes any representation, expressed or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information in this Prospectus. Each potential purchaser of OBG should determine for itself the relevance of the information contained in this Prospectus and its purchase of OBG should be based upon such investigation as it deems necessary. None of the Dealers or the Sole Arranger undertakes to review the financial condition or affairs of the Issuer or the

OBG Guarantor during the life of the arrangements contemplated by this Prospectus or by any supplement or to advise any investor or potential investor in OBG of any information coming to the attention of any of the Dealers or the Sole Arranger.

No third party information is included in this Prospectus, except for the rating information set out in the section headed “*Credit Ratings*” in the “*Description of the Issuer*” of this Prospectus. It is hereby confirmed that (a) to the extent that information reproduced herein derives from a third party, such information has been accurately reproduced and (b) insofar as the Issuer and the OBG Guarantor are aware and are able to ascertain from information derived from a third party, no facts have been omitted which would render the information reproduced inaccurate or misleading.

The sources of such information are the following rating agency: Fitch Rating Ireland Limited – Sede Secondaria Italiana (“**Fitch**”), Moody’s and S&P Global Ratings (“**S&P**”).

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

No statement or report attributed to a person as an expert is included in this Prospectus, except for the reports of the auditors of the Issuer and the OBG Guarantor who have audited the consolidated financial statements of the UniCredit Group and each of the financial statements of the Issuer and the OBG Guarantor for the financial year ended on 31 December 2022 and 31 December 2021.

For further information please see, respectively, the section headed “Auditors” in the “General Information” of this Prospectus.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the OBG and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the OBG Guarantor or any of the Dealer(s) or the Sole Arranger (as defined in “General Description of the Programme”). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the OBG Guarantor since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the OBG Guarantor since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any OBG shall in any circumstances imply that the information contained herein concerning the Issuer and the OBG Guarantor 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. The Dealer(s) and the Representative of the OBG Holders expressly do not undertake to review the financial condition or affairs of the Issuer or the OBG Guarantor during the life of the Programme or to advise any investor in the OBG of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Prospectus, as it may have been supplemented from time to time, when deciding whether or not to purchase any OBG.

Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Sole Arranger, the OBG Guarantor or the Dealer(s) that any recipient of this Prospectus or any other financial statements should purchase the OBG. Each potential purchaser of OBG should determine for itself the relevance of the information contained in this Prospectus and its purchase of OBG should be based upon such investigation as it deems necessary. None of the Dealer(s) or the Sole Arranger undertakes to review the financial condition or affairs of the Issuer or the OBG Guarantor during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the OBG of any information coming to the attention of any of the Dealer(s) or the Sole Arranger.

The distribution of this Prospectus and the offering or sale of the OBG in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the OBG Guarantor, the Dealer(s) and the Sole Arranger to inform themselves about and to observe any such restriction. For a description of certain restrictions on offers and sales of OBG and on distribution of this Prospectus, see “*Subscription and Sale*” below.

The OBG have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States and, subject to certain exceptions, OBG may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)). For a description of certain restrictions on offers and sales of OBG and on distribution of this Prospectus, see “*Subscription and Sale*” below.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the OBG Guarantor or the Dealer(s) to subscribe for, or purchase, any OBG.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any OBG in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of OBG may be restricted by law in certain jurisdictions. The Issuer, the OBG Guarantor, the Dealers, the Sole Arranger and the Representative of the OBG Holders do not represent that this Prospectus may be lawfully distributed, or that any OBG may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to

the contrary in the applicable Final Terms, no action has been taken by the Issuer, the OBG Guarantor, the Dealers, the Sole Arranger or the Representative of the OBG Holders which is intended to permit a public offering of any OBG outside Luxembourg or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no OBG may be offered or sold, directly or indirectly, and neither this 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 Prospectus or any OBG may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of OBG. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of OBG in the United States, Japan and the European Economic Area (including the United Kingdom and the Republic of Italy). See also “*Subscription and Sale*”, below.

Each initial and each subsequent purchaser of an OBG will be deemed, by its acceptance of such OBG, to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer thereof as described in this Prospectus and in any Final Terms and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases. See “*Subscription and Sale*”, below.

Neither the Issuer, the Sole Arranger and the Dealer makes any representation as to the suitability of any Green OBG, Social OBG or Sustainability OBG (each as defined herein) to fulfil any green, social or sustainability criteria required by any prospective investors. If any Green OBG, Social OBG or Sustainability OBG will be admitted to listing (including the listing or admission to trading thereof on any dedicated ‘green’, ‘social’, ‘sustainable’ or other equivalently-labelled segment of any stock exchange or securities market), no representation or assurance is given by the Issuer, the Sole Arranger or the Dealer that such listing or admission satisfies 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. The Sole Arranger and the Dealer have not undertaken, nor are they responsible for, any assessment of any sustainability bond framework or any eligible green, social or sustainable projects, any verification of whether such projects meet the criteria set out in such sustainability bond framework or the monitoring of the use of proceeds of any Green OBG, Social OBG or Sustainability OBG. Investors should refer to the Issuer’s Sustainability Bond Framework (as defined below) which the Issuer may publish from time to time, any second party opinion delivered in respect thereof, and any public reporting by or on behalf of the Issuer in respect of the application of the proceeds of any issue of Green OBG, Social OBG or Sustainability OBG for further information. Any such green, social or sustainability framework and/or second party opinion and/or public reporting – which will be made available in the “Investors” section of the Issuer’s website – will not be incorporated by reference in this Prospectus and neither the Sole Arranger nor the Dealer makes any representation as to the suitability or contents thereof.

In connection with the issue of any Series or Tranche under the Programme, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final

Terms may over-allot the relevant Series or Tranche or effect transactions with a view to supporting the market price of the relevant Series or Tranche at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the OBG of the relevant Series or Tranche 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 Series or Tranche and 60 days after the date of the allotment of the relevant Series or Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

All references in this Prospectus to: (i) “**Euro**”, “**€**” and “**euro**” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended; (ii) “**\$**” or “**U.S. Dollar**” are to the currency of the United States of America; (iii) “**Italy**” are to the Republic of Italy; (iv) laws and regulations are, unless otherwise specified, to the laws and regulations of Italy; and (v) “**billions**” are to thousands of millions.

Certain monetary amounts and currency translations included in this Prospectus have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which preceded them.

The language of this 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.

The Sole Arranger is acting for the Issuer and no one else in connection with the Programme and will not be responsible to any person other than the Issuer for providing the protection afforded to clients of the Sole Arranger or for providing advice in relation to the issue of the OBG.

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GENERAL DESCRIPTION OF THE PROGRAMME

This section constitutes a general description of the Programme for the purposes of article 25 (1) of Commission Delegated Regulation (EU) 2019/980 implementing the Prospectus Regulation. As such the following overview does not purport to be complete and is qualified in its entirety by the remainder of this Prospectus and, in relation to the terms and conditions of any Series or Tranche, the applicable Final Terms. Prospective purchasers of OBG should carefully read the information set out elsewhere in this Prospectus prior to making an investment decision in respect of the OBG. In this section, references to a numbered condition are to such condition in the section headed "Terms and Conditions of the OBG" below.

Certain terms used in this section, but not defined, may be found in other sections of this Prospectus, unless otherwise stated. An index of defined terms is contained in the section headed "Index of Defined Terms" commencing on pag. 390.

1 The Principal Parties

Issuer

UniCredit S.p.A. (the “**Issuer**” or “**UniCredit**”) is a bank organised and existing under the laws of the Republic of Italy, whose registered office is at Piazza Gae Aulenti, 3 Tower A, 20154 Milan, Italy with Fiscal Code, VAT number and registration number with the companies’ register of Milan-Monza-Brianza-Lodi 00348170101 and registered with the Bank of Italy pursuant to Article 13 of Italian legislative decree No. 385 of 1 September 1993 (the “**Banking Law**”) under number 02008.1, parent company of the “*Gruppo Bancario UniCredit*” registered with the register of banking groups held by the Bank of Italy pursuant to Article 64 of the Banking Law under number 02008.1 (the “**UniCredit Banking Group**” or the “**Group**” or the “**UniCredit Group**”), member of the *Fondo Interbancario di Tutela dei Depositi* and the *Fondo Nazionale di Garanzia*. See “*Description of the Issuer*”, below.

Legal Entity Identifier of the Issuer

549300TRUWO2CD2G5692

Website of the Issuer

<https://www.unicreditgroup.eu>

Information appearing on the Issuer’s website does not form part of this Prospectus, unless such information is incorporated by reference into this Prospectus.

OBG Guarantor

UniCredit OBG S.r.l. (the “**OBG Guarantor**”) is a limited liability company incorporated in the Republic of Italy under Article 7-bis of Italian law No. 130 of

30 April 1999 (*disposizioni sulla cartolarizzazione dei crediti*) as applicable until the entry into force of the BoI OBG Regulations (which has been replaced by Article 7-septies of the Law 130). The OBG Guarantor is registered with the companies' register of Verona under number 04064320239. The registered office of the OBG Guarantor is at Viale dell'Agricoltura 7, 37135 Verona, Italy and its tax identification number (*codice fiscale*) is 04064320239. The OBG Guarantor is subject to UniCredit S.p.A.'s management and coordination activity (*soggetta all'attività di direzione e coordinamento*) and belongs to the UniCredit Banking Group.

The issued capital of the OBG Guarantor is equal to €10,000, 60 per cent. owned by UniCredit and 40 per cent. owned by SVM Securitisation Vehicles Management S.r.l. (the “**Shareholder**” or “**SVM**”), an Italian limited liability company (*società a responsabilità limitata*), with registered office at Via Vittorio Alfieri, 1, I-31015 Conegliano (Treviso), Italy.

See “*Description of the OBG Guarantor*”, below.

Legal Entity Identifier of the OBG Guarantor

8156002B929020A90676

Seller

UniCredit is the seller (in such capacity, the “**Seller**”). See “*Description of the Issuer*”, below.

Pursuant to the terms of a master transfer agreement dated 13 January 2012 as amended from time to time (the “**Master Transfer Agreement**”) between the OBG Guarantor and the Seller, the Seller (a) sold an initial portfolio comprising Residential Mortgage Receivables (the “**Initial Portfolio**”) to the OBG Guarantor and (b) agreed the terms upon which it may assign and transfer Assets and/or Integration Assets (in each case as defined below) satisfying the Criteria (as defined below) and/or Liquid Assets (as defined below) to the OBG Guarantor from time to time, on a revolving basis in the cases and subject to the limits referred to in section “*Creation and administration of the Portfolio*” below.

Subordinated Loan Provider

UniCredit is the subordinated loan provider (in such capacity, the “**Subordinated Loan Provider**”) pursuant to the terms of a subordinated loan

agreement dated 13 January 2012 as amended from time to time (the “**Subordinated Loan Agreement**”) between the OBG Guarantor and the Subordinated Loan Provider pursuant to which the Subordinated Loan Provider has agreed to grant to the OBG Guarantor a subordinated loan in an aggregate maximum amount, save for further increases which may determined unilaterally by the Subordinated Loan Provider, equal to € 40,000,000,000 (the “**Subordinated Loan**”).

Dealers

UniCredit Bank AG is a German bank incorporated under German law as a public company limited by shares (*Aktiengesellschaft*), registered with the Commercial Register administered by the Local Court of Munich, Federal Republic of Germany at number HR B 421 48. It belongs to the UniCredit Banking Group and has its registered office at Arabellastrasse 12, 81925 Munich, Federal Republic of Germany. UniCredit Bank AG is the dealer (“**UniCredit Bank**”).

The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranche, one or more Series, or in respect of the whole Programme.

Sole Arranger

UniCredit Bank is the sole arranger (in such capacity, the “**Sole Arranger**”).

Servicer

UniCredit (in such capacity, the “**Servicer**”) will administer the Portfolio on behalf of the Issuer pursuant to the terms of a servicing agreement dated 13 January 2012, as amended from time to time, between the Issuer and the Servicer (the “**Servicing Agreement**”).

Administrative Services Provider

doNext S.p.A. is a joint stock company (*società per azioni*) with sole shareholder, incorporated under the laws of the Republic of Italy, having its registered office at Lungotevere Flaminio 18, 00196 Rome, Italy, fiscal code and registration with the companies’ register of Rome under number 00399750587, VAT number 00880671003, registered under number 32447 in the register of the financial intermediaries (*albo degli intermediari finanziari*) held by the Bank of Italy pursuant to article 106 of the Banking Act, subject to the activity of direction and coordination

(*attività di direzione e coordinamento*) of doValue S.p.A. pursuant to articles 2497 and following of the Italian Civil Code, acting in its capacity as administrative services provider under the administrative services agreement (“doNext”). doNext is the administrative services provider to the OBG Guarantor (the “**Administrative Services Provider**”). Pursuant to the terms of an administrative services agreement dated 13 January 2012, as amended from time to time (the “**Administrative Services Agreement**”), the Administrative Services Provider has agreed to provide certain administrative and secretarial services to the OBG Guarantor.

Portfolio Manager

The entity to be appointed under the Portfolio Administration Agreement (as defined below) in order to carry out certain activities in connection with the sale of the Assets, Integration Assets or Liquid Assets, following the occurrence of an Issuer Event of Default (as defined below) (the “**Portfolio Manager**”).

Asset Monitor

BDO Italia S.p.A., is incorporated as a joint stock company (*società per azioni*) under the laws of the Republic of Italy, having its registered office at Viale Abruzzi, 94, 20131, Milan, Italy, fiscal code, VAT number and enrolment number with the companies’ register of Milan-Monza-Brianza-Lodi no. 07722780967 and enrolled under number 167911 with the register of statutory auditors (*Registro Dei Revisori Legali*) maintained by the Ministry of Economy and Finance, is the asset monitor under the Programme (the “**Asset Monitor**”).

Cash Manager

UniCredit, or any other person for the time being acting as such, is the cash manager to the OBG Guarantor (in such capacity, the “**Cash Manager**”) pursuant to the terms of a cash management and agency agreement dated 19 January 2012, as amended from time to time, between the Issuer, the OBG Guarantor, the Representative of the OBG Holders, the Calculation Agent, the Additional Calculation Agent, the Cash Manager, the Paying Agent, the Account Bank, the Servicer, the Seller, the Subordinated Loan Provider and the Administrative Services Provider (the “**Cash Management and Agency Agreement**”). The Cash Manager will perform certain cash management functions on behalf

of the OBG Guarantor. See “*General Description of the Programme — Description of the Transaction Documents*”, “*Accounts and Cash Flows*”, “*Description of the Transaction Documents*” and “*Description of the Issuer*”, below.

Account Bank

UniCredit, or any other person for the time being acting as such, is the account bank to the OBG Guarantor in respect of certain of the OBG Guarantor’s bank accounts (in such capacity, the “**Account Bank**”) pursuant to the terms of the Cash Management and Agency Agreement. The Account Bank has opened, and will maintain, certain bank accounts in the name of the OBG Guarantor and will operate such accounts in the name and on behalf of the OBG Guarantor. See “*General Description of the Programme — Description of the Transaction Documents*”, “*Accounts and Cash Flows*”, “*Description of the Transaction Documents*” and “*Description of the Issuer*”, below.

Calculation Agent

UniCredit Bank, or any other person for the time being acting as such, is the calculation agent (in such capacity, the “**Calculation Agent**”) pursuant to the terms of the Cash Management and Agency Agreement. See “*General Description of the Programme — Description of the Transaction Documents*”, “*Accounts and Cash Flows*” and “*Description of the Transaction Documents - Description of the Cash Management and Agency Agreement*”, below.

Additional Calculation Agent

Capital and Funding Solutions S.r.l. is a company incorporated as a limited liability company with sole quotaholder (*società a responsabilità limitata uninominale*) organised under the laws of the Republic of Italy, registered with the companies’ register held in Bergamo, Italy, at number 03560990164, fiscal code 03560990164 and VAT number 03560990164 (“**Capital Solutions**”). Capital Solutions, or any other person for the time being acting as such, is the additional calculation agent (the “**Additional Calculation Agent**”). See “*General Description of the Programme — Description of the Transaction Documents*”, “*Accounts and Cash Flows*” and “*Description of the Transaction Documents - Description of the Cash Management and Agency*

Paying Agent

Agreement”, below.

BNP Paribas, a company incorporated under the laws of France licensed to conduct banking operations, having its registered office at Boulevard des Italiens n. 16, Paris, France, registered with the Chamber of Commerce of Paris under number B662 042 449, with a fully paid-up share capital of Euro 2,468,663,292, acting for the purposes hereof through its Italian branch, whose offices are located in Piazza Lina Bo Bardi n. 3, Milan, enrolled in the register of the banks held by the Bank of Italy under no. 5482, Fiscal code and VAT code no. 04449690157, REA n. 731270, *as successor of “BNP Paribas Securities Services”, further to the merger by way of incorporation (fusione per incorporazione) of BNP Paribas Securities Services into BNP Paribas, which took place on 1 October 2022*, or any other person for the time being acting as such, is the paying agent in respect of the OBG and on behalf of the Issuer (the **“Paying Agent”**) pursuant to the terms of the Cash Management and Agency Agreement. The Paying Agent has opened, and will maintain the Payments Account, the Eligible Investments Account and the Securities Account (in each case as defined below) in the name of the OBG Guarantor and will operate such accounts in the name and on behalf of the OBG Guarantor. See *“General Description of the Programme — Description of the Transaction Documents”, “Accounts and Cash Flows” and “Description of the Transaction Documents”*, below.

Luxembourg Listing Agent

BNP Paribas, a company incorporated under the laws of France licensed to conduct banking operations, having its registered office at Boulevard des Italiens n. 16, Paris, France, registered with the Chamber of Commerce of Paris under number B662 042 449, with a fully paid-up share capital of Euro 2,468,663,292, acting for the purposes hereof through its Luxembourg branch, whose offices are located in 60, avenue J.F. Kennedy, L-1855, Luxembourg, *as successor of “BNP Paribas Securities Services”, further to the merger by way of incorporation (fusione per incorporazione) of BNP Paribas Securities Services into BNP Paribas, which took place on 1 October 2022*, or any other person for the time being acting as such, is the Luxembourg listing agent (in such capacity, the

	<p>“Luxembourg Listing Agent”).</p> <p>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.</p> <p>Further information on the international operating model of BNP Paribas, Luxembourg Branch may be provided upon request.</p>
Representative of the OBG Holders	<p>Banca Finanziaria Internazionale S.p.A. (formerly Securitisation Services S.p.A.) is the representative of the holders of the OBG (the “Representative of the OBG Holders”). Banca Finanziaria Internazionale S.p.A. is a bank organised under the laws of the Republic of Italy as a joint stock company (<i>società per azioni</i>), with registered office in via Vittorio Alfieri 1, I-31015 Conegliano (Treviso), Italy, with a share capital of € 91,743,007.00 (fully paid-up), fiscal code and number of enrolment in the companies’ register of Treviso-Belluno 04040580963, VAT Group “Gruppo IVA Finint S.p.A.” - VAT number 04977190265, registered in the Register of the Banks under number 5580 pursuant to article 13 of the Consolidated Banking Act and in the Register of the Banking groups as Parent Company of the Banca Finanziaria Internazionale Banking Group, member of the <i>“Fondo Interbancario di Tutela dei Depositi”</i> and of the <i>“Fondo Nazionale di Garanzia”</i>.</p>
Rating Agency	<p>Moody’s Investors Service (“Moody’s” or the “Rating Agency”).</p>
Additional Sellers	<p>Any bank (each an “Additional Seller”) other than the Seller which is a member of the UniCredit Banking Group that will sell Assets, Integration Assets or Liquid Assets (as defined below) to the OBG Guarantor, subject to satisfaction of certain conditions, and that, for such purpose, shall, <i>inter alia</i>, enter into a master transfer agreement, substantially in the form of the Master Transfer Agreement and shall, <i>inter alia</i>, accede the Intercreditor Agreement (which will be amended in order to take into account the granting of additional subordinated loans) and become a party to the</p>

Ownership or control relationships between the principal parties

Portfolio Administration Agreement.

As of the date of this Prospectus, no direct or indirect ownership or control relationships exist between the principal parties described above in this section, other than the relationships existing between the Issuer (which, in the context of the Programme, acts also as Servicer, Seller, Subordinated Loan Provider, Cash Manager and Account Bank), the OBG Guarantor, the Sole Arranger, the Calculation Agent, the Dealer, all of which belong to the UniCredit Banking Group.

The entities belonging to the UniCredit Banking Group are subject to the direction and coordination (*direzione e coordinamento*) of the Issuer.

2 Key Features of the OBG and the Programme

Description

€35,000,000,000 OBG Programme.

Size

Up to €35,000,000,000 at any time in aggregate principal amount of OBG outstanding at any time (the “**Programme Limit**”). The Programme Limit may be increased in accordance with the terms of the Dealer Agreement.

Distribution

The OBG may be distributed on a syndicated or non-syndicated basis.

Issue Price

OBG of each Series or Tranche may be issued at an issue price which is at par or at a discount to, or premium over, par, as specified in the relevant Final Terms (in each case, the “**Issue Price**” for such Series or Tranche).

Form of OBG

The OBG may be issued in dematerialised form.

The OBG issued in bearer form and in dematerialised form (*emesse in forma dematerializzata*) will be wholly and exclusively deposited with Monte Titoli in accordance with Article 83-*bis* of Italian legislative decree No. 58 of 24 February 1998, as amended, through the authorised institutions listed in Article 83-*quater* of such legislative decree. The OBG will be held by Monte Titoli on behalf of the OBG Holders until redemption and cancellation for the account of each relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream, Luxembourg and Euroclear. The OBG will at all

times be in book entry form and title to the OBG will be evidenced by book entries in accordance with: (i) the provisions of Article 83-*bis* of Italian legislative decree No. 58 of 24 February 1998, as amended; and (ii) the regulation issued by the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) on 13 August 2018, as subsequently amended. No physical document of title will be issued in respect of the OBG.

Currency of denomination

The OBG may only be denominated in Euro.

Maturities

Subject to compliance with all relevant laws, regulations and directives, any maturity not lower than 24 months.

Denominations

In accordance with the Conditions, and subject to the minimum denomination requirements specified below, OBG will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal or regulatory or central bank requirements and provided that each Series will have OBG of one denomination only.

Minimum Denomination

The minimum denomination of the OBG to be issued from the date hereof will be €100,000 and integral multiples of €1,000 in excess thereof or such other higher denomination as may be specified in the relevant Final Terms.

Issue Date

The date of issue of a Series or Tranche pursuant to and in accordance with the Dealer Agreement (in each case, the “**Issue Date**” in relation to such Series or Tranche). The relevant Issue Date of a Series or Tranche will be specified in the relevant Final Terms.

OBG Payment Date

The date specified as such in, or determined in accordance with the provisions of, the relevant Final Terms, provided however that each OBG Payment Date must also be a Guarantor Payment Date and subject in each case, to the extent provided in the relevant Final Terms, to adjustment in accordance with the applicable Business Day Convention (each such date, an “**OBG Payment Date**”).

OBG Interest Period

Each period beginning on (and including) an

Types of OBG

Interest Commencement Date or, in respect of any OBG Interest Period other than the first OBG Interest Period of each Series or Tranche, any OBG Payment Date and ending on (but excluding) the next following OBG Payment Date, provided that the initial OBG Interest Period of the First Series or Tranche shall begin on (and include) the Initial Issue Date and end on (but exclude) the first OBG Payment Date (“**OBG Interest Period**”).

“**Interest Commencement Date**” means, in relation to any Series or Tranche of OBG, the Issue Date of the relevant Series or Tranche of OBG or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms.

In accordance with the relevant Final Terms, the relevant Series or Tranche of OBG may be Fixed Rate OBG, Floating Rate OBG, Zero Coupon OBG or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms. The relevant Series or Tranche of OBG may be OBG repayable in one or more instalments or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms. Each Series shall be comprised of Fixed Rate OBG only or Floating Rate OBG only or Zero Coupon OBG only as may be so specified in the relevant Final Terms.

Fixed Rate OBG: fixed interest on the Fixed Rate OBG will be payable in arrear on such date or dates specified in the relevant Final Terms and as may be agreed between the Issuer and the relevant Dealers. Fixed interest will be calculated on the basis of such Day Count Fraction provided for in the Conditions and the relevant Final Terms.

Floating Rate OBG: Floating Rate OBG will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in euro governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., or

- (ii) by reference to CMS or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable Margin, in each case as provided for in the relevant Final Terms.

The applicable OBG Interest Periods will be specified in the relevant Final Terms.

The Margin (if any) relating to such floating rate OBG will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate OBG and will be specified in the relevant Final Terms.

Other provisions in relation to Floating Rate OBG: Floating Rate OBG may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate OBG in respect of each OBG Interest Period, as agreed prior to issue by the Issuer and the relevant Dealers, will be payable on each OBG Payment Date, and will be calculated on the basis of such Day Count Fraction provided for in the Conditions and the relevant Final Terms.

Zero Coupon OBG: Zero Coupon OBG may be issued and sold at their nominal value or at a discount and will not bear interest.

The issuance of certain types of OBG may require a prior amendment to the Transaction Documents by means of the written agreement among the relevant parties thereto and will not require the consent of the Representative of the OBG Holders or the approval of the OBG Holders.

Issuance in Series

OBG will be issued in series (each a “**Series**”), but on different terms from each other, subject to the terms set out in the relevant Final Terms in respect of such Series. OBG of different Series will not be fungible among themselves. Each Series may be issued in tranches (each a “**Tranche**”) which will be identical in all respects, but having different issue dates, interest commencement dates and issue prices. The specific terms of each Tranche will be completed in the relevant Final Terms. The Issuer will issue OBG without the prior consent of the holders of any outstanding OBG but subject to certain conditions (See “*General Description of the Programme - Conditions Precedent to the Issuance*”).

of a new series of OBG” below).

Final Terms

Specific final terms will be issued and published in accordance with the generally applicable terms and conditions of the OBG (the “**Conditions**”) prior to the issue of each Series or Tranche detailing certain relevant terms thereof which, for the purposes of that Series only or Tranche only (as the case may be), completes the Conditions and the Prospectus and must be read in conjunction with the Conditions and the Prospectus (each a “**Final Terms**”). The terms and conditions applicable to any particular Series or Tranche of OBG are the Conditions as completed by the relevant Final Terms.

Interest on the OBG

Except for the Zero Coupon OBG, the OBG will be interest-bearing and interest will be calculated, on the relevant dates, on the Outstanding Principal Balance of the relevant OBG. Interest will be calculated on the basis of the relevant Day Count Fraction as provided for in the Conditions and in the relevant Final Terms. Interest may accrue on the OBG at a fixed rate or a floating rate and at such rate as may be so specified in the relevant Final Terms and the method of calculating interest may vary between the Issue Date and the Maturity Date of the relevant Series or Tranche.

The length of the interest period for the OBG and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series or Tranche. OBG may have a maximum interest rate, a minimum interest rate, or both. All such information will be set out in the relevant Final Terms.

Redemption of the OBG

The applicable Final Terms will indicate either (a) that the OBG cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or in other specified cases, e.g. taxation reasons, or Guarantor Events of Default), or (b) that such OBG will be redeemable at the option of the Issuer upon giving prior written notice to the Representative of OBG Holders on behalf of the holders of the OBG (the “**OBG Holders**”) and in accordance with the provisions of Condition 8 (*Redemption and Purchase*) and of the relevant Final Terms, on a date or dates specified

	<p>prior to such maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms) or (c) that such will be redeemable at the option of the OBG Holders in accordance with Condition 8(f).</p> <p>The relevant Final Terms will specify the basis for calculating the redemption amounts payable.</p>
Redemption by instalments	<p>The Final Terms issued in respect of each issue of OBG that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such OBG may be redeemed.</p>
Optional Redemption	<p>The Final Terms issued in respect of each issue of OBG will state whether such OBG may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the OBG Holders, and if so the terms applicable to such redemption.</p>
Early redemption	<p>Except as provided in “Optional Redemption” above, OBG will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See Condition 8 (<i>Redemption and Purchase</i>), below.</p>
Tax gross up and redemption for taxation reasons	<p>Subject to certain exceptions as provided for in Condition 10 (<i>Taxation</i>), payments in respect of the OBG to be made by the Issuer will be made without deduction for or on account of withholding taxes imposed by any tax jurisdiction, subject as provided in Condition 10 (<i>Taxation</i>).</p> <p>In the event that any such withholding or deduction is made the Issuer will be required to pay additional amounts to cover the amounts so deducted. In such circumstances and provided that such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the OBG will be redeemable (in whole, but not in part) at the option of the Issuer. See Condition 8(c).</p> <p>The OBG Guarantor will not be liable to pay any additional amount due to taxation reasons in case an Issuer Event of Default (as defined below) has occurred.</p>
Maturity Date	<p>The final maturity date for each Series or Tranche (the “Maturity Date”) will be specified in the</p>

relevant Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer. Unless previously redeemed as provided in Condition 8 (*Redemption and Purchase*), the OBG of each Series will be redeemed at their Outstanding Principal Balance on the relevant Maturity Date.

Extendable maturity

The applicable Final Terms may also provide that the obligations of the OBG Guarantor to pay all or (as applicable) part of the Final Redemption Amount (as defined below) payable on the Maturity Date will be deferred pursuant to Condition 8(b) (*Extension of Maturity*) for a maximum period of 12 months following the applicable Maturity Date (the “**Extended Maturity Date**”).

Such deferral will occur automatically in respect of any given Series if:

- (a) an Issuer Event of Default has occurred; and
- (b) the OBG Guarantor has insufficient moneys available under the relevant Priority of Payments to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in full in respect of the relevant Series of OBG as set out in the relevant Final Terms (the “**Final Redemption Amount**”) on the Maturity Date,

In these circumstances, to the extent that the OBG Guarantor has sufficient Available Funds to pay in part - on the relevant Maturity Date - the Final Redemption Amount in respect of the relevant Series of OBG, the OBG Guarantor shall make partial payment of the relevant Final Redemption Amount, in accordance with the Post-Issuer Event of Default Priority (as defined below), without any preference among the OBG outstanding, except in respect of the applicable maturity of each Series or Tranche.

Payment of all unpaid amounts shall be deferred automatically until the applicable Extended Maturity Date, provided that any amount representing the Final Redemption Amount due and remaining unpaid on the Maturity Date may

be paid by the OBG Guarantor on any OBG Payment Date thereafter, up to (and including) the relevant Extended Maturity Date.

The Issuer shall notify to the Bank of Italy the extension of maturity of the OBG pursuant to Condition 8(b) within 10 days from the occurrence thereof.

Status and ranking of the OBG

The OBG constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* without preference among themselves and (save for any applicable statutory provisions) at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding. In the event of a compulsory winding-up (*liquidazione coatta amministrativa*) of the Issuer, any funds realised and payable to the OBG Holders will be collected by the OBG Guarantor on their behalf.

The OBG will be guaranteed by the OBG Guarantor pursuant to the terms of the OBG Guarantee (as defined below) with limited recourse to the Available Funds.

The OBG will rank *pari passu* and without any preference among themselves, except in respect of the applicable maturity of each Series or Tranche, and (save for any applicable statutory provisions) at least equally with all other present and future unsecured, unsubordinated obligations of the Issuer having the same maturity of each Series or Tranche of OBG, from time to time outstanding.

Limited recourse

In accordance with the legal framework established by Law 130 and with the terms and conditions of the relevant Transaction Documents (as defined below), the OBG Holders will have (i) recourse to the Issuer and (ii) limited recourse to the OBG Guarantor limited to the Available Funds. See “*Credit Structure*” below.

Conditions precedent to the issuance of OBG

The Issuer may at its option (but shall not be under any obligation to do so), on any date and without the prior consent of the holders of the OBG issued beforehand and of any other creditors of the OBG Guarantor or of the Issuer, issue further Series (or Tranches) of OBG other than the first Series,

subject to:

- (i) satisfaction of the Over-Collateralisation Test, of the Mandatory Tests and of the Liquidity Buffer Test, also taking into account the amount of OBG outstanding further to the relevant new issue of OBG;
- (ii) the corporate duration of the Issuer, or of any successor, has not expired; and
- (iii) no Programme Suspension Period has occurred and is continuing.

The payment obligations under the OBG issued under all Series shall be cross-collateralised by all the assets included in the Portfolio, through the OBG Guarantee (as defined below). See also “General description of the Programme - *Ranking and status of the OBG*”, below.

Programme Termination Date

“**Programme Termination Date**” means the later of:

- (i) the date that falls ten calendar years after the Initial Issue Date; and
- (ii) the date on which all Series of OBG issued under the Programme have been fully redeemed.

Programme Suspension Period

During the period starting from the date on which a breach of the Over-Collateralisation Test, any of the Mandatory Tests or the Liquidity Buffer Test has been ascertained through the delivery of (i) a Negative Report by the Calculation Agent and (ii) an Asset Monitor Report by the Asset Monitor and ending on the later of (1) the date on which such breach has been cured, (2) the Over-Collateralisation Test, the Mandatory Tests and the Liquidity Buffer Test are satisfied provided that no Issuer Event of Default (caused by an event other than a breach of any of the Mandatory Test or the Over-Collateralisation Test) has occurred and is continuing (each such period a “**Programme Suspension Period**”):

- (a) no further payments of interest or repayment on principal to the Seller under the Subordinated Loan (as defined below) (or to any Additional Seller under the relevant additional subordinated loan, if applicable) shall be effected in accordance with the

provisions of the relevant subordinated loan agreement and all cash owned by the OBG Guarantor shall be deposited on the relevant Accounts opened in the name of the OBG Guarantor with the Account Bank, according to the Transaction Documents, (until all OBG are fully repaid or an amount equal to the Required Redemption Amount for each OBG outstanding has been accumulated); and

- (b) no more purchase price for further Assets and/or Integration Assets and/or Liquid Assets (as defined below) will be paid to the Seller (or to the Additional Seller, if applicable), other than through the drawdown of additional advances under the Subordinated Loan or the relevant additional subordinated loan granted by the Additional Seller (if any and as the case may be) but subject to the Limits to the Assignment; and
- (c) no more OBG may be issued.

Listing and admission to trading

Application has been made to the Luxembourg Stock Exchange for OBG to be issued under the Programme to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's regulated market or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of OBG may be unlisted.

The applicable Final Terms will state whether or not the relevant OBG are to be listed and, if so, on which stock exchange(s).

Settlement

Monte Titoli S.p.A.

Governing law

The OBG and any non-contractual obligations arising out of, or in connection with them, are governed by Italian law.

Ratings

Each Series or Tranche issued under the Programme may be assigned a rating by Moody's or may be unrated as specified in the relevant Final Terms. Where a Tranche or Series of OBG is to be rated, such rating will not necessarily be the same as the rating assigned to the OBG already issued.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to

suspension, reduction or withdrawal at any time by the assigning credit rating agency.

Whether or not each credit rating applied for in relation to the relevant Series or Tranche will be issued by a credit rating agency established in the EEA and registered under EU CRA Regulation or established in the UK and registered under the UK CRA Regulation will be disclosed in the relevant Final Terms. In general, European regulated investors are restricted under the EU CRA Regulation and UK regulated investors are restricted under the UK CRA Regulation from using a credit rating for regulatory purposes unless such rating is issued by a credit rating agency established in the EEA or the UK and registered under the relevant CRA Regulation (and such registration has not been withdrawn or superseded, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EEA credit rating agencies or non-UK credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered or UK-registered credit rating agency or the relevant non-EEA (or non-UK) credit rating agency is certified in accordance with the relevant CRA Regulation (and such endorsement or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

Use of Proceeds

The net proceeds to the Issuer from the issue of all OBG will be applied by the Issuer for:

- (a) general funding purposes of the Group (including funding of the mortgage loans business of the Group); or
- (b) as otherwise indicated in the relevant Final Terms, including, without limitation, to be applied towards Eligible Projects/Green Projects, Eligible Projects/Social Projects or a financing or re-financing of any combination of each of the Eligible Projects/Green Projects or Eligible Projects/Social Projects.

Selling restrictions

The offer, sale and delivery of the OBG and the

distribution of offering material in certain jurisdictions including Italy, the United States of America, the United Kingdom, the European Economic Area and Japan shall be subject to the selling restrictions applicable in such countries. See “*Subscription and Sale*” below.

3 OBG Guarantee

Security for the OBG

In accordance with Law 130, pursuant to the OBG Guarantee, the OBG Holders will benefit from a guarantee issued by the OBG Guarantor over a portfolio of receivables transferred or to be transferred by the Seller and the Additional Sellers (if any), arising from some or all of the following assets:

- (i) in accordance with Article 129, paragraph 1, lett (d) of Regulation (EU) 575/2013, as amended by Regulation (EU) 2160/2019 (the “**CRR**”), mortgage receivables secured by residential real estate assets, provided that the relevant real estate asset is located in an Admitted State (as defined below) (the “**Residential Mortgage Receivables**”);
- (ii) in accordance with Article 129, paragraph 1, lett. (f) of the CRR, mortgage receivables secured by non residential real estate assets, provided that the relevant real estate asset is located in an Admitted State (as defined below) (the “**Non-Residential Mortgage Receivables**” and, together with the Residential Mortgage Receivables, the “**Mortgage Receivables**”); and
- (iii) securities satisfying the requirements set forth under Article 129, paragraph 1, letter (a) and letter (b) of the CRR (as defined below) (the “**Public Securities**” and, together with the Mortgage Receivables, the “**Assets**”, and, within certain limits, the Integration Assets (as defined below) and the Liquid Assets (as defined below). The Assets, the Integration Assets and the Liquid Assets (including (i) any sum standing to the credit of the Accounts and (ii) the Eligible Investments) are jointly referred to as the “**Portfolio**”).

“**Admitted States**” means any States belonging to the European Economic Space and Switzerland.

Under the terms of the OBG Guarantee, following the service of a Notice to Pay (as defined below) on the OBG Guarantor as a result of the occurrence of an Issuer Event of Default (as defined below), the OBG Guarantor will be obliged to pay any amounts due under the OBG as and when the same were originally due for payment by the Issuer.

The obligations of the OBG Guarantor under the OBG Guarantee constitute a guarantee and certain provisions of the civil code relating to non-autonomous personal guarantees (*fidejussioni*), as specified in Article 7-*quaterdecies* of the Law 130, shall not apply. Accordingly, the obligations of the OBG Guarantor under the OBG Guarantee constitute direct and unsubordinated obligations of the OBG Guarantor, at first demand (*a prima richiesta*), irrevocable (*irrevocabile*), unconditional (*incondizionata*), independent guarantee (*garanzia autonoma*) and with limited recourse to the Available Funds, regardless of any invalidity, irregularity, genuineness or unenforceability of any of the guaranteed obligations of the Issuer.

Issuer Events of Default

Each of the following events with respect to the Issuer shall constitute an “**Issuer Event of Default**”:

- (i) default is made by the Issuer for a period of 7 days or more in the payment of any principal or redemption amount, or for a period of 14 days or more in the payment of any interest on the OBG of any Series when due; or
- (ii) the Issuer has incurred into a material default in the performance or observance of any of its obligations under or in respect of the OBG (of any Series outstanding) or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the OBG) and (except where, in the opinion of the Representative of the OBG Holders, such default is not capable of remedy in which case no notice will be required), such default remains unremedied for 30 days after the Representative of the

OBG Holders has given written notice thereof to the Issuer, certifying that such default is, in its opinion, materially prejudicial to the interests of the OBG Holders and specifying whether or not such default is capable of remedy; or

- (iii) an Insolvency Event (as defined in the Conditions) (other than *risoluzione* or *misura di intervento precoce*) occurs in respect of the Issuer; or
- (iv) the Mandatory Tests or the Over-Collateralisation Test are breached and not cured within 1 month following the delivery by the Calculation Agent of a Negative Report as confirmed by the Asset Monitor Report; or
- (v) a resolution pursuant to Article 74 of the Banking Law is issued in respect of the Issuer.

If an Issuer Event of Default occurs:

- (a) the Representative of the OBG Holders shall promptly serve a notice (the “**Notice to Pay**”) on the OBG Guarantor declaring that an Issuer Event of Default has occurred and specifying, in case of the Issuer Event of Default referred to under paragraph (v) above, that the Issuer Event of Default may have temporary nature;
- (b) after the service of a Notice to Pay, each Series of OBG will accelerate against the Issuer and they will rank *pari passu* amongst themselves against the Issuer, provided that (i) such events shall not trigger an acceleration against the OBG Guarantor, (ii) in accordance with Article 7-*quaterdecies*, Para. 3, of the Law 130, the OBG Guarantor shall be solely responsible for the exercise of the rights of the OBG Holders *vis-à-vis* the Issuer and (iii) in case of the Issuer Event of Default referred to under paragraph (v) above (x) the OBG Guarantor, in accordance with the Law 130, shall be responsible for the payments of the amounts due and payable under the OBG within the suspension period and (y) upon the end of the suspension period the Issuer shall

- be responsible for meeting the payment obligations under the OBG (and for the avoidance of doubt, the OBG then outstanding will not be deemed to be accelerated against the Issuer);
- (c) after the service of a Notice to Pay, the OBG Guarantor will pay any amounts due under the OBG as and when the same were originally due for payment by the Issuer pursuant to the OBG Guarantee and in accordance with the original terms and maturity set out in the Conditions and the relevant Final Terms;
 - (d) after the service of a Notice to Pay, in accordance with Article 7-*quaterdecies*, Para. 3, of the Law 130, the OBG Guarantor shall be solely responsible, at its discretion and without further notice, to take such steps and/or institute such proceedings (also acting through the Representative of the OBG Holders) against the Issuer as it may think fit to enforce such payments, but it shall not be bound to take any such proceedings or steps unless requested or authorised by an Extraordinary Resolution of the OBG Holders;
 - (e) after the service of a Notice to Pay, the Mandatory Tests and the Liquidity Buffer Test shall continue to be applied and the Amortisation Test shall apply;
 - (f) after the service of a Notice to Pay, the OBG Guarantor shall sell the Assets, the Integration Assets and the Liquid Assets included in the portfolio in accordance with the provisions of the Portfolio Administration Agreement;
 - (g) after the service of a Notice to Pay, no further payments to the Seller and/or the Additional Sellers (if any) under the Subordinated Loan and/or, as the case may be, the relevant subordinated loan shall be effected and, until all OBG are fully repaid or an amount equal to the Required Redemption Amount for each Series of OBG outstanding has been accumulated, any residual cash of the OBG Guarantor after making the payments or provisions provided for under

items (i) to (iv) of the Post-Issuer Event of Default Priority shall be deposited on the Accounts;

- (h) after the service of a Notice to Pay and until all OBG are fully repaid or an amount equal to the Required Redemption Amount for each Series of OBG outstanding has been accumulated, no more purchase price for further Assets and/or Integration Assets and/or Liquid Assets (as defined below) will be paid to the Seller and/or the Additional Sellers (if any), other than through the drawdown of additional advances under the Subordinated Loan or, as the case may be, the relevant subordinated loan; and
- (i) after the service of a Notice to Pay, no further Series of OBG may be issued.

Guarantor Events of Default

Following an Issuer Event of Default and the service of a Notice to Pay, each of the following events shall constitute a “**Guarantor Event of Default**”:

- (i) non payment of principal and interest due in respect of the relevant Series of OBG in accordance with the OBG Guarantee, subject to an 8 days cure period in respect of principal or redemption amount and a 15 days cure period in respect of interest payment; or
- (ii) an Insolvency Event occurs in respect of the OBG Guarantor; or
- (iii) a breach of the obligations of the OBG Guarantor under the Transaction Documents (other than (i) above) occurs which breach is incapable of remedy or, if in the opinion of the Representative of the OBG Holders capable of remedy, is not in the opinion of the Representative of the OBG Holders remedied within 30 days after notice of such breach shall have been given to the OBG Guarantor by the Representative of the OBG Holders; or
- (iv) a breach of the Amortisation Test according to a Negative Report issued by the Calculation Agent as confirmed by the Asset Monitor Report.

If a Guarantor Event of Default occurs, the

Representative of the OBG Holders:

- (a) in cases under (i), (ii) and (iv) above, may but shall, if so directed by an Extraordinary Resolution (as defined in the Conditions) of the OBG Holders, and
- (b) in case under (iii) above, shall, if so directed by an Extraordinary Resolution of the OBG Holders,

serve a notice on the OBG Guarantor (the “**Guarantor Acceleration Notice**”) and all OBG will accelerate against the OBG Guarantor, becoming immediately due and payable, and they will rank *pari passu* amongst themselves.

“**Calculation Date**” means, in relation to a Guarantor Payment Date, the day falling 4 Business Days prior to such Guarantor Payment Date.

“**Guarantor Payment Date**” means (i) before the occurrence of an Issuer Event of Default, 31 January, 30 April, 31 July and 31 October of each year, (ii) following the occurrence of an Issuer Event of Default, the last day of each month starting from the calendar month immediately following the calendar month in which the Issuer Event of Default has occurred, subject in all instances to adjustment in accordance with the Modified Following Business Day Convention and (iii) following the occurrence of a Guarantor Event of Default, each Business Day.

Cross acceleration

If a Guarantor Event of Default has occurred, each OBG will accelerate at the same time against the OBG Guarantor, provided that the OBG does not otherwise contain a cross default provision and will thus not cross accelerate in case of an Issuer Event of Default.

Pre-Issuer Event of Default Interest Priority

On each Guarantor Payment Date, prior to the service of a Notice to Pay, the OBG Guarantor will use Interest Available Funds (as defined below) to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

- (i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof: (a) any OBG Guarantor’s documented fees, costs, expenses

and taxes to maintain it in good standing, to comply with applicable legislation and to preserve its corporate existence (the “**Expenses**”), to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, and (b) all amounts due and payable to the Seller and/or to the Additional Seller (if any) or the party indicated by the Seller or by the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the preceding Collection Period (as defined below) with respect to the outstanding Asset;

- (ii) *second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable (including fees, costs and expenses) to the Representative of the OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Servicer and the Additional Servicer (if any), and to credit the Target Expenses Amount into the Expenses Account;
- (iii) *third*, to replenish the Reserve Account up to the Total Target Reserve Amount;
- (iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount necessary to cover the amounts transferred from the Pre-Issuer Event of Default Principal Priority according to item (i) on any preceding Guarantor Payment Date and not paid yet;
- (v) *fifth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) to pay the Corrispettivi Individuali in Linea Interessi of the Assets, Integration Assets and Liquid Assets offered for sale by the Seller and/or by the Additional Seller (if any) in the context of a Revolving Assignment,

Integration Assignment for the purposes of curing a breach of the Limit to the Integration, or Issuance Collateralisation in accordance with the provisions of the Master Transfer Agreement; (b) if the payment of any such purchase price shall be deferred in accordance with the provisions of the Master Transfer Agreement, to credit to the Payment Account the Purchase Price Accumulation Amount; (c) to pay any amount due and payable to the Seller and/or the Additional Seller (if any) in accordance with the provisions of the Master Transfer Agreement as Corrispettivi Individuali in Linea Interessi of the Assets, Integration Assets and Liquid Assets offered for sale by the Seller and/or by the Additional Seller (if any) in the context of a Revolving Assignment, Integration Assignment for the purposes of curing a breach of the Limit to the Integration, or Issuance Collateralisation to the extent not previously paid by using the funds credited to the Payment Account as Purchase Price Accumulation Amount on the immediately preceding Guarantor Payment Date; and (d) all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement provided that the Over-Collateralisation Test, the Mandatory Tests and the Liquidity Buffer Test would still be satisfied after such payment;

- (vi) *sixth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments) provided that the Over-Collateralisation Test, the Mandatory Tests and the Liquidity Buffer Test would still be satisfied after such payment;

(vii) *seventh*, provided that a Programme Suspension Period is not continuing and after the repayment request made by the Subordinated Loan Provider under the Subordinated Loan (or additional subordinated loan provider, if any, under any additional subordinated loan), to pay *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or the relevant additional subordinated loan, if any) provided that the Over-Collateralisation Test, the Mandatory Tests and the Liquidity Buffer Test would still be satisfied after such payment;

(viii) *eighth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Subordinated Loan Interest Amount due and payable under the Subordinated Loan (or additional subordinated loan, if any) provided that the Over-Collateralisation Test, the Mandatory Tests and the Liquidity Buffer Test would still be satisfied after such payment,

(the “**Pre-Issuer Event of Default Interest Priority**”).

“**Target Expenses Amount**” means at each Guarantor Payment Date the amount of €50,000.

“**Total Target Reserve Amount**” means, on each Guarantor Payment Date, the sum of (A), (B) and (C)

where

- A. is the amount of interest accrued on the OBG until that Guarantor Payment Date (inclusive) and not yet paid by the Issuer or the OBG Guarantor,
- B. is the amount of interest due and payable on the OBG on the immediately succeeding Guarantor Payment Date without double counting (A) above, and

- C. is an amount equal to 0.30% of the Outstanding Principal Balance of the Portfolio as at the end of the immediately preceding Collection Period.

**Pre-Issuer Event of Default
Principal Priority**

On each Guarantor Payment Date, prior to the service of a Notice to Pay, the OBG Guarantor will use Principal Available Funds (as defined below) to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

- (i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable under items (i) and (ii) (other than any amount due according to (i) b)) of the Pre-Issuer Event of Default Interest Priority, to the extent that the Interest Available Funds are not sufficient, on such Guarantor Payment Date, to make such payments in full;
- (ii) *second*, provided that a Programme Suspension Period is not continuing, *pari passu* and *pro rata* according to the respective amounts thereof, (a) to pay the Corrispettivi Individuali in Linea Capitale of the Assets, Integration Assets and Liquid Assets offered for sale by the Seller and/or by the Additional Seller (if any) in the context of a Revolving Assignment or Integration Assignment for the purposes of curing a breach of the Limit to the Integration in accordance with the provisions of the Master Transfer Agreement; (b) if the payment of any such purchase price shall be deferred in accordance with the provisions of the Master Transfer Agreement, to credit to the Payment Account the Purchase Price Accumulation Amount; and (c) to pay any amount due and payable to the Seller and/or the Additional Seller (if any) in accordance with the provisions of the Master Transfer Agreement as Corrispettivi Individuali in Linea Capitale of the Assets, Integration Assets and Liquid Assets offered for sale by the Seller and/or by the Additional Seller (if any) in the

context of a Revolving Assignment or Integration Assignment for the purposes of curing a breach of the Limit to the Integration to the extent not previously paid by using the funds credited to the Payment Account as Purchase Price Accumulation Amount on the immediately preceding Guarantor Payment Date;

- (iii) *third*, if a Programme Suspension Period has occurred and is continuing, to deposit on the Principal Collection Account any residual Principal Available Funds until an amount up to the Required Redemption Amount of any Series of OBG outstanding has been accumulated;
- (iv) *fourth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement provided that the Over-Collateralisation Test, the Mandatory Tests and the Liquidity Buffer Test would still be satisfied after such payment, to the extent not already paid under item (v) of the Pre-Issuer Event of Default Interest Priority;
- (v) *fifth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments) provided that the Over-Collateralisation Test, the Mandatory Tests and the Liquidity Buffer Test would still be satisfied after such payment, to the extent not already paid under item (vi) of the Pre-Issuer Event of Default Interest Priority;

(vi) *sixth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any), the amount due as principal redemption under the Subordinated Loan (or additional subordinated loan, if any) provided that the Over-Collateralisation Test, the Mandatory Tests and the Liquidity Buffer Test would still be satisfied after such payment,

(the “**Pre-Issuer Event of Default Principal Priority**”).

On each Guarantor Payment Date the “**Interest Available Funds**” shall include (a) any interest received from the Portfolio during the Collection Period immediately preceding such Guarantor Payment Date, (b) any interest amount received by the OBG Guarantor as remuneration of the Accounts during the Collection Period immediately preceding such Guarantor Payment Date, (c) any amount received as interest by the OBG Guarantor from any party to the Transaction Documents (other than amounts already allocated under items (a) and (b)) during the Collection Period immediately preceding such Guarantor Payment Date, (d) any amount deposited in the Reserve Account as at the Calculation Date immediately preceding such Guarantor Payment Date (other than the amount already allocated under item (b)), (e) any amount deposited in the Interest Collection Account, as at the preceding Guarantor Payment Date, (f) the amount standing to the credit of the Expenses Account (other than amounts already allocated under item (b)) at the end of the Collection Period preceding such Guarantor Payment Date (which is not a Programme Termination Date), (g) any net interest amount or income from any Eligible Investments or of the Public Securities (without duplication with the Eligible Investments) liquidated at the immediately preceding Liquidation Date, (h) provided that the Liquidity Buffer Test is satisfied, any amount standing to the credit of the

Liquid Assets Securities Reserve Account.

On each Guarantor Payment Date the “**Principal Available Funds**” shall include: (a) any principal payment received during the Collection Period immediately preceding such Guarantor Payment Date; (b) any principal amount received by the OBG Guarantor as reimbursement of the Eligible Investments liquidated on the immediately preceding Liquidation Date arising from investment made using principal collection; (c) any principal amount received by the OBG Guarantor from any party to the Transaction Documents (other than the amounts already allocated under items (a) and (b)) during the Collection Period immediately preceding such Guarantor Payment Date; (d) any amount standing to the credit of the Principal Collection Account (other than the amounts already allocated under item (a)) at the end of the Collection Period preceding such Guarantor Payment Date net of any interest accrued thereon; (e) the amount standing to the credit of the Expenses Account on the Programme Termination Date; (f) any principal amount arising out from the liquidation of Public Securities (without duplication with the (b) above) liquidated at the immediately preceding Liquidation Date arising from investment made using principal collection and (g) the positive difference (if any) between (1) the Purchase Price Accumulation Amount credited to the Payment Account on the immediately preceding Guarantor Payment Date and (2) the monies paid to the Seller and/or the Additional Seller in the context of a Revolving Assignment, in accordance with the Master Transfer Agreement, during the period between the preceding Guarantor Payment Date and the immediately following Guarantor Payment Date, as consideration for the purchase of the New Portfolio by using the Purchase Price Accumulation Amount credited to the Payment Account on the immediately preceding Guarantor Payment Date.

“**Collection Period**” means (a) prior to the occurrence of a Guarantor Event of Default, any period between each Collection Date (included) and the following Collection Date (excluded), save for the first Collection Period, where the Collection

Period is comprised between the Evaluation Date (included) in respect to the transfer of the first Portfolio and 1 April 2012 (excluded) and (b) after the occurrence of a Guarantor Event of Default, any period between two Business Days.

“Collection Date” means 1 January, 1 April, 1 July and 1 October of each year and, following an Issuer Event of Default, the first calendar day of each month.

“Evaluation Date” means (i) in respect of the Initial Portfolio the beginning of 1 January 2012 and (ii) in respect of any New Portfolio, the date indicated as such in the relevant offer for the transfer of New Portfolios.

“Purchase Price Accumulation Amount” means an amount equal to the Provisional Purchase Price of the New Portfolio as determined with reference to a New Portfolio under the relevant Offer of Transfer.

“Provisional Purchase Price of the New Portfolio” has the meaning ascribe to the expression *“Corrispettivo Provvisorio del Portafoglio Successivo”* under the Master Transfer Agreement.

Post-Issuer Event of Default Priority

On each Guarantor Payment Date, following the service of a Notice to Pay, but prior to the occurrence of a Guarantor Event of Default, the OBG Guarantor will use the Available Funds, to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

- (i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof
 - (a) the Expenses, to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, (b) all amounts due and payable to the Seller and/or by the Additional Seller (if any) or the party indicated by the Seller or the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the

preceding Collection Period with respect to the outstanding Asset still owned by the OBG Guarantor;

- (ii) *second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable (including fees, costs and expenses) to the Representative of the OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Servicer and the Additional Servicer (if any), and to credit the Target Expenses Amount into the Expenses Account;
- (iii) *third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable as interest on the OBG on their relevant OBG Payment Dates;
- (iv) *fourth*, to replenish the Reserve Account up to the Total Target Reserve Amount;
- (v) *fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable as principal on the OBG on their relevant OBG Payment Dates;
- (vi) *sixth*, to deposit on the relevant OBG Guarantor's Accounts any residual amount until all Series of OBG outstanding have been repaid in full;
- (vii) *seventh*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement;
- (viii) *eighth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than

amounts already provided for in this Priority of Payments);

- (ix) *ninth*, after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any), to pay *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any);
- (x) *tenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any interest amount due under the Subordinated Loan (or additional subordinated loan, if any);
- (xi) *eleventh*, after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due under the Subordinated Loan (or additional subordinated loan, if any),

(the “**Post-Issuer Event of Default Priority**”).

“**Available Funds**” shall include (a) the Interest Available Funds, (b) the Principal Available Funds and (c) following the occurrence of an Issuer Event of Default, the Excess Proceeds.

“**Excess Proceeds**” means the amounts received by the OBG Guarantor as a result of any enforcement taken against the Issuer in accordance with Article 7-*quaterdecies*, Para. 3 of the Law 130.

“**Negative Carry Corrector**” means a percentage calculated by reference to the average margin payable on the outstanding Series of OBG weighted for the Principal Amount Outstanding of each outstanding Series of OBG plus 0.5 per cent.

“**Principal Amount Outstanding**” means, on any date in respect of any Series of OBG or, where applicable, in respect of all Series of OBG: the

principal amount of such series or, where applicable, all such Series upon issue, *minus* the aggregate amount of all principal which has been repaid prior to such date in respect of such Series or, where applicable, all such Series.

“Required Redemption Amount” means in respect of any relevant Series or Tranche of OBG, the amount calculated as follows:

- (a) the Outstanding Principal Balance of the relevant Series or Tranche of OBG multiplied by $(1 + (\text{Negative Carry Corrector} * (\text{days to the Maturity Date (or the Extended Maturity Date if applicable) of the relevant Series or Tranche of OBG} / 365)))$; *plus*
- (b) any pro rata cost expected to be incurred by the OBG Guarantor up to the last Maturity Date (or the Extended Maturity Date if applicable) with respect to the relevant Series or Tranche of OBG.

Post-Guarantor Event of Default Priority

On each Guarantor Payment Date, following the service of a Guarantor Acceleration Notice, the OBG Guarantor will use the Available Funds, to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

- (i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof
 - (a) any Expenses, to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, and
 - (b) all amounts due and payable to the Seller and/or to the Additional Seller (if any) or the party indicated by the Seller or by the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the preceding Collection Period with respect to the outstanding Asset;
- (ii) *second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable (including fees,

costs and expenses) to the Representative of the OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Servicer and the Additional Servicer (if any) and to credit the Target Expenses Amount into the Expenses Account;

- (iii) *third*, to pay, *pari passu* and *pro rata* any interest and principal amount due and payable on the OBG;
- (iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement;
- (v) *fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments);
- (vi) *sixth*, after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan Agreement (or additional subordinated loan agreement), to pay *pari passu and pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any);
- (vii) *seventh*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any interest amount due under the Subordinated Loan (or additional subordinated loan, if any); and
- (viii) *eighth*, to pay, *pari passu* and *pro rata*

according to the respective amounts thereof, any principal amount due under the Subordinated Loan (or additional subordinated loan, if any),

(the “**Post-Guarantor Event of Default Priority**” and, together with the Pre-Issuer Event of Default Principal Priority, the Pre-Issuer Event of Default Interest Priority, the Post-Issuer Event of Default Priority, are collectively referred to as the “**Priority of Payments**”).

4 **Creation and administration of the Portfolio**

Transfer of the Portfolio

Pursuant to the Master Transfer Agreement, the Seller (a) transferred to the OBG Guarantor the Initial Portfolio and (b) may assign and transfer Assets and/or Integration Assets satisfying the Criteria and/or Liquid Assets to the OBG Guarantor from time to time, on a revolving basis, in the cases and subject to the limits for the transfer of further Assets referred to below.

The purchase price in respect of the Initial Portfolio has been determined pursuant to the Master Transfer Agreement. Under the Master Transfer Agreement, the relevant parties thereto have acknowledged that the purchase price in respect of the Initial Portfolio shall be funded through the proceeds granted in accordance with the Subordinated Loan Agreement.

Pursuant to the Master Transfer Agreement, the OBG Guarantor shall acquire, further Assets, Integration Assets or Liquid Assets, as the case may be, in order to:

- (a) collateralise and allow the issue of further series of OBG by the Issuer, subject to the Limit to the Integration (the “**Issuance Collateralisation Assignment**”); and/or
- (b) invest the Available Funds, provided that a Programme Suspension Period is not continuing (the “**Revolving Assignment**”); and/or
- (c) comply with the Mandatory Tests, the Over-Collateralisation Test, the Limit to the Integration and/or the Liquidity Buffer Test in accordance with the Portfolio

Administration Agreement (the “**Integration Assignment**”), subject to the limits referred to in sub-section “*Integration Assets*” below.

The Assets, the Integration Assets and the Liquid Assets will be assigned and transferred to the OBG Guarantor without recourse (*pro soluto*) in accordance with Law 130 and subject to the terms and conditions of the Master Transfer Agreement.

Pursuant to the Master Transfer Agreement, and subject to the conditions provided therein, the Seller has been granted with a call option and pre-emption right to repurchase Assets and Liquid Assets which have been assigned to the OBG Guarantor of the Assets forming part of the Portfolio.

Furthermore, the Seller has been granted by the OBG Guarantor with a wide power to renegotiate the terms and conditions of the Assets transferred pursuant to the Master Transfer Agreement.

Representations and Warranties of the Seller

Under the Warranty and Indemnity Agreement, the Seller has made certain representations and warranties regarding itself and the Assets including, *inter alia*:

- (i) its status, capacity and authority to enter into the Transaction Documents and assume the obligations expressed to be assumed by it therein;
- (ii) the legality, validity, binding nature and enforceability of the obligations assumed by it;
- (iii) the existence of the Assets, the absence of any lien attaching the Assets; subject to the applicable provisions of laws and of the relevant agreements, the full, unconditional, legal title of the Seller to the Initial Portfolio; and
- (iv) the validity and enforceability, subject to the applicable provisions of laws and of the relevant agreements, against the relevant Debtors of the obligations from which the Initial Portfolio arises.

General Criteria

Each of the Mortgage Receivables comprised in the

Portfolio shall comply with the following general criteria (the “**General Criteria**”) as at the relevant Evaluation Date (to be deemed cumulative unless otherwise provided) (or at such other date specified below):

- (i) mortgage loans in respect of which the ratio between loan’s outstanding principal on the Evaluation Date and the value of the real estate upon which the guarantee has been created, calculated on the Execution Date or on the date of the apportionment (*frazionamento*) in case of loans arising from the apportionment (*frazionamento*) of a prior quota loan, is:
 - (a) equal to or lower than 80 per cent. in case of Residential Mortgage Loans, or
 - (b) equal to or lower than 60 per cent. in case of Non-Residential Mortgage Loans;
- (ii) loans in respect of which the principal debtors (including further to a novation (*accollo liberatorio*) and/or apportionment (*frazionamento*)) are:
 - (a) in case of Residential Mortgage Loans, one or more individuals (including individuals whose loan was granted in their capacity as owners of sole proprietorships or members of *de facto* companies resident in Italy, according to what is indicated in the last communication received by UniCredit S.p.A. from the relevant debtor) or one or more entities, of which at least one having his residence in Italy or, as applicable, its corporate seat in Italy; or
 - (b) in case of Non-Residential Mortgage Loans, one or more entities (incorporated in the form of a general partnership, limited partnership, limited liability company, joint stock company, limited liability cooperative company, limited liability partnership, or consortium, simple partnership,

professional firm, or association), of which at least one having its corporate seat in Italy or one or more individuals in their capacity of entrepreneurs of which at least one having its residence in Italy;

- (iii) loans secured by a mortgage on real estates located in Italy and insured against the risk of damage and in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage is elapsed on the Evaluation Date or prior to it;
- (iv) loans which are governed by Italian law;
- (v) loans denominated in Euro (or originally disbursed in a different currency and subsequently re-denominated in Euro);
- (vi) loans having at least one instalment (even an only interest one) fallen due and paid;
- (vii) in case of Residential Mortgage Loans, loans whose residual tenor is not in excess of 30 years; or in case of Non-Residential Mortgage Loans, loans whose residual tenor is not in excess of 25 years.

The Portfolio does not include Mortgage Receivables arising from:

- (i) loans granted to, or secured by, a public administration entity (*ente pubblico*);
- (ii) loans granted to an ecclesiastic entity (*ente ecclesiastico*);
- (iii) loans which were classified as agricultural credit (*mutui agrari*) pursuant to Article 43 of the Banking Law, as at the relevant Execution Date.

The Mortgage Receivables to be comprised in the Portfolio shall comply also with the Specific Criteria in addition to the General Criteria.

“Execution Date” means the date on which the relevant loan agreement has been executed, without taking into account potential *accogli* or restructuring or *frazionamenti* that have been executed after such date.

“Non-Residential Mortgage Loans” means those mortgage loans which, pursuant to Article 129 of

the CRR, are secured over a non-residential property and located in an Admitted State.

“Residential Mortgage Loans” means those mortgage loans which, pursuant to Article 129 of the CRR, are secured over a residential property and located in an Admitted State.

“Specific Criteria” means the criteria for the selection of the Mortgage Receivables to be included in the portfolios to which such criteria are applied, as set forth in annex 2 to the Master Transfer Agreement for the Initial Portfolio and in the relevant transfer agreement for sale of each further portfolio of Mortgage Receivables.

“Criteria” means jointly the General Criteria and the Specific Criteria.

Eligible Investments

The Cash Manager may invest funds standing to the credit of the Eligible Investment Account in Eligible Investments.

“Eligible Investments” means (i) Euro denominated Integration Assets, (ii) Public Securities, and (iii) any other instruments or deposits meeting the requirements set out under the laws and regulations applicable from time to time to the OBG,

provided that such investments shall

(I) have a minimum short-term or long-term rating specified in column 2 of the table below corresponding to the category of the OBG as at the same day as specified in column 1 of the table below;

(II) have a remaining maturity date (where applicable) equal to the earlier of (i) the maturity reported in the applicable table and (ii) (a) either the Liquidation Date immediately preceding the OBG Payment Date of the Earliest Maturing Series or Tranche of OBG in case of Eligible Investments purchased with amounts deposited in the Principal Collection Account or (b) the Liquidation Date immediately preceding the next Guarantor Payment Date in case of Eligible Investments purchased with amounts deposited in the Accounts (other than the Principal Collection Account); and

(III) comply with the requirements set out under

article 129 CRR.

Column 1	Column 2		
Category of the OBG	Rating		
Aaa	Maturity of the investment	Long Term	Short Term
	Equal or less than 30 days	A3	P-2
	Equal or less than 90 days	A2	P-1
	Equal or less than 180 days	A1	P-1
Aa1	Maturity of the investment	Long Term	Short Term
	Equal or less than 30 days	Baa1	P-2
	Equal or less than 90 days	A3	P-2
	Equal or less than 180 days	A2	P-1
Aa2	Maturity of the investment	Long Term	Short Term
	Equal or less than 30 days	Baa2	P-2
	Equal or less than 90 days	Baa1	P-2
	Equal or less than 180 days	A2	P-1
Aa3	Maturity of the investment	Long Term	Short Term
	Equal or less than 30 days	Baa3	P-3
	Equal or less than 90 days	Baa2	P-2
	Equal or less than 180 days	A3	P-1
Aa3	Maturity of the investment	Long Term	Short Term
	Equal or less than 30 days	Baa3	P-3
	Equal or less than 90 days	Baa3	P-3

	Equal or less than 180 days	A3	P-1
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Integration Assets

In accordance with the provisions of Article 129 of the CRR, “**Integration Assets**” shall include:

- (i) deposits with banks which qualify as Eligible Institutions residing in Eligible States; and
- (ii) securities issued by banks which qualify as Eligible Institutions residing in Eligible States with residual maturity not longer than one year, provided that such assets shall comply with the requirements set out under Article 129 CRR.

The integration of the Portfolio through Integration Assets or Liquid Assets shall be allowed within the limits set forth under Article 129, paragraph 1a of the CRR (such limits, the “**Limit to the Integration**”). The integration of the Portfolio (whether through Integration Assets or Liquid Assets or through Assets) shall be allowed exclusively for the purpose of complying with the Mandatory Tests, the Over-Collateralisation Test, the Liquidity Buffer Test and/or the Limit to the Integration or for the purpose of perfecting a Revolving Assignment.

“**Eligible Institutions**” means any banks in relation to which, on any given date, its long term unsecured, unsubordinated and unguaranteed debt obligations and its short term unsecured, unsubordinated and unguaranteed debt obligations are rated at least as high as the long-term rating and short-term rating specified in column 2 of the table below corresponding to the category of the OBG as at the same day as specified in column 1 of the table below, provided however that if the OBG has been downgraded as a result of the downgrading of the relevant bank reference must be made to the category of the OBG as specified in column 1 of the table below immediately prior to such downgrade.

Column 1	Column 2
Category of the OBG	Long-term rating and short-term rating
Aaa	A3 and P-1
Aa1	Baa1 and P-2
Aa2	Baa2 and P-2

Aa3	Baa3 and P-3
A1	Baa3 and P-3

Mandatory Tests under the Law 130

“**Eligible States**” shall mean any States belonging to the European Economic Space, Switzerland and any other state attracting a zero per cent. risk weight factor under the “standard approach” provided for by the Basel III rules.

In accordance with the provisions of the Law 130, for so long as the OBG remain outstanding, the Issuer (also in its capacity as Seller) shall procure on a continuing basis and on each Calculation Date or on any other date on which the verification of the Mandatory Tests is required pursuant to the Transaction Documents that:

- (i) the Outstanding Principal Balance of the Eligible Portfolio (net of any amount standing to the credit of the Accounts other than the Principal Collection Account) from time to time owned by the OBG Guarantor shall be higher than or equal to the Outstanding Principal Balance of the OBG at the same time outstanding multiplied by 105%;
- (ii) the Adjusted Net Present Value of the Eligible Portfolio shall be higher than or equal to the Present Value of the outstanding OBG;
- (iii) the Expected Income shall be higher than or equal to the Expected Payments,

the tests above are jointly referred to as the “**Mandatory Tests**”.

it being understood that:

- (i) pursuant to Article 7-undecies, paragraph 2, letter d) of the Law 130, the calculation of the interest generated by the assets included in the Eligible Portfolio and the interest due by the Issuer on the OBG outstanding shall be made on the basis of prudent criteria and criteria consistent with the applicable accounting principles; and
- (ii) pursuant to Article 7-undecies, paragraph 2, letter f) of the Law 130, the methodologies for the calculation of the numerator and denominator of the Mandatory Tests are based

on criteria consistent with each other.

The compliance with the Mandatory Tests will be verified by (i) the Calculation Agent and subsequently checked by the Asset Monitor pursuant to the Asset Monitor Agreement; and (ii) the internal risk management functions of the UniCredit Banking Group (under the supervision of the management body of the Issuer). For a detailed description of the Mandatory Tests (including a description of the defined terms used herein) see “*Credit Structure - Mandatory Tests*” below.

Over-Collateralisation Test

For so long as the OBG remain outstanding, the Issuer (also in its capacity as Seller), the Additional Sellers (if any) shall procure on a continuing basis and on each OC Calculation Date that the OC Adjusted Eligible Portfolio shall be equal to or higher than the Outstanding Principal Balance of the OBG.

“**OC Calculation Date**” means on any given date, (a) if no Negative Report is delivered by the Calculation Agent (or the Additional Calculation Agent, as the case may be) (or a Negative Report is delivered and the relevant breach has been cured), 4 (four) Business Days prior to each Guarantor Payment Date, or (b) if a Negative Report is delivered and until the relevant breach has been cured, 4 (four) Business Days before the end of each calendar month.

“**Reconciliation Date**” means the last calendar day of each Collection Period or, for so long a breach of any of the Tests or the Liquidity Buffer Test is outstanding, the last calendar day of each calendar month.

For a detailed description of the Mandatory Tests (including a description of the defined terms used herein) see “*Credit Structure – Over-Collateralisation Test*” below.

Liquidity Buffer Test

In accordance with, and pursuant to, Article 7-*duodecies* of the Law 130 and with the BoI OBG Regulations, for so long as the OBG remain outstanding, the Issuer shall procure on a continuing basis and on each Liquidity Buffer Test Calculation Date or on any other date on which the calculation

of the Liquidity Buffer Test is required pursuant to the Transaction Documents that the amount of Liquid Assets standing to the credit of the Accounts is equal to or higher than the maximum cumulative Net Liquidity Outflow of the Programme over the next 180 days. In accordance with Article 7-*undecies*, paragraph 2, letter c), of the Law 130, the Liquid Assets standing to the credit of the Accounts shall be considered to contribute to the Eligible Portfolio, provided that such liquid assets satisfy the requirements to qualify as eligible assets set forth in Article 7-*novies*, paragraph 1, letter a), of the Law 130.

“**Liquid Assets**” means the assets identified under Article 7-*duodecies*, paragraph 2, letter a) and letter b), of the Law 130, provided that such assets satisfy the requirements to qualify as eligible assets set forth in article 129 of the CRR and qualify as Eligible Investments.

“**Liquidity Buffer Test Calculation Date**” means the Calculation Date.

“**Net Liquidity Outflow**” means all payment outflows falling due on one day, including principal and interest payments, net of all payment inflows falling due on the same day for claims related to the cover assets, calculated in accordance with Article 7-*duodecies* of the Law 130 and Section III, paragraph 3. of the BoI OBG Regulation.

Breach of the Mandatory Tests or of the Over-Collateralisation Test or the Liquidity Buffer Test

A breach of the Over-Collateralisation Test or of the Mandatory Tests or of the Liquidity Buffer Test shall constitute an Issuer Event of Default to the extent that such breach has not been cured within Mandatory Test Cure Period or the OC Cure Period or the Liquidity Buffer Test Cure Period, respectively.

In order to cure the breach of the Mandatory Tests and/or the Over-Collateralisation Test, the Issuer (also in its capacity as Seller) and the Additional Sellers (if any) shall sell or procure a third party to sell Assets or Integration Assets to the OBG Guarantor in accordance with the Master Transfer Agreement and the Portfolio Administration Agreement in an aggregate amount sufficient to ensure that the relevant Mandatory Tests and/or the

Over-Collateralisation Test are satisfied as soon as practicable and in any event within the Mandatory Test Cure Period and/or OC Cure Period (as applicable) and, to this extent, shall grant the funds necessary for payment of the purchase price of the assets mentioned above to the OBG Guarantor in accordance with the Subordinated Loan Agreement (or, in the case of the Additional Seller pursuant to the terms of a subordinated loan granted to the OBG Guarantor in accordance with the Portfolio Administration Agreement).

In order to cure the breach of the Liquidity Buffer Test, the Issuer (also in its capacity as Seller) and the Additional Sellers (if any) (a) shall sell Liquid Assets to the OBG Guarantor in accordance with the Master Transfer Agreement and the Portfolio Administration Agreement in an aggregate amount sufficient to ensure that the Liquidity Buffer Test is complied with as soon as practicable and, to this extent, shall grant the funds necessary for payment of the purchase price of the assets mentioned above to the OBG Guarantor in accordance with the Subordinated Loan Agreement (or, in the case of the Additional Seller pursuant to the terms of a subordinated loan granted to the OBG Guarantor in accordance with the Portfolio Administration Agreement); and/or (b) shall grant to the OBG Guarantor funds under the Subordinated Loan Agreement (increasing the “*Ammontare Massimo*” of the Subordinated Loan, if necessary, in accordance with the procedures set forth under the Subordinated Loan Agreement) or, as the case may be, with any additional subordinated loan; and/or (c) repurchase Assets by exercising the call option provided for under the Master Transfer Agreement in accordance with, and subject to the terms, set out therein.

Role of the Asset Monitor

The Asset Monitor will, subject to receipt of the relevant information from the Calculation Agent, test the calculations performed by the Calculation Agent in respect of the Mandatory Tests, the Over-Collateralisation Test, the Liquidity Buffer Test and the Limit to the Integration on a monthly basis and more frequently under certain circumstances. The

Sale of Assets following the occurrence of an Issuer Event of Default

Asset Monitor will also perform the other activities provided under the Asset Monitor Agreement. See “*Description of the Transaction Documents - Description of the Asset Monitor Agreement*” below.

Following the delivery of a Notice to Pay (and prior to the occurrence of a Guarantor Event of Default) the OBG Guarantor shall (if necessary in order to effect payments under the OBG as originally scheduled in the relevant Final Terms, as determined by the Calculation Agent in consultation with the Portfolio Manager), direct the Servicer or the Substitute Servicer to sell Selected Assets in accordance with the Portfolio Administration Agreement, subject to any pre-emption right of the Issuer (also as Seller) and any Additional Seller (if any) pursuant to the Master Transfer Agreement or any other Transaction Documents. The proceeds of any such sale shall be credited to the Principal Collection Account and invested in accordance with the terms of the Cash Management and Agency Agreement.

See “*Description of the Transaction Documents - Description of the Portfolio Administration Agreement*” below.

5 Key Features of the Transaction Documents

Master Transfer Agreement

Pursuant to the Master Transfer Agreement, the Seller (a) transferred to the OBG Guarantor, without recourse (*pro soluto*) and in accordance with Law 130, the Initial Portfolio and (b) agreed the terms upon which it may assign and transfer Assets and/or Integration Assets satisfying the Criteria and/or Liquid Assets to the OBG Guarantor from time to time, on a revolving basis, in the cases and subject to the limits for the transfer of further Assets described above. See “*Description of the Transaction Documents - Description of the Master Transfer Agreement*” below.

Warranty and Indemnity Agreement

On 13 January 2012, the Seller and the OBG Guarantor entered into a warranty and indemnity agreement (such agreement, as from time to time amended, the “**Warranty and Indemnity Agreement**”), pursuant to which, the Seller made

certain representations and warranties in favour of the OBG Guarantor. See “*Description of the Transaction Documents - Description of the Warranty and Indemnity Agreement*” below.

Subordinated Loan Agreement

On 13 January 2012, the Seller and the OBG Guarantor entered into a subordinated loan agreement (such agreement, as from time to time amended, the “**Subordinated Loan Agreement**”), pursuant to which the Subordinated Loan Provider granted to the OBG Guarantor a subordinated loan (the “**Subordinated Loan**”) with a maximum amount equal to € 40,000,000,000, save for further increases which may be granted unilaterally by the Subordinated Loan Provider. Under the provisions of such agreement, the Seller shall make advances to the OBG Guarantor in amounts equal to the relevant price of the Portfolios transferred from time to time to the OBG Guarantor, including the Integration Assets or Liquid Assets transferred in order to prevent a breach of the Mandatory Tests, the Over-Collateralisation Test and/or the Liquidity Buffer Test. The interest payable on the Subordinated Loan shall be an amount equal to the algebraic sum of:

- (i) (+) the higher of (a) the amount of interest accrued on the Portfolio during the relevant Interest Period of the Subordinated Loan and (b) the Interest Available Funds;
- (ii) (-) (a) the sum of any amount paid under items from (i) to (vii) of the Pre-Issuer Event of Default Interest Priority or (b) following the occurrence of an Issuer Event of Default and the service of a Notice to Pay, the sum of any amount paid under items from (i) to (viii) of the Post-Issuer Event of Default Priority or (c) following the occurrence of a Guarantor Event of Default, the sum of any amount paid under items from (i) to (vi) of the Post-Guarantor Event of Default Priority,

such amount is referred to as the “**Subordinated Loan Interest Amount**”. See “*Description of the Transaction Documents - Description of the Subordinated Loan*” below.

OBG Guarantee

On 19 January 2012 the OBG Guarantor issued a

guarantee securing the payment obligations of the Issuer under the OBG (the “**OBG Guarantee**”), in accordance with the provisions of Law 130. See “*General Description of the Programme - OBG Guarantee*” and “*Description of the Transaction Documents - Description of the OBG Guarantee*” below.

Servicing Agreement and Collection Policies

Pursuant to the terms of the Servicing Agreement, the Servicer has agreed to administer and service the Portfolio, on behalf of the OBG Guarantor.

For a description of the collection policies and procedures please see “*Description of the Transaction Documents -Description of the Servicing Agreement*” and “*Credit and Policies*” below.

Administrative Services Agreement

Pursuant to the terms of the Administrative Services Agreement, the Administrative Services Provider has agreed to provide the OBG Guarantor with a number of administrative services, including the keeping of the corporate books and of the accounting and tax registers. See “*Description of the Transaction Documents - Description of the Administrative Services Agreement*” below.

Intercreditor Agreement

Pursuant to the terms of an intercreditor agreement entered into on 19 January 2012, as amended from time to time, (the “**Intercreditor Agreement**”) between the OBG Guarantor, the Representative of the OBG Holders (in its own capacity and as legal representative of the Organisation of the OBG Holders), the Issuer, the Seller, the Subordinated Loan Provider, the Servicer, the Administrative Services Provider, the Account Bank, the Paying Agent, the Cash Manager, the Asset Monitor, the Calculation Agent and the Additional Calculation Agent (collectively, with the exception of the OBG Guarantor, the “**Secured Creditors**”), the parties thereto agreed that all the Available Funds of the OBG Guarantor will be applied in or towards satisfaction of the OBG Guarantor’s payment obligations towards the OBG Holders as well as the Secured Creditors, in accordance with the relevant Priority of Payments provided in the Intercreditor Agreement.

According to the Intercreditor Agreement, the

Representative of the OBG Holders will, subject to a Guarantor Event of Default having occurred and a Guarantor Acceleration Notice having been served on the OBG Guarantor, ensure that all the Available Funds are applied in or towards satisfaction of the OBG Guarantee's payment obligations towards the OBG Holders as well as the Secured Creditors, in accordance with the Post-Guarantor Event of Default Priority provided in the Intercreditor Agreement.

The obligations owed by the OBG Guarantor to each of the OBG Holders and each of the Secured Creditors will be limited recourse obligations of the OBG Guarantor limited to the Available Funds. The OBG Holders and the Secured Creditors will have a claim against the OBG Guarantor only to the extent of the Available Funds, in each case subject to and as provided for in the Intercreditor Agreement and the other Transaction Documents. See *"Description of the Transaction Documents - Description of the Intercreditor Agreement"* below.

Cash Management and Agency Agreement

Pursuant to the terms of a cash management and agency agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor, the Issuer, the Cash Manager, the Account Bank, the Paying Agent, the Servicer, the Seller, the Subordinated Loan Provider, the Administrative Services Provider, the Calculation Agent, the Additional Calculation Agent and the Representative of the OBG Holders (the **"Cash Management and Agency Agreement"**), the Account Bank, the Paying Agent, the Servicer, the Administrative Services Provider, the Calculation Agent and the Additional Calculation Agent will provide the OBG Guarantor with certain calculation, notification and reporting services together with account handling and cash management services in relation to moneys from time to time standing to the credit of the Accounts.

See *"Description of the Transaction Documents - Description of the Cash Management and Agency Agreement"* below.

Asset Monitor Agreement

Pursuant to the terms of an asset monitor agreement entered into on 19 January 2012, as amended from time to time, between the Issuer, the Asset Monitor, the OBG Guarantor, the Calculation Agent, the Additional Calculation Agent and the Representative of the OBG Holders (the “**Asset Monitor Agreement**”), the Asset Monitor will conduct independent tests in respect of the calculations performed for the Over-Collateralisation Test or the Mandatory Tests, the Liquidity Buffer Test or the Limit to the Integration with a view to verifying the compliance by the OBG Guarantor with such tests. See “*Description of the Transaction Documents - Description of the Asset Monitor Agreement*” below.

Portfolio Administration Agreement

Pursuant to the terms of a portfolio administration agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor, the Issuer, the Seller, the Representative of the OBG Holders, the Calculation Agent, the Additional Calculation Agent, the Servicer, the Subordinated Loan Provider and the Asset Monitor (the “**Portfolio Administration Agreement**”), the Seller has, *inter alia*, undertaken to ensure on an on-going basis that the Mandatory Tests, the Over-Collateralisation Test and the Liquidity Buffer Test are complied with and has assumed certain obligations to sell further Assets and/or Integration Assets and/or Liquid Assets upon the occurrence of certain events. See “*Description of the Transaction Documents - Description of the Portfolio Administration Agreement*” below.

Quotaholders’ Agreement

Pursuant to the terms of a quotaholders’ agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor, the Seller, SVM and the Representative of the OBG Holders (the “**Quotaholders’ Agreement**”), the quotaholders of the OBG Guarantor have assumed certain undertakings in relation to the management of the OBG Guarantor. In addition, pursuant to the Quotaholders’ Agreement, SVM granted a call option in favour of the Seller to purchase from SVM and the Seller granted a put option in favour of

SVM to sell to the Seller the quotas of the OBG Guarantor corporate capital held by SVM. See “*Description of the Transaction Documents - Description of the Quotaholders’ Agreement*” below.

Dealer Agreement

Pursuant to the terms of a dealer agreement entered into on 19 January 2012, as amended from time to time, between the Issuer, the Seller, the OBG Guarantor, the Representative of OBG Holders and UniCredit Bank (the “**Dealer Agreement**”), the Issuer has appointed UniCredit Bank as Initial Dealer. The Dealer Agreement will contain, *inter alia*, provisions for the resignation or termination of appointment of existing Dealer(s) and for the appointment of additional or other dealers either generally in respect of the Programme or in relation to a particular Series. See “*Description of the Transaction Documents - Description of the Dealer Agreement*” below.

Subscription Agreement

The Dealer Agreement also contains a *pro forma* subscription agreement to be entered into in relation to OBG issued on a syndicated basis.

On or prior to the relevant Issue Date, the Issuer, the Dealers who are parties to such subscription agreement (the “**Relevant Dealers**”) and the Representative of the OBG Holders will enter into a subscription agreement (each a “**Subscription Agreement**”), under which the Relevant Dealers will agree to subscribe for the relevant Series or Tranche of OBG, subject to the conditions set out therein. See “*Description of the Transaction Documents - Description of the Subscription Agreement*” below.

Provisions of the Transaction Documents

The OBG Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all provisions of the Transaction Documents applicable to them. In particular, each OBG Holder, by reason of holding OBG, recognises the Representative of the OBG Holders as its representative and accepts to be bound by the terms of each of the Transaction Documents signed by the Representative of the OBG Holders as if such OBG Holder was a signatory thereto.

RISK FACTORS

Each of the Issuer and the OBG Guarantor believes that the following factors may affect their ability to fulfil their obligations under the OBG issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuer nor the OBG Guarantor are in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which the Issuer and the OBG Guarantor believe may be material for the purpose of assessing the market risks associated with OBG issued under the Programme are also described below.

Each of the Issuer and the OBG Guarantor believes that the factors described below represent the principal risks inherent in investing in the OBG issued under the Programme, but the inability of the Issuer or the OBG Guarantor to pay interest, principal or other amounts on or in connection with any OBG may occur for other unknown reasons and neither the Issuer nor the OBG Guarantor represents that the risks of holding any OBG are exhaustive. In addition, prospective investors should also read the detailed information set out elsewhere in the Prospectus (including any document incorporated by reference) and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER OR IN CONNECTION WITH THE OBG ISSUED UNDER THE PROGRAMME

1. Risks related to the financial situation of the Issuer and of the Group

Risks associated with the impact of current macroeconomic uncertainties and the effects of the COVID-19 pandemic outbreak and recent geopolitical tensions with Russia

The financial markets and the macroeconomic and political environment of the countries in which UniCredit operates have been impacted by non recurrent phenomena e.g.: i) Russia-Ukraine conflict and ii) the viral pneumonia known as "Coronavirus" ("COVID-19"). Both had and could continue to have a negative impact on the performance of the Group. As a matter of fact, the macroeconomic uncertainty has particularly increased due to the heightened geopolitical tension between Russian Federation and Ukraine. The Russia-Ukraine crisis has caused a sharp rise in commodities prices and inflationary pressure, further global supply-chain disruption, a tightening of financial conditions, heightened uncertainty, and a sharp drop in consumer confidence. As inflation builds up due to the increase in energy price and the supply disruptions, ECB is changing its monetary stance (Deposit Facility rate: -50 bps in June 2022, 0 bps in July, 75 bps in September, 150 bps in October, 200 bps in December, 250 bps in February 2023, 300 bps in March, 325 bps in May) and market is repricing interest rate expectations. The outlook is still surrounded by risks further tensions on commodity prices cannot be excluded and an upsurges in the ongoing Russia-Ukraine conflict cannot be ignored. Therefore, the expectations regarding the performance of the global economy remains still uncertain in both the short and medium term. The current environment, characterized by highly uncertain elements as above

mentioned could generate a worsening of the loan portfolio quality, followed by an increase of the non-performing loans and the necessity to increase the provisions to be charged to the income statement.

The adequate operative answer and the prudential management ensured by the Group during 2020 to face the crisis emerging from the COVID-19 pandemic, allowed in 2021 to reach a performance improvement. In fact, the Group recorded a Euro 822 million increase in revenues to Euro 17,954 million for the year ended 31 December 2021 from Euro 17,132 million for the corresponding period of 2020, sustained mainly by higher commissions and trading profit.

UniCredit's Loan Loss Provisions ("LLPs") decreased by Euro 3,362 million to Euro 1,634 million as at 31 December 2021 from Euro 4,996 million as at 31 December 2020. Therefore, the cost of risk ("CoR") in the 2021 was 37 bps, decreased compared to the past year (105 bps).

UniCredit's LLPs, excluding Russia, decreased by 36.5 per cent Y/Y to Euro 1,012 million in FY22. Therefore, the cost of risk, excluding Russia, decreased by 14 bps Y/Y to 23 bps in FY22.

UniCredit's LLPs in FY22 amounted to Euro 1,894 million. Therefore, the CoR in FY22 was equal to 41 bps.

UniCredit's LLPs decreased by 82.5 per cent Q/Q and 92.8 per cent Y/Y to Euro 93 million in 1Q23. Therefore, the cost of risk decreased by 38 bps Q/Q and 105 bps Y/Y to 8 bps in 1Q23.

Revenues were up 4.8 per cent Y/Y to Euro 18.0 billion in FY21 with fees (+12.1 per cent Y/Y), trading income up +16 per cent Y/Y and dividends and other income from equity investments + 25.2 per cent, more than offsetting lower net interest income ("NII") (-4 per cent Y/Y).

The Group, excluding Russia, has delivered record revenue growth driven by a favourable interest rate environment and strong commercial momentum, this has resulted in Euro 18.1 billion in FY22, an increase of 14.7 per cent year on year. In FY22 NII grew 16.0 per cent year on year to Euro 9.9 billion.

In 1Q23 the Group has delivered revenue growth driven by a favourable interest rate environment combined with management of deposit beta and strong commercial momentum. This has resulted in Euro 5.8 billion of net revenues, an increase of 56.5% year on year. It reflects consistent quality growth, delivering on all key levers across all businesses, underpinned by net interest income of Euro 3.3 billion, Euro 2.0 billion of fees, Euro 2.3 billion in costs and Euro 0.1 billion loan loss provisions. Net of the TLTRO, Tiering and Excess liquidity fee contribution booked in 4Q22, net revenues grew 22.3% quarter on quarter and grew 65.4% year on year underpinned by the strength of the commercial franchise and progress on the industrial transformation.

In details¹: FY21 NII was down 4 per cent. Y/Y to Euro 9.1 billion, as a result of lower loans volumes and customer rates; fees were at Euro 6.7 billion, up 12.1 per cent. FY/FY, mainly due to investment fees. FY21 trading income was up 16.0 per cent. FY/FY at Euro 1.6 billion, of which Euro 1.3 billion is customer driven, increasing thanks to Valuation adjustments (“XVA”²) and Fair Value (“FV”) valuation. Also dividends were up, +25.2 per cent. FY/FY to Euro 520 million, with a higher contribution from Yapi Kredi (+Euro 18 million FY/FY).

In FY22 NII was at Euro 9.9 billion, a 16.0 per cent increase, benefiting from higher loan rates and increased commercial activity, exceeding the above Euro 9.7 billion FY22 guidance.

In FY22, fees stood at Euro 6.8 billion, a 0.8 per cent increase Y/Y, a resilient outcome thanks to the diversified fee mix. FY22 trading income stood at Euro 2.1 billion, up 37.1 per cent Y/Y driven by corporate demand for hedging products as well as contribution from disposal of bonds in Italy and Germany.

In 1Q23, NII stood at Euro 3.3 bn, down 3.4% Q/Q and up 43.6% Y/Y. Net of Euro 415 m of TLTRO, Tiering and Excess liquidity fee contribution in 4Q22, NII was up 10.0% Q/Q thanks to the contribution from all business divisions with management of the deposit pass-through combined with supportive rates development. In particular, the Q/Q as well as the Y/Y trend was driven by higher customer loan rates, together with better results in Treasury & Markets, particularly in the investment portfolio in Italy, Germany and Central Europe. Net of the TLTRO, Tiering and Excess liquidity fee contribution, NII was up 57.4% Y/Y.

Fees stood at Euro 2.0 bn in 1Q23, up 10.7% Q/Q thanks to better investment fees in Italy and better financing fees in Germany and Italy; and down 2.0% Y/Y, driven by a decline in investment and financing related fees, partially compensated by better transactional fees. Fees are well diversified and balanced.

Trading income stood at Euro 500 m in 1Q23, up 17.2% Q/Q driven by high demand on client risk management products in Germany and XVA dynamics and down 14.8 Y/Y, affected by the Treasury result in Italy and Germany, more than offsetting the positive client driven trading income results.

For further information in relation to the net write-downs on loans, please see the consolidated financial statements of UniCredit as at 31 December 2021, the consolidated financial statements of UniCredit as at 31 December 2022 and the unaudited consolidated Interim Report as at 31 March 2023.

As recently highlighted by ECB (in March 2023), also considering the positive surprise of the fourth quarter of 2022 for GDP growth, the outlook did not suggest stronger underlying growth momentum also despite the improved energy supply and prices. The adverse

¹ 2022 data excluding Russia.

² Valuation adjustments (XVA) include: Debt/Credit Value Adjustment (DVA/CVA), Funding Valuation Adjustments (FuVA) and Hedging desk.

inflationary impact on real disposable income is expected to impede notable growth in household spending, despite still strong fiscal support.

The world is still in a volatile and challenging period: economic, geopolitical, and ecological changes all impact the global outlook. Inflation higher than seen in several decades, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the potential risk of the COVID-19 pandemic all weigh heavily on the outlook. Normalization of monetary and fiscal policies that delivered unprecedented support during the pandemic (potentially affecting the sustainability of the sovereign debt of certain countries) is cooling demand as policymakers aim to lower inflation back to target. The global economy's future health rests critically on the successful calibration of monetary policy, the course of the war in Ukraine, and the possibility of further pandemic-related supply-side disruptions, for example, in China.

In this context of persisting uncertainty and volatility as explained above (and impacting also on financial markets and interest rates), UniCredit group has defined different macro-economic scenarios, to be used for the purposes of the evaluation processes of consolidated Financial Report as at 31 December 2022. In particular, in addition to the "Baseline" scenario, which reflects the expectations considered most likely concerning macro-economic trends, alternative scenarios have been outlined that assume different trends in the main macro-economic parameters. Such updated scenarios were considered for the valuation of credit exposures and deferred tax assets.

For further information in relation to macroeconomic scenario adopted for the evaluation of the credit exposures and at the basis of the Deferred Tax Assets ("DTAs") sustainability test please see the consolidated Financial Report as at 31 December 2022: Notes to the consolidated accounts - Part A Accounting policies – A1 General – Section 2 General preparation criteria.

In 1Q2023 specific analyses were performed with the aim to evaluate whether the scenarios used as of 31 December 2022 - for the purposes of the evaluation process of the DTAs and credit exposures subject to valuation uncertainties - were still valid or, conversely, which adjustments should have been put in place to properly reflect the updated economic environment. For additional information refer to Consolidated Interim Report as of 31 March 2023 – Press release dated 3 May 2023 - Basis of Preparation.

On 9 December 2021 UniCredit presented to the financial community its new Strategic Plan, which included a set of strategic and financial objectives that considered the underlying scenario and resulted from the assessment performed at that time.

The macro assumptions underlying the Strategic Plan excluded unexpected materially adverse developments such as the Russia-Ukraine conflict and worsening of the COVID-19 pandemic, situations that UniCredit is monitoring closely³.

³ From Strategic Plan presentation: Macro assumptions in the Strategic Plan consider the recent and still existing impacts of COVID-19 with a gradual normalization over the upcoming years. The scenario does not assume that the current COVID-19 situation will develop in a particularly negative way in the upcoming years.

For further information on the risks associated with the Strategic Plan, see Risk Factor “*Risks connected with the Strategic Plan 2022 – 2024*”.

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

Risks connected with the Strategic Plan 2022 – 2024

On 9 December 2021, UniCredit presented to the financial community in Milan the 2022-2024 Strategic Plan called “*UniCredit Unlocked*” (the “**Strategic Plan**” or “**Plan**”) which contains a number of strategic, capital and financial objectives (the “**Strategic Objectives**”). The Strategic Plan focuses on UniCredit’s geographic areas in which the Bank currently operates; with financial performance driven by three interconnected levers: cost efficiency, optimal capital allocation and net revenue growth.

“*UniCredit Unlocked*” delivers strategic imperatives and financial ambitions based on six pillars. Such strategic imperatives and financial ambitions regard: (i) the growth in its regions and the development of its client franchise, changing its business model and how people operate; (ii) the delivery of economies of scale from its footprint of banks, transforming the technology leveraging Digital & Data and embedding sustainability in all that UniCredit does; (iii) driving financial performance via three interconnected levers.

Sustainability is embedded in the Plan and UniCredit commits to deliver on ESG target and policies. Specifically, UniCredit: has established an ESG advisory model for Corporates and Individuals; is financing innovation for environmental transition; and is partnering with key players to enrich and improve ESG offerings across-sectors.

New business model allows for strong organic capital generation⁴ with materially increased and growing shareholder distributions⁵, consisting in cash dividends and share buybacks, while maintaining a robust CET1 ratio.

Although the Plan is based primarily through management actions, thanks to its geographical positioning UniCredit assumed the following at the time of disclosure of the Plan: (i) a conservative interest rate scenario based on a broadly stable Euribor 3 month rate over the 3 years of the MYP; (ii) the combination of its countries was expected to deliver GDP growth⁶ above the eurozone average over the course of the Plan, helped by its Central and Eastern European positioning; (iii) Central and Eastern Europe loan growth was

⁴ Organic capital generation means CET1 evolution deriving from (i) stated net profit excluding DTA from tax loss carry forward contribution and (ii) RWA dynamic net of regulatory headwinds.

⁵ Shareholder distribution subject to supervisory & shareholder approvals and inorganic options.

⁶ Average of yearly changes.

expected at a multiple of GDP due to the relatively low maturity of the market; (iv) UC countries had theoretical access to approximately 50 per cent of the overall fund disbursement of the Recovery and Resilience Fund allocation.

The macro assumptions underlying the Strategic Plan disclosed in December 2021 excluded unexpected materially adverse developments such as the Russia-Ukraine conflict and worsening of the COVID-19 pandemic, situations that UniCredit is monitoring closely³.

The Plan is based on six pillars:

- Optimise: improving operational and capital efficiency, with gross cost savings, considering also Digital & Data, and a contribution to CET1 ratio from active portfolio management; expect RWA to decrease over the course of the Plan as active portfolio management more than offsets impact of organic growth and expected regulatory headwinds and thanks to additional risk and business levers;
- Invest: cash investments in Digital & Data, new hires in Business and Digital & Data, targeted growth initiatives including ESG; gross integration costs impact from: Team23 acceleration, technology benefit and simplification & streamlining;
- Grow: increasing net revenues in the period 2021-2024, thanks to of all the optimisation UniCredit is undertaking, and underlying focus on quality growth;
- Return: increasing in 2024;
- Strengthen: maintain solidity thanks to revised CET1 ratio target, decrease in gross NPE ratio and stable net NPE ratio in 2024;
- Distribute: higher distribution consistently with organic capital generation^{4,5} from net profit and RWA evolution.

UniCredit's ability to meet the Strategic Objectives and all forward-looking statements relies on a number of assumptions, expectations, projections and provisional data concerning future events and is subject to a number of uncertainties and additional factors, many of which are outside the control of UniCredit. There are a variety of factors that may cause actual results and performance to be materially different from the explicit or implicit contents of any forward-looking statements and thus, such forward-looking statements are not a reliable indicator of future performances.

The future financial results could be influenced by the dynamics of the COVID-19 and moreover macroeconomic uncertainty increased as a result of the heightened geopolitical tension between Russian Federation and Ukraine. The Russia-Ukraine crisis has caused a sharp rise in commodities prices and inflationary pressure, further global supply-chain disruption, a tightening of financial conditions, heightened uncertainty, and a sharp drop in consumer confidence. As inflation builds up because of the increase in energy price and the supply disruptions, ECB is changing its monetary stance and market is repricing interest rate expectations. The outlook is surrounded by risks which were not foreseeable at the date of the Strategic Plan presentation, and which are still uncertain.

UniCredit after having updated the macroeconomic assumptions connected with the determination of LLPs in December 2021 has further updated the macroeconomic assumptions with reference to Russia as at 1Q22 in light of a drop in GDP higher than those

expected under the negative scenario considered in December 2021 in accordance with International Financial Reporting Standards 9 (“IFRS9”). In 2Q22 the macroeconomic scenarios used for calculation of credit risk parameters (Probability of Default, Loss Given Default, Exposure at Default) were updated, according to the Group policies, for all the Regions in which UniCredit operates. With reference to the 3Q22 a comparison between the scenarios used in the evaluation process of credit exposures as at 30 June 2022 and the updated macro-economic scenario released in September 2022 by UniCredit Research was performed. Considering the limited decrease in GDP evolution between the periods, the IFRS9 macro-economic scenario was not updated as at 30 September 2022. In 1Q23 an updated base case macro scenario has been disclosed in line with revised expectations.

For the 1Q23, reflecting UniCredit’s historically prudent approach on classification and provisioning, the cost of risk is 8 basis points. Cost of risk, excluding Russia, is expected in the 30 to 35 basis points range over the plan period.

Furthermore, should any of the assumptions turn out to be inaccurate and/or the circumstances envisaged not be fulfilled, or fulfilled only in part or in a different way to that assumed, the ability to meet the Strategic Objectives may be negatively impacted.

Given the inherent uncertainty surrounding any future event, both in terms of the event’s occurrence as well as eventual timing, the differences between the actual values and the Strategic Objectives could be significant. Any failure by the Group to implement the Strategic Plan or meet the Strategic Objectives may have a material adverse effect on UniCredit’s business, financial condition or results of operations. Assumptions by their nature are inherently subjective and the assumptions underlying the Strategic Objectives could turn out to be inaccurate, in whole or in part, which may mean that UniCredit is not able to fulfil the Strategic Plan. If this were to occur, the actual results may differ significantly from those set forth in the Strategic Objectives, which could have a material adverse effect on UniCredit's business, results of operations, financial condition or capital position.

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

The Issuer evaluates that the materiality of such risk shall be high.

Credit risk and risk of credit quality deterioration

The activity, financial and capital strength and profitability of the UniCredit Group depend, among other things, on the creditworthiness of its customers. In carrying out its credit activities, the Group is exposed to the risk that an unexpected change in the creditworthiness of a counterparty may generate a corresponding change in the value of the associated credit exposure and give rise to the partial or total write-down thereof.

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

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

As at 31 March 2023, Group gross NPEs were down by 29.2 per cent Y/Y and up by 0.4 per cent Q/Q to Euro 12.6 billion in 1Q23 (while as at 31 December 2022 they were equal to Euro 12.5 billion) with gross NPE ratio of 2.7 per cent. (-1.1 p.p. Y/Y, flat Q/Q).

As at 31 March 2023, Group Net NPEs stood at Euro 6.5 billion stable compared to 31 December 2022 which attested at Euro 6.5 billion (Group Net NPE ratio stable compared to 31 December 2022 and is equal to 1.4 per cent.).

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

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

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

Starting from the year 2015 the overall reduction of the Group NPE amounted to about Euro 65 billion, moving from Euro 77.8 billion of 2015 to Euro 12.6 billion of 1Q23 (Euro 12.5 billion of 2022). This amount includes the loans disposed of through Project Fino in July 2017 and IFRS 5 positions if any.

According to the Strategic Plan 2022-2024, the Group will continue to manage NPEs proactively to optimise value and capital.

The current environment continues to be characterised by highly uncertain elements, with the possibility that the slowdown of the economy, jointly with the termination of the safeguard measures, such as the customer loans moratorium, generates a worsening of the

loan portfolio quality, followed by an increase of the non-performing loans and the necessity to increase the provisions to be charged to the income statement.

Unicredit's Loan Loss Provisions ("LLPs") decreased by 82.5 per cent Q/Q and 92.8 per cent Y/Y to Euro 93 million in 1Q23. Therefore, the cost of risk decreased by 38 bps Q/Q and 105 bps Y/Y to 8 bps in 1Q23. The Group kept the amount of overlays on performing exposures flat Q/Q at circa 1.8 billion, which substantially reinforces the Group's capacity to withstand macroeconomic shocks.

It is worth pointing out that the measurement is affected by the already mentioned effect of the relief measures and, ultimately, the existence and degree of economic recovery. The evolution of these factors may, indeed, require in future financial years the classification of additional credit exposures as non-performing thus determining the recognition of additional loan loss provisions related to both these exposures as well as performing exposures following the update in credit parameters.

The Group has adopted procedures, rules and principles aimed at monitoring and managing credit risk at both individual counterparty and portfolio level. However, there is the risk that, despite these credit risk monitoring and management activities, the Group's credit exposure may exceed predetermined risk's levels pursuant to the procedures, rules and principles it has adopted.

The Issuer evaluates that the materiality of both the credit risk and the risk of credit quality deterioration shall be medium-high.

For further information in relation to the net write-downs on loans, please see the consolidated financial statements of UniCredit as at 31 December 2022 and the unaudited consolidated Interim Report as at 31 March 2023.

Risks associated with the Group's exposure to sovereign debt

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

With reference to the Group's sovereign exposures, the book value of sovereign debts securities as at 31 March 2023 amounted to Euro 99,236 million (as at 31 December 2022 it amounted to Euro 99,103 million), of which over the 79 per cent was concentrated in eight countries, including: Italy with Euro 35,102 million (at 31 December 2022 it amounted to Euro 34,826 million), representing over 35 per cent of the total (over 35 per cent at 31 December 2022) and about 4 per cent of the Group total assets (over 4 per cent at 31 December 2022); Spain with Euro 13,906 million; Japan with Euro 8,416 million; United States of America with Euro 6,913 million; Germany with Euro 6,608 million; Austria with Euro 2,706 million; Czech Republic with Euro 2,587 million and Romania with Euro 2,554 million.

As at 31 March 2023, the remaining 21 per cent of the total sovereign exposures in debt securities, equal to Euro 20,444 million as recorded at the book value, was divided between 33 countries, including: France (Euro 2,282 million), Bulgaria (Euro 2,176 million), Croatia (Euro 1,921 million), Portugal (Euro 1,611 million), Hungary (Euro 1,536 million), Israel

(Euro 1,112 million), Ireland (Euro 954 million), Serbia (Euro 934 million), Poland (Euro 915 million), Russia (Euro 760 million) and China (Euro 690 million).

With respect to these exposures, as at 31 March 2023, there were no indications that defaults have occurred and the Group is closely monitoring the evolution of the situation.

With particular reference to the book value of the sovereign debt securities exposure to Russia it should be noted that Euro 757 million are held by the Russian controlled bank in local currency and almost totally classified in the banking book.

Note that the aforementioned remaining of the sovereign exposures held as at 31 March 2023 also included debt securities relating to supranational organisations, such as the European Union, the European Financial Stability Facility and the European Stability Mechanism, worth Euro 3,652 million (as at 31 December 2022 it amounted to Euro 3,241 million).

In addition to the Group's sovereign exposure in debt securities, there were also loans issued to central and local governments and government bodies, amounting to Euro 25,815 million as at 31 March 2023 (as at 31 December 2022 it amounted to Euro 25,321 million).

Risks relating to deferred taxes

Deferred Tax Assets (“DTAs”) and liabilities are recognized in the consolidated financial statements according to accounting principle IAS 12. As of 31 December 2022, DTAs amounted in aggregate to Euro 11,848 million, of which Euro 5,793 million may be converted into tax credits pursuant to Law No. 214 of 22 December 2011 (“**Law 214/2011**”). As of 31 December 2021, DTAs totally amounted to Euro 11,726 million, of which Euro 6,313 million available for conversion to tax credits pursuant to Law 214/2011. Under Law 214/2011, DTAs related to loan impairments and loan losses, or to goodwill and certain other intangible assets, may be converted into tax credits if the company has a full-year loss in its non-consolidated accounts relating to convertible DTAs (to which such convertible DTAs relate) (“**Convertible DTAs**”). Under the conversion into tax credits, Convertible DTAs recognized in the accounts of the company with the non-consolidated full-year loss, and a proportion of the deferred tax credits are converted in accordance with a ratio between the amount of the full-year loss and the company’s shareholders’ equity.

Law 214/2011 also provides for the conversion of Convertible DTAs if there is a tax loss on a non consolidated basis. In such circumstances, the conversion of the Convertible DTAs is recognized in the financial statements against the tax loss, limited to the loss generated from the deduction of the same categories of negative income components (loan impairments and loan losses, or related to goodwill and other intangible assets).

As at 31 December 2022, the remaining Deferred Tax Assets (i.e., DTAs non convertible into tax credits) are related to costs and write offs deductible in future years, for Euro 2,931 million (net of related deferred tax liabilities), and to tax losses carried forward (“**TLCF**”) for Euro 3,124 million. DTAs on TLCF are mainly related to UniCredit S.p.A. for Euro 2,428 million (of which Euro 650 million booked at the end of 2022 following the sustainability test), to UniCredit S.p.A. for Euro 211 million tax credit IRAP deriving from the conversion of so called *Aiuto alla Crescita Economica* (ACE), to UniCredit Bank Austria AG for Euro 369 million (of which Euro 196 million booked during 2022 following

the confirmation by Austrian Tax Authority and related to previous business deals), to UniCredit Leasing S.p.A. for Euro 76 million.

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

At Group level total not recognized DTAs TILCF are equal to Euro 2,061 million mainly referred to UniCredit S.p.A. for Euro 1,490 million, to UniCredit Leasing S.p.A. for Euro 267 million, to UniCredit Bank AG and its subsidiaries for Euro 194 million and to UniCredit Bank Austria AG and its subsidiaries for Euro 78 million.

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

2. Risks related to the business activities and industry of the Issuer and of the Group

Liquidity Risk

Liquidity risk refers to the possibility that the UniCredit Group may find itself unable to meet its current and future, anticipated and unforeseen cash payment and delivery obligations without impairing its day-to-day operations or financial position. The activity of the UniCredit Group is subject in particular to funding liquidity risk, market liquidity risk, mismatch risk and contingency risk.

The most relevant risks that the Group may face are:

- i. an exceptionally high usage of the committed and uncommitted lines granted to corporate customers;
- ii. an unusual withdrawal of sight deposits by UniCredit's retail and corporate customers;
- iii. the decline in the market value of the securities in which UniCredit invests its liquidity buffer;
- iv. the capacity to roll over the expiring wholesale funding and the potential cash or collateral outflows the Group may suffer in case of rating downgrades of both the banks or the sovereign debt in the geographies in which it operates.

In addition to this, some risks may arise from the limitations applied to the cross-border lending among banks.

Funding liquidity risk refers to the risk that the Issuer may not be able to meet its payment obligations, including financing commitments, when these become due. In light of this, the availability of the liquidity needed to carry out the Group's various activities and the ability

to fund long-term loans are essential for the Group to be able to meet its anticipated and unforeseen cash payment and delivery obligations, so as not to impair its day-to-day operations or financial position.

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

- the short-term indicator Liquidity Coverage Ratio (“**LCR**”), which expresses the ratio between the amount of available assets readily monetizable (cash and the readily liquidable securities held by UniCredit) and the net cash imbalance accumulated over a 30-day stress period; the indicator is subject to a minimum regulatory requirement of 100 per cent.; and
- the 12-month structural liquidity indicator Net Stable Funding Ratio (“**NSFR**”), which corresponds to the ratio between the available amount of stable funding and the required amount of stable funding.

As of December 2022, the LCR of the Group was equal to 161 per cent., whereas at 31 December 2021 was equal to 182 per cent. (calculated as the average of the 12 latest end of month ratios). As of December 2022, the NSFR was above the internal limit of 102 per cent., as at 31 December 2021, set in the risk appetite framework.

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

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

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

The slowdown in economic activity caused by lockdowns across Europe and the measures the Governments have taken to face the effects of the health and economic emergency impacted the Group operations in the different countries of its perimeter. The business continuity management plans were activated in order to ensure the regular execution of

Treasury activities and the proper information flows to the senior management and the Supervisors. Despite the overall liquidity situation of the Group is safe and under constant control, some risks may materialize, 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 and the measures announced by the ECB, which have granted a higher flexibility in the management of the current liquidity situation by leveraging on the available liquidity buffers. In fact, due to the financial market crisis, followed also by the reduced liquidity available to operators in the sector, the ECB has implemented important interventions in monetary policy, such as the "Targeted Longer-Term Refinancing Operation" ("TLTRO") introduced in 2014 and the TLTRO II introduced in 2016. It is not possible to predict the extension of the duration and the amounts with which these liquidity support operations can be repeated in the future, with the result that it is not possible to exclude a reduction or even the cancellation of this support. This would result in the need for banks to seek alternative sources of borrowing, without ruling out the difficulties of obtaining such alternative funding as well as the risk that the related costs could be higher. Such a situation could therefore adversely affect UniCredit's business, operating results and the economic and financial position of UniCredit and/or the Group.

As of 31 December 2022, following the early repayment for Euro 29 billion by December 2022, UniCredit group still retains Euro 77.8 billion of TLTRO III, with the main tranche maturing in June 2023 and the additional one to be repaid in March 2024. As of 31 December 2022 UniCredit Group had other minor refinancing operation in place other than TLTRO III in the subsidiaries in Eastern Europe.

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

TLTRO III

Effect from	Maturity	Amounts (Euro billion)
24 June 2020	28 June 2023	65.2
24 March 2021	27 March 2024	12.6
Total		77.8

Risk related to the property market trends

The UniCredit Group is exposed to risks relating to the property market as a result of its significant property portfolio (both in Italy and abroad), as well as due to loans granted to companies operating in the commercial real estate market, whose cash flow is generated mainly by the rental or sale of commercial properties, and loans to individuals secured by real estate property. A downturn in property prices, also in light of COVID-19 pandemic or in case the Russian-Ukrainian crisis, may cause to the UniCredit Group to have to recognize reduction in the value of the property owned where book value is higher than market value,

with possible material adverse effects on UniCredit's business, capital and results of operations.

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

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

As at 31 December 2022 fair value of both properties held for investment and properties used in business was re-determined through external appraisals following the Group guidelines.

For the year end 2022, a positive effect for Euro 109 million gross of tax effect has been recognised, as detailed below:

- for real estate assets used in business (booked in item "90. Property, plant and equipment"), the recognition of an increase in the specific valuation reserve for an amount of Euro 92 million. In addition to this increase, gains for Euro 11 million were recognised in the income statement gross of tax effect;
- for real estate assets held for investment (booked in item "90. Property, plant and equipment"), the recognition of an income statement result positive for Euro 6 million gross of tax effect.

It is worth to mention that the valuation of properties at current values implies a possible risk of volatility as well as an increase of the so-called real estate risk. By reference to the real estate units held as at 31 December 2022 and their corresponding market value overall equal to Euro 5,890 million, has been estimated a sensitivity to the increase/decrease in real estate values of +/-1 per cent. equal to approximately Euro 59 million corresponding to approximately +/-2 basis point of CET1 ratio.

Moreover, the measurement of inventories of property, plant and equipment to the lower between cost and net realizable value has determined the recognition of a net write-down for - Euro 3 million.

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

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

The Group's business is closely connected to the Italian economy (43 per cent. of revenues in FY22) and could, therefore, be negatively impacted by any changes in the macroeconomic environment considering the recent geopolitical developments, energy and core inflation increase.

The UniCredit Group operates and has a significant presence also in Germany (which accounted for 24 per cent. of UniCredit's total revenues in FY22), as well as in Central Europe (17 per cent. including Austria, Czech Republic, Hungary and Slovenia) and in Eastern Europe countries (10 per cent. including Croatia, Bulgaria, Romania, Bosnia and Serbia) 6 per cent. of revenues in FY22 from Russia. The risks and uncertainties to which UniCredit is exposed are of a different nature and magnitude depending on the country, and whether or not the country belongs to the European Union, which is one of the main factors taken into consideration when evaluating these risks and uncertainties.

A deterioration in the macroeconomic conditions in Western Europe, an increase in the volatility of their capital markets, a significant increase in the cost of funding, the end of the current period of ready availability of liquidity in the respective markets or an increase in political instability could create a difficult operating environment and have a negative impact on UniCredit's profitability, as well as UniCredit's assets and operations, balance sheet and/or income statement.

CE & EE countries have also historically featured volatile capital and foreign exchange markets, as well as a certain degree of political, economic and financial instability (which for certain countries might increase due to spillover effects of the Russia-Ukraine conflict). In some cases, CE & EE countries have a less developed political, financial and legal system, when compared to Western European countries. In countries where there is greater political instability, there is the risk of political or economic events affecting the transferability and/or limiting the operations of one or more of the UniCredit Group companies, as well as the risk that local governments could implement nationalization policies or introduce similar restrictions or other measures, which could directly affect Group companies and/or which could have negative consequences on UniCredit's assets and operations, balance sheet and/or income statement.

In addition, UniCredit geographic presence implies risks related to negative effects of Russia-Ukraine conflict. In the extreme scenario, where the entirety of UniCredit's maximum exposure is non-recoverable and zeroed, UniCredit capital position would allow to absorb such impact while still having a solid capital position. Whilst UniCredit does not consider this extreme scenario as base case, it is closely monitoring the developments in the country, in full cooperation with regulators, and with dedicated cross expert teams which defined robust and tested contingency plans, and it is taking a prudent and sustainable approach to distributions. UniCredit continues to dynamically manage its risk exposure, whilst constantly assessing the potential impact of the conflict on global GDP and public policies.

Market risks

The UniCredit Group is exposed to Market Risk. Market risk derives from the effect that changes in market variables (interest rates, securities prices, exchange rates, etc.) can cause

to the economic value of the Group's portfolio, including the assets held both in the Trading Book, as well as those posted in the Banking Book, both on the operations characteristically involved in commercial banking and in the choice of strategic investments.

Specifically, the Trading book is defined as all positions in financial instruments and commodities held either with trading intent, or in order to hedge positions held with trading intent. Books held with trading intent are composed of:

- positions arising from client servicing and market making;
- positions intended to be resold in the short term;
- positions intended to benefit from actual or expected short-term price differences between buying and selling prices or from other price or interest rate variations.

In addition, Trading book may include internal or intra-group hedging derivatives transferring risk from Banking book into Trading book, entitled to manage the relevant risk and having access to the derivatives market.

The essential requirement for the Regulatory Trading book assignment is a clear "trading intent" which the trader has to commit to and has to confirm on an ongoing basis. Additionally, the so called "tradability", "marketability" and "hedge-ability" requirements have to be assessed in order to evaluate the appropriateness for the Trading book assignment. The financial instruments (an asset or a liability, cash or derivative) held by the Group are exposed to changes over time driven by moves of market risk factors. The market risk factors are classified in the following five standard market risk asset classes:

- Credit risk: the risk that the value of the instrument decreases due to credit spreads changes, issuer correlation and recovery rates;
- Equity risk: the risk that the value of the instrument decreases due to increase/decrease of index/stock prices, equity volatilities, implied correlation;
- Interest rate risk: the risk that the value of the instrument decreases due to interest rates changes, basis risk, interest rates volatility;
- Currency risk: the risk that the value of the instrument decreases due to foreign exchange rates changes, foreign exchange rates volatility;
- Commodity risk: the risk that the value of the instrument decreases due to changes of the commodity prices, for example gold, crude oil, commodity prices volatility.

Market risk in UniCredit group is measured and limited mainly through two sets of metrics: Broad Market Risk measures and Granular Market Risk measures.

As at 30 December 2022 RWA (Risk-Weighted Assets) for Market Risk (excluding credit valuation adjustments - CVA Risk) amounted to Euro 10.2 billion out of a total of Euro 308.5 billion of Total Group RWA. Total Market Risk RWA (excluding CVA Risk) are split between the part calculated under the internal model (Euro 5.95 billion) and the standardised approach (Euro 3.89 billion) and settlement risk (Euro 0.06 billion). In addition, starting from December 2019 an additional capital requirement has been added, amounting to Euro 299.77 million as of 30 December 2022.

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

Interest rate fluctuation and exchange rate risk

The interest rate banking book, earnings and economic value are exposed to: changes in interest rates that may have a negative impact in the value and interest flows of the assets and liabilities held by the Group; changes in the behavioural models; changes in the basis of Interest rate curves tenors and changes of the Interest rate volatilities.

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

The UniCredit Group implements also a hedging policy of risks related to the fluctuation of interest rates. Such hedges are based on estimates of behavioural models and interest rate scenarios which could have an impact on the activity, operating results and capital and financial position of the Group.

For further information, please see the consolidated financial statements of UniCredit as at 31 December 2022, Part E – Information on risks and hedging policies, incorporated by reference herein.

Operational risk

The UniCredit Group is exposed to operational risk. Operational risk also includes legal risk and compliance risk, but not strategic risk and reputational risk. The main sources of operational risk statistically include the instability of operating processes, poor IT security, excessive concentration of the number of suppliers, changes in strategy, fraud, errors, recruitment, staff training and loyalty and, lastly, social and environmental impacts. It is not possible to identify one consistent predominant source of operating risk.

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

The UniCredit Group has a framework for managing operational risks, comprising a collection of policies and procedures for controlling, measuring and mitigating Group operational risks. These measures could prove to be inadequate to deal with all the types of risk that could occur and one or more of these risks could occur in the future as a result of unforeseen events, entirely or partly out of UniCredit's control (including, for example, non-compliance of suppliers with their contractual obligations, fraud, deception or losses resulting from the disloyalty of employees and/or from the violation of control procedures, IT virus attacks or the malfunction of electronic and/or communication services, possible terrorist attacks). The realization of one or more of these risks could have material adverse effects on UniCredit's business, financial condition and results of operations.

Moreover, in the context of its operation, the UniCredit Group outsources the execution of certain services to third companies, regarding, *inter alia*, banking and financial activities, and supervises outsourced activities according to policies and regulations adopted by the

Group. The failure by the outsourcers to comply with the minimum level of service as determined in the relevant agreements might cause adverse effects for the operation of the Group.

The UniCredit Group has always invested a lot of efforts and resources in upgrading its IT systems and improving its defence and monitoring systems. Based also on the Strategic Plan 2022-2024, digitalisation is at the heart of Bank's strategy and its ultimate ambition is to be a truly digital bank. Operational risk remains a significant focus for the Group, with reinforced controls of business and governance process across all legal entities and with a permanent optimisation of work process. However, possible risks remain with regards to the reliability of the system, the quality, integrity and confidentiality of the data managed, increasing of digital exposure and the continuously evolving threats landscape to which IT systems are subject, as well as physiological risks related to the management of software changes (change management), which could have negative effects on the operations of the UniCredit Group, as well as on the capital and financial position of the Issuer and/or the Group.

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

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

With reference to the insufficient lawful basis, the European Court of Justice, in its July 2020 decision⁷, confirmed the validity of Standard Contract Clauses as an instrument of transfer/lawful basis, but added the responsibility, on the "exporter" of the personal data, to assess whether the country of destination of the data offers a level of protection of the rights

⁷ Judgment in Case C 311/18, Data Protection Commissioner v Facebook Ireland and Maximillian Schrems, that invalidated the adequacy decision of personal data protection provided by the "EU-US Data Protection Shield".

and freedoms of the data subject equivalent to the one guaranteed in Europe, by Regulation (EU) 2016/679. Moreover, the European Data Protection Board has stated, in documents released after the decision, that even simple access to the data (i.e., by an employee of the third company engaged for IT platform maintenance activities) may constitute a transfer of personal data. Thus, the potential risk is that personal data may be processed by third parties, appointed as Data Processor, from countries outside the European Economic Area without the presence of Standard Contract Clauses and/or without an adequate assessment by the data controller of the privacy rules in the destination country.

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

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

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

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

Risks connected with legal proceedings

Risks connected with legal proceedings in progress

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

companies involved, deemed appropriate based on the circumstances and in accordance with IAS.

To provide for possible liabilities and costs that may result from pending legal proceedings (excluding labour law and tax cases), as of 31 December 2022, the UniCredit Group set aside a provision for risks and charges of Euro 620.97 million, of which Euro 296.2 million for the parent company UniCredit S.p.A. As of 31 December 2022, the total amount of claimed damages relating to judicial proceedings other than labour, tax and debt collections proceedings was Euro 7.5 billion, of which approximately Euro 5.2 billion for the proceedings involving the parent company UniCredit S.p.A. This figure is affected by both the heterogeneous nature of the pending proceedings and the number of involved jurisdictions and their corresponding characteristics in which UniCredit Group companies are named as defendants.

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

For further information in relation to the single legal and arbitration proceedings please see Section headed “*Legal and Arbitration proceedings*” in the “*Description of the Issuer*” of this Prospectus.

Risks arising from tax disputes

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

As of 31 December 2021, the total amount of provisions for tax risks related to legal proceedings, inspections, and tax credits amounted to Euro 182.45 million, of which Euro 2.92 million for legal expenses. As of 31 December 2022, the total amount of provisions amounted to Euro 178.77 million, of which Euro 2.56 million for legal expenses.

As far as the tax inspections and tax disputes are concerned, in relation to 31 December 2022, reference is made to Section headed “*Legal and Arbitration proceedings*” of this Prospectus.

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

For further information in relation to the tax proceedings please see Section headed “*Legal and Arbitration proceedings*” in the “*Description of the Issuer*” of this Prospectus.

3. Risks connected with the legal and regulatory framework

Basel III and Bank Capital Adequacy

The Basel III framework has been implemented in the EU through new banking requirements: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the “**CRD IV Directive**”) and the Regulation 2013/575/EU (the “**CRR**”, and, together with the CRD IV Directive, the “**CRD IV Package**”) subsequently updated in the Regulation No. 876/2019 and Directive (EU) No. 2019/878 (the “**Banking Reform Package**” with CRR II and CRD V). In addition to the capital requirements under CRD IV, the BRRD introduces requirements for banks to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities (the “**Minimum Requirement for Own Funds and Eligible Liabilities**”, or “**MREL**”). The Issuer has to meet MREL requirements on a consolidated basis, as well as the total loss absorbing capacity requirement for globally systemically important institutions (“**TLAC**”), as established by the CRR II. The MREL and TLAC requirements involve similar risks. They constrain the structure of liabilities and require the use of subordinated debt, which have an impact on cost and potentially on the Issuer’s financing capacity.

Following the communication received by the Single Resolution Board (SRB) and the Bank of Italy in May 2022, the Issuer shall comply, on a consolidated basis, with an intermediate MREL equal to the 20.73 per cent. of Risk Weighted Assets (“**RWA**”) - plus the applicable Combined Buffer Requirement (“**CBR**”) - and 5.90 per cent. of leverage ratio exposures (“**LRE**”). Similarly, the Issuer has to comply with a subordinated MREL, i.e. to be met with subordinated instruments, equal to 11.79 per cent. RWA – plus the applicable CBR – and 5.68 per cent. LRE. From 1 January 2024, the consolidated MREL will become “fully loaded” and will be equal to 21.83 per cent. of RWA – plus the applicable CBR – and 5.90⁸ per cent. of LRE. The corresponding “fully loaded” MREL subordinated component will be equal to 15.53 per cent. of RWA plus applicable CBR and 5.77⁸ per cent. of LRE. Moreover, the Issuer shall comply with a TLAC requirement, that from 1 January 2022, is equal to the maximum between 18 per cent. of RWA – plus the applicable CBR – and 6.75 per cent. of LRE. For more information on the capital adequacy legislation applicable to the Issuer, please see Section headed “*Information about the Issuer*”, paragraph headed “*The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer*” of this Prospectus.

Article 513 of the CRR requires the European Commission to complete a review of the macroprudential provisions in the CRR and CRD by June 2022 and every five years thereafter, and, if appropriate, to submit a legislative proposal to the European Parliament and to the Council by December 2022 and every five years thereafter. At the time of this

⁸ LRE requirement defined and communicated by SRB in line with “SRB approach to CRR discretion on leverage and MREL calibration” published on 22 December 2021 and 7 March 2022.

Prospectus, no specific change of the regulatory reclassification of capital instruments is currently deemed reasonably foreseeable.

In December 2017 the Basel Committee on Banking Supervision (“**BCBS**”) concluded the review process of the models (for credit risk, counterparty risk, operational risk and market risk, the latter in January 2019) 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.

In October 2021, the European Commission published the Banking Package, by way of a regulation (CRR3), implementing the final Basel standards into the EU legislation with new rules for the calculation of risk weighted assets for credit, operational, Credit Valuation Adjustment (CVA) and market risks as well as the introduction of the Output floor. Going beyond Basel by way of a Directive (CRD6), the Commission also made some proposals on Environmental Social and Governance (ESG) Risks, Fit & Proper and Third-Country Branches. While the legislative iter is on-going, once agreed on the final text among the various stakeholders involved in the process (European Commission, European Parliament and EU Council) and once implemented in the Union, these regulatory changes will impact the entire banking system and consequently could determine changes in the capital calculation and increase capital requirements.

Capital Adequacy requirements

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

In December 2022, UniCredit has been informed by the ECB of its final decision concerning capital requirements following the results of its annual SREP (SREP 2022). With its decision the Single Supervisor has increased, compared to the SREP decision of the previous year, the Pillar 2 capital requirement by 25 basis points to 200 basis points. The Pillar 2 requirement (P2R) shall be held in the form of 56.25 per cent. of CET1 capital and 75 per cent. of Tier 1 capital, as a minimum. UniCredit is allowed to partially use Additional Tier 1 or Tier 2 instruments in order to comply with the Pillar 2 Requirements (P2R) instead of Common Equity Tier 1 (CET1) capital, in line with the latest revision of the Capital Requirements Directive (CRD V). The ECB has also communicated to UniCredit a Leverage ratio Pillar 2 Requirement (P2R-LR) equal to zero. As a consequence, UniCredit is

required to meet the following overall capital requirements (OCR) and overall leverage ratio requirement (OLRR) on a consolidated basis as of March 2023⁹:

- Common Equity Tier 1 ratio: 9.47 per cent.;
- Tier 1 ratio: 11.35 per cent.;
- Total Capital ratio: 13.85 per cent; and
- Transitional Leverage ratio: 3.5 per cent.

As of 31 March 2023, the consolidated CET1 Capital, Tier 1 and Total Capital Transitional ratios were equal to, respectively, 16.36 per cent, 18.40 per cent and 21.37 per cent. Therefore, CET1 Transitional ratio was exceeding the relevant requirement by 689 bps (so called MDA buffer).

From 30 June 2020 the Group has adopted the so-called transitional phase-in regarding the application of the IFRS9 accounting principle. As of 31 March 2023, the CET1 ratio Fully Loaded, i.e. calculated without considering the benefit arising from IFRS 9 Transitional arrangements, was equal to 16.05 per cent. exceeding by 658 bps CET1 ratio requirements.

As of 31 March 2023, the Transitional Leverage ratio was 5.56 per cent. Therefore, Transitional Leverage ratio was exceeding the relevant requirement by 206 bps.

In the first months of 2022 UniCredit participated to the ECB stress test on “Climate Risk” launched on 27 January. Such test represented a learning exercise for banks and supervisors alike, aiming to identify vulnerabilities, best practices and challenges that the banks face when managing climate-related risk. Importantly, this exercise had no direct implications for banks’ capital levels and the outcome was considered in the Supervisory Review and Evaluation Process from a qualitative point of view only. Aggregate results (no individual results) were published by the ECB in July 2022.

UniCredit is also taking part to the 2023 EU-wide stress test conducted by the European Banking Authority (“EBA”), in cooperation with the Single Supervisory Mechanism (“SSM”), the European Central Bank (“ECB”) and the European Systemic Risk Board (“ESRB”). The 2023 EU-wide stress test does not contain a pass/fail threshold as it is instead designed to be used as an important source of information for the purposes of the SREP. The results will assist Competent Authorities in assessing UniCredit's ability to meet applicable prudential requirements under stressed scenarios. The adverse stress test scenario was set by the ECB/ESRB and covers a three-year time horizon (2023-2025). The stress test has been carried out applying a static balance sheet assumption as of December 2022 and therefore does not consider future business strategies and management actions. The EBA

⁹ The reported OCR is based on the Countercyclical Capital Buffer as of March 2023. As of December 2022 previous to the increase of the Pillar 2 requirements the OCR is: Common Equity Tier 1 ratio 9.12 per cent; Tier 1 ratio: 10.95 per cent.; and Total Capital ratio: 13.38 per cent. The Countercyclical Capital Buffer (CCyB) depends on the credit exposures of UniCredit to countries where countercyclical capital ratios have been or will be set and on the respective requirements set by the relevant national authorities and therefore may vary on a quarterly basis over the reporting period. The reported OLRR includes the 3% minimum equal for all the banks and the 0.5% additional buffer for global systemically important bank specific to UniCredit.

plans to publish the results for the individual banks, including UniCredit, by the end of July 2023.

Furthermore, during the fourth quarter of 2022, EBA performed the annual EU-wide transparency exercise to provide updated information as of September 2021, December 2021, March 2022 and June 2022 on banks' exposures and asset quality to financial operators; EBA published the results in December 2022.

UniCredit, on 9 December 2021, presenting its 2022-2024 Strategic Plan “UniCredit Unlocked”, announced the aim to ensure a materially increased and growing remuneration in favour of the Shareholders over the course of the Plan, also by means of programmes for the purchase of ordinary shares of UniCredit.

Furthermore, on 31 January 2023, in connection with the Board of Directors communication of the consolidated Group results for the financial year ended on 31 December 2022, the Company announced the aim of remunerating the Shareholders for the financial year 2022 with an overall distribution up 40 per cent. versus the previous financial year, while preserving capital strength.

In this respect, the Board of Directors has called on March 31, 2023 an ordinary shareholders' meeting to resolve, among others, an authorisation to distribute a cash dividend and purchase shares as part of the activities envisaged in the 2022-2024 strategic plan (“**UniCredit Unlocked**”).

In particular, for the financial year ended on 31 December 2022, it is expected a distribution of approximately Euro 5,250 million, composed of:

1. a cash dividend equal to a total consideration of Euro 1,906,562,000.00 from the allocation of profit for the year 2022, corresponding to approximately 35 per cent. of the “Net Group Profit”¹⁰; and
2. purchases of UniCredit shares (so called share buy-back programme) corresponding to a total expenditure up to Euro 3,343,438,000.00. The shares thus purchased will be subsequently subject to cancellation.

The share buy-back programme referred has been authorized by the ECB, it will be made in compliance with the purposes set out in the laws and regulations in force and applicable from time to time and with any indications given by the relevant Supervisory Authorities, and executed assessing a prudent and sustainable approach to distributions.

The share buy-back programme has been communicated to the market on 3 April 2023 and the execution of the "First Tranche of the Buy-Back Programme 2022", for a maximum amount of Euro 2,343,438,000.00 and for a number of UniCredit shares not exceeding 230,000,000, as per the authorisation granted by the Shareholders' Meeting held on 31 March 2023, has commenced. As of 28 April 2023, UniCredit purchased no. 50,778,225 shares, equal to 2.62% of the share capital, for a total consideration of 941,185,445.18 Euro.

¹⁰ Excluding Russia segment contribution.

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

Evolution of banking prudential regulation

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

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

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

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

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

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

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

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

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

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

For further information in relation to the above-mentioned ordinary and extraordinary contributions, please see the Issuer's audited consolidated financial statements at 31 December 2022, incorporated by reference herein.

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

The UniCredit Group is exposed, like other companies operating in the banking sector, to the effects of the entry into force and subsequent application of new accounting principles or standards and regulations and/or changes to them (including those resulting from IFRS as endorsed and adopted into European law).

In particular, in the future, the UniCredit Group may need to revise the accounting and regulatory treatment of some existing assets and liabilities and transactions (and related income and expense), with possible negative effects, including significant ones, on the estimates made in financial plans for future years and this could lead to restatements of financial data previously published.

In 2022 the following standards, amendments or interpretations came into force:

- Amendments to IFRS3 Business Combinations; IAS16 Property, Plant and Equipment; IAS37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020” (EU Regulation 2021/1080);

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

As at 31 December 2022, the following documents have been endorsed by the European Commission:

- Amendments to IAS1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (EU Regulation 2022/357) applicable to reporting starting from 1 January 2023;

- Amendments to IAS8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (EU Regulation 2022/357) applicable to reporting starting from 1 January 2023;
- Amendments to IAS12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (EU Regulation 2022/1392) applicable to reporting starting from 1 January 2023;
- Amendments to IFRS17 Insurance contracts: Initial Application of IFRS17 and IFRS9 - Comparative Information (EU Regulation 2022/1491) applicable to reporting starting from 1 January 2023.

The Group does not expect any significant impact due to the entry into force of the amendments to the accounting standards reported above.

As at 31 December 2022 the IASB issued the following accounting standards whose application is subject to completion of the endorsement process by the competent bodies of the European Commission, which is still ongoing:

- Amendments to IAS1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (January 2020 and July 2020 respectively) and Non-current Liabilities with Covenants (issued on 31 October 2022);
- Amendments to IFRS16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022).

As a result, following the adoption of the new accounting principles, comparisons of UniCredit's financial results prior to such adoption may be difficult. Prospective investors are therefore cautioned against placing undue reliance on such comparisons.

FACTORS THAT MAY AFFECT THE OBG GUARANTOR'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER OR IN CONNECTION WITH THE OBG ISSUED UNDER THE PROGRAMME

1. Risks related to the OBG Guarantor

OBG Guarantor is only obliged to pay guaranteed amounts when the same are due for Payment

The OBG Guarantor has no obligation to pay any Guaranteed Amounts payable under the OBG Guarantee until service by the Representative of the OBG Holders on the Issuer and the OBG Guarantor of a Notice to Pay.

A Notice to Pay can only be served by the Representative of the OBG Holders if an Issuer Event of Default has occurred. A Guarantor Acceleration Notice can only be served if a Guarantor Event of Default has occurred.

Following service of a Notice to Pay under the terms of the OBG Guarantee (provided that (a) an Issuer Event of Default has occurred and (b) no Guarantor Acceleration Notice has been served), the OBG Guarantor will be obliged to pay any Guaranteed Amounts as and when the same are due for payment. Such payments will be subject to, and will be made in

accordance with, the Post-Issuer Event of Default Priority. In these circumstances, other than the Guaranteed Amounts the OBG Guarantor will not be obliged to pay any amount, for example in respect of broken funding indemnities, penalties, premiums, default interest or interest on interest which may accrue on or in respect of the OBG.

Extendable obligations under the OBG Guarantee

If the Extended Maturity Date is applicable to a Series (or Tranche) and if the OBG Guarantor is obliged under the OBG Guarantee to pay any Guaranteed Amounts and has insufficient funds available under the relevant priority of payments to pay such amount on the relevant Maturity Date, then the obligation of the OBG Guarantor to pay such Guaranteed Amounts shall automatically be deferred to the relevant Extended Maturity Date. However, to the extent the OBG Guarantor has sufficient moneys available to pay in part the Guaranteed Amounts in respect of the relevant Series or Tranche of OBG, the OBG Guarantor shall make such partial payment in accordance with the relevant Priority of Payments, as described in Condition 8 (*Redemption and Purchase*) on the relevant Maturity Date and any subsequent Payment Date falling prior to the relevant Extended Maturity Date. Payment of the unpaid amount shall be deferred automatically until the applicable Extended Maturity Date. Interest will continue to accrue and be payable on the unpaid Guaranteed Amount on the basis set out in the applicable Final Terms or, if not set out therein, Condition 8 (*Redemption and Purchase*), mutatis mutandis. In these circumstances, except where the OBG Guarantor has failed to apply money in accordance with the relevant Priority of Payments in accordance with Condition 8 (*Redemption and Purchase*), failure by the OBG Guarantor to pay the relevant Guaranteed Amount on the Maturity Date or any subsequent OBG Payment Date falling prior to the Extended Maturity Date (or the relevant later date in case of an applicable grace period) shall not constitute a Guarantor Event of Default. However, failure by the OBG Guarantor to pay any Guaranteed Amount or the balance thereof, as the case may be, by the relevant Extended Maturity Date and/or pay any other amount due under the OBG Guarantee will (subject to any applicable grace period) constitute a Guarantor Event of Default.

No gross-up for taxes by the OBG Guarantor

Notwithstanding anything to the contrary in this Prospectus, if withholding of, or deduction of any present or future taxes, duties, assessments or charges of whatever nature is imposed by or on behalf of Italy, any authority therein or thereof having power to tax, the OBG Guarantor will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the OBG Holders, as the case may be, and shall not be obliged to pay any additional amounts to the OBG Holders.

Limited resources available to the OBG Guarantor

The obligation of the OBG Guarantor to fulfil its obligation under the OBG Guarantee will be limited recourse to the Available Funds

The OBG Guarantor's ability to meet its obligations under the OBG Guarantee will depend on the realisable value of the Portfolio and of the Eligible Investments (if any), the amount of principal and revenue proceeds generated by the Portfolio and Eligible Investments (if any) and the timing thereof and the Account Bank or in accordance with the Transaction

Documents. The OBG Guarantor will not have any other source of funds available to meet its obligations under the OBG Guarantee.

The proceeds of the Portfolio, the Eligible Investments (if any), the Account Bank (as defined below) or in accordance with the Transaction Documents may not be sufficient to meet the claims of all the Secured Creditors, including the OBG Holders. If the Secured Creditors have not received the full amount due to them pursuant to the terms of the Transaction Documents, then they may still have an unsecured claim against the Issuer for the shortfall. There is no guarantee that the Issuer will have sufficient funds to pay that shortfall.

OBG Holders should note that the Amortisation Test - which applies after the occurrence of an Issuer Event of Default - has been structured to ensure that the outstanding nominal amount of the Eligible Portfolio, together with any Eligible Investments (if any), the Account Bank or in accordance with the Transaction Documents, shall be higher than or equal to the nominal amount of the outstanding OBG, which should reduce the risk of there ever being a shortfall. In addition the Law 130 and the BoI OBG Regulations provide for certain mandatory tests aimed at ensuring, *inter alia*, that (a) the net present value of the Portfolio (net of certain costs) shall be higher than or equal to the net present value of the OBG; and (b) the amount of interests and other revenues generated by the Portfolio (net of certain costs) shall be higher than the interests and costs due by the Issuer under the OBG (see “Credit Structure” below for more details on the Mandatory Tests, the Over-Collateralisation Test, the Liquidity Buffer Test and the Amortisation Test).

However there is no assurance that there will not be any shortfall in the amounts available to the OBG Guarantor to meet its obligations under the OBG Guarantee.

Reliance of the OBG Guarantor on third parties

The OBG Guarantor has entered into agreements with a number of third parties, which have agreed to perform services for the OBG Guarantor. In particular, but without limitation, the Servicer has been appointed to service the Portfolio and the Asset Monitor has been appointed to monitor compliance with the Over-Collateralisation Test, the Amortisation Test, the Liquidity Buffer Test, the Mandatory Tests and the Limit to the Integration. In the event that any of those parties fails to perform its obligations under the relevant agreement to which it is a party, the realisable value of the Portfolio or any part thereof may be affected, or, pending such realisation (if the Portfolio or any part thereof cannot be sold), the ability of the OBG Guarantor to make payments under the OBG Guarantee may be affected. For instance, if the Servicer has failed to adequately administer the Portfolio, this may lead to higher incidences of non-payment.

The ability of the OBG Guarantor to make payments in respect of the OBG, where applicable, will depend upon the due performance by the parties to the Transaction Documents of their respective various obligations under the Transaction Documents to which they are each a party. In particular, without limitation, the punctual payment of amounts due on the OBG will depend on the ability of the Servicer to service the Portfolio. The performance of such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party. In each case,

the performance by the OBG Guarantor of its obligations under the Transaction Documents is also dependent on the solvency of, *inter alios*, the Servicer.

If a Servicer Termination Event (as defined below) occurs the OBG Guarantor, upon indication by the Issuer and subject to the approval in writing of the Representative of the OBG Holders, shall appoint another entity which shall be an eligible entity as successor servicer (the “**Successor Servicer**”) which shall perform the servicing activities required to be performed by the Servicer, in accordance with the terms of the Intercreditor Agreement and of the Servicing Agreement.

Upon the occurrence of a Servicer Termination Event, the obligors under the Portfolio will be instructed to pay all the amounts due in respect of the Portfolio directly on a bank account opened with an Eligible Institution in the name of the OBG Guarantor. The Representative of the OBG Holders is not obliged in any circumstances to act as a servicer or to monitor the performance by any servicer of its obligations.

2. Risks related to the underlying

Limited description of the Portfolio

OBG Holders will not receive detailed statistics or information in relation to the Assets in the Portfolio, because it is expected that the constitution of the Portfolio will frequently change due to, for instance:

- UniCredit (as Seller and Issuer) or the Additional Seller (if any) selling further Assets (or Assets, which are of a type that have not previously been comprised in the Portfolio to the OBG Guarantor);
- UniCredit (as Seller and Issuer) or the Additional Seller (if any) repurchasing certain Assets in accordance with the Master Transfer Agreement (as defined below); and
- UniCredit (as Seller and Servicer) or the Additional Seller (if any) being granted by the OBG Guarantor with a wide power to renegotiate the terms and conditions of the Assets or further Assets.

However, each Mortgage Receivables or further Mortgage Receivables will be required to meet the Criteria and to conform with the representations and warranties set out in the Warranty and Indemnity Agreement — see “*Description of the Transaction Documents — Warranty and Indemnity Agreement*” below. In addition, the Mandatory Tests, the Over-Collateralisation Test and the Liquidity Buffer Test are intended to ensure that the Outstanding Principal Balance of the Eligible Portfolio is higher than or equal to the Outstanding Principal Balance of the OBG for so long as OBG remain outstanding and the Calculation Agent will provide on each relevant OC Calculation Date a basis reports that will set out certain information in relation to the Mandatory Tests, the Over-Collateralisation Test and the Liquidity Buffer Test.

In addition to the above, according to the Master Transfer Agreement, the Warranty and Indemnity Agreement and the Servicing Agreement, (i) UniCredit (as Seller and Issuer) (or the Additional Seller (if any) as the case may be) and the OBG Guarantor may, without the prior consent of the Representative of the OBG Holders or the OBG Holders approval,

amend the General Criteria and the Specific Criteria (ii) UniCredit (as Seller and Issuer) (or the Additional Sellers (if any) as the case may be) and the OBG Guarantor may, without the prior consent of the Representative of the OBG Holders or the OBG Holders, amend certain representations and warranties granted in relation to newly assigned Mortgage Receivables if such amendment are necessary as a consequence of a change in the lending policies of the Seller (or the Additional Seller (if any) as the case may be), (iii) the Seller and the OBG Guarantor may, without the prior consent of the Representative of the OBG Holders or the OBG Holders' approval, amend the Specific Criteria and the representation and warranties in relation to the sale of further assets originated by entities belonging to the UniCredit Banking Group other than the Seller (and included within the Capitalia Group banks) and (iv) the Seller and the OBG Guarantor may, without the prior consent of the Representative of the OBG Holders or the OBG Holders approval, amend the Master Transfer Agreement and the other relevant Transaction Documents in case of a change in law or new interpretations, amendments or further guidelines issued by the Bank of Italy or any competent regulator, provided that any such above amendment will be subject to notification to the Rating Agency and the Representative of the OBG Holders and, if provided for under the relevant agreement, confirmation by the same Rating Agency that the relevant amendment does not impact the rating assigned to the OBG.

In accordance with the Portfolio Administration Agreement, any Additional Seller may sell to the OBG Guarantor, and the latter shall purchase, Assets, Integration Assets and Liquid Assets without the prior consent of the Representative of the OBG Holders or the OBG Holders and, *inter alia*, subject to (i) the written approval by UniCredit (as Issuer and Seller) in relation to such sale, (ii) with respect to the purchase of Assets, Integration Assets and Liquid Assets, prior notification to the Rating Agency that Additional Sellers will sell Assets, Integration Assets and Liquid Assets, (iii) the execution of a master transfer agreement by the Additional Seller, substantially in the form of the Master Transfer Agreement (as amended to take into account the characteristics of the Assets, the Integration Assets or the Liquid Assets sold by it) or in such other form as may be agreed amongst the Additional Seller and the OBG Guarantor and (iv) the granting of a subordinated loan by the Additional Seller for the purpose of financing the purchase of Assets, Integration Assets or Liquid Assets from it in accordance with the provision of a subordinated loan agreement to be executed substantially in the form of the Subordinated Loan Agreement (as defined below).

Sale of Selected Assets following the service of a Notice to Pay

If a Notice to Pay is served on the OBG Guarantor, then the OBG Guarantor shall (if necessary in order to effect timely payments under the OBG, as determined by the Calculation Agent in consultation with the Portfolio Manager) sell Selected Assets (selected on a Random Basis) in accordance with, and subject to, the terms of the Portfolio Administration Agreement in order to make payments to the OBG Guarantor's creditors including making payments under the OBG Guarantee, see "*Description of the Transaction Documents — Portfolio Administration Agreement*" below.

There is no guarantee that a buyer will be found to acquire Selected Assets at the times required and there can be no guarantee or assurance as to the price which may be able to be obtained for such Selected Assets, which may affect payments under the OBG Guarantee.

However, the Selected Assets may not be sold by the OBG Guarantor for less than an amount equal to the Required Redemption Amount for the relevant Series or Tranche of OBG until six months prior to the Maturity Date in respect of such OBG or (if the same is specified as applicable in the relevant Final Terms) the Extended Maturity Date in respect of such OBG. In the six months prior to, as applicable, the Maturity Date or Extended Maturity Date, the OBG Guarantor is obliged to sell the Selected Assets for the best price reasonably available notwithstanding that such price may be less than the Required Redemption Amount.

Realisation of assets following the service of a Guarantor Acceleration Notice

If a Guarantor Acceleration Notice is served on the OBG Guarantor, then the OBG Guarantor is obliged to sell the Selected Assets as quickly as reasonably practicable taking into account the market conditions at that time (see “*Description of the Transaction Documents — Portfolio Administration Agreement*” below).

There is no guarantee that the proceeds of realisation of the Portfolio will be in an amount sufficient to repay all amounts due to creditors (including the OBG Holders) under the OBG and the Transaction Documents. If a Guarantor Acceleration Notice is served on the OBG Guarantor, then the OBG may be repaid sooner or later than expected or not at all.

Factors that may affect the realisable value of the Portfolio or the ability of the OBG Guarantor to make payments under the OBG Guarantee

Following the occurrence of an Issuer Event of Default, the service of a Notice to Pay on the Issuer and on the OBG Guarantor, the realisable value of Selected Assets comprised in the Portfolio may be reduced (which may affect the ability of the OBG Guarantor to make payments under the OBG Guarantee) by:

- (i) default by borrowers on the amounts due in respect of Assets, Integration Assets and Liquid Assets;
- (ii) changes to the lending criteria of UniCredit (or the Additional Seller (if any) as the case may be);
- (iii) set-off risks in relation to some types of Mortgage Receivables in the Portfolio;
- (iv) limited recourse to the OBG Guarantor;
- (v) possible regulatory changes by the Bank of Italy, Consob and other regulatory authorities;
- (vi) adverse fluctuation of interest rates;
- (vii) regulations in Italy that could lead to some terms of the Mortgage Receivables being unenforceable;
- (viii) timing for the relevant sale of Assets or Integration Assets or Liquid Assets; and
- (ix) status of the real estate market in the areas where the Issuer operates.

Each of these factors is considered in more detail below. However, it should be noted that the Mandatory Tests, the Over-Collateralisation Test, the Amortisation Test and the Liquidity Buffer Test are intended to ensure that there will be an adequate amount of

Mortgage Receivables in the Portfolio and moneys standing to the credit of the Accounts (including any amount invested in Eligible Investments (if any) and without duplication to the above) to enable the OBG Guarantor to repay the OBG following an Issuer Event of Default, service of a Notice to Pay on the Issuer and on the OBG Guarantor and accordingly it is expected (although there is no assurance) that Selected Assets could be realised for sufficient values to enable the OBG Guarantor to meet its obligations under the OBG Guarantee.

Value of the Portfolio

The OBG Guarantee granted by the OBG Guarantor in respect of the OBG will be backed by the Portfolio and the recourse against the OBG Guarantor will be limited to such assets. Since the economic value of the Portfolio may increase or decrease, the value of the OBG Guarantor's assets may decrease (for example if there is a general decline in property values). The Issuer makes no representation, warranty or guarantee that the value of a Real Estate will remain at the same level as it was on the date of the origination of the related Mortgage Receivable or at any other time. If the residential property market in Italy experiences an overall decline in property values, the value of the Mortgage Receivable could be significantly reduced and, ultimately, may result in losses to the holders of the OBG if such security is required to be enforced.

No representations or warranties to be given by the OBG Guarantor if Selected Assets and their related security interests are to be sold

After the service of a Notice to Pay on the Issuer and the OBG Guarantor, but prior to service of a Guarantor Acceleration Notice, the OBG Guarantor shall, if necessary in order to effect timely payments under the OBG, sell the Selected Assets and their related security interests included in the Portfolio, subject to a right of pre-emption of the Seller and of any Additional Seller (if any) pursuant to the terms of the Master Transfer Agreement and of the Portfolio Administration Agreement. In respect of any sale of Selected Assets and their related security interests to third parties, however, the OBG Guarantor will not provide any warranties or indemnities in respect of such Selected Assets and related security interests and there is no assurance that the Seller and any Additional Seller (if any) would give or repeat any warranties or representations in respect of the Selected Assets and related security interests or if it has not consented to the transfer of such warranties or representations. Any representations or warranties previously given by the Seller in respect of the Mortgage Receivables in the Portfolio may not have value for a third party purchaser if the Seller or the relevant Additional Seller (if any) is then insolvent. Accordingly, there is a risk that the realisable value of the Selected Assets and related security interests could be adversely affected by the lack of representations and warranties which in turn could adversely affect the ability of the OBG Guarantor to meet its obligations under the OBG Guarantee.

Default by borrowers in paying amounts due on their Assets

Borrowers may default on their obligations due under the Assets or the Integration Assets for a variety of reasons. The Assets and Integration Assets are affected by credit, liquidity and interest rate risks. Various factors influence delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes

in the national or international economic climate, regional economic conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Certain factors may lead to an increase in default by the borrowers and could ultimately have an adverse impact on the ability of borrowers to repay the Assets or Integration Assets. Loss of earnings, illness, divorce and other similar factors may lead to an increase in default by and bankruptcies of borrowers and could ultimately have an adverse impact on the ability of borrowers to repay the Mortgage Receivables. In addition, the ability of a borrower to sell a property given as security for a Mortgage Receivable at a price sufficient to repay the amounts outstanding under that Mortgage Receivable will depend upon a number of factors, including the availability of buyers for that property, the value of that property and property values in general at the time. The recovery of amounts due in relation to a Mortgage Receivable classified as a Defaulted Receivables will be subject to the effectiveness of enforcement proceedings in respect of the Portfolio which in Italy can take a considerable time depending on the type of action required and where such action is taken and on several other factors, including the following: proceedings in certain courts involved in the enforcement of the Mortgage Receivables and Mortgages may take longer than the national average; obtaining title deeds from land registries which are in process of computerising their records can take up to two or three years; further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and if the relevant Debtor raises a defence to or counterclaim in the proceedings; and it takes an average of six to eight years from the time lawyers commence enforcement proceedings until the time an auction date is set for the forced sale of any Real Estate.

Changes to the lending criteria of the Seller

Each of the Mortgage Receivables originated by the Seller will have been originated in accordance with its lending criteria at the time of origination. Each of the Mortgage Receivables sold to the OBG Guarantor by the Seller but originated by a person other than the Seller (an “**Originator**”) will have been originated in accordance with the lending criteria of such Originator at the time of origination. It is expected that the Seller’s or the relevant Originator’s, as the case may be, lending criteria will generally consider term of loan, indemnity guarantee policies, status of applicants and credit history. In the event of the sale or transfer of any Mortgage Receivables to the OBG Guarantor, the Seller will warrant that (a) such Mortgage Receivables as were originated by it were originated in accordance with the Seller’s lending criteria applicable at the time of origination and (b) such Mortgage Receivables as were originated by an Originator, were originated in accordance with the relevant Originator’s lending criteria applicable at the time of origination. The Seller retains the right to revise its lending criteria from time to time subject to the terms of the Master Transfer Agreement. An Originator may additionally revise its lending criteria at any time. However, if such lending criteria change in a manner that affects the creditworthiness of the Mortgage Receivables, that may lead to increased defaults by borrowers and may affect the realisable value of the Portfolio and the ability of the OBG Guarantor to make payments under the OBG Guarantee.

Legal risks relating to the Assets and/or the Integration Assets and/or the Liquid Assets

The ability of the OBG Guarantor to recover payments of interest and principal from the Assets and/or the Integration Assets and/or the Liquid Assets is subject to a number of legal risks. These include the risks set out below.

Mortgage Loans performance

There can be no guarantee that the relevant Debtors will not default under the mortgage loans and that they will therefore continue to perform. The recovery of amounts due in relation to non-performing loans will be subject to the effectiveness of enforcement proceedings in respect of the mortgage loans, which in the Republic of Italy can take a considerable time, depending on the type of action required and where such action is taken and on several other factors, including the following: proceedings in certain courts involved in the enforcement of the mortgage loans and the relevant mortgages may take longer than the national average; obtaining title deeds from land registries which are in the process of computerising their records can take up to two or three years; further time is required if it is necessary to obtain an injunction decree (*decreto ingiuntivo*) and if the relevant Debtor raises a defence or counterclaim to the proceedings. According to statistics published by the Ministry of Justice in 2013 with regard to data as at 2011, the recovery period for loans in respect of which recovery is by foreclosure proceedings on the related mortgaged real estate usually lasts three years and six months, although such period may vary significantly depending upon, *inter alia*, the type and location of the related mortgaged real estate and the other factors described above.

Recently, new legal provisions have been introduced in order to speed up legal proceedings. In particular, Law Decree No. 59 of 2 May 2016, as converted into Law No. 119 of 30 June 2016, implemented new provisions in the Royal Decree No. 267 of 16 March 1942 and the Italian Civil Procedure Code aimed at:

- (i) Amending the provisions of Insolvency Law, by introducing the possibility of using electronic technologies for hearings and for meetings of creditors. Furthermore, failure to comply with the time limits established for the proceeding in Article 110, first paragraph, of the Insolvency Law, is envisaged as a just cause for removing the receiver; and
- (ii) Making certain changes to Italian Civil Procedure Code, including:
 - the inadmissibility of opposing the forced sale once the sale or allocation of the attached asset has been decreed;
 - the provisional enforcement of the court order if the statement of opposition is not based on documentary proof;
 - simplification of procedures for releasing the attached property;
 - the possibility of the attached asset being allocated to a third party yet to be nominated;

- the obligation to proceed with sales on the basis of electronic modalities, and the right for the judge to order, after three auctions without bidders, lowering the basic price by up to a half;
- the possibility, for the judge and the professionals entrusted with selling, to proceed with partial distributions of the sums obtained from forced sales.

Set-off risks

The assignment of receivables under Law 130 is governed by Article 58, paragraphs 2, 3 and 4, of the Banking Law (as defined below). According to the prevailing interpretation of such provision, such assignment becomes enforceable against the relevant debtors as of the later of (i) the date of the publication of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*), and (ii) the date of registration of the notice of assignment in the competent companies' register. Consequently, the rights of the OBG Guarantor may be subject to the direct rights of the borrowers against the Seller or, as applicable the relevant Originator, including rights of set-off on claims arising existing prior to notification in the Official Gazette and registration at the competent companies' register. Some of the Assets in the Portfolio may have increased risks of set-off, because the Seller or, as applicable, the relevant Originator is required to make payments to the relevant borrowers (including, without limitation, where the relevant borrower is an employee of the Seller or the relevant Originator). In addition, the exercise of set-off rights by borrowers may adversely affect the proceeds which may be realised from the sale of the Portfolio and, ultimately, the ability of the OBG Guarantor to make payments under the OBG Guarantee.

Furthermore, Law Decree No. 145 of 23 December 2013 (*Decreto Destinazione Italia*) as converted with amendments into Law No. 9 of 21 February 2014 (the “**Destinazione Italia Decree**”) introduced, *inter alia*, certain amendments to article 4 of Law 130. As a consequence of such amendments, it is now expressly provided by Law 130 that the Debtors cannot exercise rights of set-off against the OBG Guarantor on claims arising *vis-à-vis* the Seller after the publication of the notice of assignment in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*).

Usury Law has been subject to different interpretation over the time

Italian Law number 108 of 7 March 1996, as amended, (the “**Usury Law**”) introduced legislation preventing lenders from applying interest rates equal to or higher than rates (the “**Usury Rates**”) set every three months on the basis of a decree issued by the Italian Treasury (the last such Decree having been issued on 25 March 2023). In addition, even where the applicable Usury Rates are not exceeded, interest and other advantages and/or remuneration may be held to be usurious if: (i) they are disproportionate to the amount lent (taking into account the specific circumstances of the transaction and the average rate usually applied for similar transactions) and (ii) the person who paid or agreed to pay was in financial and economic difficulties. The provision of usurious interest, advantages or remuneration has the same consequences as non-compliance with the Usury Rates.

On 29 December 2000, the Italian Government issued law decree No. 394 (the “**Decree 394**”), converted into law by the Italian Parliament on 28 February 2001, which clarified the

uncertainty about the interpretation of the Usury Law and provided, *inter alia*, that interest will be deemed to be usurious only if the interest rate agreed by the parties exceeded the Usury Rates at the time when the loan agreement or any other credit facility was entered into or the interest rate was agreed. The Decree 394, as interpreted by the Italian Constitutional Court by decision No. 29 of 14 February 2002, also provided that as an extraordinary measure due to the exceptional fall in interest rates in 1998 and 1999, interest rates due on instalments payable after 31 December 2000 on fixed rate loans (other than subsidised loans) already entered into on the date such decree came into force (such date being 31 December 2000) are to be substituted, except where the parties have agreed to more favourable terms, with a lower interest rate set in accordance with parameters fixed by such decree by reference to the average gross yield of multiannual treasury bonds (*Buoni Tesoro Poliennali*) in the period from January 1986 to October 2000.

Overtaking the previous case-law on the matter, by decision No. 24675/2017 the United Chambers of the Italian Supreme Court (*Corte di Cassazione*) has clarified that, for the purposes of Usury Law, the remuneration of any given financing must be below the applicable Usury Rate only at the time the terms of the financing were agreed. As a result, Usury Law would not be considered to be breached in case such a remuneration, originally lower than the applicable Usury Rate, exceeded a subsequently applicable Usury Rate at any point in time thereafter.

Furthermore, according to applicable case-law, also default interest rates are relevant and must be taken into account when verifying the compliance with the Usury Law. However, court precedents clarified that the applicable default interest rate and the items representing the remuneration of the relevant financing must not be added together for the purposes of such verification. As a result, the default interest rate, on the one hand, and the items representing the remuneration of the relevant financing (cumulatively considered), on the other hand, must each be separately and independently compared with the applicable Usury Rate.

On 3 July 2013, also the Bank of Italy has confirmed in an official document that default interest rates should be taken into account for the purposes of the Usury Rates and has acknowledged the discrepancy between the use of methods which add default interest rates in the remuneration of a financing for usury verification purposes, and the applicable Usury Rates against which such remuneration should be compared.

More recently, the Italian Supreme Court (*Corte di Cassazione*), Joint Chambers (*Sezioni Unite*) (decision No. 19597 dated 18 September 2020), confirmed that, in order to assess whether a loan complies with the Usury Law, also default interest rates shall be taken into account. In this respect, should the sole default interest be higher than the applicable Usury Rate, that 'type' of rate only shall be deemed as null and void. As a consequence, the entire amount referable to that rate shall be deemed as unenforceable according to the interpretation given in the abovementioned decision of the Supreme Court.

If the Usury Law were to be applied to the Mortgage Receivables, the amount payable by the Issuer to the OBG Holders may be subject to reduction, renegotiation or repayment. The occurrence of such event shall reduce the amount of collections and recoveries of the Issuer with a negative impact of its ability to pay interest and repay principal under the OBG. In

any case, the Guarantor is entitled to be indemnified by the Issuer pursuant to the Warranty and Indemnity Agreement for any loss suffered in connection with a breach of the Usury Law in relation to the loans.

Rules on compounding of interest (anatocismo) have been subject to different interpretation over the time

Pursuant to Article 1283 of the Italian Civil Code, accrued interest in respect of a monetary claim or receivable may be capitalised after a period of not less than six months only (i) under an agreement subsequent to such accrual or (ii) from the date when any legal proceedings are commenced in respect of that monetary claim or receivable. Article 1283 of the Italian Civil Code allows derogation from this provision in the event that there are recognised customary practices (*usi*) to the contrary. Banks and financial companies in the Republic of Italy have traditionally capitalised accrued interest on a three-monthly basis on the grounds that such practice could be characterised as a customary practice (*uso normativo*). However, a number of judgments from Italian courts (including judgments from the Italian Supreme Court (*Corte di Cassazione*) No. 2374/99, No. 2593/2003, No. 21095/2004, No. 4094/2005, No. 10127/2005, No. 24418/2010, No. 24156/2017 and No. 15148/2018) have held that such practices are not a *uso normativo* and that the contractual clauses providing for the capitalisation of accrued interest on a three-monthly basis, if agreed before April 2000, shall be considered null and void. Consequently, if customers of the Originator or of the Seller were to challenge this practice and such interpretation of the Italian Civil Code were to be upheld before other courts in the Republic of Italy, there could be a negative effect on the returns generated from the Mortgage Loans. UCI has, however, represented in the Warranty and Indemnity Agreement that the Mortgage Loans comply with Article 1283 of the Italian Civil Code.

In this respect, it should be noted that Article 25, paragraph 3, of legislative decree No. 342 of 4 August 1999 (“**Law No. 342**”), enacted by the Italian Government under a delegation granted pursuant to law No. 142 of 19 February 1992, has considered the capitalisation of accrued interest (*anatocismo*) made by banks prior to the date on which it came into force (19 October 1999) to be valid. After such date, the capitalisation of accrued interest is no longer possible upon the terms established by a resolution of the *Comitato Interministeriale per il Credito e il Risparmio* (“**CICR**”) issued on 22 February 2000. Law No. 342 has been challenged and decision No. 425 of 17 October 2000 of the Italian Constitutional Court has declared as unconstitutional the provisions of Law No. 342 regarding the validity of the capitalisation of accrued interest made by banks prior to the date on which Law No. 342 came into force.

Recently, Article 17-*bis* of law decree No. 18 of 14 February 2016, as converted into law No. 59 of 8 April 2016, amended Article 120, paragraph 2, of the Banking Law, providing that interest shall not accrue on capitalised interest. Paragraph 2 of article 120 of the Banking Law also requires the CICR to establish the methods and criteria for the compounding of interest. Decree No. 343 of 3 August 2016 of the CICR, implementing paragraph 2 of Article 120 of the Banking Law, has been published in the Official Gazette No. 212 of 10 September 2016. As a result of such amendments, it is confirmed that, in the context of banking transactions, the debit interest (with the exception of default interest) can never bear further interest.

Given the absence of any jurisprudential interpretation, the impact of such new legislation may not be predicted as at the date of this Prospectus and may have a potential negative impact on the Portfolio. Indeed, if Debtors were to challenge this practice, it is possible that such interpretation of the Italian Civil Code would be upheld before other courts in the Republic of Italy and that the returns generated from the relevant Mortgage Receivable may be prejudiced. The occurrence of such event shall reduce the amount of collections and recoveries of the Guarantor with a negative impact of its ability to fulfil its obligations under the OBG Guarantee.

Mortgage Credit Directive

In Italy, the Government has approved the Legislative Decree No. 72 of 21 April 2016 (the “**Mortgage Legislative Decree**”), implementing Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010 (the “**Mortgage Credit Directive**”) setting out a common framework for certain aspects of the laws, regulations and administrative provisions of the Member States concerning agreements covering credit for consumers secured by a mortgage or otherwise relating to residential immovable property. The Mortgage Legislative Decree introduced, *inter alia*, Article 120 *quinquiesdecies* of the Italian Banking Act.

The Mortgage Legislative Decree applies to: (i) residential mortgage loans and (ii) loans relating to the purchase or preservation of the property right on a real estate asset.

The Mortgage Legislative Decree sets forth a regulatory framework of protection for consumers, including certain rules of correctness, diligence, information undertakings and transparency applicable to lenders and intermediaries which offer and disburse loans to consumers.

Furthermore, under the Mortgage Legislative Decree, the parties to a loan agreement may agree, at the time the relevant loan agreement is entered into, that should the borrower fail to repay an amount at least equal to eighteen loan instalments, the transfer of the title to the lender either over the mortgaged real estate asset or the proceeds deriving from the sale of such real estate asset extinguishes in full the repayment obligation of the borrower under the relevant loan agreement even if the value of the relevant real estate asset or the amount of proceeds deriving from the sale of such real estate asset is lower than the remaining amount due by the borrower under the loan agreement.

On the other hand, if the value of the real estate asset or the proceeds deriving from the sale of the real estate asset are higher than the remaining amount due by the borrower under the loan agreement, the excess amount shall be paid or returned to the borrower.

On 29 September 2016, the Ministry of Economy and Finance - Chairman of CICR (*Comitato Interministeriale per il Credito e il Risparmio*) issued decree no. 380 (the “**Decree 380**”) which implemented Chapter 1-bis of Title VI of the Banking Law, with the view to creating a transparent and efficient market for consumer mortgage credit and providing an adequate level of protection to consumers. Further to Decree 380, on 30 September 2016 the Bank of Italy has published an amended version of its regulations on

transparency of banking and financial operations (*Trasparenza delle operazioni e dei servizi bancari e finanziari. Correttezza delle relazioni tra intermediari e clienti*).

On January 2018 the Ministry of Economy and Finance has submitted to public consultation the draft of the interministerial decree implementing the Mortgage Legislative Decree. The final version of the interministerial decree has not yet been published. Therefore, as at the date of this Prospectus, the Issuer is not in a position to fully predict its impact.

Risks related to mortgage borrower protection

Certain legislation enacted in Italy, has given new rights and certain benefits to mortgage debtors and/or reinforced existing rights, including, *inter alia*:

- the right of prepayment of the principal amount of the mortgage loan, without incurring a penalty or, in respect of mortgage loan agreements entered into before 2 February 2007, at a reduced penalty rate (article 120-*ter* of the Italian Banking Act, introduced by Legislative Decree no. 141 of 13 August 2010 as amended by Legislative Decree no. 218 of 14 December 2010);
- right to the substitution (*portabilità*) of a mortgage loan with another mortgage loan and/or the right to request subrogation by an assignee bank into the rights of their creditors in accordance with article 1202 (*surrogazione per volontà del debitore*) of the Civil Code, by eliminating the limits and costs previously borne by the borrowers for the exercise of such right (article 120-*quater* of the Italian Banking Act, introduced by Legislative Decree No. 141 of 13 August 2010 as amended by Legislative Decree No. 218 of 14 December 2010);
- the right of first home-owners to suspend instalment payments under mortgage loans up to a maximum of two times and for a maximum aggregate period of 18 months (Law No. 244 of 24 December 2007, as subsequently implemented by the ministerial decree No. 132 of the Ministry of Treasury and Finance (*Ministero dell'economia e delle finanze*));
- the right to suspend the payment of principal instalments relating to mortgage loans for a 12-month period, where requested by the relevant debtor during the period from 1 June 2015 to 31 December 2017 (Convention between the *Associazione Bancaria Italiana - ABI* and the consumers' associations stipulated on 31 March 2015) (the “**2015 Credit Agreement**”). On 27 November 2017, ABI and the consumers' associations, in order to provide continuity to the abovementioned measures, have agreed to extend the agreement until 31 July 2018. On 15 November 2018 the *Associazione Bancaria Italiana - ABI* and the associations representing companies signed a new credit agreement (*Accordo per il Credito 2019*) providing for the introduction of some adjustments to the measures addressed to “Enterprises in Recovery”, relating to the suspension and extension of loans to small and medium-sized enterprises, provided for in the 2015 Credit Agreement (the “**2019 Italian Credit Agreement**”). Additional measures connected with the Covid-19 outbreak were introduced on 6 March 2020 through an addendum to the 2019 Italian Credit Agreement in order to extend the provisions contained therein to facilities outstanding as of 31 January 2020 granted in

favour of otherwise sound companies negatively impacted by a temporary interruption/reduction of activity as a consequence of Covid-19;

- the right to renegotiate, subject to certain conditions and up to 31 December 2012, the floating rate or the final maturity of the Residential Mortgage Loans executed prior to (and excluding) 14 May 2011 for the purpose of purchasing, building or for the maintenance of the debtors' principal residence (Law Decree No. 70 of 13 May 2011, as converted into Law No. 106 of 12 July 2011);
- automatic suspension of instalment payments of mortgages and loans, up to 31 December 2016, to residents, both individuals and businesses, in 62 municipalities affected by the earthquake and listed in the relevant decree (Law Decree No. 189 of 17 October 2016);
- extension of suspension of instalment payments in accordance with Law Decree No. 189 of 17 October 2016 to further municipalities, up to 31 December 2016 (Council of Ministers Order of 15 November 2016, published in the Official Gazette of the Republic of Italy (*Gazzetta Ufficiale della Repubblica Italiana*) no. 283 of 3 December 2016);
- automatic suspension of instalment payments of mortgages and loans, up to 31 December 2017, to residents, both individuals and businesses, in certain municipalities affected by the earthquake and listed in the relevant decree (Law Decree No. 244 of 30 December 2016 (the “**Decreto Milleproroghe**”). In relation to individuals the Decreto Milleproroghe provides first home-owners with the right to suspend instalment payments under mortgage loans up to 30 December 2017 in case of damages which do not permit access thereto. In relation to businesses, the Decreto Milleproroghe provides with the automatic suspension of instalment payments under mortgage loans up to 30 December 2017 only to certain municipalities listed therein.

In addition to the above, following the Covid-19 outbreak in Italy, further measures have been adopted in 2020 by the Italian Government and by the *Associazione Bancaria Italiana* - *ABI*, aimed at sustaining income of employees, the self-employed, self-employed professionals, micro and small/medium enterprises, including suspension of instalments payment. The consequence of the above is that a material part of the Portfolio could be subject to suspension of payments, as consequence of which the Issuer may envisage certain negative impacts, which may not be predicted as at the date of this Prospectus, including negative cash shortfalls which could affect the ability of the issuer to pay timely interest on the OBG and/or increase in the activities necessary for the servicing of the Portfolio.

Renegotiations of floating rate Mortgage Loans

Law Decree No. 93 of 27 May 2008 (“**Law Decree 93**”), converted into law No. 126 of 24 July 2008 (“**Law 126**”) which came into force on 29 May 2008, regulates the renegotiation of floating rate mortgage loans granted for the purposes of purchasing, building or refurbishing real estate assets used as main houses.

According to Law 126, the *Ministero dell'Economia e delle Finanze* (*Ministry of Economy and Finance*) and the ABI entered into a convention providing for the procedures for the renegotiation of such floating rate mortgage loans (the “**Convention**”).

The Convention applies to floating rate mortgage loan agreements entered into or taken over (*accollati*), also further to the parcelling (*frazionamento*) of the relevant mortgages, before 29 May 2008. Pursuant to the Convention, the instalments payable by a borrower under any of such mortgage loan agreements will be recalculated applying (a) a fixed interest rate (equal to the average of the floating rate interest rates applied under the relevant mortgage loan agreement during 2006) on the initial principal amount and for the original final maturity date of the relevant mortgage loan, or (b) if the mortgage loan has been entered into, renegotiated or taken over (*accollato*) after 31 December 2006, the parameters used for the calculation of the first instalment due after the date on which the mortgage loan has been entered into, renegotiated or taken over (*accollato*). The difference between the amount to be paid by the borrower as a result of such recalculation and the amount that the borrower would have paid on the basis of the original instalment plan will be (a) if negative, debited to a bank account on which interest will accrue in favour of the lender at the lower of (i) the rate equal to 10 (ten) IRS (interest rate swap) plus a spread of 0.50, and (ii) the rate applicable pursuant to the relevant mortgage loan, each of them calculated, in a fixed amount, on the renegotiation date, or (b) if positive, credited to such bank account. After the original final maturity date of the mortgage loan, the outstanding debt on the bank account will be repaid by the borrower through constant instalments equal to the ones resulting from the renegotiation, and the amortisation plan will be determined on the basis of the lower of (a) the rate applicable on the bank account, and (ii) the rate applicable pursuant to the relevant mortgage loan, as calculated, in a fixed amount, on the original final maturity date of the mortgage loan.

The Seller has adhered to the Convention sending to its clients a renegotiation proposal in accordance with the Convention. Borrowers eligible for the renegotiation who have received the renegotiation proposal can accept the proposal by way of a written notification to be sent not later than 28 November 2008 (the “**Final Adhesion Term**”).

The renegotiation becomes effective on the third month following the date when such proposal has been accepted by the relevant client, with reference to the instalments which fall due after 1 January 2009.

The pieces of legislation referred to in each paragraph under the section headed “*Mortgage borrower protection*” above may have an adverse effect on the Portfolio and, in particular, on any cash flow projections concerning the Portfolio as well as on the over-collateralisation required in order to maintain the then current ratings of the OBG. However, as this legislation is relatively new, as at the date of this Prospectus, the Issuer is not in a position to predict its impact.

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

1. The OBG may not be a suitable investment for all investors

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the OBG, the merits and risks of investing in the OBG and the information contained or referred to in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the OBG and the impact the OBG 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 OBG, especially if the potential investor's currency is not the euro;
- (iv) understand thoroughly the terms of the OBG and be familiar with the behaviour of 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.

Some OBG are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in OBG which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the OBG will perform under changing conditions, the resulting effects on the value of the OBG and the impact this investment will have on the potential investor's overall investment portfolio. Investors may lose some or all of their investment in the OBG.

2. Risks related to the structure of a particular issue of OBG

OBG issued under the Programme will either be fungible with an existing Series or have different terms to an existing Series (in which case they will constitute a new Series). All OBG issued from time to time will rank *pari passu* with each other in all respects and will share equally in the security granted by the OBG Guarantor under the OBG Guarantee. If an Issuer Event of Default and a Guarantor Event of Default occur and result in acceleration, all OBG of all Series or Tranche will accelerate at the same time.

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

OBG subject to optional redemption by the Issuer

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

The Issuer may be expected to redeem OBG when its cost of borrowing is lower than the interest rate on the OBG. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the OBG being redeemed and may only be able to do so at a significantly lower rate. Potential

investors should consider reinvestment risk in light of other investments available at that time.

Zero Coupon OBG

The Issuer may issue OBG which do not pay current interest but are issued at a discount from their nominal value or premium from their principal amount. Such OBG are characterised by the circumstance that the relevant OBG holders, instead of benefitting from periodical interest payments, shall be granted an interest income consisting in the difference between the redemption price and the issue price, which difference shall reflect the market interest rate. A holder of a zero coupon OBG is exposed to the risk that the price of such bond falls as a result of changes in the market interest rate. Prices of zero coupon OBG are more volatile than prices of fixed rate OBG and are likely to respond to a greater degree to market interest rate changes than interest bearing OBG with a similar maturity. Generally, the longer the remaining terms of such OBG, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Variable Rate OBG with a multiplier or other leverage factor

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

Fixed/Floating Rate OBG

Fixed/Floating Rate OBG may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the OBG since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate OBG may be less favourable than then prevailing spreads on comparable Floating Rate OBG tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other OBG. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its OBG.

OBG issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

OBG issued, if any, as "Green OBG", "Social OBG" or "Sustainability OBG" 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 OBG under the Programme described as Green OBG, Social OBG and Sustainability OBG (each as defined in the "Use of Proceeds" section of this Prospectus) in accordance with the

principles set out by the International Capital Market Association (“**ICMA**”) (respectively, the Green Bond Principles (“**GBP**”), the Social Bond Principles (“**SBP**”) and the Sustainability Bond Guidelines (“**SBG**”).

In such a case, prospective investors should have regard to the information set out at *"Reasons for the offer, estimated net proceeds and total expenses"* in the applicable Final Terms and must determine for themselves the relevance of such information for the purpose of any investment in the OBG together with any other investigation such investors deem necessary, and must assess the suitability of that investment in light of their own circumstances. In particular, no assurance is given by the Issuer, the Sole Arranger or the Dealer that the use of such proceeds for the funding of any green project or social project or sustainable project, as the case may be, will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law, regulations or standards (including, amongst others, Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (the “**EU Taxonomy Regulation**”) or any standards resulting from the proposal for an European green bond standard (“**EUGBS**”) adopted by the European Commission on 6 July 2021).

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 subject to further developments by way of implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the EU Taxonomy Regulation (the “**EU Sustainable Finance Taxonomy Delegated Acts**”). A first delegated act on sustainable activities for climate change adaptation and mitigation objectives was approved in principle on 21 April 2021 and formally adopted on 4 June 2021. A second delegated act for the remaining objectives will be published. On 6 July 2021, a delegated act supplementing Article 8 of the EU Taxonomy Regulation was adopted by the Commission, then published in the Official Journal on 10 December 2021 and it 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 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 Regulation. It was published in the Official Journal on 15 July 2022 and it is applicable since 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.

Even if a definition or market consensus as to what constitutes, a “green” or “sustainable” or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as “green” or “sustainable” or such other equivalent label, should develop or be established, no assurance is or can be given to investors that any green or social or sustainable project, as the case may be, towards which proceeds of the OBG are to be applied will meet any or all investor expectations regarding such “green” or “social” or “sustainable” (or other equivalently labelled) performance objectives (including those set out under the EU Taxonomy Regulation and the EU Sustainable Finance Taxonomy Delegated Acts) or that any adverse social, green, sustainable and/or other impacts will not occur during the implementation of any green or social or sustainable project. Moreover, in light of the continuing development of legal, regulatory and market conventions in the green, sustainable and positive social impact markets, there is a risk that the legal frameworks and/or definitions may (or may not) be modified to adapt any update that may be made to the ICMA’s Green Bond Principles and/or the ICMA’s Social Bonds Principles and/or the ICMA’s Sustainable Bonds Guidelines and/or the EU framework standard. Such changes may have a negative impact on the market value and the liquidity of any Green OBG, Social OBG or Sustainability OBG issued prior to their implementation.

Furthermore, it should be noted that in connection with the issue of Green OBG, Social OBG and Sustainability OBG, the Issuer may request a sustainability rating agency or sustainability consulting firm to issue a second-party opinion confirming that the relevant green and/or social and/or sustainable project, as the case may be have been defined in accordance with the broad categorisation of eligibility for green, social and sustainable projects set out in the GBP, the SBP and the SBG and/or a second-party opinion regarding the suitability of the OBG 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 OBG or the projects financed or refinanced toward an amount corresponding the net proceeds of the relevant issue of Green OBG, Social OBG or Sustainability OBG. A Second-party Opinion would not constitute a recommendation to buy, sell or hold the relevant Green OBG or Social OBG or Sustainability OBG and would only be current as of the date it is released. In addition, no assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any Second-party Opinion, which may or may not be made available in connection with the issue of any Green OBG, Social OBG or Sustainability OBG and in particular with any eligible projects to fulfil any environmental, social, sustainability and/or other criteria. Any such Second-party Opinion is not, nor shall be deemed to be, incorporated in and/or form part of this Prospectus.

A withdrawal of the Second-party Opinion may affect the value of such Green OBG, Social OBG or Sustainability OBG and/or may have consequences for certain investors with portfolio mandates to invest in green or social or sustainable assets.

The withdrawal of any report, assessment, opinion or certification as described above, or any such Second-party Opinion attesting that the Issuer is not complying in whole or

in part with any matters for which such Second-party Opinion is reporting, assessing, opining or certifying on, and/or any such Green OBG, Social OBG or Sustainability OBG no longer being listed or admitted to trading on any stock exchange or securities market, as aforesaid, may have a material adverse effect on the value of Green OBG, Social OBG or Sustainability OBG and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

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

While it is the intention of the Issuer to apply an amount equivalent to the proceeds of Green OBG, Social OBG or Sustainability OBG in, or substantially in, the manner described in the applicable Final Terms, there can be no assurance that the green, social or sustainable projects (either resulting from the original application of the proceeds of the OBG 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 OBG, Social OBG or Sustainability OBG will be totally or partially disbursed for such projects. Nor can there be any assurance that such green, social or sustainable projects will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer or that the originally designated green project or social project or sustainable project (or any project(s) resulting from any subsequent reallocation of some or all of the proceeds of the relevant Green Bonds, Social Bonds or Sustainability Bonds) will not be the potentially or actual disqualified as such. Any such event or failure by the Issuer (including to comply with its reporting obligations or to obtain any assessment, opinion or certification, including the Second-party Opinion in relation to Green OBG, Social OBG or Sustainability OBG), any actual or potential maturity mismatch between the green, social or sustainable asset(s) towards which proceeds of the OBG may have been applied and the relevant OBG or if any other risk(s) set out or contemplated by this risk factor with respect to Green Bonds, Social Bonds or Sustainability Bonds are realised, such occurrence will not, with respect to any OBG, (i) give rise to any claim of a OBG Holder against the Issuer; (ii) constitute an Issuer Event of Default under the relevant OBG; (iii) lead to an obligation of the Issuer to redeem such OBG or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any OBG. For the avoidance of doubt, payments of principal and interest and the operation of any other features (as the case may be) on the relevant Green OBG, Social OBG or

Sustainability OBG shall not depend on the performance of the relevant project nor have any preferred or any other right against the green, social or sustainable assets towards which proceeds of the OBG are to be applied.

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

3. Risks related to OBG generally

Set out below is a brief description of certain risks relating to the OBG generally.

Certain decisions of OBG Holders taken at Programme level

Any Programme Resolution to direct the Representative of the OBG Holders to serve a Notice to Pay or a Guarantor Acceleration Notice, and any direction to the Representative of the OBG Holders to take any enforcement action must be passed at a single meeting of the holders of all OBG of all Series then outstanding as set out in the Rules of the Organisation of OBG Holders attached to the Conditions as Schedule 1 and cannot be decided upon at a meeting of OBG Holders of a single Series or Tranche. A Programme Resolution will be binding on all OBG Holders including OBG Holders who did not attend and vote at the relevant meeting and OBG Holders who voted in a manner contrary to the majority.

The Representative of the OBG Holders may agree to modifications to the Transaction Documents without the OBG Holders' or other Secured Creditors' (as defined below) prior consent.

The Representative of the OBG Holders may, without the consent or sanction of any of the OBG Holders or any of the other Secured Creditors, concur with the Issuer and/or the OBG Guarantor and any relevant parties in making any modification as follows:

- (i) to the Conditions and/or the other Transaction Documents which in the opinion of the Representative of the OBG Holders may be expedient to make provided that the Representative of the OBG Holders is of the opinion that such modification will be proper to make and will not be materially prejudicial to the interests of any of the OBG Holders of any Series or Tranche;
- (ii) to the Conditions or the other Transaction Documents which is of a formal, minor or technical nature or, which in the opinion of the Representative of the OBG Holders is to correct a manifest error or an error established as such to the satisfaction of the Representative of the OBG Holders or for the purpose of clarification; and
- (iii) to the Conditions or the other Transaction Documents which is necessary to comply with mandatory provisions of law and regulation or a change of the BoI OBG Regulations or any guidelines issued by the Bank of Italy in respect thereof.

The Transaction Documents provide that under certain circumstances (e.g. changes in the portfolio composition, changes in laws or in general interpretation of laws, amendments to the eligibility criteria, etc.) certain provisions of the Transaction Documents may be amended without the prior approval of the Representative of the OBG Holders and/or of the

OBG Holders. For further details please refer to “*Limited description of the Portfolio*” in this section and the “*Description of the Transaction Documents*”.

Controls over the transaction

The BoI OBG Regulations require that certain controls be performed by the Issuer (also in its capacity as Seller) (see “*Selected aspects of Italian law - Controls over the transaction*” below), aimed, *inter alia*, at mitigating the risk that any obligation of the Issuer or the OBG Guarantor under the OBG is not complied with. Whilst the Issuer (also in its capacity as Seller) believes it has implemented the appropriate policies and controls in compliance with the relevant requirements, investors should note that there is no assurance that such compliance ensures that the aforesaid payment obligations are actually performed and that any failure to properly implement the relevant policies and controls could have an adverse effect on the Issuers’ or the OBG Guarantor’s ability to perform their obligations under the OBG.

Limit to the Integration

Under the BoI OBG Regulations, the Integration (as defined below), whether through Assets, through Integration Assets or through Liquid Assets shall be carried out in accordance with the modalities, and subject to the limits, set out in the BoI OBG Regulations (see “*Selected aspects of Italian law - Tests set out in the Law 130 and BoI OBG Regulations*”).

More specifically, under the BoI OBG Regulations, the integration is allowed exclusively for the purpose of (a) complying with the Mandatory Tests (as defined below); (b) complying with the Over-Collateralisation Test; (c) complying with the Liquidity Buffer Test; or (d) complying with the the limits set forth under Article 129 of the CRR.

Investors should note that the Integration is not allowed in circumstances other than as set out in the BoI OBG Regulations and specified above.

Tax consequences of holding the OBG

Potential investors should consider the tax consequences of investing in the OBG and consult their tax advisers about their own tax situation.

Prospectus to be read together with applicable Final Terms

The terms and conditions of the OBG apply to the different types of OBG which may be issued under the Programme. The full terms and conditions applicable to each Series or Tranche of OBG can be reviewed by reading the Conditions as set out in full in this Prospectus, which constitute the basis of all OBG to be offered under the Programme, together with the applicable Final Terms which applies and/or disappplies and/or completes the generally applicable Conditions of the OBG in the manner required to reflect the particular terms and conditions applicable to the relevant Series of OBG (or Tranche thereof).

Liability to make payments when due on the OBG

The Issuer is liable to make payments when due on the OBG. The obligations of the Issuer under the OBG are direct, unsecured, unconditional and unsubordinated obligations, ranking *pari passu* without any preference amongst themselves and equally with its other direct,

unsecured, unconditional and unsubordinated obligations. Consequently, any claim directly against the Issuer in respect of the OBG will not benefit from any security or other preferential arrangement granted by the Issuer. The OBG Guarantor has no obligation to pay the Guaranteed Amounts payable under the OBG Guarantee until the service on the OBG Guarantor of a Notice to Pay. Failure by the OBG Guarantor to pay amounts due under the OBG Guarantee in respect of any Series or Tranche would constitute a Guarantor Event of Default which would entitle the Representative of the OBG Holders to serve a Guarantor Acceleration Notice and accelerate the obligations of the OBG Guarantor under the OBG Guarantee and entitle the Representative of the OBG Holders to enforce the OBG Guarantee.

The OBG will not represent an obligation or be the responsibility of any of the Dealers, the Representative of the OBG Holders or any other party to the Transaction Documents, their officers, members, directors, employees, security holders or incorporators, other than the Issuer and, upon service of a Notice to Pay, the OBG Guarantor. The Issuer and the OBG Guarantor will be liable solely in their corporate capacity for their obligations in respect of the OBG and such obligations will not be the obligations of their respective officers, members, directors, employees, security holders or incorporators.

The regulation and reform of “benchmarks” may adversely affect the value of OBG linked to or referencing such “benchmarks”

Interest rates and indices which are deemed to be “benchmarks” (including, without limitation, EURIBOR), are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any OBG linked to or referencing such a “benchmark”. BMR applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU (which, for these purposes, include the United Kingdom). It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of “benchmarks” of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed).

The BMR could have a material impact on any OBG linked to or referencing a rate or index deemed to be a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the BMR. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the “benchmark”.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of “benchmarks”, could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have the following effects on certain “benchmarks”: (i) discourage market participants from continuing to administer or contribute to such “benchmark”; (ii) trigger changes in the rules or methodologies used in

the “benchmark” or (iii) lead to the disappearance of the “benchmark”. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any OBG linked to or referencing a “benchmark”.

Furthermore, in order to address systemic risk, on 2 February 2021 the Council of the European Union approved the final text of the Regulation (EU) 2021/168 amending the Regulation (EU) 2016/1011 as regards the exemption of certain third-country spot foreign exchange benchmarks and the designation of replacements for certain benchmarks in cessation, and amending Regulation (EU) No 648/2012. The new framework delegates the Commission to designate a replacement for benchmarks qualified as critical under the Regulation 2016/2011, where the cessation or wind-down of such a benchmark might significantly disrupt the functioning of financial markets within the European Union. In particular, the designation of a replacement for a benchmark should apply to any contract and any financial instrument as defined in Directive 2014/65/EU that is subject to the law of a Member State. In addition, with respect to supervised entities, Regulation (EU) 2021/168 extends the transitional period for the use of third-country benchmarks until 2023 and the Commission may further extend this period until 2025 by a delegated act to be passed before 15 July 2023. On 10 February 2021 the Council of the European Union adopted the Regulation (EU) 2021/168 that was published in the Official Journal on 12 February 2021 and entered into force on the following day.

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

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

OBG or last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of Successor Reference Rates and Alternative Reference Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time. If the Independent Adviser or, as applicable, the Issuer determines that amendments to the Terms and Conditions of the OBG or to any other Transaction Document are necessary to ensure the proper operation of any Successor Reference Rate or Alternative Reference Rate and/or Adjustment Spread or to comply with any applicable regulation or guidelines on the use of benchmarks or other related document issued by the competent regulatory authority, then such amendments shall be made without any requirement for the consent or approval of the Representative of the OBG Holders, as provided by Condition 6(k) (*Reference Rate Replacement*) of the Terms and Conditions of the OBG.

4. Risks related to the market generally

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

Secondary Market

OBG may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their OBG easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for OBG that are especially sensitive to interest rate or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of OBG generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of OBG. In addition, OBG issued under the Programme might not be listed on a stock exchange or regulated market and, in these circumstances, pricing information may be more difficult to obtain and the liquidity and market prices of such OBG may be adversely affected. In an illiquid market, an investor might not be able to sell his OBG at any time at fair market prices. The possibility to sell the OBG might additionally be restricted by country specific reasons.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the OBG in euro. 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 euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro 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 euro would decrease (1) the Investor's Currency-equivalent yield on the OBG, (2) the Investor's Currency equivalent value of the principal payable on the OBG and (3) the Investor's Currency equivalent market value of the OBG. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an

applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate OBG involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate OBG.

Risk related to inflation

The repayment of the nominal amount of the OBG at maturity does not protect investors from the risk of inflation, *i.e.* it does not guarantee that the purchasing power of the invested capital will not be affected by the increase in the general price level of consumer products. Consequently, the real return of the OBG, which is the adjusted return taking into account the inflation rate measured during the life of the OBG themselves, could be negative.

Credit ratings may not reflect all risks

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

The ratings assigned to the OBG address the expectation of timely payment of interest and principal on the OBG on or before any payment date falling one year after the Maturity Date.

According to Moody's, the ratings assigned to the OBG may address:

- (i) the likelihood of full and timely payment to OBG Holders of all payments of interest on each Guarantor Payment Date; and
- (ii) the likelihood of ultimate payment of principal in relation to OBG on (a) the Maturity Date thereof or (b) if the OBG are subject to an Extended Maturity Date in respect of the OBG in accordance with the applicable Final Terms, the Extended Maturity Date thereof.

The ratings that may be assigned by Moody's incorporate both an indication of the probability of default and of the recovery given a default of the relevant OBG.

The expected ratings of the OBG are set out in the relevant Final Terms for each Series of OBG. Whether or not a rating in relation to any OBG will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms.

The Rating Agency may lower its rating or withdraw its rating if, in the sole judgment of the Rating Agency, the credit quality of the OBG has declined or is in question. If any rating assigned to the OBG is lowered or withdrawn, the market value of the OBG may reduce.

Furthermore, in accordance with the current rating criteria of the Rating Agency, the rating of the OBG may be linked, under certain circumstances, to the then current rating of the Issuer.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. A credit rating may not reflect the potential impact of all of the risks related to the structure, market, additional factors discussed above and other factors that may affect the value of the OBG.

In general, European regulated investors are restricted from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended) or (i) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (ii) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (i) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (ii) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation. The ESMA is obliged to maintain on its website, <https://www.esma.europa.eu/page/List-registered-and-certified-CRAs>, a list of credit rating agencies registered and certified in accordance with the CRA Regulation. Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

The return on an investment in OBG will be affected by charges incurred by investors

An investor's total return on an investment in any OBG will be affected by the level of fees charged by the nominee service provider and/or clearing system used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of OBG, custody services and on payments of interest, principal and other amounts. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant OBG.

Automatic Exchange of Information

EU member states are required to implement an automatic exchange of information as provided for by Council Directive 2014/107/EU amending Directive 2011/16/EU, as amended from time to time, as regards mandatory automatic exchange of information in the field of taxation (the "DAC"). In this context, in order to eliminate an overlap with the DAC, Council Directive 2003/48/EC (the "EU Savings Directive") was repealed on 10 November 2015 by the Council of the European Union. The range of payments to be automatically reported under the DAC is broader than the scope of the automatic information previously foreseen by the EU Savings Directive.

Investors should consult their professional tax advisers.

Change of law

The structure of the Programme and, *inter alia*, the issue of the OBG and the ratings assigned to the OBG are based on Italian law, tax and administrative practice in effect at the date of this Prospectus, having due regard to the expected tax treatment of all relevant

entities under such law and practice. No assurance can be given that Italian law, tax or administrative practice or its interpretation will not change after the Issue Date of any Series or Tranche or that such change will not adversely impact the structure of the Programme and the treatment of the OBG. This Prospectus will not be updated to reflect any such changes or events.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) OBG are legal investments for it, (2) OBG can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any OBG. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of OBG under any applicable risk-based capital or similar rules.

Risk that OBG do not comply with the Law 130, the BoI OBG Regulations and/or article 129 of the CRR

The Covered Bond Directive (as defined below) was adopted on 27 November 2019 and has been implemented in Italy in full on 30 March 2023, further to the adoption of the Decree 190 and the BoI OBG Regulations. The Covered Bond Directive, the Law 130, the BoI OBG Regulations and article 129 of the CRR and the interpretation thereof by, *inter alia*, the competent authorities may change over time and, due to the recent implementation of such legislation and regulations, the interpretation of the Law 130, the BoI OBG Regulations and article 129 of the CRR may vary. The timing and substance of such changes are unpredictable and beyond the control of the Issuer. Changes in the Covered Bond Directive, the Law 130, the BoI OBG Regulations and article 129 of the CRR or in the interpretation thereof could affect the Issuer, the Guarantor, the market for OBG and/or, in general, the OBG.

FATCA Withholding

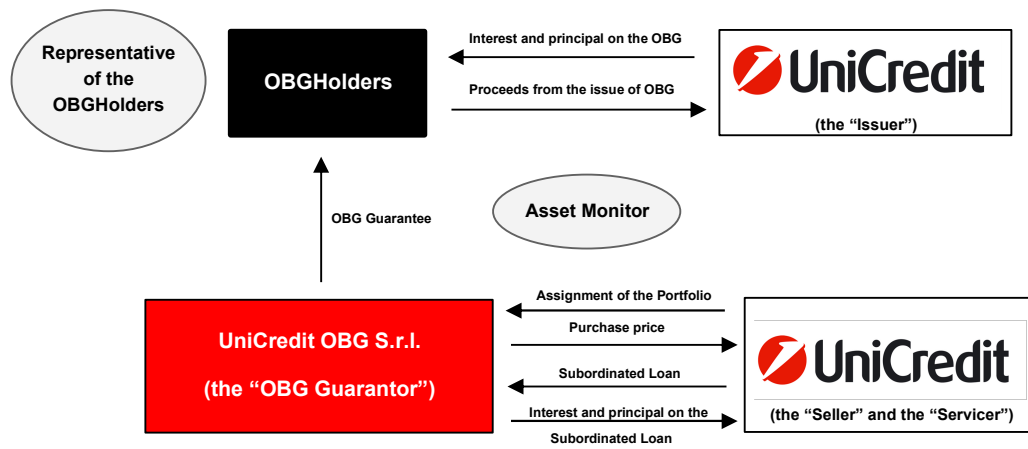
Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold at a rate of 30% on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The term “foreign passthru payment” is not yet defined. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Italy) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the OBG, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to foreign passthru payments on instruments such as the OBG, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to foreign passthru payments on instruments such as the OBG, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining “foreign passthru payments” are published in the U.S. Federal Register. In the preamble to the proposed

regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. OBG issued on or prior to the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date and/or characterised as equity for U.S. tax purposes. However, even if the OBG are otherwise so grandfathered, if additional OBG (as described under Condition 15 of the Conditions) that are not distinguishable from previously issued OBG are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all OBG, including the OBG offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the OBG as a result of FATCA, none of the Issuer, the OBG Guarantor, any paying agent or any other person would, pursuant to the terms and conditions of the OBGs be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive amounts that are less than expected.

EACH HOLDER OF THE OBG SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

STRUCTURE DIAGRAM



DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents:

- (1) Issuer's unaudited consolidated Interim Report as at 31 March 2023 – Press Release dated 3 May 2023 (the “**March 2023 Financial Statements**”), available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/press-and-media/price-sensitive/2023/UniCredit_PR_1Q23_ENG-03052023.pdf;
- (2) 2022 Annual Reports and Accounts including the audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) and the audited financial statements of the Issuer (including the auditors' report thereon and the notes thereto) as of and for the year ended 31 December 2022 (the “**December 2022 Financial Statements**”), available at <https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2022/4Q22/2022-Annual-Reports-and-Accounts.pdf>;
- (3) 2021 Annual Reports and Accounts including the audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) and the audited financial statements of the Issuer (including the auditors' report thereon and the notes thereto) as of and for the year ended 31 December 2021 (the “**December 2021 Financial Statements**”) available at <https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2021/4Q21/2021-Annual-Reports-and-Accounts.pdf>;
- (4) the base prospectus dated 7 June 2022 relating to the UniCredit S.p.A. “€ 35,000,000,000 Obbligazioni Bancarie Garantite Programme” (the “**2022 OBG 2 Programme Prospectus**”), available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/funding-and-ratings/funding-programs/covered-bond/obg2/issuance-prospectus-and-supplements/2022/A48179176-Prospectus-OBG-2_Rinnovo-2022_FINAL_PDF.pdf;
- (5) OBG Guarantor annual financial statements (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2022 (the “**Guarantor 2022 Financial Statements**”), available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/funding-and-ratings/funding-programs/covered-bond/obg2/unicredit-OBG-srl-balance-sheets/UniOBG_balance_sheet-31.12.22-Def_ENG.pdf; and
- (6) OBG Guarantor annual financial statements (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2021 (the “**Guarantor 2021 Financial Statements**”), available at https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/funding-and-ratings/funding-programs/covered-bond/obg2/unicredit-OBG-srl-balance-sheets/UniOBG_balance_sheet-31.12.21-Def_ENG.pdf;

Such documents have been previously published or are published simultaneously with this Prospectus and have been filed with the CSSF. Such documents shall be incorporated by reference in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of all documents incorporated herein by reference may be obtained without charge at the head office of the Issuer and the Luxembourg Listing Agent and may be obtained via the internet at the websites of the Issuer (<https://www.unicreditgroup.eu>) and the Luxembourg Stock Exchange (<https://www.luxse.com/cssf-approvals>). Written or oral requests for such documents should be directed to the specified office of the Luxembourg Listing Agent.

The table below sets out the relevant page references for (i) the March 2023 Financial Statements; (ii) the December 2022 Financial Statements; (iii) the December 2021 Financial Statements; (iv) the 2022 OBG 2 Programme Prospectus; (v) the Guarantor 2022 Financial Statements; and (vi) the Guarantor 2021 Financial Statements.

With respect to the 2022 OBG 2 Programme Prospectus, the page references indicated in the table below correspond to the page references of the PDF document format.

March 2023 Financial Statements

Document	Information incorporated	Page
Issuer's unaudited Consolidated Interim Report as at 31 March 2023 – Press Release dated 3 May 2023	UniCredit Group: Reclassified Income Statement	p. 14
	UniCredit Group: Reclassified Balance Sheet	p. 15
	Other UniCredit Group Tables (Sovereign Debt Securities – Breakdown by Country/Portfolio, Weighted Duration, Ratings)	p. 16-18
	Basis of Preparation	p. 19-22
	Declaration	p. 25

December 2022 Financial Statements

Documents	Information incorporated	Page
2022 Annual Reports and Accounts	<i>Consolidated Report and Accounts of UniCredit Group</i>	
	Consolidated Report on Operations	p. 127-167
	Consolidated Balance Sheet	p. 187-188
	Consolidated Income Statement	p. 189
	Consolidated Statement of Other Comprehensive Income	p. 190
	Statement of Changes in the Consolidated Shareholders' Equity	p. 191-194
	Consolidated Cash Flows Statement	p. 195-196
	Notes to the Consolidated Accounts	p. 199-534
	Certification	p. 537
	Report of the External Auditors	p. 539-545
	Annexes	p. 547-636
	<i>Report and Accounts of UniCredit S.p.A.</i>	
	Report on Operations	p. 647-673
	Balance Sheet	p. 677-678
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Any parts of a document not included in the cross-reference lists above are not incorporated by reference into this Prospectus and shall not form part of this Prospectus as these parts are either not relevant for investors or covered elsewhere in this Prospectus.

Any documents which are incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus and is either not relevant for the investor or it is covered elsewhere in this Prospectus.

The consolidated financial statements of the Issuer as at and for the year ended on 31 December 2021 have been audited by Deloitte & Touche S.p.A., in its capacity as independent auditor of the Issuer for the relevant financial year, as indicated in its report thereon.

The consolidated financial statements of the Issuer as at and for the year ended on 31 December 2022 have been audited by KPMG S.p.A., in its capacity as independent auditor of the Issuer for the relevant financial year, as indicated in its report thereon.

The financial statements referred to above have been prepared in accordance with the International Accounting Standards/International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and the relative interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as endorsed and adopted by the European Union under Regulation (EC) 1606/2002.

The OBG Guarantor annual financial statements as of and for the year ended on 31 December 2021 were prepared in accordance with the International Accounting Standards/International Financial Reporting Standards (IAS/IFRS) and have been audited by Deloitte & Touche S.p.A., in its capacity as independent auditors of the OBG Guarantor, as indicated in its report thereon.

The OBG Guarantor annual financial statements as of and for the year ended on 31 December 2022 were prepared in accordance with the International Accounting Standards/International Financial Reporting Standards (IAS/IFRS) and have been audited by KPMG S.p.A., in its capacity as independent auditors of the OBG Guarantor, as indicated in its report thereon.

PROSPECTUS SUPPLEMENT

If at any time the Issuer shall be required to prepare a prospectus supplement pursuant to Article 23 of the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Prospectus which, in respect of any subsequent issue of OBG to be listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market, shall constitute a prospectus supplement as required by Article 23 of the Prospectus Regulation.

Without prejudice to its statutory obligations, each of the Issuer and the OBG Guarantor has given an undertaking to the Dealer(s) that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any OBG and whose inclusion in or removal from this Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the OBG Guarantor, and the rights attaching to the OBG, the Issuer shall prepare a supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the OBG and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

DESCRIPTION OF THE ISSUER

INFORMATION ABOUT THE ISSUER

History and development of the Issuer

UniCredit (formerly UniCredito Italiano S.p.A.) and the UniCredit Group of which UniCredit is the parent company are the result of the October 1998 business combination between the Credito Italiano national commercial banking group (established in 1870 with the name *Banca di Genova*) and UniCredito S.p.A. (at the time the holding company owning a controlling interest in Banca CRT (*Banca Cassa di Risparmio di Torino S.p.A.*), CRV (*Cassa di Risparmio di Verona Vicenza Belluno e Ancona Banca S.p.A.*) and Cassamarca (*Cassa di Risparmio della Marca Trivigiana S.p.A.*).

Since its formation, the Group has grown in Italy and Eastern Europe through both organic growth and acquisitions, consolidating its role in relevant sectors outside Europe and strengthening its international network.

Such expansion has been characterised, in particular:

- by the business combination with HypoVereinsbank, realised through a public tender offer launched in summer 2005 by UniCredit to acquire the control over Bayerische Hypo- and Vereinsbank AG (“**HVB**”) – subsequently renamed UniCredit Bank AG – and its subsidiaries, such as Bank Austria Creditanstalt AG, subsequently renamed “UniCredit Bank Austria AG” (“**BA**” or “**Bank Austria**”). At the conclusion of the offer perfected during 2005, UniCredit acquired a shareholding for an amount equal to 93.93 per cent. of the registered share capital and voting rights of HVB. On 15 September 2008, the squeeze-out of HVB’s minority shareholders, resolved upon by the bank’s shareholders’ meeting in June 2007, was registered with the Commercial Register of Munich. Therefore, the HVB shares held by the minority shareholders – equal to 4.55 per cent. of the share capital of the company – were transferred to UniCredit by operation of law and HVB became a UniCredit wholly-owned subsidiary. In summer 2005 UniCredit also conducted an exchange offer for the acquisition of all shares of BA not held by HVB at the time. At the conclusion of the offer, the Group held 94.98 per cent. of the aggregate share capital of BA. In January 2007, UniCredit, which at the time held 96.35 per cent. of the aggregate share capital of BA, including a stake equal to 77.53 per cent. transferred to UniCredit by HVB, resolved to commence the procedures to effect the squeeze-out of the minority shareholders of BA. As at the date of this Prospectus, UniCredit’s interest in BA is equal to 99.996 per cent.; and
- by the business combination with Capitalia S.p.A. (“**Capitalia**”), the holding company of the Capitalia banking group (the “**Capitalia Group**”), realised through a merger by way of incorporation of Capitalia into UniCredit effective as of 1 October 2007.

In 2008 the squeeze outs¹¹ of the ordinary BA and HVB shares held by minority shareholders were completed.

Proceedings as to the adequacy of the squeeze-out price and in relation to the challenge to the relevant shareholders' resolutions promoted by certain BA and HVB shareholders are still pending. For more details please see section headed "*Legal and Arbitration Proceedings*" of this Prospectus.

UniCredit S.p.A. shares are listed on the Milan, Frankfurt and Warsaw regulated markets, respectively on the Borsa Italiana S.p.A. (Euronext Milan), on the Frankfurt Stock Exchange, segment General Standard, and on the Warsaw Stock Exchange.

Recent Developments

On 3 April 2023, UniCredit S.p.A. announced, as per the authorisation granted by the Shareholders' Meeting of the Company held on 31 March 2023, that it has defined the measures for the execution of the first tranche of the share buy-back programme for a maximum amount of Euro 2,343,438,000.00 and for a number of UniCredit shares not exceeding 230,000,000 (the "**First Tranche of the Buy-Back Programme 2022**"). As disclosed on 28 March 2023, UniCredit received ECB authorisation for the 2022 share buy-back for a maximum of Euro 3,343,438,000.00, that UniCredit aims to execute in two tranches, the first one of Euro 2,343,438,000.00. For the purpose of executing the First Tranche of the Buy-Back Programme 2022, UniCredit engaged BNP Paribas Exane as qualified third-party broker which will decide on the stock purchases in full independence, also in relation to the timing of the transactions and in compliance with the daily price and volume limits and the terms of the programme (so-called "riskless principal" or "matched principal"). The transactions completed will be disclosed to the market in accordance with the terms and conditions set out in the laws and regulations in force. Any subsequent changes to the First Tranche of the Buy-Back Programme 2022 will be promptly disclosed to the public in the manners and terms provided for by the laws and regulations in force. The UniCredit shares that will be acquired as part of the First Tranche of the Buy-Back Programme 2022 will be cancelled in execution of the resolution of the abovementioned Shareholders' Meeting.

The legal and commercial name of the Issuer

The legal and commercial name of the Issuer is "UniCredit, società per azioni", in short "UniCredit S.p.A.".

¹¹ The squeeze out is the process whereby a pool of shareholders owning at a certain amount of a listed company's shares (in Germany 95 per cent., and in Austria 90 per cent.) exercises its right to "squeeze out" the remaining minority of shareholders from the company paying them an adequate compensation.

The place of registration of the Issuer, its registration number and legal entity identifier ('LEI')

UniCredit is registered with the Company Register of Milano Monza Brianza Lodi under registration number 00348170101. UniCredit is also registered with the National Register of Banks; it is the parent company of the UniCredit Group registered with the Register of Banking Groups held by the Bank of Italy pursuant to Article 64 of Legislative Decree No. 385 of 1 September 1993 as amended (the “**Italian Banking Act**”) under number 02008.1; and it is a member of the National Interbank Deposit Fund (*Fondo Interbancario di Tutela dei Depositi*) and of the National Compensation Fund (*Fondo Nazionale di Garanzia*).

The Legal Entity Identifier (LEI) is 549300TRUWO2CD2G5692.

The date of incorporation and the length of life of the Issuer, except where the period is indefinite

UniCredit is a joint stock company established in Genoa, Italy, by way of a private deed dated 28 April 1870 with a duration until 31 December 2100.

The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer

UniCredit S.p.A. is a joint stock company established in Italy and operating under Italian law. The Registered and Head Offices of the Issuer are located in Milan, Piazza Gae Aulenti, 3 – Tower A. UniCredit’s telephone number is +39 02 88 621, and UniCredit’s website is www.unicreditgroup.eu. The information on the website of the Issuer does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

UniCredit, in carrying out its activities, is subject to both the Italian provisions (e.g. to the provisions on anti-money laundering, transparency and fairness in customer relations, usury, consumer protection, labour law, safety at the workplace and privacy laws) and European provisions as well as to the supervision of various Authorities, each for their respective areas of competence. In particular, UniCredit is subject to the provisions contained in the Supervisory Regulations issued by the Bank of Italy and, as a significant bank, to the direct prudential supervision of the European Central Bank.

BRRD and SRMR

With regard to the regulatory framework applicable to the Issuer, it is noted the Bank Recovery and Resolution Directive 2014/59/EU of 15 May 2014, implemented in Italy with the Legislative Decree 180 and 181 of 16 November 2015 (“**BRRD**”) as amended by the Directive (EU) 2019/879 (“**BRRD II**”) and implemented in Italy by Legislative Decree No. 193 of 8 November 2021 (published in the Gazzetta Ufficiale on 30 November 2021). The Issuer is also subject to the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 (“**Single Resolution Mechanism Regulation**” or “**SRM Regulation**”) as amended by Regulation (EU) 2019/877 of 20 May 2019, published in the Official Journal of the European Union on 7 June 2019 (“**SRMR II**”) and applying from 28 December 2020) which sets out uniform rules and procedures for the resolution of credit institutions and certain investment firms under the Single Resolution Mechanism (“**SRM**”)

and the Single Resolution Fund. The SRM and BRRD enable a range of resolution tools and powers to be used in relation to credit institutions and investment firms considered to be at risk of failing.

Such instruments and powers include the possibility of applying the “bail-in”, i.e. the power to reduce, with the possibility of cancellation, the nominal value of shares and the write-down of receivables due from the bank with their conversion into shares. The aim of the bail-in is to absorb losses and recapitalize the failing bank in order to ensure the continuity of its critical economic functions, protecting financial stability and minimizing losses to the taxpayer, while still ensuring that no creditor suffers greater losses than if the bank had been liquidated under normal insolvency proceedings.

Notwithstanding the above, it should be noted that pursuant to Article 44 (2) of the BRRD, as implemented in Italy by article 49 of Legislative Decree. 180 and 181 of 16 November 2015, it is important to note that resolution authorities may not exercise the write down/conversion 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.

In the context of the bail-in, losses may be transferred, following a priority order and net of the exclusions provided for by the regulations, to shareholders, holders of subordinated debt securities, holders of senior non preferred securities, holders of not subordinated and unsecured debt securities, other unsecured creditors and, finally, depositors for the portion exceeding the guaranteed portion, i.e. for the portion exceeding Euro 100,000.00 per depositor.

Furthermore, if the conditions are met, the Authorities may request the use of the Single Resolution Fund referred to in the SRMR, financed by contributions paid by banks.

In the framework of the SRMR and BRRD, the centralized decision-making power for resolution is entrusted to the Single Resolution Board (“SRB”), whose powers are attributed to the latter. In addition, the SRB cooperates closely with the national resolution authorities of Member States that are parties to the Banking Union. The national resolution authorities of Member States are empowered to implement the resolution programmes adopted by the SRB.

In such a context, it is worth mentioning that on April 18, 2023, the European Commission published a legislative proposal on the Crisis Management and Deposits Insurance (“CMDI”) framework. The package consists of four legislative proposals that would amend existing EU legislation: the Bank Recovery and Resolution Directive (BRRD), the Deposit Guarantee Scheme Directive (“DGSD”) and the Single Resolution Mechanism Regulation (“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 which could take one year if they aim to finalise it before the current European Commission's mandate ends in spring 2024.

The BRRD also introduces requirements for banks to maintain at all times a sufficient aggregate amount of own funds and eligible liabilities (the Minimum Requirement for Own Funds and Eligible Liabilities, MREL). From 1 January 2022, the Issuer has to comply on a consolidated basis with a first binding intermediate target for MREL (including a subordinated component i.e., to be met with subordinated instruments) received from the Single Resolution Board and the Bank of Italy. From 1 January 2024, the consolidated MREL will become "fully loaded". The Issuer also has to comply with the standard on total loss absorbing capacity (TLAC).

CRR and CRD

The Issuer shall comply with the revised global regulatory standards ("**Basel III**") on bank capital adequacy and liquidity. The Basel III framework has been implemented in the EU through new banking requirements: Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "**CRD IV Directive**") and the Regulation 2013/575/EU (the "**CRR**", together with the CRD IV Directive, the "**CRD IV Package**") subsequently updated in the Regulation No. 876/2019 and Directive (EU) No. 2019/878 (the "**Banking Reform Package**" with CRR II and CRD V). According to Article 92 of the CRR, institutions shall at all times satisfy the following Own Funds requirements: (i) a CET1 Capital ratio of 4.5 per cent.; (ii) a Tier 1 Capital ratio of 6 per cent.; (iii) a Total Capital ratio of 8 per cent.; and (iv) a Leverage Ratio of 3 per cent. According to Articles from 129 to 134 of the CRD, these minimum ratios are complemented by the following capital buffers to be met with CET1 Capital: (a) *Capital conservation buffer, institution-specific countercyclical capital buffer, capital buffers for globally systemically important institutions* ("**G-SIIs**"); (b) *capital buffers for other systemically important institutions* ("**O-SIIs**"), Systemic risk buffer; and (c) *a systemic risk buffer* ("**SyRB**") each Member State may introduce in order to prevent and mitigate long term non-cyclical systemic or macro-prudential risks not covered by the other capital requirements set out in the CRD V Directive (as defined below).

In October 2013, the Council of the European Union adopted regulations establishing the single supervisory mechanism (the "**Single Supervisory Mechanism**" or "**SSM**") for all banks in the Euro area, which have, beginning in November 2014, given the ECB, in conjunction with the national competent authorities of the eurozone States, direct supervisory responsibility over "significant banks" in the Banking Union as well as their subsidiaries in a participating non-euro area Member State. The ECB has fully assumed its new supervisory responsibilities of UniCredit and the UniCredit Group.

On 7 June 2019, the legal acts “Risk Reduction Measures Package” regarding the banking sector have been published on the EU Official Journal. Such measures include, together with the amendments to the BRRD and to SRMR, (i) the Regulation (EU) 2019/876 of the European Parliament and of the Council (“**CRR II**”) amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and (ii) the Directive (EU) 2019/878 of the European Parliament and of the Council (“**CRD V Directive**”) amending the CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures. The revisions better align the current regulatory framework to international developments in order to promote consistency and comparability among jurisdictions.

Such measures entered into force on 27 June 2019, while a) the CRR II is applicable from 28 June 2021, excluding some provisions with a different date of application (early or subsequent), b) the CRD V Directive was to be implemented into national law by 28 December 2020 excluding some provisions which will be applicable subsequently.

CRD V Directive has been implemented in Italy by the Legislative Decree No. 182/2021. The BRRD II has been implemented in Italy by the Legislative Decree No. 193/2021, which provides for, among other measures:

- the determination of a minimum unit value for bonds and debt securities (Article 12-ter of the Italian Banking Act) issued by credit institutions and investment firms:
 1. Euro 200,000 for subordinated bonds and other subordinated securities;
 2. Euro 150,000 for senior non-preferred debt instruments (“*strumenti di debito chirografario di secondo livello*”);
- the nullity of contracts entered into with non-professional investors (relating to investment services having as their object the instruments referred to in Article 12-ter of the Italian Banking Act issued after 1 December 2021 (or equivalent instruments when issued by subjects having their registered office in a third country, under certain conditions) that do not respect the minimum unit value (Article 25-quater of the Financial Services Act);
- the elimination of the ban on the placement of senior non-preferred debt instruments with non-qualified investors (Article 5 of Legislative Decree No. 193/2021), subject to the abovementioned provisions.

Moreover, it is worth mentioning that the Basel Committee on Banking Supervision (BCBS) concluded the review process of the models (for credit risk, counterparty risk, operational risk and market risk) for the calculation of minimum capital requirements, including constraints on the use of internal models and introducing the so-called “output floor” (setting a minimum level of capital requirements calculated on the basis of internal models equal, when fully implemented, to 72.5 per cent. of those calculated on the basis of the standardised methods). The main purpose is to enhance consistency and comparability

among banks. The new framework was finalised for market risk in 2016 and finally revised in January 2019. The new framework for credit risk and operational risk was completed in December 2017.

Prior to becoming binding on the European banking system, the European Commission, which conducted a public consultation (closed on 5 January 2020), assessed the potential impacts on the European economy.

The analysis carried out by the EBA, published in December 2019 upon request of the European Commission, shows that the adoption of the new Basel III criteria would require banks to increase minimum capital requirements (“**MCR**”) by 23.6 per cent., resulting in a capital deficit of Euro 124 billion. In August 2020 the Commission required the EBA to update its assessment in the light of COVID-19, which was published in December 2020. It shows an increase of MCR of 18.5 per cent. and a capital deficit of over Euro 52 billion (the December 2019 outcome for a comparable sample would have been respectively 24.1 per cent. and Euro 109.5 billion).

The legislative proposal (CRR III/CRD VI), which incorporates these new standards into EU legislation as well as foresees some new provisions in relations to Environmental, Social and Governance (ESG) Risks has been published by the European Commission on 27 October 2021. Once agreed on the final text among the various stakeholders involved in the legislative process (European Commission, European Parliament and EU Council) and once implemented in the Union, these regulatory changes will impact the entire banking system and consequently could determine changes in the capital calculation and increase capital requirements.

The impact assessment that accompanied the European Commission’s proposal published at the end of October 2021, states the expectation of a weighted average increase in institutions’ minimum capital requirements of 6.4 per cent. to 8.4 per cent. in the long term (by 2030), after the envisaged transitional period. The Commission’s proposal foresees that most of the provisions in the CRR III shall apply from 1 January 2025. The Member States shall adopt and publish the CRD VI by 18 months from the date of entry into force of the amending Directive and they shall apply those provisions from one day after its transposition date.

With update No. 38 of 22 February 2022, the Bank of Italy Circular No. 285 of 17 December 2013 (“**Circular 285**”) 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.

As of the date of this Prospectus, the Bank of Italy has not exercised so far its authority to introduce a SyRB or a borrower-based measure.

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).

Regulatory and supervisory framework on non-performing exposures

Among the measures adopted at European level in order to reduce non-performing exposures within adequate levels, worth mentioning are the followings:

Guidance to banks on non-performing loans published by ECB on 20 March 2017 and Addendum to the Guidance to banks on non-performing loans published by ECB on 15 March 2018: the NPL guidance contains recommendations and lays out the bank’s approach, processes and objectives regarding the effective management of the exposures. The guidance addresses all NPEs, as well as foreclosed assets, and also touches on performing exposures with an elevated risk of turning non-performing, such as “watch-list” exposures and performing forborne exposures. According to the guidance, the banks need to establish a strategy to optimize their management of NPLs based on a self-assessment of the internal capabilities to effectively manage NPLs; the external conditions and operating environment; and the impaired portfolios specifications.

On 15 March 2018, the ECB published the Addendum to the Guidance on NPL which sets out supervisory expectations for the provisioning of exposures reclassified from performing to NPEs after 1 April 2018 (the “**ECB Addendum**”). In addition, the ECB’s supervisory expectations for individual banks for the provisioning of the stock of NPLs (before 31 March 2018), was set out in its 2018 Supervisory Review and Evaluation Process (“**SREP**”) letters and the ECB will discuss any divergences from these prudential provisioning expectations with institutions as part of future SREP exercises.

On 22 August 2019, the ECB has decided to revise its supervisory expectations for prudential provisioning of new non-performing exposures. The decision was made after taking into account the adoption of the new EU regulation of that Banking Reform Package

which makes further changes to the Pillar I treatment for NPEs (in revisions to the Capital Requirements Regulation known as “CRR II”).

The initiatives that originate from the ECB are strictly supervisory (“**Pillar II**”) in nature. In contrast, the European Commission’s requirement is legally binding (“**Pillar I**”). The above-mentioned guidelines result in three “buckets” of NPEs based on the date of the exposure’s origination and the date of NPE’s classification:

- NPEs classified before 1 April 2018 (Pillar II - Stock): 2/7 years vintage buckets for unsecured/secured NPEs, subject to supervisory coverage recommendations and phase-in paths as communicated in SREP letters;
- NPEs originated before 26 April 2019 (Pillar II – ECB Flows): 3/7/9 years vintage buckets for unsecured/secured other than by immovable property/secured by immovable property, progressive path to 100 per cent.; and
- NPEs originated on or after 26 April 2019 (Pillar I – CRR Flows): 3/7/9 years vintage buckets for unsecured/secured other than by immovable property/secured by immovable property, progressive path to 100 per cent.

Action plan to address the problem of non-performing loans in the European banking sector published by the **European Council on 11 July 2017**: the action plan outlines an approach based on a mix of four policy actions: the bank supervision; the reform of insolvency and debt recovery frameworks; the development of secondary markets for NPLs; promotion of the banking industry restructuring.

Guidelines on management of non-performing and forborne exposures published by **EBA on 31 October 2018**: the Guidelines aim to ensure that credit institutions have adequate tools and frameworks in place to manage effectively their NPEs and to substantially reduce the presence of NPEs on the balance sheet. Only for credit institutions with a gross NPL ratio above 5 per cent., EBA asked to introduce strategies, in order to achieve a reduction of NPEs, and governance and operational requirements to support them.

Guidelines on disclosure of non-performing and forborne exposures published by **EBA on 17 December 2018**: in force since 31 December 2019, the Guidelines set enhanced disclosure requirements and uniform disclosure formats applicable to credit institutions' public disclosure of information regarding non-performing exposures, forborne exposures and foreclosed assets.

Regulation (EU) 2019/630 amending CRR as regards minimum loss coverage for non-performing exposures: the Regulation establishes, in the context of Pillar I, the prudential treatment of the non-performing exposures where the exposure was originated prior to 26 April 2019, requiring a deduction from Own Funds where NPEs are not sufficiently covered by provisions or other adjustments. The Regulation purpose is to encourage a timely and proactive management of the NPEs. The prudential treatment is applicable to: (i) unsecured exposures from the third year after the classification as NPE, (ii) exposures secured by immovable collateral and residential loans guaranteed by an eligible protection provider as defined in CRR, from the ninth year after the classification as NPE; and (iii) secured exposures, from the seventh year after the classification as NPE. The Regulation outlines the

convergence process to its full application to secured and unsecured exposures classified as NPEs for less than 3/7/9 years.

Directive on credit servicers, credit purchasers and the recovery of collateral (COM/2018/0135): On 20 October, the European Parliament's plenary approved the final text of the Directive aimed at achieving the development of secondary markets for NPLs in the EU's markets standardizing the regulatory regime for credit servicers and credit purchasers. The second part of the Directive aimed at 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) is still put on hold.

Opinion on the regulatory treatment of non-performing exposure securitisations published by EBA on 23 October 2019: the Opinion recommends adapting the CRR and the Regulation (EU) 2017/2401 ("Securitisation Regulation") to the particular characteristics of NPEs by removing certain constraints imposed by the regulatory framework on credit institutions using securitisation technology to dispose of NPE holdings. In preparing its proposal to the Commission, EBA outlines the fact that the securitisations can be used to enhance the overall market capacity to absorb NPEs at a faster pace and larger rate than otherwise possible through bilateral sales only, as a consequence of securitisations' structure in tranches of notes with various risk profiles and returns, which may attract a more diverse investor pool with a different risk appetite.

On July 24, 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) in order to promote the economic recovery after the COVID-19 crisis. The new measures - through the Regulation (EU) 2021/557 amending the Securitisation Regulation and the Regulation (EU) 2021/558 amending the Regulation (EU) 2013/575 (CRR) - entered into force on 9 April 2021.

In addition, the European Commission published in December 2020 a new Action plan on tackling NPLs. More in detail, in order to prevent a renewed build-up of NPLs on banks' balance sheets, the Commission proposed a series of actions with four main goals: (i) further develop secondary markets for distressed assets (in particular call for finalization of the Directive on credit servicers, credit purchasers and the recovery of collateral; establishing a data hub at European level; reviewing EBA templates to be used during the disposal of NPLs); (ii) Reform the EU's corporate insolvency and debt recovery legislation; (iii) Support the establishment and cooperation of national asset management companies at EU level; (iv) Introduce precautionary public support measures, where needed, to ensure the continued funding of the real economy under the EU's Bank Recovery and Resolution Directive and State aid frameworks.

Measures to counter the impact of COVID-19

European and national authorities have undertaken several measures to support the banking and financial market to counter the economic effects of COVID-19.

On 10 March 2020, through an *addendum* to the 2019 credit agreement between ABI and the Business Associations, the possibility of requesting suspension or extension was extended to loans granted until 31 January 2020. The moratorium refers to loans to micro, small and medium-sized companies affected by the COVID-19 outbreak. The capital portion of loan repayment instalments may be requested to be suspended for up to one year, later extended until 30 June 2021. The suspension is applicable to medium/long-term loans (mortgages), including those concluded through the issue of agricultural loans, and to property or business assets leasing transactions. In the latter case, the suspension concerns the implicit capital instalments of the leasing. On 21 April 2020, through an agreement entered into with the consumer associations, the moratorium was extended to credit to households, including the suspension of the principal portion of mortgage-backed loans and unsecured loans repayable in instalments.

As regards TLTRO, the Governing Council decided to apply considerably more favourable terms during the period from June 2020 to June 2021 to all TLTRO III operations outstanding during that time. Throughout this period, the interest rate on these TLTRO III operations was 25 basis points below the average rate applied in the Euro-system'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 the COVID-19 outbreak, on 17 March 2020 Law Decree No. 18 ("**Cura Italia Decree**") was adopted. The Cura Italia Decree introduced special

measures derogating from the ordinary proceeding of the Guarantee Fund for SMEs in order to simplify the requirements for access to the guarantee and strengthen the intervention of the Guarantee Fund for SMEs itself, as well as the possibility of transforming the DTA relating to losses that can be carried forward but not yet deducted and to the amount of the ACE notional return exceeding the total net income, to the extent of 20 per cent. of the impaired loans sold by 31 December 2020.

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 which was formerly within the Cassa Depositi e Prestiti group and now being a wholly owned subsidiary of the Italian Ministry of Economy and Finance, 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 were applicable until 31 December 2020 and extended until 30 June 2022 by Budget Law 2022 (formerly 31 December 2021 – see below).

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 was signed in the Law No. 77/2020. It introduced some provisions (valid until 31 December 2020) aimed at strengthening SME’s capital, thus preventing their insolvency risk. Particular reference is made to two public tools: “Patrimonio PMI” fund, which is aimed at subscribing new bonds issued by SME corporates with Euro 10 million turnover, which were impacted by COVID-19 a turnover reduction of 33% in April and May 2020 (two tax credits are granted to other investors <20% of the investment> in such corporates, and to the corporates above indicated which have suffered losses <50% of the losses which exceed the 10% of the Net worth, but in the limit of the 30% of the capital increase>); and the so called “Patrimonio rilancio” (Dedicated assets within CDP) which is aimed at subscribing new bonds (mainly convertible bonds) and shares in order to support real economy.

In August 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 December 2021 (formerly 30 January 2021). Such prorogation operates 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.

The Law Decree 25 May 2021, No. 73 (the Sostegni-bis Decree Law, converted into law by Law 23 July 2021 No. 106) further extended the extraordinary public guarantees issued by SACE and the Guarantee Fund for SMEs until 31 December 2021 (including the possibility for Mid Cap to access the SACE Guarantee under the same conditions offered by the Guarantee Fund for SMEs). The possibility of extending the duration of the loan against the payment of a commission has also been provided for operations with SACE guarantee, while for operations with guarantee issued by the Guarantee Fund for SMEs, the extension is possible against a reduction of the guarantee percentages.

Measures to counter the impact of the Russia-Ukraine conflict

In May 2022 the Council of Minister approved the “**Aiuti**” Decree (Law Decree 17 May 2022, No. 50, converted into Law 15 July 2022 No. 91) to address the negative consequences on the country's economic recovery caused by the Russia-Ukraine war. The decree contains some measures aimed at boosting the public guarantees' system through:

- The introduction of a new SACE guarantee until 31 December 2022 in favor of banks, national and international financial institutions and other entities authorized to exercise credit in Italy, for loans, in any form, granted to companies that demonstrate that the current crisis has direct negative economic repercussions on their activities.
The maximum duration of the guaranteed loans is 6 years (extendable to 8 years subject to authorization by the EU Commission), with the possibility of pre-amortization not exceeding 36 months and the guarantee's percentage changes (from 70 per cent. to 90 per cent.) depending on the company turnover and the number of employees.
- The introduction, until 31 December 2022, of a further measure relating to a 90 per cent. guarantee granted by SME's Guarantee Fund on individual loans granted to SMEs aimed at achieving efficiency goals or diversification of energy production or consumption. The guarantee is free only for companies, located in Italy, operating in the particularly affected sectors (Annex I of the new TF Crisis) and the maximum duration of guaranteed loans is 6 years.

In August 2022 the Council of Ministers approved the “**Aiuti Bis**” Decree (Decree Law 9 August 2022, No. 115 converted into Law 21 September 2022, No. 142) aimed at supporting companies and families to address the effects of the energy crisis and the ongoing conflict. Below the main measures of interest contained in the decree:

- **Implementing liquidity through the simplification of tax credits' assignment:** the measure has the aim of giving a stable framework regarding the tax credit's assignment from banks to transferees. It provides that transferee's liability is limited only to cases of involvement in violation with willful misconduct and gross negligence. Such clarity allows banks to make easier tax credits' assignment.

- **Guaranties Loans Active Management Project - GLAM:** the measure provides for the possibility for AMCO to set up dedicated assets aimed at purchasing, at market conditions, loans backed by FCG Guarantee as well as the possibility for banks to grant new loans to debtors transferred to the dedicated assets.

In September 2022 the Council of Ministers approved a new “**Aiuti Ter**” Decree to face energy costs’ increase on households and companies (Law Decree 23 September 2022 n. 144 converted into Law 17 November 2022, n. 175). Below the measures of interest:

- **SACE guarantee for companies’ liquidity needs:** it is envisaged that SACE can provide free guarantees (ex art. 15 of Aiuti Decree - DL 50/2022) on loans granted to companies for the payment of the invoices for energy consumption, which have been issued in October, November and December 2022, provided that the interest rate applied to the loan does not exceed, at the time of the request for the guarantee, the yield of the BTPs with a duration equal to the loan granted.
- **FCG guarantee for liquidity needs of companies:** for individual loans granted after the date of decree’s entry into force (24th September 2022) and intended for the payment of invoices for energy consumption, issued in October, November and December 2022, the Central Guarantee Fund can grant free guarantees (provided that the interest rate applied to the loan does not exceed, at the time of the request for the guarantee, the yield of the BTPs with a duration equal to the loan), up to a maximum of 80 per cent., in favor of SME’s, regardless of their rating.

In November 2022 the Council of Ministers approved a new “**Aiuti Quater**” Decree aimed at introducing urgent measures on electricity, natural gas and fuels (Decree Law 18 November 2022 n. 176 converted into Law 13 January 2023 n. 6). Below the main measures of interest contained in the decree:

- **Support measures to cope with energy costs’ increase:** The decree provides for:
 - possibility for companies based in Italy to ask suppliers to pay by instalments the amounts due relating to electricity and natural gas’ consumption made from 1/10/2022 to 31/3/2023 and invoiced by 31/12/2023 (exceeding the average amount recorded between 1/1/2021 and 31/12/2021). To ensure the widest application of the measure, SACE may grant to insurance companies a guarantee equal to 90 per cent. of the indemnities generated by exposures relating to receivables claimed by electricity and gas suppliers based in Italy.
 - possibility for electricity and gas suppliers based in Italy to ask for bank loans backed by a SACE guarantee under the same terms and conditions set in the “Aiuti” Decree (art. 15 DL 50/2022), to meet the liquidity needs deriving from the instalment plans granted.
 - extension until 31/12/2023 of the SACE guarantee (art. 15 of DL 50/2022) in favor of banks, national and international financial institutions and other entities authorized to exercise credit in Italy, for loans granted to companies that demonstrate to have suffered direct economic repercussions on their business.
- **Tax Credits’ Assignment:** it’s increased from 2 to 3 the number of credit assignments (central ones, between the first assignment and the last) in favour of qualified

intermediaries. The possibility remains for banks to assign credit to their current account holders (fifth and last assignment).

- **SACE Guarantee related to Superbonus:** It's envisaged the possibility for SACE to issue guarantees on loans granted to building companies that discount the invoice for works linked to Superbonus, to face their liquidity needs. The amount of tax credits accrued by the company as of 25 November 2022 may be considered for the purpose of assessing the creditworthiness of the company applying for the loan.

In November 2022 the Council of Ministers also approved the Law 29 December 2022 n. 197 ("**Budget Law 2023**") through which the Government extended until 31 December 2023 the transitional and extraordinary period of operation of the SME's Guarantee Fund (provided for in art.1 paragraph 55 and 55-bis of Budget Law 2022 - Law 234/2021). The measure provides for: maximum amount guaranteed per single company equal to 5 million; the application of the valuation model for the granting of the guarantee (the eligibility for the guarantee remains for the entities included in the rank n. 5 of the same valuation model); different percentages of the guarantee (for investment-related needs: 80 per cent. for all beneficiaries regardless of the rank they belong to; for needs other than investments (liquidity): 80 per cent. to weaker companies (rank 3-4-5), 60 per cent. guarantee for the others (rank 1-2); 90 per cent. guarantee on loans for investment or coverage of working capital costs for the achievement of efficiency targets or diversification of energy production or consumption).

Other measures to support the economy

In February 2023 the Council of Ministers approved the Law Decree 16 February n. 11, converted into Law 11 April 2023 n. 38 ("**Superbonus – Crediti Fiscali Decree**") which introduces urgent measures on tax credit assignment (provided for in art. 121 Decree Law 19 May 2020, n. 34).

Below the main measures of interest contained in the decree:

- Prohibition of the exercise of the tax credit transfer options and the discount on the invoice for building bonuses (Super Bonus and other transferable building bonuses) from 17 February 2023 (with some exceptions).
- Exclusion of the involvement in the violation (and therefore of joint and several liability) for assignee who have acquired the credit and are in possession of the documentation needed to demonstrate the effectiveness of the works carried out (the liability in case of fraud remains).
- possibility of using in 10 equal annual instalments (at the request of the supplier or transferee) the tax credits (superbonus and other building bonuses) deriving from the communications sent to the ADE by 31 March 2023. For the Superbonus expenses incurred in 2022, the deduction can be divided, at the request of the taxpayer, into 10 equal annual instalments starting from the 2023 tax period.
- possibility for banks, financial intermediaries, and insurance companies (with no more tax capacity) to use the Superbonus tax credits purchased to subscribe to BTPs, with a duration of at least 10 years, within the limit of 10% of the annual quota exceeding the tax credits already compensated. This solution is limited to credits relating to

interventions carried out up to 31 December 2022, and will be adoptable by BTP issues carried out starting from 1 January 2028

- Possibility of making the communication for the exercise of the option in the manner and within the terms of the so-called "*remissione in bonis*" (by 30 November 2023 with a fine of €250), if the transfer contract has not been concluded by 31 March 2023 and the transfer is carried out in favour of banks, financial intermediaries or companies belonging to a banking group.
- Extension of the exclusion ex lege from joint liability between the transferor and transferee to all transferees (not only current account holders), who purchase tax credits from a bank or from a company of a banking group which have to issue a statement concerning the possession of credit verification documents.

Sustainable Finance

Finally, it is worth mentioning the developments in the Sustainable Finance area. 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.

In May 2018, the European Commission published a package of legislative measures in order to promote a sustainable finance based on three building blocks that included: i) a classification system, or “sustainable taxonomy”, ii) a disclosure framework relating to sustainable risks and iii) investment tools, including benchmarks, standards and labels.

Taxonomy. The final text of the Taxonomy Regulation has been adopted by the European Parliament and Council and was subsequently published in the OJ in 2020. The Taxonomy Regulation is a classification system intended to address greenwashing and provide a tool to direct finance towards sustainable investments. The regulatory framework outlines definitions and specific criteria (technical screening criteria) to determine whether an economic activity can be classified as environmentally sustainable.

The level II timeline to determine the specific technical screening criteria is progressing with criteria for the first two environmental objectives (climate change mitigation and adaptation) now adopted and applicable from 1 January 2022. The remaining four objectives – sustainable use and protection of water and marine resources, transition to circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems – are expected to be adopted in 2023, therefore the application date will be significantly delayed (not earlier than end 2023/2024).

On 15 July, the Taxonomy Complementary Delegated Act covering gas and nuclear related activities was published in the OJ of the EU and will enter into force twenty days after the publication. The Delegated Act are applicable from 1 January 2023.

Taxonomy Extension. In July 2021, the Platform on Sustainable Finance published a consultation paper on ‘Taxonomy extension options linked to environmental objectives’; and a draft report on ‘Social Taxonomy’. The consultation paper asked feedback on the possibility to extend the EU Taxonomy to significantly harmful (“**SH**”) activities and no

significant impact (“**NSI**”) activities and if this would fall within the overall framework of EU sustainable finance. The final report on a Social Taxonomy which looks at how to implement a social Taxonomy as well as how to make the two Taxonomies (social and environmental) work together was formally published by the Platform on 28 February 2022. The Finale Report on the extension of the Taxonomy to significantly harmful (“**SH**”) activities, intermediate activities and no significant impact (“**NSI**”) activities was published on 28 March 2022. The Commission is expected to assess the two reports in due time and decide whether to put forward a legislative proposal on both Social and Extended Taxonomy once it finalized the work on 4 remaining environmental objectives (not earlier than end 2024/2025).

On 9 December 2019 has been published Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the “**Sustainable Finance Disclosure Regulation**” or “**SFDR**”), which lays down harmonised rules for financial market participants and financial advisers on transparency. The SFDR entered into force from March 2021, but the EC was mandated to adopt regulatory technical standards regarding the ESG disclosure requirements. The three ESAs (EBA, EIOPA and ESMA) published their report in February 2021 which was finally adopted by the EC in April 2022 and are applicable from January 2023.

The Corporate Sustainable Reporting Directive (CSRD), published by the Commission on 21 April 2021, finally approved in December 2022 (with publication in the OJ), will review the existing Non-Financial Reporting Directive (“**NFRD**”) to reinforce disclosure obligations through mandatory reporting standards while broadening the application scope. The Directive proposes:

- an extension of scope to all large companies, all listed companies (except listed micro enterprises), non- EU companies with branches or subsidiaries in the EU above certain thresholds-undertakings);
- the requirement to specify in greater detail the information that companies should report (e.g., information about their strategy, targets, the role of the board and management, principal adverse impacts of the undertaking);
- the requirement to report against mandatory EU sustainability reporting standards;
- the requirement for an EU-wide audit (assurance) requirement for reported sustainability information, starting with limited assurance, later reasonable.
- the requirement to ensure all information is published as part of the firm’s management report and is disclosed in a digital, machine-readable format.

The CSRD’s new sustainability reporting obligations will apply to financial years starting with 1 January 2024 (reporting in 2025), according to a three stages-timeline.

On 21 April 2021, the European Commission published a package of measures on Sustainable Finance, which included proposals for inclusion of ESG into the existing MiFID 2 Regulation. Starting from August 2022, the financial advisers 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.

On 6 July 2021, the Commission published its communication on the “Strategy for Financing the Transition to a Sustainable Economy” (the “**Renewed Strategy**”), which is a complementary strategy to the 2018 Sustainable Finance Action Plan. The Renewed Strategy focusses on management of financial risk by the financial sector, including a focus on taxonomy and disclosures. It identifies four main areas where additional actions are needed for the financial system to fully support the transition of the economy towards sustainability namely: i) financing the transition to sustainability (adoption of the Intermediate Taxonomy as well as the establishment of “significant harmful” and “non-significant impact” taxonomies), ii) inclusiveness (extension of Taxonomy to social objectives. Publication of the Sustainable Corporate Governance and definition of green retail loans and green mortgages), iii) financial sector resilience and contribution to sustainability (incorporate ESG risk in the Supervisory Review and Evaluation Process; regular climate change stress tests) and iv) global ambition. Alongside the Renewed Strategy the Commission published also a proposal for a regulation for a voluntary EU Green Bond Standard (EuGBs) with an aim to scale up and raise the environmental ambitions of the green bond market.

Green Bond Standard. The Commission published its proposal for an EU Green Bond Standard (“**EU GBS**”) on 6 July 2021. The Regulation lays down the foundation for a common framework of rules regarding the use and designation of EU GBS for bonds that pursue environmentally sustainable objectives within the meaning of Taxonomy Regulation. The Regulation is mainly aimed at issuers who wish to use the voluntary EU GB standard. The political agreement was reached on 28 February 2023 and once formally adopted by both the European Parliament and the Council, the Regulation will enter into force 20 days after its publication in the OJ of the EU and will be applicable 12 months afterwards.

The Regulation also sets up a system for registering and supervising companies that act as external reviewers for green bonds aligned with this framework. The negotiations are ongoing both in the European Parliament and in the Council. It is expected that the Regulation will be finalized by the end of 2022. On 6 July 2021, the European Commission adopted the Delegated Act on Article 8 under the EU Taxonomy Regulation which requires entities covered by the EU Non-Financial Reporting Directive (“**NFRD**”) to publish information on how and to what extent their activities are associated with economic activities that qualify as “environmentally sustainable” under the EU Taxonomy Regulation. The application of the delegated act for financial institutions is limited in 2022 and 2023 to certain elements, while the remaining provision will apply from 1 January 2024 (e.g. the Green Asset Ratio). The disclosure of the information related with banks’ trading book exposures and fees and commissions for other commercial services will apply from 1 January 2026.

On 25 November 2021, as part of the CMU Action Plan, the Commission published the legislative proposal for the establishment of the European Single Access Point (“**ESAP**”), aimed to ensure public and free access to financial and sustainability-related information across the single market with a view to meet investors’ demand. The scope of data accessible via the ESAP will include information published by entities under existing EU financial services legislation, with a phased approach from 2024 till 2026. The ESAP will enable any entity, in particular SMEs, to file relevant information voluntarily. Entities are

expected to file the information only once to a collection body (for instance the Officially Appointed Mechanisms or an existing authority, at national or at European level). All the collection points will enable the ESAP to access that information via application programming interfaces (“APIs”). The European Securities and Markets Authority (“ESMA”) will be in charge of building, operating and governing the ESAP. The information will be available for free and in data extraction format, with an increasing amount of information made machine-readable in the long run. The ESAP proposal is entering in 1Q-2Q2023 the final stage of the legislative process (trilogues).

On 24 January 2022, the EBA published their final drafts on the implementing technical standards (“ITS”) on Pillar 3 disclosures of ESG risks in accordance with Article 449a of the CRR. In defining the ITS, the EBA took into consideration the sequential approach followed by the European Commission (“EC”) for the disclosure obligations requested by Article 8 of the EU Taxonomy and proposed the disclosure of a Green Asset Ratio (“GAR”) for the exposures related to the NFRD companies starting from 2024, while it introduced a transition period until June 2024 for the disclosure of the Banking Book Taxonomy alignment Ratio (BTAR - dedicated to exposures towards SMEs and non-EU counterparties) and for the banks’ scope 3 emissions. EBA confirmed that will review the disclosure requirements in 2024 to extend them to the other four environmental objectives and to the trading book. On 17 October 2022, the EBA accepted the EC’s proposed changes on how BTAR should be disclosed by financial institutions to emphasise that: i) credit institutions may choose to disclose the information regarding their exposures towards SMEs and non-EU counterparties instead of being required to report on a “best effort basis” and ii) that the collection of the information from the counterparties will be on a “voluntary basis” including that banks need to inform their counterparties about the voluntary nature of this request of information. The final standards are expected to be adopted by EC and published in the Official Journal by end of 2023.

On 2 May 2022, EBA published the discussion paper on the role of environmental risks in the prudential framework, analysing the extent to which these risks are already reflected in the Pillar 1 own funds requirements via internal and external ratings, valuation of financial instruments and collateral or scenario analysis. EBA is of the view that a risk-based approach in assessing the risk profiles of exposures subject to environmental risks should be taken before proposing additional direct capital requirements and takes a cautious approach regarding the introduction of specific risk-weighted adjustment factors for green and carbon intensive exposures, advocating instead for targeted changes to internal models, external credit ratings and collateral re-evaluations. EBA is expected to publish the final report by June 2023 and the proposed measures to be implemented in the changes to CRR3.

DIGITAL FINANCE

On 24 September 2020, the European Commission published a Digital Finance Package with the main aim to support the EU digital transformation of finance in the coming years while regulating its risks. Four broad priorities will guide the EU’s initiatives to promote digital transformation until 2024 with associated actions (legislative and non-legislative) that the Commission would like to put forward in the next four years.

- 1) Removing fragmentation in the Digital Single Market: in June 2021, the Commission launched a legislative proposal aimed at creating a European Digital Identity which will be available to all EU citizens, residents, and businesses in the EU. The proposal builds on the existing cross-border legal framework for trusted digital identities, the European electronic identification and trust services initiative (eIDAS Regulation). Adopted in 2014, it provides the basis for cross-border electronic identification, authentication and website certification within the EU.
- 2) Adapting the EU regulatory framework to facilitate digital innovation: in September 2020, the Commission proposed for the first time new legislation on crypto-assets, the so called “Markets in Crypto Assets” (“**MiCA**”) regulation to ensure clarity and legal certainty for issuers and providers of crypto assets that are not currently covered by current EU legislation. Safeguards include capital requirements. Issuers of significant crypto-assets (the so-called global "stablecoins") will be subject to stricter requirements (e.g. in terms of capital, investor rights and supervision). The legislative process is in its final stages, with a likely entry into force in Q2 2023. MiCA is currently expected to become effective in Q3 2024. The Commission also proposed a Regulation on a pilot regime for market infrastructures based on distributed ledger technology (DLT) (the “**DLT Regulation**”), which allows temporary derogations from existing rules, for market infrastructures interested in trading and settling transactions in financial instruments in crypto-asset form. The DLT Regulation entered into force in June 2022, with most of its provisions that are applicable from 23 March 2023. The DLT Regulation has been fully transposed into Italy by Law Decree no. 25 of 17 March 2023 which also sets forth provisions aimed at allowing the issuance and transfer of financial instruments in a digital form. In April 2021, to facilitate digital innovation, the Commission also presented a proposal for a regulatory framework on Artificial Intelligence (“**AI**”) aimed both at promoting its development but also at managing its potential risks.
- 3) Promoting data-driven innovation in finance: In coordination with the PSD2’s review and building on initiatives in the data strategy (Data Governance, Data Act and the Digital Markets Act as well the Digital Services Act), the EC will present a legislative proposal for a **broader open finance framework** in June 2023. The future framework is expected to propose rules on the rights of third-party providers to access clients’ data held by the financial sector which could include data on savings, securities, insurance and pension products.
- 4) Addressing the challenges and risks associated with digital transformation: in September 2020, the Commission proposed a Digital Operational Resilience Act (“**DORA**”) to prevent and mitigate cyber threats and enhance oversight of outsourced services. The proposed legislation will require all interested firms to ensure that they can withstand all types of ICT related disruptions and threats and introduces an oversight framework for ICT providers, such as cloud computing service providers. The DORA entered into force in January 2023 and will become fully applicable in January 2025.

In addition to the legislative initiatives included in the Digital Finance package, it is worth mentioning another initiative with very important implications for the financial sector: the

increasingly probable introduction of a digital euro. The ECB is currently engaged in an investigation phase aimed at deciding whether to issue or not such virtual currency. In October 2023 the Governing Council could decide to start a realization phase to develop and test technical solutions and business arrangements for a digital euro. If approved, the ECB will work on implementation for another three years before launch. This means that the eurozone could be using a central bank-issued digital currency by 2027. The Commission will launch a legislative proposal on the topic in June 2023. The Commission's officials said that the legislative initiative will address key issues such as disintermediation of banks and financial stability risks.

OTHER RECENT SECURITIES MARKETS RELATED REGULATIONS

On 25 November 2021, the Commission presented its official proposal for a Markets and Financial Instruments Regulation (“**MiFIR**”) review as part of a Capital Market Package including other legislative proposals (i.e., the creation of the European Single Access Point (“**ESAP**”) – see above - and a review of the European Long-Term Investment Funds (“**ELTIFs**”) Regulation). Regulation (EU) 2023/606 (the so-called ELTIFs II Regulation), specifically aimed at amending the ELTIFs Regulation as to the requirements pertaining to investment policies and operating conditions of ELTIFs, the scope of eligible investment assets, the portfolio composition, the diversification requirements and the borrowing of cash and other fund rules, was published in the Official Journal of the EU on 20 March 2023. The ELTIFs II Regulation entered into force on 9 April 2023, with most of its provisions that will apply from 10 January 2024. The EC MiFIR review aims at improving transparency and making the EU market infrastructure more competitive. The review is mainly focused on the establishment of an EU Consolidated Tape (“**CT**”) – a centralized database meant to provide a comprehensive view of market data - namely prices and volumes of traded securities across trading venues in the EU. In April 2023 the EU Parliament and EU Council started the final phase of the legislative process (trilogue) whose finalisation is expected not before 3Q2023.

On 7 December 2022, the Commission published its proposal to further review the European Market Infrastructure Regulation (also known as EMIR 3.3) with the aim of reducing reliance from UK clearing houses and foster EU clearing attractiveness. The key part of the proposal is the introduction of the obligation for counterparties subject to the clearing obligation to hold an active account (AA) at an EU CCP, and clear with an EU CCP a portion of their trades of derivatives products considered of systemic importance to the EU or to one or more of its Member States (interest rate derivatives denominated in euro and Polish zloty, CDS denominated in euro and short-term interest Rate derivatives (STIR) denominated in euro). The Council and the EU Parliament started their discussions on the proposal in early 2023.

Details of any recent events particular to the Issuer and which are to a material extent relevant to an evaluation of the Issuer's solvency

There are no recent events particular to the Issuer which are to a material extent relevant to an evaluation of the Issuer's solvency.

Credit ratings

As at the date of this Prospectus, UniCredit has been rated as follows:

Rating Agencies	Short Term Counterparty Credit Rating	Long Term Counterparty Credit Rating	Outlook	Last update
Fitch	F2	BBB	stable	29 November 2022
S&P	A-2	BBB	stable	29 July 2022
Moody's	P-2	Baa1	negative	9 August 2022

During the validity of this Prospectus, the updated Issuer's ratings information which could occur, will be available from time to time on the Issuer's website, without prejudice to the obligations arising from Article 23 of the Prospectus Regulation in relation to the drafting of a supplement.

The rating agencies Fitch, S&P and Moody's are established in the European Economic Area, are registered in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended, and are included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>.

BUSINESS OVERVIEW

Principal activities

A brief description of the Issuer's principal activities stating the main categories of products sold and/or services performed

UniCredit is a pan-European Commercial Bank with a unique service offering in Italy, Germany, Central and Eastern Europe. UniCredit's purpose is to empower communities to progress, delivering the high-quality services for all stakeholders, unlocking the potential of its clients and its people across Europe. UniCredit serves over 15 million customers worldwide. UniCredit is organized in five geographical areas (Business Divisions) and two product factories, Corporate and Individual Solutions.

As of the date of this Prospectus, the Group geographic areas are:

- Italy as a standalone geography reflecting the critical importance of the country;
- Germany still focused on developing and growing business in the country;
- Central Europe (including Austria, Czech Republic and Slovakia, Hungary, Slovenia);

- Eastern Europe (including Bosnia and Herzegovina, Bulgaria, Croatia, Romania, Serbia);
- Russia (starting from the first quarter of 2022, the Group's organizational structure has been updated by isolating activities in Russia¹²).

This organization ensures Country and local Banks autonomy on specific activities granting proximity to the customers (for all client segment, Retail and Corporate) and efficient decisional processes. All standalone geographies of the Group have dedicated support functions such as: People and Culture, Finance, Digital & Information Office, and Operations. In addition, Compliance, Legal and Risk have established specific regional departments.

Alongside Business Divisions there are:

- a Group Corporate Centre with the objective to lead, control and support the management of the assets and related risks of the Group as a whole and of the single Group companies in their respective areas of competence; it also includes the Group's Legal Entities that are going to be dismissed; and
- the Non-Core segment, including non-strategic Italian assets and those with a poor fit to the Group's risk-adjusted return framework; it is reported until full year 2021, date of its complete runoff.

The basis for any statements made by the Issuer regarding its competitive position.

No precise data about Issuer's competitive position are included in this Prospectus.

ORGANISATIONAL STRUCTURE

Brief description of the group and the Issuer's position within the group

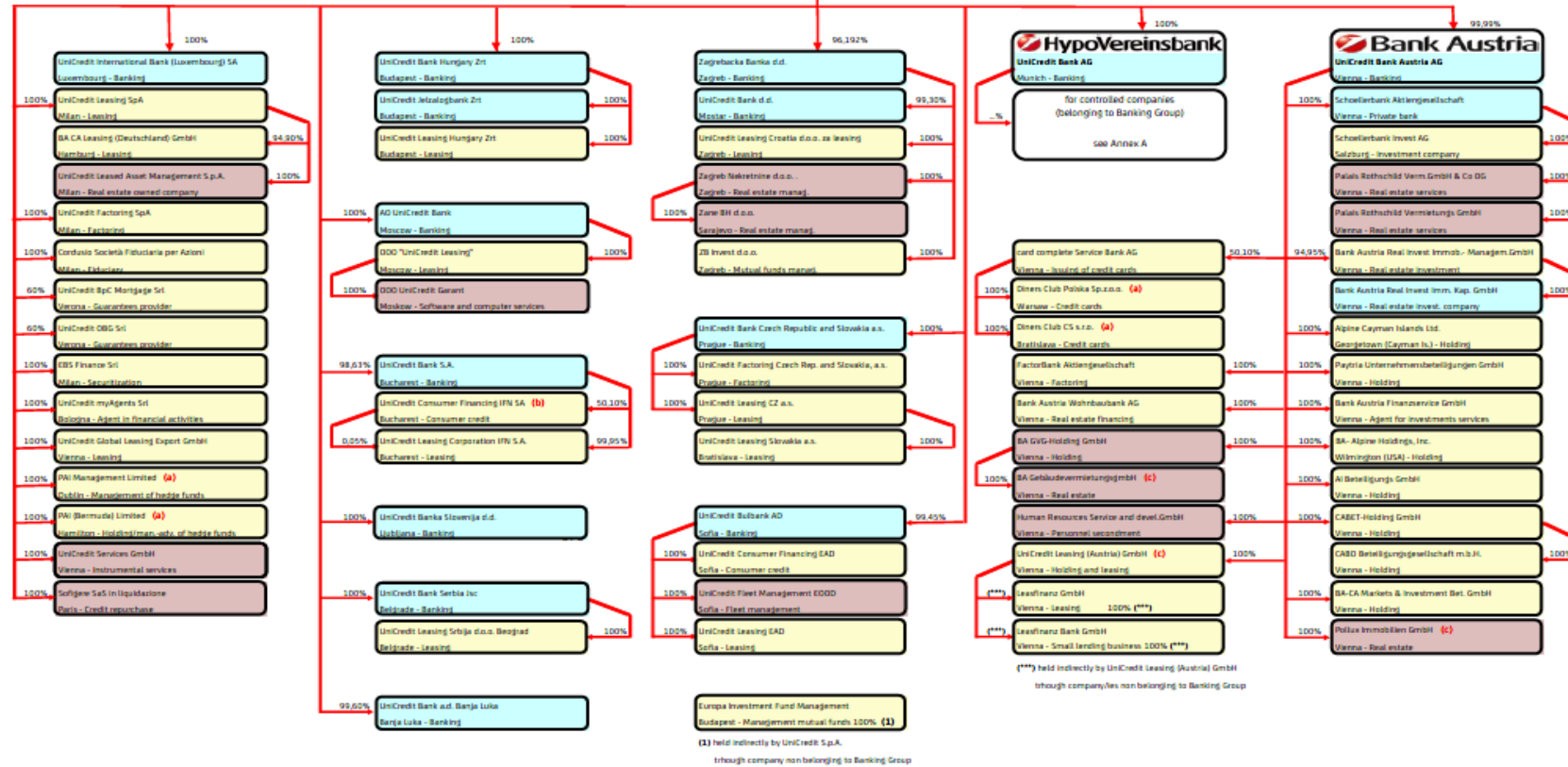
UniCredit is the parent company of the UniCredit Group and, in addition to banking activities, it carries out organic policy, governance and control functions vis à vis its subsidiary banking, financial and instrumental companies.

UniCredit, as a bank which undertakes management and co-ordination activities for the UniCredit Group, pursuant to Article 61 of the Italian Banking Act issues, when exercising the management and co-ordination activities, instructions to the other members of the banking group to ensure compliance with supervisory regulations, including the implementation of general and specific measures laid down by the Supervisory Authorities in the interest of the banking group's stability.

The following diagram illustrates the banking group companies as at 1 January 2023:

¹² Includes the local bank and legal entities, plus the cross-border exposure booked in UniCredit S.p.A.

UniCredit Banking Group (cod. 2008.1)



(a) not operative (b) 49.9% held by UniCredit SpA (c) % considering shares held by other Companies controlled by UniCredit Bank Austria AG

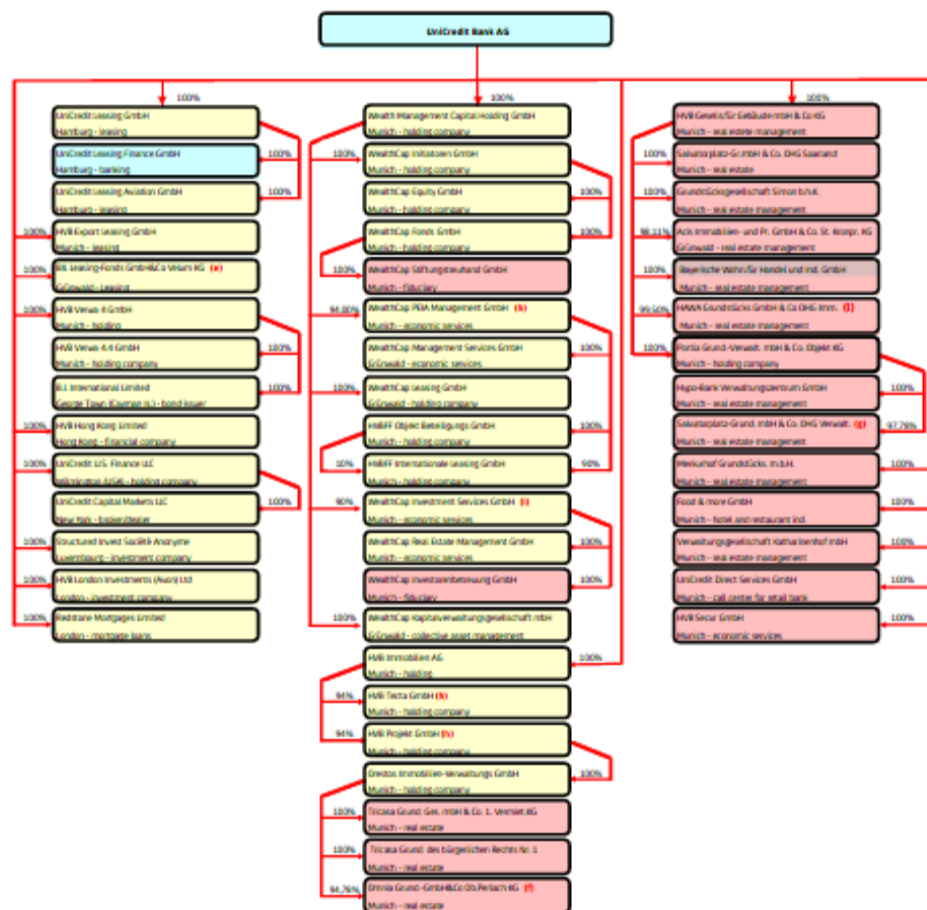
Companies belonging to the Banking Group

banking
financial
instrumental

Updated

01 January 2023

Annex A



(a) voting rights held by UniCredit Bank AG directly and indirectly (66,66%) (f) 5,22% held by WealthCap Leasing GmbH (g) 2,22% held by Tivoli Grundstücks-Aktiengesellschaft (h) 6% held by UniCredit Bank AG (i) 10% held by UniCredit Bank AG (l) 0,50% held by Tivoli Grundstücks-Aktiengesellschaft

banking
financial
instrumental
Updated

01 January 2023

Dependence upon other entities within the Group

As at the date of this Prospectus, UniCredit is not dependent upon other entities within the Group and no individual or entity controls UniCredit within the meaning provided for in Article 93 of Legislative Decree No. 58 of 24 February 1998, as amended (the “Financial Services Act”).

ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

Names, business addresses and functions of the members of the Board of Directors and Board of Statutory Auditors and an indication of the principal activities performed by them outside of the Issuer where these are significant with respect to the Issuer

The board of directors (the “Board” or the “Board of Directors”) is elected by UniCredit shareholders at a general meeting for a three financial year term, unless a shorter term is established upon their appointment, and Directors may be re-elected. Under UniCredit Articles of Association, the Board is composed of between a minimum of 9 and a maximum of 24 members.

The Board of Directors currently in office was appointed by the UniCredit Ordinary Shareholders’ Meeting on 15 April 2021 for a term of three financial years and is composed of 12 members. The term in office of the current members of the Board will expire on the date of the Shareholders’ Meeting called to approve the financial statements for the financial year ending 31 December 2023. The members of the Board of Directors have been appointed on the basis of a proportional representation mechanism (“*voto di lista*”) and in compliance with the provisions on gender balance.

The following table sets forth the current members of UniCredit’s Board of Directors as at the date of this Prospectus, having regard also to the changes occurred in the composition of the Board after the abovementioned Ordinary Shareholders’ Meeting.

Name	Position
Pietro Carlo Padoan ¹⁻²⁻³	Chairman
Lamberto Andreotti ¹⁻²⁻³	Deputy Vice Chairman
Andrea Orcel	Chief Executive Officer*
Vincenzo Cariello ¹⁻²⁻³	Director
Elena Carletti ¹⁻²⁻³	Director
Jeffrey Alan Hedberg ¹⁻²⁻³	Director
Beatriz Lara Bartolomé ¹⁻²⁻³	Director
Luca Molinari ¹⁻²⁻³	Director

Maria Pierdicchi ¹⁻²⁻³	Director
Francesca Tondi ¹⁻²⁻³	Director
Renate Wagner ¹⁻²	Director
Alexander Wolfgring ¹	Director

Notes:

- (1) Director that meets the independence requirements pursuant to Section 148 of the Financial Services Act.
- (2) Director that meets the independence requirements pursuant to Section 13 of the Treasury Decree no. 169 dated November 23, 2020.
- (3) Director that meets the independence requirements pursuant to Section 2, recommendation 7, of the Italian Corporate Governance Code.

* Also elected as General Manager by the Board of Directors on 15 April 2021.

The information on the Board of Directors and its updates are available on the UniCredit website, without prejudice to the obligations arising from Article 23 of the Prospectus Regulation in relation to the drafting of a supplement.

The business address for each of the foregoing Directors is in Milan, 20154, Piazza Gae Aulenti 3, Tower A.

Other principal activities performed by the members of the Board which are significant with respect to UniCredit are listed below:

Pietro Carlo Padoan

- Member of the Board of Directors and the Executive Committee of ABI – Italian Banking Association
- Chairman of the Capital Markets Union technical Committee of ABI - Italian Banking Association
- Member of the Institut International d'Etudes Bancaires
- Chairman of the High Level Group on Financing Sustainability Transition
- Member of the European Financial Roundtable (EFR)
- Member of the European Banking Group (EBG)
- Member of the Executive Committee of FeBAF (Italian Banking, Insurance and Finance Federation)
- Member of the Executive Committee of Assonime
- Member of the Committee of Market Operators and Investors (COMI)
- Member of the Governing Council of the School for Economic and Social Politics (AISES)
- Member of the "Comitato Scientifico Osservatorio Banca Impresa 2030"

- Member of the Board of Directors of International Monetary Conference
- Member of the Board of "Istituto Luigi Einaudi per gli Studi bancari, finanziari e assicurativi"
- Member of the Corporate Governance Committee of Borsa Italiana
- Member of the Board of the Institute of International Finance (IIF)
- Member of the FEPs High-Level Group on the New Global Deal
- Member of the Consiglio Generale of AIFI (Associazione Italiana del Private Equity, Venture Capital e Private Dept)
- Vice Chairman of IAI – Istituto Affari Internazionali
- Member of the Scientific Council of LUISS Think Tank Europe
- Honorary Board Member of Scope Foundation

Lamberto Andreotti

- Member of the Board of Directors of Corteva Agriscience
- Member of the Board of Directors of American Italian Cancer Foundation

Andrea Orcel

- Non-executive Director of EIS Group Ltd

Vincenzo Cariello

- Founding and Name Partner Studio Legale Professor Cariello
- Member of the Board of Directors of A2A S.p.A.

Elena Carletti

- Full Professor of Finance, Bocconi University, Department of Finance
- Director of the “Banking, Finance and Regulation” Research Unit – Bocconi University
- Dean for Research – Bocconi University
- Chairperson of the European Finance Association (EFA)
- Director of Center for Economic Policy & Research
- Research Professor, Bundesbank
- Scientific Director, European University Institute, Florence School of Banking and Finance (FBF)
- Member of the Advisory Scientific Committee, European Systemic Risk Board (ESRB) - European System of Financial Supervision
- Member of Expert Panel on banking supervision, European Parliament

- Member of the Scientific Committee, Bruegel

Jeffrey Alan Hedberg

- Advisory Board Member of SDA Bocconi

Beatriz Lara Bartolomé

- Sole Administrator of AHAOW
- Member of the Advisory Council of FINCOMUN MEXICO
- Business Angel & Senior Advisor at ZELEROS Hyperloop
- Investor & Senior Advisor at OPINNO
- Investor & Senior Advisor Bound4Blue
- Mentor at Startup Lab, International MBA, IE Business School

Luca Molinari

- Head of Financial Services at Mubadala Investment Company
- Non-Executive Director at Sanad Group

Maria Pierdicchi

- Non-Executive Board Member and Chair of Human Resources Committee of Autogrill S.p.A.
- Chairwoman and Board Member of NED COMMUNITY
- Board Member of Aidexa Holding (previously PBI S.p.A.)
- Board Member of HUBLAB Eccellenze d'impresa S.r.l.

Francesca Tondi

- Member of the Board of Directors of Piraeus Financial Holdings SA
- Member of the Board of Directors of Piraeus Bank SA
- Leader of the Financial sector HUB – Climate governance initiative

Renate Wagner

- Member of the Board of Management Allianz SE
- Member of the Supervisory Board of Allianz Holding Eins GmbH

Alexander Wolfgring

- Member of the Board of Directors (Executive Director) of Privatstiftung zur Verwaltung von Anteilsrechten
- Member of the Board of Directors of AVZ GmbH
- Chairman of the Supervisory Board, Österreichisches Verkehrsbüro AG

- Member of the Board of Directors of AVB Holding GmbH
- Member of the Board of Directors of API Besitz, GmbH
- Member of the Board of Directors of Mischek Privatstiftung

Board of Statutory Auditors

Pursuant to the provisions of the UniCredit Articles of Association, the board of statutory auditors (the “**Board of Statutory Auditors**”) consists of five permanent statutory auditors, including a Chair, and four substitute statutory auditors.

The Board of Statutory Auditors currently in office was appointed by the UniCredit Ordinary Shareholders' Meeting on 8 April 2022 for a term of three financial years and its members may be re-elected.

The term in office of the current members of the Board of Statutory Auditors will expire on the date of the Shareholders' Meeting called to approve the financial statements for the financial year ending 31 December 2024.

The members of the Board of Statutory Auditors have been appointed on the basis of a proportional representation mechanism (“*voto di lista*”) and in compliance with the provisions on gender balance.

The following table sets out the current members of UniCredit Board of Statutory Auditors as at the date of this Prospectus:

Name	Position
Marco Rigotti	Chairman
Claudio Cacciamani	Statutory Auditor
Benedetta Navarra	Statutory Auditor
Guido Paolucci	Statutory Auditor
Antonella Bientinesi	Statutory Auditor

The information on the Board of Statutory Auditors and its updates are available on the UniCredit website, without prejudice to the obligations arising from Article 23 of the Prospectus Regulation in relation to the drafting of a supplement.

All of the members of the Board of Statutory Auditors in office are enrolled with the Register of Chartered Accounting Auditors of the Italian Ministry of Economy and Finance. The business address for each of the members of the Board of Statutory Auditors is in Milan, 20154, Piazza Gae Aulenti 3, Tower A.

Other principal activities performed by the Statutory Auditors of UniCredit which are significant for UniCredit are listed below:

Marco Rigotti

- Chairman of the Board of Directors of Alisarda S.p.A.

Claudio Cacciamani

- Chairman of the Board of Statutory Auditors of Confidi Parma S.C.p.A.
- Non-executive Director of Alicanto Capital SGR S.p.A.
- Non-executive Director of Carlyle Real Estate Società di Gestione del Risparmio S.p.A.
- Non-executive Director of CBRE Investment Management SGR S.p.A.
- Non-executive Director of Consulinvest S.p.A.
- Member of the Supervisory Committee of Banca Popolare di Garanzia in compulsory liquidation

Benedetta Navarra

- Chairwoman of Audit Committee of UniCredit Bulbank A.D.
- Chairwoman of the Board of Directors of Italgas S.p.A.
- Member of the Board of Director of Cementir Holding N.V.
- Statutory Auditor of Atlantia S.p.A.
- Statutory Auditor of Aeroporti di Roma S.p.A.
- Chairwoman of the Supervisory Body pursuant to Legislative Decree 231/2001 of Equitalia Giustizia S.p.A.
- Member of the Supervisory Body pursuant to Legislative Decree 231/2001 of Confcommercio imprese per l'Italia Provincia di Roma Capitale

Guido Paolucci

- Chairman of the Board of Statutory Auditors of Ecofuel S.p.A.
- Chairman of the Board of Statutory Auditors of Raffineria di Gela S.p.A.
- Chairman of the Board of Statutory Auditors of TIM San Marino S.p.A.
- Chairman of the Board of Statutory Auditors of Telefonia Mobile Sanmarinese S.p.A.
- Statutory Auditor of Nuova Compagnia di Partecipazioni S.p.A.
- Statutory Auditor of HYLE Capital Partners SGR S.p.A.
- Statutory Auditor of Consorzio CONOU

- Statutory Auditor of Fondazione "Casa Sollievo della Sofferenza"

Antonella Bientinesi

- Chairman of the Board of Statutory Auditors of Enel Erre S.p.A.
- Statutory Auditor of ACER Sede S.p.A.
- Statutory Auditor of Enel Produzione S.p.A.
- Statutory Auditor of Enel Green Power Solar Metehara S.p.A.
- Statutory Auditor of Enel Green Power Solar Ngonye S.p.A.
- Statutory Auditor of CESI S.p.A.
- Statutory Auditor of Gridspertise S.r.l.
- Sole Auditor of Enel Green Power Matimba Newco 1 S.r.l.
- Statutory Auditor of Fondo Ambiente Italiano – FAI

Conflicts of Interest

As at the date of this Prospectus, and to the best of UniCredit's knowledge, with regard to the members of the UniCredit Board of Directors and Board of Statutory Auditors there are no conflicts of interest between any duties to the Issuer, arising from the office or position held within UniCredit, and their private interests and/or other duties. In UniCredit any conflict of interest is managed in accordance with the applicable procedures and in strict compliance with existing laws and regulations. Members of the UniCredit Board of Directors and Board of Statutory Auditors must indeed comply with the following provisions aimed at regulating instances where there exists a specific interest concerning the implementation of an operation:

- Article 53 paragraph 4, of the Italian Banking Act, without prejudice to the obligations envisaged by paragraph 1 of Article 2391 of the Italian Civil Code, hereinafter quoted, sets forth the duty to abstain from voting for the Directors having a conflicting interest, on their own behalf or on behalf of a third party;
- Article 136 of the Italian Banking Act, which requires a special authorisation procedure (a unanimous decision by the supervisory body with the exclusion of the concerned officers' vote and the favourable vote of all members of the controlling body) should a bank enter into obligations of any kind or enter, directly or indirectly, into purchase or sale agreements with its corporate officers;
- Article 2391 of the Italian Civil Code, which obliges directors to notify fellow directors and the Board of Statutory Auditors of any interest, on their own behalf or on behalf of a third party, that they may have, in a specific company transaction, with the concerned member of the Board of Directors having to abstain from carrying out the transaction if he/she is also the CEO; and

- Article 2391-*bis* of the Italian Civil Code, CONSOB Regulation No. 17221 dated 12 March 2010 (and subsequent updates) concerning transactions with related parties and the relevant communication no. 10078683 dated 24 September 2010, as well as the provisions of the Bank of Italy Circular no 285 dated 17 December 2013 (Part III - Chapter 11) concerning risk activities and conflicts of interest of banks and banking groups with associated persons (Supervisory Regulations for the banks).

In accordance with the said latest provisions, UniCredit has adopted specific policies and procedures in order to ensure, between the others, the transparency and the material and procedural correctness of the transactions with related parties or with associated persons, directly or through controlled companies.

For information on related-party transactions, please see Part H of the Notes to the consolidated financial statements of UniCredit as at 31 December 2022, incorporated by reference herein.

Notwithstanding the obligations of Article 2391 of the Italian Civil Code, UniCredit and its corporate bodies have adopted measures and procedures to ensure compliance with the provisions relating to transactions with its corporate officers, as well as transactions with related parties and associated persons.

MAJOR SHAREHOLDERS

Information related to the shareholder structure of the Issuer

No individual or entity controls UniCredit within the meaning provided for in Article 93 of the Financial Services Act.

As at 3 April 2023, the major shareholders who have disclosed that they hold, directly or indirectly, a relevant participation in UniCredit, pursuant to Article 120 of the Financial Services Act, were:

Major Shareholders*	Ordinary Shares	% owned
BlackRock Group	114,907,383	5.921 ⁽¹⁾
Allianz Group	69,622,203	3.587

(1) non-discretionary asset management

* The table shows the information notified by the shareholders pursuant to Article 120 of the Financial Services Act following the update disclosed on the CONSOB website on 3 April 2023. The percentages here indicated are calculated on the number of shares representing the share capital as of the date of this Prospectus, which takes into account the free capital increase registered on 27 February 2023.

It should be noted that, in the cases provided for by the Issuers Regulations, management companies and qualified entities that have acquired, as part of their management activities, shareholdings less than 5 per cent. are not required to make disclosures.

The updated information concerning the major shareholders will be available from time to time on the Issuer's website without prejudice to the obligations arising from Article 23 of the Prospectus Regulation in relation to the drafting of a supplement.

A description of any arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer

As at the date of this Prospectus, as far as the Issuer is aware, there are no arrangements the operation of which, at a subsequent date, could result in a change in control of the Issuer.

LEGAL AND ARBITRATION PROCEEDINGS

Legal and arbitration proceedings

The risks connected with pending legal proceedings have been duly examined by the Parent Company and each of the involved Subsidiaries (the “**Companies**”).

As at 31 December 2022, the Companies were named as defendants in 58,117 legal proceedings, of which 7,983 involving the Parent Company UniCredit S.p.A. (excluding labour law cases, tax cases and credit recovery actions in which counterclaims were asserted or objections raised with regard to the credit claims of Group Companies).

To provide for possible liabilities and costs that may result from pending legal proceedings (excluding labour law and tax cases), as of 31 December 2022, the UniCredit Group set aside a provision for risks and charges of Euro 620.97 million, of which Euro 296.2 million for the parent company UniCredit S.p.A.

As of 31 December 2022, the total amount of claimed damages relating to judicial proceedings other than labour, tax and debt collections proceedings was Euro 7.5 billion, of which approximately Euro 5.2 billion for the proceedings involving the parent company UniCredit S.p.A. This figure is affected by both the heterogeneous nature of the pending proceedings and the number of involved jurisdictions and their corresponding characteristics in which UniCredit Group companies are named as defendants.

In a greater detail, it mainly deals with:

Madoff

The parent company UniCredit S.p.A. and several of its direct and indirect subsidiaries (the “**Companies**”) have been sued in the wake of a Ponzi scheme perpetrated by Bernard L. Madoff through his company Bernard L. Madoff Investments Securities LLC (“**BLMIS**”), which was exposed in December 2008. The Companies were principally connected with Madoff as investment manager and/or investment adviser for the Primeo Fund Ltd (now in liquidation) and other non-US funds of funds that had invested in other non-US funds with accounts at BLMIS.

Specifically, the Companies (together with a variety of other entities) were named as defendants in a variety of proceedings (both in the US and in non-US jurisdictions), for a total damage compensation claims of over \$ 6 billion (to be later determined over the course of the proceedings). At present, most of the claims brought before US Courts and referring to the Companies have been rejected without any possibility of appeal or dismissal. However, the bankruptcy administrator of BLMIS (the “**SIPA Trustee**”) responsible for the Madoff’s company liquidation continues to pursue claims related to transfers of money made by BLMIS pre-bankruptcy to an affiliated company, BA Worldwide Fund Management Ltd (“**BAWFM**”), and other similarly situated parties. The potential claim for damages against BAWFM is non-material and, therefore, there are no specific risk profiles for the Companies.

In addition, certain current or formerly affiliated persons named as defendants in a proceeding in the United States may seek indemnification from the Companies and its affiliated entities.

As at 31 December 2022, there were several pending civil proceedings against UniCredit Bank Austria AG (“**UCB Austria**”) for the total claimed damages amount of Euro 4.8 million. While a large majority of the judgments have been favourable to UCB Austria, the impact of the remaining cases cannot be predicted with certainty, as the related future rulings may be adverse to UCB Austria. UCB Austria has made adequate provisions related to the Madoff’s matter.

Proceedings arising out of the purchase of UniCredit Bank AG (UCB AG) by the parent company UniCredit S.p.A. and the related Group reorganization

Squeeze-out of UCB AG minority shareholders (Appraisal Proceeding)

In 2008, approximately 300 former minority shareholders of UCB AG filed a request before the District Court of Munich to have a review of the price paid to them by the parent company UniCredit S.p.A., equal to Euro 38.26 per share, in the context of the squeeze out of minority shareholders (Appraisal Proceeding). The dispute mainly concerns the valuation of UCB AG, which is the basis for the calculation of the price to be paid to the former minority shareholders. On 22 June 2022, the competent court in Munich rejected all applications for a higher compensation than that which the parent company UniCredit S.p.A. paid to the former minority shareholders of UCB AG hence dismissing all claims. Certain claimants have filed appeals.

Squeeze-out of UCB Austria’s minority shareholders (Appraisal Proceeding)

In 2008, approximately 70 former minority shareholders of UCB Austria commenced proceedings before the Commercial Court of Vienna claiming that the squeeze-out price paid to them, equal to Euro 129.4 per share, was inadequate, and asking the court to review the adequacy of the amount paid (Appraisal Proceeding). At present the proceeding is pending in the first instance. In parallel, three contentious proceedings in which plaintiffs claim damages are still pending, involving however only insignificant amounts in dispute.

Arbitration submitted by Fino 1 Securitization S.r.l.

In July 2022 Fino 1 Securitization S.r.l. (“**Fino 1**”) commenced an ICC arbitration seeking damages in relation to, inter alia, the alleged breach of certain representations and warranties included in a transfer agreement for the sale of receivables entered into in 2017. The proceedings are ongoing.

Euro-denominated bonds issued by EU countries

On 31 January 2019, the parent company UniCredit S.p.A. and UCB AG received a Statement of Objections from the European Commission referring to the investigation by the European Commission of a suspected violation of antitrust rules in relation to European government bonds. The subject matter of the investigation extended to certain periods from 2007 to 2011 and included activities by UCB AG between September and November 2011. The European Commission concluded its investigation by issuance of its decision on 20 May 2021. The decision provides for the imposition of a fine of Euro 69.4 million on the parent company UniCredit S.p.A and UCB AG. The parent company UniCredit S.p.A. and UCB AG contest the European Commission's findings and brought an action for the annulment of its decision before the General Court of the European Union on 30 July 2021.

On 11 June 2019, UCB AG and UniCredit Capital Markets LLC were named, among other financial institutions, as defendants in a putative class action already pending in the United States District Court for the Southern District of New York. The third amended class action complaint, filed on 3 December 2019, alleges a conspiracy among dealers of Euro-denominated bonds issued by European central banks to fix and manipulate the prices of those bonds, among other things by widening the bid-ask spreads they quoted to customers.

The putative class consists of those who purchased or sold Euro-denominated bonds issued by European central banks in the US between 2007 and 2012. On 23 July 2020, the court granted motions to dismiss the third amended complaint by certain defendants, including UCB AG and UniCredit Capital Markets LLC, without prejudice. Plaintiffs filed their fourth amended class action complaint on 9 February 2021, repleading their claim against UCB AG and UniCredit Capital Markets LLC and other financial institutions. Like earlier pleadings, the fourth amended class action complaint does not include a quantification of damages claimed. Exchange of correspondence concerning motions to dismiss the fourth amended complaint has been completed, and in June 2021 defendants have requested a pre-motion conference with the court. On 14 March 2022, the court granted UC Capital Markets LLC motion to dismiss while denying UCB AG's motion to dismiss. The court has since denied UCB AG's motion for reconsideration, UCB AG has answered the operative complaint and discovery has commenced. On 7 November 2022, plaintiffs sought leave to file a fifth amended class action complaint, which would continue to name UCB AG among others (but not UniCredit Capital Markets LLC) as a defendant.

Proceedings related to claims for Withholding Tax Credits

On 31 July 2014, the Supervisory Board of UCB AG concluded its internal investigation into the so-called “cum-ex” transactions (the short selling of equities around dividend dates and claims for withholding tax credits on German share dividends) at UCB AG.

In this context, criminal investigations have been conducted against current or former employees of UCB AG and UCB AG itself as an ancillary party by the Prosecutors in Frankfurt am Main, Cologne and Munich. With respect to UCB AG, all proceedings originally initiated by the aforesaid prosecution offices were finally closed with payment of a fine or the payment of a forfeiture.

In December 2018, in connection with an ongoing investigation against other financial institutions and former bank employees, the Cologne prosecutor informed UCB AG of the initiation of a new investigation in connection with an administrative offence regarding “cum-ex” transactions involving Exchange Traded Funds (ETF). In April 2019, these investigations were extended to so called Ex/Ex-transactions, in which an involvement of the bank in the sourcing of cum/ex transactions of other market participants on the ex-day is suspected. The facts are being examined internally. UCB AG is cooperating with the Authorities.

On 28 July 2021 the Federal Criminal Court ("BGH") rendered a decision through which the principle criminal liability of cum/ex structures was determined the first time. With its decisions of 6 April and 17 November 2022, the BGH confirmed two criminal judgments in other cum-ex cases of the Regional Court of Bonn, thus further solidifying its case law. UCB AG is monitoring the development.

In December 2022, the Munich tax authorities completed a regular field audit of UCB AG for the years 2013 to 2016, which includes, among other things, a review of transactions in equities around the dividend record date (so called cum/cum transactions). During these years, UCB AG performed, among other things, securities-lending transactions with different domestic counterparties which include, but are not limited to, different types of cum/cum transactions. It remains to be clarified whether, and under what circumstances, tax credits can be obtained or taxes refunded with regard to different types of cum/cum transactions, and what the further consequences for the bank will be in the event of different tax treatment. It cannot be ruled out that UCB AG might be exposed to tax-claims in this respect by relevant tax-offices or third party claims under civil law. UCB AG is in constant communication with relevant regulatory authorities and the competent tax authorities regarding these matters. In this context, UCB AG is considering the latest view of the German Tax Authorities. UCB AG is also monitoring the current development following an important decision of the Federal Tax Court (BFH) dated 29 September 2021, through which the BFH acknowledged the transfer of economic ownership in case of a stock loan transaction contrary to a previous decision.

UCB AG has made provisions.

Proceedings relating to certain forms of banking operations

The UniCredit group is named as a defendant in several proceedings in matters connected to its operations with clients, which are not specific to UniCredit group, rather affect the financial sector in general.

In this regard, as at 31 December 2022 (i) proceedings against the parent company UniCredit S.p.A. pertaining to compound interest, typical of the Italian market, had a total claimed amount of Euro 1.02 billion, mediations included; (ii) proceedings pertaining to derivative products, mainly affecting the Italian market (for which the claimed amount against the parent company UniCredit S.p.A. was Euro 366 million, mediations included) and the German market (for which the claimed amount against UCB AG was Euro 30 million); and (iii) proceedings relating to foreign currency loans, mainly affecting the CE&EE countries (for which the claimed amount was around Euro 180 million).

The proceedings pertaining to compound interest mainly involve damages requests from clients arising from the alleged unlawfulness of the calculation methods of the amount of interest payable in connection with certain banking contracts. At present, the parent company UniCredit S.p.A. has made provisions that it deems appropriate for the risks associated with these claims.

With regard to the litigation connected to derivative products, several financial institutions, including UniCredit group companies, entered into a number of derivative contracts, both with institutional and non-institutional investors. In Germany and in Italy there are a number of pending proceedings against certain Group companies that relate to derivative contracts concluded by both institutional and non-institutional investors. The filing of such litigations affects the financial sector generally and is not specific to the parent company UniCredit S.p.A. and its Group companies. At present, the parent company UniCredit S.p.A. and the involved Group companies have made provisions deemed appropriate based on the best estimate of the impact which might derive from such proceedings.

With respect to proceedings relating to foreign currency (FX) loans, in the last decade, a significant number of customers in the Central and Eastern Europe area took out these types of loans and mortgages denominated in a foreign currency. In a number of instances customers, or consumer associations acting on their behalf, have sought to renegotiate the terms of such FX loans and mortgages, including having the loan principal and associated interest payments redenominated in the local currency at the time that the loan was taken out, and floating rates retrospectively changed to fixed rates. In addition, in a number of countries legislation that impacts FX loans was proposed or implemented. These developments resulted in litigation against subsidiaries of the parent company UniCredit S.p.A. in a number of CE&EE countries including Croatia, Slovenia and Serbia.

In 2015, the Republic of Croatia enacted amendments to the Consumer Lending Act and Credit Institutions Act mandating the conversion with retroactive effect of Swiss franc (CHF)-linked loans into Euro-linked (the “**Conversion Amendments**”).

In 2019, the Supreme Court of the Republic of Croatia ruled that the CHF currency clause contained in certain loan and mortgage documentation was invalid. Accordingly, in the course of 2019, court decisions, recent court practice related to FX matters along with the expiration of the statute of limitation for filing individual lawsuits in respect of the invalidity of the interest rate clause, led to a significant increase in the number of new lawsuits against Zagrebačka Banka (“**Zaba**”). In March 2020, the Supreme Court ruled that agreements entered into following the Conversion Amendments whereby customers converted their CHF mortgages and/or loans into EUR are valid and accordingly no additional payments are due. In May 2022, the ECJ rendered a preliminary ruling regarding the pending request and stated that i) the ECJ has jurisdiction only in respect to the conversion agreement concluded after Croatia's accession to the EU, ii) the Directive on unfair terms in consumer contracts is not applicable in cases in which the conversion was based on national law; and iii) any request for payment of amounts addressed to Zaba referring to the unfair contractual terms of the original loan agreement cannot be based on the provisions of the above-mentioned Directive. The ECJ also referred to the local courts to finally decide on the conversion agreements and their effects. In March 2021 the Constitutional Court rejected Zaba’s application related to the invalidity of the Swiss franc currency clause. In December 2022, the Supreme Court ruled that customers who converted under the Conversion Amendments are entitled to the penalty interest on their overpayments before the conversion (overpayments are the difference between the Swiss-franc denominated annuities paid before the conversion and annuities that would have been paid if the loan was euro denominated). In light of the above, provisions have been booked which are deemed appropriate.

VIP 4 Medienfonds

Various investors in Film & Entertainment VIP Medienfonds 4 GmbH & Co. KG to whom UCB AG issued loans to finance their participation, brought legal proceedings against UCB AG. In the context of the conclusion of the loan agreements, the plaintiffs claim that the Bank provided inadequate disclosure about the fund structure and the related tax consequences. A settlement was reached with the vast majority of the plaintiffs. An outstanding final decision with respect to the question of UCB AG's liability for the prospectus in the proceeding pursuant to the Capital Markets Test Case Act (Kapitalanleger-Musterverfahrensgesetz) which is pending at Munich Higher Regional Court, will affect only a few pending cases.

Claims in relation to a syndicated loan

UCB AG, together with several other financial institutions, has been named as a defendant in complaints filed by the judicial administrator and foreign representative of a Brazilian oil and gas conglomerate in July 2021 in the United States before the Southern District of New York court claiming damages in connection with the repayment of a syndicated loan for two oil drilling rigs UCB AG participated in that defendants are alleged to have unlawfully obtained.

Vanderbilt related litigations

Claims brought or threatened by or on behalf of the State of New Mexico or any of its agencies or funds

Vanderbilt Financial LLC (“VCA”) related litigations, where Pioneer Investment Management USA Inc., Pioneer Global Asset Management S.p.A. (PGAM), at the time controlled by UniCredit S.p.A. and incorporated by the latter in 2017, and the parent company UniCredit S.p.A. (the “**Defendants**”) were named as additional defendants by virtue of their corporate affiliation with VCA, including in legal proceedings brought by a former employee of the State of New Mexico (the “**Public Authority**”), who claimed to act as representative of the Public Authority for the losses suffered by the State of New Mexico during the 2006-08 market downturn on investments managed by VCA (mainly CDOs). The total amount of losses claimed in those proceedings is approximately \$365 million. In 2012, the Defendants reached a settlement agreement for an amount of \$24.25 million and the settlement amount was deposited into escrow at the beginning of 2013. In the second half of 2022, the settlement was implemented, the escrowed amount was paid over to the State of New Mexico and the Defendants, including UniCredit S.p.A., have all been released from all the claims that were or could have been brought by or on behalf of the State or any of its agencies or funds.

Alpine Holding GmbH

Legal proceedings against UCB Austria arose from bondholders’ claims commenced in June/July 2013. The claims stemmed from the insolvency of Alpine Holding GmbH, as UCB Austria acted as joint lead manager, together with another bank, for the undertaking of Alpine Holding GmbH bond issues in 2010 and 2011. Bondholders’ claims are mainly referred to prospectus liability of the joint lead manager, whereas a minority of the cases is based on misselling due to allegedly unlawful investment advice. The damage claims amount to Euro 18.7 million in total. These proceedings are mainly pending in the first instance and may be adverse to UCB Austria.

Meanwhile, the expert appointed by the Court in the majority of the civil proceedings has issued a report largely in favour of UCB Austria and the other issuing banks. Investors have a different reading of the report and have requested that the expert answers supplementary questions, as did the issuing banks. The processing of the supplementary questions is still pending. Therefore, the final outcome of the expert report cannot be assessed as of yet.

In addition to the ongoing proceedings against UCB Austria stemming from the Alpine insolvency, additional Alpine-related actions have been threatened and may be filed in the future. The pending or future actions may have negative consequences for UCB Austria. Despite the favourable expert opinion mentioned above, at the moment it is impossible to estimate reliably the timing and results of the various actions, nor determine the level of liability, if any.

Bitminer Litigation in the Republic of Srpska, Bosnia and Herzegovina

In 2019, a local customer, Bitminer Factory d.o.o. Gradiška (Bitminer), filed a lawsuit before the District Commercial Court in Banja Luka claiming damages for unjustified termination of its current bank accounts by UniCredit Bank a.d. Banja Luka (“UCBL”), a subsidiary of the parent company UniCredit S.p.A. in Bosnia and Herzegovina, Republic of Srpska. Bitminer alleged that termination of the accounts obstructed its initial coin offering (ICO) relating to a start-up renewable-energy-powered cryptocurrency mining project in Bosnia and Herzegovina.

On 30 December 2021, the first instance court adopted most of Bitminer's claims and ordered UCBL to pay damages in the amount of BAM 256,326,152 (approximately Euro 131.2 million). The appeal was filed in January 2022. The first instance court decision is not final, binding and enforceable. The ultimate liability of UCBL, if any, will be determined only after all ordinary legal remedies have been exhausted, and in any case not before the final and binding decision of the appellate court.

Lawsuit brought by “Paolo Bolici”

In May 2014, the company wholly owned by Paolo Bolici sued the parent company UniCredit S.p.A. in the Court of Rome asking for the return of approximately Euro 12 million for compound interest (including alleged usury component) and Euro 400 million for damages. The company then went bankrupt. The parent company UniCredit S.p.A. won the case in the first instance and the appeal is pending.

On 31 July 2020, Mr. Bolici’s business partner sued the parent company UniCredit S.p.A., seeking damages based on analogous facts to those alleged in the 2014 proceedings. The Court ruled in favour of the parent company UniCredit S.p.A. The appeal filed by the other party is pending.

Mazza

In 2005 the parent company UniCredit S.p.A. filed a criminal complaint against a Notary, Mr. Mazza, representatives of certain companies and disloyal employees of the parent company UniCredit S.p.A. in relation to unlawful lending transactions in favour of certain clients for approximately Euro 84 million. The criminal court of first instance acquitted the defendants.

The Court of Appeal of Rome reversed this decision and found all the defendants guilty. Following a further appeal, while stating that some accusations were time-barred, the Supreme Court confirmed the decisions of the Court of Appeal in respect of the damages sought by the Bank. In May 2022, the insurance company indemnified the parent company UniCredit S.p.A. under the applicable policy, paying an amount of Euro 33.5 million in relation to the losses suffered by the bank.

Following the acquittal in the first-instance criminal proceedings, Mr. Mazza and other persons involved in the criminal proceedings filed two lawsuits for compensation claims against the parent company UniCredit S.p.A.: (i) the first (commenced by Mr. Mazza with a claimed amount of approximately Euro 15 million) was won by the Bank at first-instance and the judgment is now final; (ii) in the second (commenced by Como S.r.l. and Mr. Colella with a claimed amount of

approximately Euro 379 million) case the Court of Rome ruled in favour of the parent company UniCredit S.p.A. The plaintiffs have appealed and reduced the claimed amount to Euro 100 million.

Criminal proceedings

Certain entities within UniCredit Group and certain of its representatives (including those no longer in office), are involved in various criminal proceedings and/or, as far as the parent company UniCredit S.p.A. is aware, are under investigation by the competent authorities with regard to various cases linked to banking transactions.

At present, these criminal proceedings have had no significant negative impact on the operating results and capital and financial position of the parent company UniCredit S.p.A. and/or the Group, however there is a risk that, if the parent company UniCredit S.p.A. and/or other UniCredit Group entities or their representatives (including those no longer in office) were to be convicted, these events could have an impact on the reputation of the parent company UniCredit S.p.A. and/or UniCredit Group.

In relation to the criminal proceedings relating to the diamond offer, see the following paragraph "*Diamond offer*".

Labour-related litigation

UniCredit S.p.A. is party to a number of employment law disputes. In general, all employment law disputes are supported by provisions made to meet any disbursements incurred and, in any case, UniCredit does not believe that any liabilities related to the outcome of the pending proceedings could have a significant impact on its economic and/or financial condition.

Lawsuits filed against UniCredit S.p.A. by members of the former Cassa di Risparmio di Roma Fund

Lawsuits have been brought against UniCredit S.p.A. by members of the former Cassa di Risparmio di Roma Fund. These lawsuits are now pending before the Italian Supreme Court (Corte di Cassazione) after two degree decisions favourable to UniCredit S.p.A. The main claim is a request that the funding levels of the former Cassa di Risparmio di Roma Fund be restored and that the individual social security accounts of each member be assessed and quantified. With reference to the main claim, the relief sought is estimated at Euro 384 million.

No provisions were made as these actions are considered to be unfounded.

Diamond offer

Over the years, within the diversification of investments to which the available assets are addressed and also considering in this context those investments with the characteristics of the so-called "safe haven" with a long-term horizon, several UniCredit S.p.A.'s customers have historically invested in diamonds through a specialised intermediary company, with which the Bank has stipulated, since 1998,

a collaboration agreement as "Introducer", in order to regulate the "reporting" methods of the offer of diamonds by the same company to UniCredit customers.

Since the end of 2016, the liquidity available on the market to meet the requests of customers who intended to divest their diamond assets has contracted to a certain extent until it became nil, with the suspension of the service by the brokerage company.

In 2017 UniCredit started a "customer care" initiative which envisaged the availability of the Bank to intervene for the acknowledgement towards the customer of the original cost incurred for the purchase of precious items and the consequent withdrawal of the stones, upon certain conditions.

The initiative has been adopted assessing the absence of responsibility for its role as "Introducer"; nevertheless, the AGCM ascertained UniCredit's responsibility for unfair commercial practice (confirmed in appeal by the Administrative Regional Court in the second half of 2018), imposing, in 2017, a fine of Euro 4 million paid in the same year. Following the appeal filed by UniCredit against such ruling, the Administrative Tribunal in second instance reduced the fine imposed on UniCredit to Euro 2.8 million.

On 8 March 2018, a specific communication was issued from Banca d'Italia concerning the "Related activities exercisable by banks", in which large attention was given to the reporting at the bank branches of operations, purchase and sale of diamonds by specialised third-party companies.

In order to cope with the probable risks of loss related to the repurchases of diamonds, a dedicated Provision for risks and charges was set up; its quantification was also based on the outcome of an independent study (commissioned to a primary third company) aiming at evaluating the diamonds' value. Finally, in line with a strategy that envisages its disposal in the short term, the gems purchased are recognised for about Euro 54 million in item "120. Other assets" of the balance sheet.

On 19 February 2019, the judge in charge of the preliminary investigation at the Court of Milan issued an interim seizure directed to UniCredit and other financial institutions aimed at: (i) direct confiscation of the amount of Euro 33 million against UniCredit for the offence of aggravated fraud and (ii) indirect as well as direct confiscation of the amount of Euro 72 thousand for the offence of self-laundering against UniCredit. From the seizure order it emerges that investigations for the administrative offence under Article No. 25-octies of Legislative Decree No. 231/2001 are pending against UniCredit for the crime of self-laundering.

On 2 October 2019, the Bank and certain individuals received the notice of conclusion of the investigations pursuant to Article 415-bis of the Italian Code of criminal procedure. The notice confirmed the involvement of certain current and former employees for the offence of aggravated fraud and self-laundering. With regard to the latter, self-laundering serves as a predicate crime for the administrative liability of the Bank under Legislative Decree No.231/2001.

In September 2020, a new notice pursuant to Article 415-bis of the Italian Code of Criminal Procedure was served on certain individuals already involved in the proceedings. The allegations against the UniCredit individuals only pertain to the offence of fraud. Such new allegations do not modify the overall investigative framework as per the notice served in the autumn of 2019. In June 2021 the public prosecutor issued the formal request of indictment against certain current and former employees. The case was transferred to the Prosecution Office of Trieste following jurisdiction challenges made by the suspected individuals. The case, which had reached the preliminary hearing phase, got back to the investigations stage. The interim seizures of Euro 33 million and Euro 72 thousand ordered in February 2019 have been lifted.

In February 2023, the Prosecution Office of Trieste requested the dismissal of the case against the individuals and dismissed the case against the Bank with reference to the charge of self-laundering. The measure has been approved by the General Prosecution Office at the Court of Appeal of Trieste, so the investigation against the Bank is formally concluded. The Judge for the Preliminary Investigations then formally dismissed the case, accepting the Prosecutor's request.

The file will be sent back to Prosecution Office of Milan in relation to the charges of fraud against the individuals.

As far as the customer care initiative is concerned, at 31 December 2022, UniCredit received reimbursement requests for a total amount of about Euro 413 million (cost originally incurred by the Clients) from No. 12,381 Customers; according to a preliminary analysis, such requests fulfill the requirements envisaged by the "customer care" initiative; the finalisation of the reimbursement requests is currently carried out, aimed at assessing their effective compliance with the "customer care" initiative, and then proceed with the settlement where conditions recur; with reference to the scope outlined above (Euro 413 million), UniCredit reimbursed No. 11,906 customers for about Euro 404 million (equivalent value of original purchases), equal to about 98 per cent. of the reimbursement requests said above.

Proceedings related to Tax matters

Pending cases arising during the period

The increase of new cases is not relevant, both in terms of value and in principle.

Updates on pending disputes and tax audits

With reference to 31 December 2022, the following information is reported.

- The dispute started by UniCredit S.p.A. as Palmaria S.c.r.l. assignee against the silent-reject Tax Authority Agrigento for tax credit from 770 model year 1992 of Cassa Rurale di Palma di Montechiaro – total value Euro 0.68 million for capital: the Supreme Court with definitive decision dated 31 January 2022 accepted the appeal by Avvocatura dello Stato providing the referral of the dispute at the second-degree Tax Court; UniCredit will continue the proceeding in terms of law.

- The dispute started by the bank following the denial of refund for TARSU fiscal year 2008 of former Banco di Sicilia – total value Euro 0.67 million: on 27 January 2022 the second-degree Tax Court Sicilia filed the decision recognizing the right to the refund. The terms of law for appealing the sentence by Tax Authority at the Supreme Court are ongoing; UniCredit will continue the proceeding in terms of law.
- The appeal for compliance with the order of the Supreme Court filed on 15 June 2021 which recognized the bank's right to refund of the registration fee unduly paid, value Euro 1.7 million: the bank enrolled the dispute before the second-degree Tax Court Sicilia on 10 March 2022.
- The dispute relating to payment tax orders, notified on 26 January 2021 for COSAP (fee for the occupation of public ground), value Euro 0.12 million: in relation to one of the three positions, the hearing for the examination was held on 17 May 2022 of the preliminary requests (the hearing for the closing argument requests was set for 18 April 2023).
- The dispute started by the bank following a tax notice for incorrect application of registration fee, value Euro 0.07 million: it was discussed on 10 June 2022; UniCredit is waiting for the issue of judgement.
- The dispute started by the bank following the partial denial of the IRES refund related to fiscal years 2007, 2008 and 2009, value Euro 1.9 million: the bank on 16 May 2022 filed an appeal against the unfavorable decision of the first-degree Tax Court Milano.
- The dispute started by former Cassa di Risparmio di Torino (now UniCredit S.p.A.) against the silent-reject of a refund request for ILOR credit fiscal year 1984 – total value Euro 1.6 million: the bank has decided to reassume the judgment before the second-degree Tax Court Piemonte; the dispute has been filed by end of July by Lawyer in charge.

With reference to the settlement of tax litigations, the following information is reported:

- Passive dispute: relating to registration fee on judicial documents, total value Euro 1.2 million: the Supreme Court, with a statement filed on 31 March 2022, definitively rejected the appeal of Avvocatura dello Stato. The Bank will also proceed to recover the legal fees settled in its favor.
- Active dispute: introduced by the former Cassa di Risparmio di Torino (now UniCredit S.p.A.) against the silent denial formed on refund request for IRPEG credit fiscal year 1984, value Euro 1.85 million (capital share). The Supreme Court, with a definitive judgement filed on 23 May 2022, statued the refund's right for the bank.
- Passive dispute: introduced against the tax notice for register fee of judicial documents, value 0.28 million. The second-degree Tax Court Lazio with a definitive judgment on 2 June 2022, annulled the tax notice, confirming the

first-grade Tax Court decision. The bank will send a request refund for the fee already paid.

With regard to a set of No. 6 litigations concerning tax refund claims filed by Banca Farmafactoring S.p.A. and referred to UniCredit S.p.A. following the exercise by Banca Farmafactoring of the right to transfer back the receivables previously transferred to it by UniCredit S.p.A., the following is reported:

- Cassa di Risparmio Reggio Emilia's credit: the pending dispute only concerns the refund of a share of interest totaling Euro 0.31 million: the bank is about to submitting a new refund request claim to the Tax Authorities; if this new request will be denied, the denial will be challenged before the Tax Court;
- Cassa di Risparmio Reggio Emilia's credit: refund totaling Euro 1.89 million for IRPEG 1989 and related interest, totaling Euro 1.81 million: on 26 April 2022 the Bank notified to Avvocatura dello Stato his defending appeal with conditional request.
- Bonifiche Siele Finanziaria S.p.A.'s credit: refund of Euro 0.47 million for IRPEG 1992 and related interest of Euro 0.38 million: the case is pending in second-degree Tax Court Lazio; the appeal was set by Banca Farma Factoring (BFF).
- Romaleasing S.p.A.'s credit: refund of Euro 0.17 million (and interest 0.16 million) for ILOR fiscal year 1991 and Euro 0.23 million (and interest of Euro 0.18 million) for the IRPEG fiscal year 1993: the case is pending before the second-degree Tax Court Lazio; the appeal was set by BFF.
- Banca Mediterranea S.p.A.'s credit: IRPEG refund for fiscal years 1994-1997 and ILOR for fiscal year 1996, value Euro 31 million for tax and interest: the hearing has been further postponed to 24 June 2022. UniCredit is waiting for the issue of judgement.
- Banca di Roma S.p.A.'s credit: refund IRPEG fiscal year 1997: total value Euro 43.45 million (28,69 million for tax capita and Euro 14.76 million for interest): the case is pending in front of the second-degree Tax Court; the appeal was set by UniCredit S.p.A. in September 2020. The court hearing has not yet been set.

Concerning the Tax Audit involving UniCredit Leasing S.p.A for VAT fiscal years 2016-2017, with reference to the 2017 tax period, Guardia di Finanza has concluded the verification activity for both IRES and VAT purposes and on 7 April 2022, it notified the report of findings:

For IRES purposes, the outcome of the verification is regular.

For VAT purposes, the irregularity for 0.38 million was highlighted, relating to invoices of customers, however acknowledging the "bona fide" of the bank. Prudently UniCredit Leasing S.p.A. allocated 0,96 million to the provision for risks and charges.

Proceedings connected with Supervisory Authority Measures

UniCredit Group is subject to complex regulation and supervision by, inter alia, the Bank of Italy, CONSOB, the EBA, the ECB within the European System of Central Banks (“**ESCB**”), as well as other supervisory authorities. In this context, the UniCredit Group is subject to normal supervision by the competent authorities. Some supervisory actions and investigations in progress at the date of this Prospectus may result in charges of alleged irregularities, but currently the Group does not expect any proceeding which could have relevant effects on the financial situation or profitability of the Issuer and/or the UniCredit Group.

In this regard, it should be noted that, on 5 February 2020, the Italian Personal Data Protection Authority notified UniCredit S.p.A. of the start of sanctioning proceedings regarding a violation of customers' personal data following a Cyber-attack (data breach) occurred in October 2018, communicated through its Group website on 22 October 2018. As required by the “Italian personal data protection Code” (Article 166, paragraph 6, of Legislative Decree 196/03) the Bank has presented its statement of defence on the matter and requested a hearing with the Authority to explain its arguments, held in the end of September 2020. It is currently not possible to define the timeline and outcome of the proceedings.

MATERIAL CONTRACTS

Except for the ordinary course of business, UniCredit has not entered into any material contract which could result in any group member being under an obligation or an entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the securities being issued.

DESCRIPTION OF THE PORTFOLIO – THE CREDIT AND COLLECTION POLICIES

Set out below is an overview of the criteria on the basis of which the assets which may be transferred to the OBG Guarantor will be selected and the main features of the credit and collection policies adopted by the Seller for the granting and servicing of the Mortgage Loans. Prospective OBG Holders may inspect a copy of the credit and collection policies upon request at the registered office of the OBG Guarantor, the Seller and at the Specified Offices of the Luxembourg Listing Agent. For a description of the obligations undertaken by UniCredit S.p.A. under the Servicing Agreement, see “Description of the Transaction Documents -Description of the Servicing Agreement” below. For a description of the representations and warranties given and the obligations undertaken by UniCredit S.p.A. under the Warranty and Indemnity Agreement, see “Description of the Transaction Documents -Description of the Warranty and Indemnity Agreement” below.

THE PORTFOLIO

In accordance with the Law 130, pursuant to the OBG Guarantee, the OBG Holders will benefit from a guarantee issued by the OBG Guarantor over a portfolio of receivables transferred or to be transferred by the Seller and the Additional Sellers (if any), arising from some or all of the following assets:

- (i) in accordance with Article 129, paragraph 1, lett (d) of Regulation (EU) 575/2013, as amended by Regulation (EU) 2160/2019 (the “**CRR**”), mortgage receivables secured by residential real estate assets, provided that the relevant real estate asset is located in an Admitted State (as defined below) (the “**Residential Mortgage Receivables**”);
- (ii) in accordance with Article 129, paragraph 1, lett. (f) of the CRR, mortgage receivables secured by non residential real estate assets, provided that the relevant real estate asset is located in an Admitted State (as defined below) (the “**Non-Residential Mortgage Receivables**” and, together with the Residential Mortgage Receivables, the “**Mortgage Receivables**”); and
- (iii) securities satisfying the requirements set forth under Article 129, paragraph 1, letter (a) and letter (b) of the CRR (as defined below) (the “**Public Securities**” and, together with the Mortgage Receivables, the “**Assets**”, and, within certain limits, the Integration Assets (as defined below) and the Liquid Assets (as defined below). The Assets, the Integration Assets and the Liquid Assets are jointly referred to as the “**Portfolio**”).

As at the date of this Prospectus, the Portfolio consists only of Residential Mortgage Loans transferred by the Seller to the OBG Guarantor in accordance with the terms of the Master Transfer Agreement, as more fully described under “*Description of the Transaction Documents – Master Transfer Agreement*”, below.

The Portfolio has characteristics that demonstrate capacity to produce funds to service any payment due and payable on the OBG.

Each of the Mortgage Receivables comprised in the Portfolio shall comply with the following general criteria (the “**General Criteria** ”) as at the relevant Evaluation Date (to be deemed cumulative unless otherwise provided) (or at such other date specified below):

- (i) mortgage loans in respect of which the ratio between loan’s outstanding principal on the Evaluation Date and the value of the real estate upon which the guarantee has been created, calculated on the Execution Date or on the date of the apportionment (*frazionamento*) in case of loans arising from the apportionment (*frazionamento*) of a prior quota loan, is:
 - (a) equal to or lower than 80 per cent. in case of Residential Mortgage Loans, or
 - (b) equal to or lower than 60 per cent. in case of Non-Residential Mortgage Loans;
- (ii) loans in respect of which the principal debtors (including further to a novation (*accollo liberatorio*) and/or apportionment (*frazionamento*)) are:
 - (a) in case of Residential Mortgage Loans, one or more individuals (including individuals whose loan was granted in their capacity as owners of sole proprietorships or members of *de facto* companies resident in Italy, according to what is indicated in the last communication received by UniCredit S.p.A. from the relevant debtor) or one or more entities, of which at least one having his residence in Italy or, as applicable, its corporate seat in Italy; or
 - (b) in case of Non-Residential Mortgage Loans, one or more entities (incorporated in the form of a general partnership, limited partnership, limited liability company, joint stock company, limited liability cooperative company, limited liability partnership, or consortium, simple partnership, professional firm, or association), of which at least one having its corporate seat in Italy or one or more individuals in their capacity of entrepreneurs of which at least one having its residence in Italy;
- (iii) loans secured by a mortgage on real estates located in Italy and insured against the risk of damage and in respect of which the hardening period (*periodo di consolidamento*) applicable to the relevant mortgage is elapsed on the Evaluation Date or prior to it;
- (iv) loans which are governed by Italian law; and
- (v) loans denominated in Euro (or originally disbursed in a different currency and subsequently re-denominated in Euro);
- (vi) loans having at least one instalment (even an only interest one) fallen due and paid;

(vii) in case of Residential Mortgage Loans, loans whose residual tenor is not in excess of 30 years or in case of Non-Residential Mortgage Loans, loans whose residual tenor is not in excess of 25 years.

The Portfolio does not include Mortgage Receivables arising from:

- (i) loans granted to, or secured by, a public administration entity (*ente pubblico*);
- (ii) loans granted to an ecclesiastic entity (*ente ecclesiastico*); or
- (iii) loans which were classified as agricultural credit (*mutui agrari*) pursuant to Article 43 of the Banking Law, as at the relevant Execution Date;

The Mortgage Receivables to be comprised in the Portfolio shall comply also with the Specific Criteria in addition to the General Criteria.

“**Admitted States**” means any States belonging to the European Economic Space and Switzerland.

“**Integration Assets**” means the following assets that, pursuant to article 129, paragraph 1, letter (c), of the CRR, may be sold to the OBG Guarantor within the limits set forth under Article 129, paragraph 1a, of the CRR:

- (i) deposits with banks which qualify as Eligible Institutions; and
- (ii) securities issued by banks which qualify as Eligible Institutions residing in Eligible States with residual maturity not greater than one year,

provided that such assets shall comply with the requirements set out under Article 129 of the CRR.

“**Liquid Assets**” means the assets identified under article 7-*duodecies*, paragraph 2, letter a) and letter b), of the Law 130, provided that such assets satisfy the requirements to qualify as eligible assets set forth in article 129 of the CRR and qualify as Eligible Investments.

“**Eligible Institutions**” means any banks in relation to which, on any given date, its long term unsecured, unsubordinated and unguaranteed debt obligations and its short term unsecured, unsubordinated and unguaranteed debt obligations are rated at least as high as the long-term rating and short-term rating specified in column 2 of the table below corresponding to the category of the OBG as at the same day as specified in column 1 of the table below, provided however that if the OBG has been downgraded as a result of the downgrading of the relevant bank reference must be made to the category of the OBG as specified in column 1 of the table below immediately prior to such downgrade.

Column 1	Column 2
Category of the OBG	Long-term rating and short-term rating
Aaa	A3 and P-1
Aa1	Baa1 and P-2

Aa2	Baa2 and P-2
Aa3	Baa3 and P-3
A1	Baa3 and P-3

“**Eligible States**” means any States belonging to the European Economic Space, Switzerland and any other state attracting a zero per cent. risk weight factor under the “standard approach” provided for by the Basel III rules.

“**Execution Date**” means the date on which the relevant loan agreement has been executed, without taking into account potential *accolli* or restructuring or *frazionamenti* that have been executed after such date.

“**Non-Residential Mortgage Loans**” means those mortgage loans which, pursuant to Article 129 of the CRR, are secured over a non-residential property and located in an Admitted State.

“**Residential Mortgage Loans**” means those mortgage loans which, pursuant to Article 129 of the CRR, are secured over a residential property and located in an Admitted State.

“**Specific Criteria**” means the criteria for the selection of the Mortgage Receivables to be included in the portfolios to which such criteria are applied, as set forth in annex 2 to the Master Transfer Agreement for the Initial Portfolio and in the relevant transfer agreement for sale of each further portfolio of Mortgage Receivables.

“**Criteria**” means jointly the General Criteria and the Specific Criteria.

THE CREDIT AND COLLECTION POLICIES

Non-Residential Mortgage Loans

The terms set out below with a capital letter and not otherwise defined herein shall have the same meaning as in the Servicing Agreement.

Process of assessment and disbursement

The process of assessment of the creditworthiness and disbursement of loans to the business customers is managed through a dedicated application based on statistical scores which reworks in an ordered and articulated way the information that the Seller has on the company applying for a loan, on its competitors, and the relevance and intensity of the risk factors which can compromise its skill in realizing the debt service and it integrates it with the available data from external informative bases (*Credit Bureau privati e di Vigilanza*).

The process of assessment is made up of the following main phases:

- 1) arrangement of the credit line application which includes the activity of collection of information from the customer, the personal details of the counterparties and the input of data in the Seller’s applications;

- 2) filling in of the proposal and calculation of the credit rating, upon data acquisition from external Credit Bureau and assessment of the guarantor's riskiness; and
- 3) determination of the deliberative body on the basis of the Seller's procedures and considering the applicant's characteristics (or of the economical group it belongs to) and of the transaction.

The assessment logic at the basis of such application is focused on the source of reimbursement of the granted credit lines which is realized in the analyses:

- 1) of the required operation, with particular reference to the credit line purpose and the means of repayment;
- 2) of the applying customer, in terms of skill in generating cash flows in favour of the debt and the risk capital and in maintaining a balanced property, financial and income structure, its competitive position, etc.; and
- 3) of the possible real and/or personal security supporting it.

The rating models applied by the Seller to the companies and validated by Bank of Italy for A-IRB use, are specialized on the basis of the turnover and of the kind of counterparty. They express a general viewpoint on the credit line of the counterparty deriving from the integration of the synthetic risk assessments which emerge from different areas of analyses:

- Economic-financial data (investments, liquidity, productivity, profitability, circulating capital);
- Qualitative data (non-financial information, obtained through a questionnaire and represented for example by data regarding the history of the company, the company and organizational structure, assessments on the strategic coherence and on the competitive position, information about the entrepreneur);
- Data regarding the geographical and sector placement and the dimension characteristics of the counterparty;
- Internal behavioural data of the system (e.g. Office of credit risks - *Centrale dei Rischi*), synthesized by a statistical predictive score which nourishes the trend monitoring system.

The rating is calculated and used in the phase of first disbursement and it is updated periodically on the basis of the trend component and every time that the information regarding the other components of the rating system are modified (e.g. financial statements, qualitative questionnaire, dimensional and geo-sector variables).

Required security

The security aims at strengthening the principle of property liability of the principal debtor and therefore, at assuring the Seller an enhanced certainty of performance or an enhanced efficacy of the enforcement action in case of breach.

Therefore, as the security is an ancillary element of the secured claim, at the moment of the assessment of the person to whom we grant a credit line, they have to be considered as such. Such assessment has hence to consider, as fundamental element, the ability of the person to face his/her obligations, regardless of the given security.

The ancillary nature of the security ensures that the guarantor's obligation exists *provided that* there is a principal obligation of which it follows the development (e.g. the waiver to the credit line by the bank during a transaction with the main debtor determines the discharge also of the obligation of the guarantor).

The concept of the ancillary nature of the security implies that the acquisition of security does not influence the determination of the level of risk of the credit line; it is in fact a matter of credit line with better security, as it is intended in addition to the ability of performance of the obligations of the beneficiary.

For the security to form a protection against the risk, they have to be able to assure an effective recovery of the credit exposure in case of breach, both in terms of legal efficacy and in terms of suitable cover of the exposure.

Thus, the process of management of the security takes place within the scope of the process of assessment of the credit line and it is expressed in managerial phases (acceptance, assessment and fulfilment, monitoring and administration, realization).

The Seller has implemented a specific process to verify the "legal certainty" of the security (the legal validity, the efficacy, the binding aspect and their application) which is realized through electronically traced controls of different levels.

Collection

For the purposes of the better administering the portfolio transaction, the Servicer and its authorized agents, if appointed (hereinafter for brevity: the Servicer's delegate), will exchange information with each other and their respective data collection systems, accounting and Credits administration.

Monitoring of the first risk signals

The monitoring of the business customers, carried out through the process of "Monitoraggio andamentale" consists of all the activities that the Bank performs in order to identify and promptly react to the symptoms of a potential debtor's credit quality deterioration (credit or refund capacity). The process is supported by several instruments / procedures that allow to process the information provided by internal or external sources of the Bank and provide the relevant involved professionals with the list of debtors whose risk indicators show a deterioration. The process is supported by the TMP monitoring system/tool.

On the basis of the debtor's risk profile and mitigant actions to be put in place, all positions under monitoring can be classified into one of these four macro classes:

- IN BONIS (BO): relations having regular trend;

- WATCH LIST (W1/W2/W3/WS/WR): relations which highlight signals of anomaly of a certain seriousness, with an increasing level of deterioration also implying (for WS and WR) the shift of the position to a specialized structure;
- REPAYMENT OF EXPOSURE (AR): Mortgage Receivables that present signs of more serious anomaly, by virtue of which, in the presence of a debt position, the Bank must evaluate the repayment of the entire exposure
- CLASSIFICATION AS NON PERFORMING LOAN (RC): clients that presents even more serious events by virtue of which the Bank must evaluate the timely transfer of the position to Debt Collection, both Unlikely To Pay (UTP) and bad loans ("Sofferenza").

Collection

At the expiry date of the instalment, the Servicer shall monitor the payment of the Debtors who have authorised the direct charge on account domiciled at the Servicer, simultaneously crediting the Collection Account with the sums received by the Debtors in accordance with the Servicing Agreement. The automatic charge of the instalments will be done only in the presence of the 100 per cent of the liquid funds necessary to make the payment: therefore, the system may not accept partial payments. Any other collection received in relation to the Mortgage Receivables through a different mechanism (cash payment or bank transfer, through direct interbanking remittance (RID) or other technologies) shall be transferred to the Collection Account with same value date of the date on which collection was made or previous if acknowledged by the Debtor following the procedures according to the Servicing Agreement.

Monitoring and administration

If the installment is not covered by the account balance, the recurring loan's payment (within the dedicated procedures) causes overdue in the current account.

Such information is used by the competent commercial function to perform preliminary controls and to promote potential remedial actions to recover the overdue amount (e.g. control on technical anomalies, on the whole relationship, etc.)

The overdue activates dedicated signals within monitoring IT tool (TMP) which shall be promptly analyzed and assessed by the Business and Monitoring functions.

The overdue (scaduto o sconfinato) of the Debtor implies a classification proposal in the TMP tool with different level of severity based on the level of overdue and the type of the counterparty.

The classification confirmation performed by Monitorer implies the activation of managerial action plan defined in order to reduce the exposure and/or the riskiness of the file, also through (i) the amortization plan adjustment within the authorized limits of the Servicer Agreement or (ii) the activation of effective measures to promptly recover the exposure (reinforcing the guarantees).

Administration of Defaulted Receivables

In case of inefficacy of the extrajudicial recovery (*recupero bonario*), the Receivable shall be classified by the Servicer as "*Credito in Sofferenza*" also based on the recommendation of the Servicer's delegate and on the opinion of the Servicer, or directly at the discretion of the Servicer. Once the classification to "*Credito in Sofferenza*" is finalized, the Servicer shall terminate the financing agreement demanding full payment of any outstanding amount.

The Receivable will be classified by the Servicer as "Unlikely To Pay" when the default of the Debtor is due to circumstances of temporary objective difficulties which are likely to be removed in a reasonable period of time.

The Servicer, in addition to the correct classification, shall evaluate the Mortgage Receivables and is responsible of protection and credit recovery activities in cooperation with its delegates.

The decision of the Servicer to use the delegates of the Servicer in order to perform recovery activities is regulated by the service model of the Bank for the "non performing" Receivables ("Incaglio Revocato" and "Sofferenza"): in any case the recovery activities of receivables classified as "Incaglio Revocato" and "Sofferenza" can be subject to assignment, in compliance with the mandate, to the Servicer's delegates.

In particular, the delegates of the Servicer shall take all out-of-court and/or judicial initiatives which deem achievable and appropriate for the administration of the relevant Mortgage Receivables, in accordance with the procedures described below. It shall analyse in detail the documentation relating to the relevant Receivable received by the Servicer and shall upload all details relating to the file into its management system.

The management tool shall assign the file to an internal manager based on several criteria, such as geographical placement of the Debtor, his/her business sector, the kind of exposure and its amount.

Within predetermined limits, an external consultant/third party company, selected in accordance with pre-set criteria, may be appointed to assist the internal manager. The activity of such external consultant is put under the strict control of the internal manager.

The manager of the delegates of the Servicer, also using the external consultants/third party companies, shall endeavour to resolve the file through out-of-court activities, based on negotiations with the assigned Debtor with respect to his/her debt repayment.

The proposal for the debt position settlement should be formulated by the manager of the delegates of the Servicer in accordance with the powers vested under the Servicing Agreement.

The proposal so formulated shall be subject to a resolution by the competent body of Servicer's delegate, on the basis of the delegation system envisaged by the

Servicer's delegate itself, and the outcome of the decision shall be then communicated to the Debtor.

If the decision of the competent body in relation to the proposal, on the other hand, is negative and no alternative negotiated solutions are reached, legal action shall be undertaken if deemed appropriate or convenient (notification of the injunction, protective measures on assets/properties, notification of the precept, attachment in the presence of mortgaged property, and consequential executive process and real estate selling, in accordance with the applicable rules of law). With respect to the judicial activities, the Servicer's delegate shall use external legal advisors of its choice, with proved experience in credit recovery legal activity and which use the same management system enabling a timely monitoring of such legal activity.

In any case, even pending the relevant legal activities, any initiative including out-of-court ones, shall be attempted in order to recover a claim with the purpose of maximising recoveries whilst minimising costs.

Once all activities and renegotiation attempts with the clients have been proven to be ineffective and, in the opinion of the Servicer's delegate, no other actions to recover the due amount are feasible, the Servicer's delegate shall proceed with the sale of the Receivable, in compliance with and subject to the conditions set out under the Servicing Agreement. The conclusion of the judicial and/or out-of-court procedure is reached by means of either the collection of the sums realised or, in case of negative outcome, the mere termination of the appointment.

In any case the Servicer's delegate will communicate to the Servicer whether the Receivable was recovered in full or in part or the impossibility or non convenience of further judicial or out-of-court activities in relation to such Receivable.

Any full or partial write off shall be subject to a resolution of the competent body of the Servicer.

If the positions classified to Incaglio Revocato or Sofferenza were kept in the direct management of the Servicer for the recovery activity, all the judicial and/or out-of-court initiatives described above are taken and managed directly by the servicer also through external legal advisors or satisfactory consultants, in order to redevelopment of the relationship or amicable disengagement.

Positions which show economic-financial difficulties but having the features to remain on the market at commercial and industrial level and therefore can maintain and/or recover the conditions of business continuity. These positions could be object to specialized credit management named "gestione Restructuring", the aim of which is to secure the economic-financial business equilibrium, also through restructuring of exposures, granting of moratorium or the consolidation of overdue and/or short term exposures.

Enforcement of the security

Without prejudice to what is stated in the paragraphs above with regards to the monitoring activity of the overdue (*scaduti*) or overdraft (*sconfinati*) receivables and

if the receivables, already revoked, are covered by guarantee, the Servicer will carry on any available activity aimed at their enforcement, in order to ensure the settlement of the Mortgage Receivables.

As far the omnibus guarantees are concerned, (to include in such expression also the pledges created as a guarantee of different debt positions of the Debtor), the Servicer shall be entitled to take the most suitable actions in order to put in place the most effective actions against the Debtor and the guarantor, considering the Seller's and the purchaser's exposure a unique position, and guaranteed in the overall by the omnibus guarantee. The Servicer, in the absence of guarantor's suggestions, shall be able to charge the proceeds of the enforcement of the security that, according to its cautious assessment, is appropriate to discharge first, possibly also waiving the application of a proportional criterion, to the extent determined at the moment of Mortgage Receivables' transfer. For this purpose, the Servicer is entitled on behalf of the purchaser to carry out any necessary waivers of guarantee, if appropriate.

Early repayment

Similarly to what is provided for the Seller's customers, from a contractual viewpoint, borrowers are allowed to pre-pay in whole or in part their debt by paying the instalment.

Full Pre-payments

In order to make a pre-payment in full, the borrower has to pay by wire transfer the residual principal amount (after the payment of overdue and unpaid instalments), as well as the accrued interest from the expiry date of the last instalment until the date of the pre-payment. To these amounts has to be added also the penalty for prepayment (if any) calculated as a percentage on the outstanding amount of the loan at the moment of the pre-payment.

Partial pre-payment

The case of partial pre-payment, also named partial reduction, provides for the payment of a sum by the borrower as partial reimbursement of the principal amount. The partial reduction of the outstanding debt implies the recalculation of the amortisation plan which, with the same dates of payment, shall imply a reduction of the amount of the instalments to be collected.

The charges for the whole or partial pre-payment usually includes the payment of a fixed percentage applied on the principal outstanding amount.

For the best outcome of whole or partial discharge the essential requisite is the lack of unpaid overdue instalments in and, in the case of indexed rate loans, that the adjustments due (if any) have already been paid.

Residential Mortgage Loans

Mortgage Loan Issuance Process

Mortgage loans granted by the Bank can be originated from the following channels:

- UniCredit Branch
- Unicredit sole Agents.

The entire mortgage origination process, from data entry to disbursement, is supported by a web-based platform called MyCredit.

The platform allows the electronic management of the mortgage documentation, which is scanned by UniCredit branch operator/UniCredit Agents and therefore made available on line in dematerialized form for the subsequent steps of the assessment process.

The platform is based on a work-flow system, that allows the conveyance of the loan application through different phases and to different actors of the process, while safeguarding the specific characteristics of each business channel.

Following is a description of different five phases of the process:

1) Preparatory phase and data retrieval

The first step in the origination process starts with the initial interview with the prospective applicant, with the purpose of providing all the relevant information about the mortgage approval process and proceed with an initial screening to assess the possibility to succeed with the application.

If the information collected during the interview produces a positive assessment, the UniCredit Branch/UniCredit Agents will insert all customer data (both personal and financial information) in the Front End system.

The data collected and entered in the front end are:

- personal master data
- social/demographic data
- income details.

Furthermore, the following information are automatically retrieved:

- info available on public archives (e.g. protested bills and prejudicial events – Experian)
- other financing on External Credit Bureaux (CRIF)
- evidence of no performing at Centrale Rischi (Banca d'Italia)
- other business relationship with UniCredit (global position).

Finally, all the mandatory documents (e.g. Id, proof of income) for the preparatory phase, are uploaded in the Front End system and the mortgage request are printed and signed (physically or digitally) by all the borrowers/guarantors.

During the preparatory phase a number of controls are performed on the information gathered, according to the origination channel, in order to verify the quality and likelihood of the same.

Checks on the personal/income documentation:

- In case of proposal originated by the Banking channel the documentation is uploaded by the branch, which carries out the first level checks (for example: consistency of the customer with the provided identity document). A second level control (triggered by CLDE, see next phase) is carried out by a central structure (Mortgages Individuals Data Quality) on 30% of the proposals selected anti-fraud tool.
- In case of proposals originated by the Unicredit Agent channel the documentation is uploaded by the Agents, which carries out the first level checks (for example: consistency of the customer with the provided identity document). In this case the second level control (triggered by CLDE, see next phase) is then carried out by a central structure (Mortgages Individuals Data Quality) on 100% of the proposals.

The preparatory phase ends with the engagement of the Credit Lending Decision Engine.

2) Pre-Approval

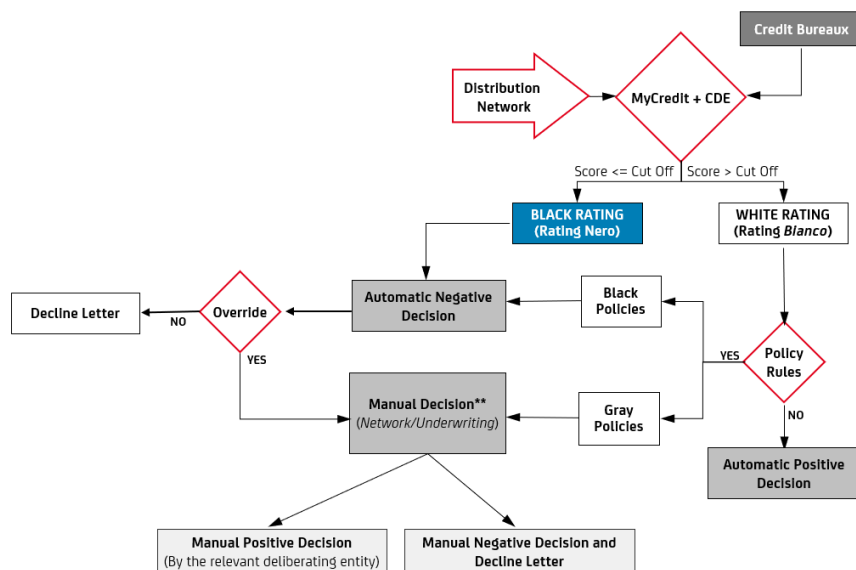
The credit evaluation, managed by CLDE provides an assessment of the risk profiles of loan applications, based on evaluation of income/social/demographic information, together with information on the applicant's/guarantor's past behaviour and current financial obligation obtained from the Credit Bureaux.

The valuation model is composed of the following two elements:

- Rating Model (RIPONE - IRB): which assigns each potential borrower a PD (Probability of Default). The PD together with the LGD (Lost Given Default) establish the rating cut off of the proposal.
- Policy rules: grey (manual decision) or black (automatic decline) policies.

The results of credit evaluation are:

- Automatic Decision (Positive/Negative)
- Manual decision of the proposal made by the underwriter (retail network or underwriting)



3) Technical and legal investigation

After proposal pre-approval, pre-approval letter and PIES (European document containing the mortgage costs) are printed for the customer's acceptance, then Asset documents are collected and uploaded by UniCredit Branch/UniCredit Agents:

- the ground plan of the property;
- certified true copy of the last purchase deed of the property.

Then the real estate appraisal company and the notary are appointed.

The property valuation is performed by a real estate appraisal company chosen through a tender following EBA and Italian regulation (ABI guidelines).

In addition, a preliminary report (“Relazione Notarile Preliminare”), regarding the documentation of the property and of the mortgage, is provided by the notary. This document is designed to allow the control of:

- the full ownership of the property by the mortgagor
- the absence of liens or encumbrances on the property
- the absence of bankruptcy proceedings charged to the applicants and the guarantor (if any)

The structure responsible for all Technical and Legal Investigation activities (Mortgages Individuals ITL) verifies the compliance of the property data with the credit settlement and the type of asset admitted by UniCredit for mortgage.

UniCredit finances only residential property located in the territory of Italy comprised in the following cadastral categories for property types for which loans are admissible as follows:

- A/1: High class residential property;

- A/2: Standard residential property;
- A/3: Economy class residential property;
- A/4: Low class residential property;
- A/5: Very low class residential property;
- A/6: Rural residential property;
- A/7: Small residential independent units;
- A/8: Residential detached units;
- A/9: Castles, palaces of prominent historical or artistic value;
- A/11: Typical houses or flats.

Cadastral categories which together with the residential unit can be financed as appurtenances, apart from land plots and associated urban areas are as follows:

- C/2: for basements and attics;
- C/6: for garages and car parking slots;
- C/7: enclosed or non-enclosed porches;
- Urban Area (not classified real estate – UE Urban Entity);
- Common Entity (not classified real estate – E – CO – (court));
- F5 Flat Roof;
- F2 Ruins (Unità Collabenti).

If there is any doubt on the degree of suitability of the property to be reasonably lodged as a mortgage, Mortgages Individuals ITL has the right to request further verifications from the property valuation company.

The Technical and Legal investigation phase ends with a second engagement of the Credit Lending Decision Engine for the final credit decision.

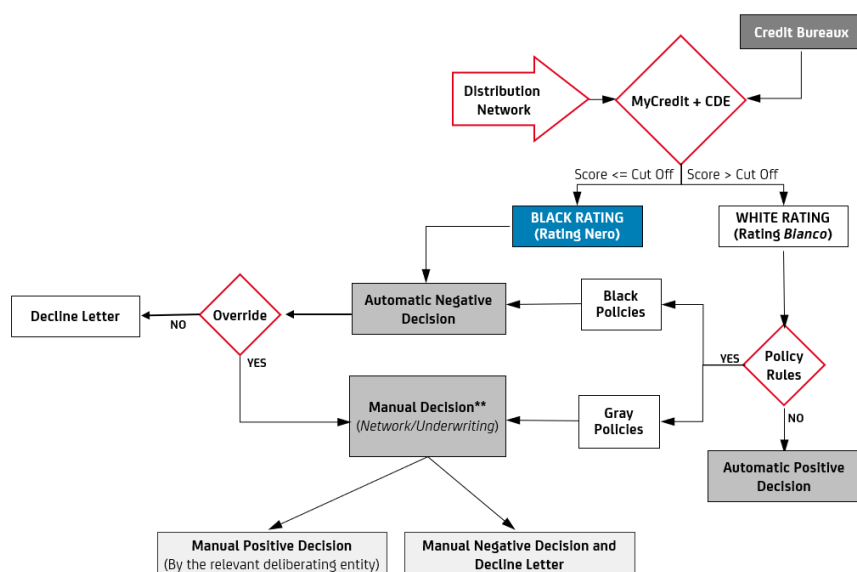
4) Approval

The second credit evaluation is managed by CLDE that provides a second assessment of the risk profiles of loan applications, based on evaluation of income/social/demographic information, together with information on the applicant's/guarantor's past behaviour obtained from the Credit Bureaux.

The valuation model is the same that is called in the first evaluation.

The results of second credit evaluation are:

- Automatic Decision (Positive/Negative)
- Manual decision of the proposal made by the underwriter (retail network or underwriting)



5) Disbursament

The Network schedules the disbursement date in the mortgage platform.

Before making the loan agreement by the Notary, the customer must have signed a fire and explosion insurance policy that covers the property against damage from fire, lightning and explosion. The insurance policy must be binding in favour of the bank and can be signed with an insurance partnership company proposed by the Bank or by another external insurance company chosen by the customer.

MyCredit platform automatically generates all the documentation necessary for the stipulation of the mortgage and to deposit it on the Pigna Tool (Notary tool), so that it is available to the notary.

On the morning of the signing, the platform automatically arranges the pre-authorized transfers.

Once the signing has been made and confirmed by the notary, the platform will proceed with the start of the loan and the authorization of the transfers.

SECTION 3 - COLLECTION POLICIES

Residential Mortgage Loans

The terms with initial capital below, unless otherwise defined, will have the same meaning as that given them in the Servicing Agreement.

In order to better manage the Mortgage Receivables portfolio, the Servicer and its delegates (if appointed) will share each other the information and relevant data of their collection systems, accounting and credit administration systems.

Methodology of Installment Payments

With reference to the Mortgage Receivables, at expiration date of the installment, the Servicer will monitor the payment by the assigned debtors who have authorized the direct debit through a bank account belonging to the UniCredit Banking Group, simultaneously crediting the amounts received by such debtors to the accounts of the SPV in the way specified in the Servicing Agreement. The automatic debit installments will be made only in the presence of 100% of the liquid funds needed to make the payment (the system will not accept partial payments). Any other collection received in relation to the Mortgage Receivables through a different mechanism (payment through wire transfer, through a direct inter-bank remittance (RID), or other technologies) will be credited on the accounts of the SPV with a value date equal to the date of collection or earlier if recognized by the Debtor in the manner specified in the Servicing Agreement.

Monitoring and administration

The application TMP is also used as support of the entire operational monitoring of retail customers, with the aim to detect early signs of deterioration, even if when the customers does not present any overdue days

The early detection might result in one of the following managerial classification

- IN BONIS (BO): relations having regular trend;
- WATCH LIST (W1/W2/W3): relations which highlight signals of anomaly of a certain seriousness and duration/frequency;
- REPAYMENT OF EXPOSURES (AR): Mortgage Receivables that present signs of more serious anomaly, by virtue of which, in the presence of a debt position, the Bank must evaluate the repayment of the entire exposure
- CLASSIFICATION AS NON PERFORMING LOAN (RC): clients that presents even more serious events by virtue of which the Bank must evaluate the timely transfer of the position to Debt Collection, both Unlikely To Pay (UTP) and bad loans ("Sofferenza").

Should the client presents overdues, the arrears/overdrafts management relating to the Consumer Segment and in particular to Individuals customers start from the first day of detection of the overdraft, in order to recover the arrears and remove the anomalies.

The supporting application (Gestione Morosità – GeMo) detects the non-payment/overflow on the first day it occurs.

In case of failure to settle the overrun by the end of the day, the so-called "periodo di franchigia".

From this moment, the Customer Manager activates the management of the position during the "periodo di franchigia"; he can activate payment reminder activities towards the Customer or alternatively he can decide to anticipate/postpone the Customer Recovery Collection activities.

Once the deductible period has expired, the Credit Collection is usually divided into 3 phases:

- The Soft credit Collection Phase includes:
 - Soft Credit Collection:
 - payment reminders
 - checks on Customer's contact information
 - subsequent contact by CuRe or External Credit Recovery Companies.

During the activities:

 - Management of the contact with the Customer (incoming/outgoing telephone calls)
 - recordings of the contact outcome
 - collections of any Customer request
 - if possible, Remanagement actions
 - the Advanced Credit Collection activity is carried out through amicable recovery actions on:
 - specific customer clusters which, due to their complexity and exposure, require a one-to-one approach to the relationship
 - products which require knowledge of the specific technical forms financing and their regulatory framework (subsidized and/or specific agreements).
- The External Credit Collection phase includes:
 - domiciliary collection, carried out through the transfer of a portfolio to external collection companies;
 - information to Customer Manager by e- mail.
- The Structured Credit Collection phase manages the positions connected to mortgage loans, including non-defaulting loans, with the generation of homogeneous portfolios of Clients, in order to maximize the effectiveness of the recovery actions also by proposing advanced and/or customized recovery solutions with the Customer.

Management of Defaulted Receivables

If the terms established have expired and recovery attempts without judicial recourse (either direct and/or home collection) haven't been successful, or even before then, if conditions/events occur that, in the Servicer's opinion, show a worsening of the debtor's credit worthiness, the positions will be classified by the Servicer as *Crediti in Sofferenza*. If the claim is classified as being a *Credito in Sofferenza*, the Servicer shall terminate the loan agreement asking for the full payment of all amounts outstanding.

The doubtful classification is done according to a global evaluation about the total exposure of the customer. If the customer is eligible to doubtful classification due to delay on consumer loans, but he is regular for a mortgage, the evaluation will be applied considering the customer global exposure and collection activities in place.

A claim shall be classified by the Servicer as Unlikely to Pay when the position of the assigned debtor of objective difficulties is assessed as temporary and it is expected that the situation may be corrected within a reasonable period of time.

For the purpose of the issue programme and associated reporting, credit classified as defaulting will not be recorded as a performing loan (*in bonis*), even after the borrower has corrected his position.

The Servicer, besides performing correct classification, will assess credit and manage credit protection and recovery in collaboration with the sub-servicer.

In particular, the sub-servicer shall implement all out of court and/or judicial initiatives that appear feasible and/or appropriate for the management of the relevant claims in compliance with the procedures described below. The sub-servicer shall analyse in detail the documents relating to the claim received by the Servicer and shall transfer to its claim monitoring system all data relating to the file.

The file will be assigned by the management system to an internal manager based on several criteria, such as, by way of example, the geographic location of the assigned debtor, its sector of activity, type of exposure and amount of the same. The selected Sub-Servicer manager shall attempt to contact the client by phone or letter or other suitable means, including personal contact. In certain cases, an external adviser/third company selected according to certain pre-established criteria may be retained to assist the in-house manager. Any such adviser/third company shall work under close supervision of the internal manager and its appointment shall normally be established in 60 days, which may be extended; upon expiry of the appointment, the external provider shall be replaced by another external adviser/third company.

The Sub-Servicer manager, also via external advisers/third company, shall attempt to settle the relevant file through an out-of-court settlement, based on negotiation of repayment (*rientro*) with the Assigned Debtor.

Proposed settlement of the debt position formulated by the Sub-Servicer manager will be in line with the powers provided for in the Servicing Agreement.

The proposal thus put forward will be submitted for approval to the Sub-Servicer's competent body (if any), based on the delegation system established by the same Sub-Servicer, and the final outcome will be communicated to the Assigned Debtor.

If the proposal is accepted by the competent body, data on the newly agreed repayment plan will be uploaded on the management system, which will automatically send reminders to the manager in the event of irregularity. If the Assigned Debtor fails to effect payments due under the negotiated solution, as reported by the management system the resolution will be cancelled.

If the competent body does not accept the proposal and the restructured loan proposal is rejected by the relevant department of the Sub-Servicer and no alternative negotiated solutions are reached, legal action shall be initiated if deemed appropriate or suitable, by means of service of a payment order (*precetto*) to the assigned debtor followed by seizure of the mortgaged property, and by subsequent enforcement process with sale of the mortgaged property in accordance with the legal procedures. For its legal activity, the Sub-Servicer shall use external legal advisers of its choice with proven experience in debt collection judicial proceedings,

using the same management system, or a similar one, enabling on-going monitoring of judicial activities.

However, also during legal proceedings, the Sub-Servicer will explore and utilise all options available, including out-of-court settlements, to maximise collections and minimise costs associated with loan recovery.

Once all the activities and attempts to renegotiate the loan with the client have proven to be unsuccessful and in the Sub-Servicer's (if any) opinion no further actions are viable for collection of the overdue amount, the Sub-Servicer may proceed with the sale of the *Credito in Sofferenza*, in compliance with precise conditions established under the Servicing Agreement. After the judicial or out-of-court proceedings have been completed, sums recovered will be collected, or, if no recovery was achieved the mandate will be closed.

In any event, the Sub-Servicer shall notify the Servicer of the successful full or partial collection of the receivable or of the impossibility or inconvenience of conducting any additional judicial or out-of-court activities.

Possible full or partial write-off shall be decided upon by the competent department of the Servicer

Early Repayment

According to the provisions in place for the Servicer's clients, under the terms of the mortgage loan agreement, a borrower can fully or partially pre-pay its mortgage loan at any time through the payment of the due amount.

Full Early Repayment

If the borrower wishes to pre-pay his/her mortgage loan in full, he/she shall pay the amount of the residual debt on the principal account, after settling any instalments fallen due and unpaid, as well as any interest accrued from the due date of the last instalment up to the date of final settlement. In addition to these sums, a penalty for early repayment, if applicable according to the law, will also be charged, calculated as a percentage of outstanding debt at the time of repayment.

Partial Early Repayment

The case of partial early repayment, also called partial reduction, provides for payment of a sum by the borrower as advanced repayment of part of the principal. The partial reduction of the residual debt shall entail recalculation of the repayment schedule, which in turn shall entail, leaving due dates unchanged, a reduction in the instalments to be collected.

Under both full and partial pre-payment, the fee schedule usually, if applicable according to the law, makes provision for the payment of a fixed percentage applied to the amount of residual debt. Normally the above mentioned fee, if due, is debited in the last installment paid by the debtor.

One mandatory condition for the borrower to avail him/herself of early full or partial repayment is the inexistence of any outstanding unpaid instalments;

moreover, in the event of loans with index-linked rate (if any), any adjustments possibly due by the debtor must have already been paid.

DESCRIPTION OF THE OBG GUARANTOR

The OBG Guarantor has been established as a special purpose vehicle for the purpose of guaranteeing the OBG in accordance with article 7-bis of Italian law No. 130 of 30 April 1999 as applicable until the entry into force of the BoI OBG Regulations (which has been replaced by article 7-septies of the Law 130).

The OBG Guarantor is a limited liability company (*società a responsabilità limitata*) incorporated under Italian law in the Republic of Italy under Article 3 of the Law 130 on 17 November 2011, belonging to the “*Gruppo Bancario UniCredit*” registered with the register of banking groups held by the Bank of Italy pursuant to Article 64 of the Banking Law under No. 02008.1 (the “**UniCredit Banking Group**” or “**UniCredit**”).

By way of a shareholders’ resolution adopted on 7 December 2011, the bylaws of the company has been amended in order to allow the company to act as special purpose vehicle within covered bonds transactions in accordance with the Article 7-bis of Italian law No. 130 of 30 April 1999 as applicable until the entry into force of the BoI OBG Regulations (which has been replaced by Article 7-septies of the Law 130).

By way of a shareholders’ resolution registered on 11 January 2012, the corporate name of the OBG Guarantor was changed from “Cordusio One RMBS s.r.l.” to “UniCredit OBG s.r.l.”.

The OBG Guarantor is enrolled under number 04064320239 with the Companies Register Verona pursuant to Article 7-bis of Italian law No. 130 of 30 April 1999 as applicable until the entry into force of the BoI OBG Regulations (which has been replaced by Article 7-septies of the Law 130).

The OBG Guarantor has its registered office at Viale dell’Agricoltura 7, 37135 Verona, Italy; the telephone number of the registered office is +39 045 8678870 and the fax number is +39 045 8944828. The OBG Guarantor has no employees.

The authorised, issued and fully paid in quota capital of the OBG Guarantor is €10,000.

The duration of OBG Guarantor shall be until 31 December 2100.

Business Overview

The exclusive purpose of the OBG Guarantor is to purchase from banks, against payment, receivables and notes issued in the context of a securitisation transaction, in compliance with Article 7-bis of Italian law No. 130 of 30 April 1999 as applicable until the entry into force of the BoI OBG Regulations (which has been replaced by Article 7-septies of the Law 130), by means of loans granted or guaranteed also by the selling banks, as well as to issue guarantees for the OBG issued by such banks or other entities.

The OBG Guarantor has granted the guarantee to the benefit of the Representative of the OBG Holders (acting on behalf and in the name of the OBG Holders), of the

counterparts of derivatives contracts entered into with the purpose to cover the risks inherent the purchased credits and securities and of the counterparts of other ancillary contracts, as well as to the benefit of the payment of the other costs of the transaction, with priority in respect of the reimbursement of the others loans, pursuant to paragraph 1 of Article 7-*bis* of Italian law No. 130 of 30 April 1999 as applicable until the entry into force of the BoI OBG Regulations (which has been replaced by Article 7-*quaterdecies* of the Law 130).

Since the date of its incorporation, the OBG Guarantor has not engaged in any business other than the purchase of the Initial Portfolio and the New Portfolios under the Programme and the entering into of the Transaction Documents and of the relevant transaction documents for the issuance of OBG under the Programme.

Save for the foregoing, the OBG Guarantor has not entered since 17 November 2011 (this being the date of its incorporation) into any contracts outside the ordinary course of business that have been or may be reasonably expected to be material to its ability to meet its obligations to OBG Holders. So long as any of the OBG remain outstanding, the OBG Guarantor shall not, without the consent of the Representative of the OBG Holders and as provided in the Conditions and the other Transaction Documents, incur any other indebtedness for borrowed moneys or engage in any business except pursuant to the Transaction Documents, pay any dividends, repay or otherwise return any equity capital, have any subsidiaries, employees or premises, consolidate or merge with any other person or convey or transfer its property or assets to any person (otherwise than as contemplated in the Conditions or the Transaction Documents) or guarantee any additional quota.

The OBG Guarantor will covenant to observe, *inter alia*, those restrictions which are detailed in the Intercreditor Agreement.

Material Contracts

The OBG Guarantor has not entered into any contracts in the last two years outside the ordinary course of business that could materially prejudice its ability to meet its obligations to OBG Holders under the OBG Guarantee.

Administrative, Management and Supervisory Bodies

The OBG is currently managed by a Board of Directors which, in accordance with the Quotaholder's Agreement, is at the date of this Prospectus comprised by 3 directors, 2 of which to be appointed by the Seller and one of which to be appointed by SVM Securitisation Vehicles Management S.r.l.

The directors of the OBG are as at the date of this Prospectus:

<i>Name</i>	<i>Appointment</i>	<i>Address</i>	<i>Principal Activities</i>
Chiarelli Luciano	Director	Viale dell'Agricoltura, 7 - 37135 Verona	Manager
Daniela	Chairman	Viale dell'Agricoltura, 7 -	Lawyer

Cinzia
Giovanna
Covini

37135 Verona

Nausica Pinese	Director	Viale dell'Agricoltura, 7 - 37135 Verona	Manager
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The Company did not appoint a Board of Statutory Auditors, pursuant to Article 2447 of the Italian Civil Code.

Conflict of Interest

There are no potential conflicts of interest between the duties of the directors and their private interests or other duties.

Major Shareholders

The quotaholders of the OBG Guarantor (hereafter together the “**Quotaholders**”) are as follows:

UniCredit S.p.A. €6,000.00 of the quota capital;

SVM Securitisation Vehicles Management S.r.l. €4,000.00 of the quota capital.

The Quotaholders' Agreement contains *inter alia* a call option in favour of the Seller to purchase from SVM and a put option in favour of SVM to sell to the Seller, the quota of the OBG Guarantor held by SVM and provisions in relation to the management of the OBG Guarantor. Each option may only be exercised from the day on which all the OBG have been redeemed in full or cancelled.

In addition the Quotaholders' Agreement provides that no Quotaholder of the OBG Guarantor will approve the payments of any dividends or any repayment or return of capital by the OBG Guarantor prior to the date on which all amounts of principal and interest on the OBG and any amount due to the Secured Creditors (including the OBG Holders) have been paid in full.

Italian company law combined with the holding structure of the OBG Guarantor, the covenants made by the OBG Guarantor, the Issuer and SVM Securitisation Vehicles Management S.r.l. in the Quotaholders' Agreement and the role of the Representative of the OBG Holders are together intended to prevent any abuse of control of the OBG Guarantor. The OBG Guarantor is subject to the direct ownership and control of UniCredit S.p.A.

Special purpose vehicle

The OBG Guarantor has been established as a special purpose vehicle for the purposes of issuing guarantees in respect of OBG. The OBG Guarantor may carry out other OBG transactions in addition to the one contemplated in this Prospectus, subject to certain conditions.

Capitalisation and Indebtedness Statement

The capitalisation of the OBG Guarantor as at the date of this Prospectus is as follows:

Quota capital Issued and authorised

UniCredit S.p.A. has a quota of €6,000.00 and SVM has a quota of €4,000.00, each fully paid up.

Total capitalisation and indebtedness

Save for the foregoing and for the OBG Guarantee and the Subordinated Loan in accordance with the Subordinated Loan Agreement, at the date of this document, the OBG Guarantor has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

Financial Statements and Report of the Auditors

Copy of the financial statements of the OBG Guarantor for each financial year since the OBG Guarantor's incorporation will, when published, be available in physical form for inspection free of charge during usual office hours on any Business Day (excluding public holidays) at the registered office of the OBG Guarantor.

Deloitte & Touche S.p.A., a company incorporated under the laws of Italy, enrolled with the Companies' Register of Milan-Monza-Brianza-Lodi under number 03049560166 and registered with the Register of Statutory Auditors (*Registro dei Revisori Legali*) maintained by Minister of Economy and Finance effective from 7 June 2004 with registration number no: 132587, having its registered office at via Tortona 25, 20144 Milan, Italy, ("**Deloitte**") has been appointed to act as external auditors of the OBG Guarantor for the financial years 2013-2021. Deloitte is also a member of Assirevi – Associazione Italiana Revisori Contabili, the Italian association of auditing firms.

Deloitte audited the financial statements of the OBG Guarantor in respect of the year ended on 31 December 2021.

Further to the expiration of the Deloitte's engagement described above, at the shareholders' meeting of the OBG Guarantor held on 06 April 2022, KPMG S.p.A., with registered office at Via Vittor Pisani 25, Milan, enrolled with the Companies' Register of Milan-Monza-Brianza-Lodi under number 00709600159 and registered with the Register of Statutory Auditors (*Registro dei Revisori Legali*) maintained by Minister of Economy and Finance with registration number no. 70623 ("**KPMG**"), has been appointed to act as the OBG Guarantor's external auditors for the 2022-2030 nine-year period. Consequently, KPMG are the current auditors of the OBG Guarantor. KPMG is also a member of Assirevi – Associazione Italiana Revisori Contabili, the Italian association of auditing firms.

KPMG audited the financial statements of the OBG Guarantor in respect of the year ended on 31 December 2022.

The OBG Guarantor's accounting reference date is 31 December in each year. The current financial period of the OBG Guarantor will end on 31 December 2023. The OBG Guarantor does not produce interim financial statements.

Documents on Display

For the life of the Prospectus the following documents may be inspected at the offices of the Administrative Services Provider, the Representative of the OBG Holders and the Luxembourg Listing Agent in Luxembourg and at the following website: <https://www.unicreditgroup.eu/en/investors/funding-and-ratings/covered-bonds.html>:

- (a) the memorandum and articles of association of the OBG Guarantor;
- (b) all reports, letters, and other documents, valuations and statements prepared by any expert at the OBG Guarantor's request any part of which is included or referred to in the registration document;
- (c) the material contracts and other documents relating to the guarantee.

Legal Entity Identifier

The Legal Entity Identifier code of the OBG Guarantor is 8156002B929020A90676.

DESCRIPTION OF THE ASSET MONITOR

Article 7-*sexiesdecies* of the Law 130 and BoI OBG Regulations require that the Issuer appoints a qualified entity to be the asset monitor to carry out controls on the regularity of the transaction and the integrity of the OBG Guarantee.

Pursuant to Article 7-*sexiesdecies* of the Law 130 and the BoI OBG Regulations, the asset monitor must be an independent auditor, enrolled with the special register of accounting firms held by the Ministry of Economy and Finance - Stage general accounting office established in accordance with Legislative Decree No. 39/2010 and shall be independent from the Issuer and any other party to the Programme and from the accounting firm who carries out the audit of the Issuer and the OBG Guarantor.

Based upon controls carried out, the asset monitor shall prepare annual reports, to be addressed also to the Board of Statutory Auditors (*collegio sindacale*) of the Issuer.

Pursuant to an engagement letter entered into on 19 January 2012, as subsequently amended on 14 November 2014 and replaced on 3 May 2023, the Issuer has appointed BDO Italia S.p.A., a *società per azioni* incorporated under the laws of the Republic of Italy, having its registered office at Viale Abruzzi, 94, 20131, Milan, Italy, fiscal code, VAT number and enrolment number with the companies register of Milan-Monza-Brianza-Lodi no. 07722780967, and enrolled under number 167911 with the register of statutory auditors (“*Registro Dei Revisori Legali*”) maintained by the Ministry of Economy and Finance as Asset Monitor (the “**Asset Monitor**”) in order to perform, subject to receipt of the relevant information from the Issuer, specific monitoring activities including, *inter alia*, (i) the fulfilment of the eligibility criteria set out under the Law 130 with respect to the Assets, Integration Assets and Liquid Assets included in the Portfolio; (ii) the compliance with the internal limits to the transfer of the Assets, Integration Assets and Liquid Assets set out under the BoI OBG Regulations; (iii) the calculation performed by the Calculation Agent in respect of the Mandatory Tests, the Over-Collateralisation Test, the Liquidity Buffer Test and the Limit to the Integration and the compliance with the limits set out under the Law 130 with respect to the OBG issued and the Assets, Integration Assets and Liquid Assets included in the Portfolio as determined in the Mandatory Tests, the Over-Collateralisation Test, the Liquidity Buffer Test and the Limit to the Integration; (iv) the effectiveness and adequacy of the risk protection provided by any swap agreement (if any) entered into in the context of the Programme; (v) the segregation of the Assets, Integration Assets and Liquid Assets included in the Portfolio according to article 7-*octies* of the Law 130; (vi) the correct application and notification of the extension of the maturity of the OBG issued as required by the Law 130; and (vii) the completeness, truthfulness and the timely delivery of the information provided to investors pursuant to the Law 130 and the BoI OBG Regulations.

The engagement letter reflects the provisions of the Law 130 and the BoI OBG Regulations in relation to the procedures and proportionality principles applicable to the conduct of the monitoring activities by the Asset Monitor, the reports to be prepared and submitted by the Asset Monitor on an annual basis also to the Board of Statutory Auditors (*collegio sindacale*) of the Issuer.

The engagement letter provides for certain matters such as the payment of fees and expenses by the Issuer to the Asset Monitor and the resignation of the Asset Monitor.

The engagement letter is governed by Italian law.

Furthermore, the Issuer, the Calculation Agent, the Asset Monitor, the OBG Guarantor and the Representative of the OBG Holders entered into the Asset Monitor Agreement on 19 January 2012, as subsequently amended, as more fully described under “*Description of the Transaction Documents — Asset Monitor Agreement*”, below.

CREDIT STRUCTURE

The OBG will be direct, unsecured, unconditional obligations of the Issuer. The OBG Guarantor has no obligation to pay the Guaranteed Amounts under the OBG Guarantee until the occurrence of an Issuer Event of Default and the service by the Representative of the OBG Holders on the Issuer and on the OBG Guarantor of a Notice to Pay. The Issuer will not be relying on the OBG Guarantor and on any payments received from the OBG Guarantor in order to pay interest or repay principal under the OBG.

There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to OBG Holders, as follows:

- (i) the OBG Guarantee provides credit support to the Issuer;
- (ii) the Mandatory Tests are intended to ensure that the Eligible Portfolio is at all times sufficient to repay the OBG;
- (iii) the Over-Collateralisation Test is intended to test the asset coverage of the OBG Guarantor's assets in respect of the OBG for so long the OBG remain outstanding;
- (iv) the Amortisation Test is intended to test the asset coverage of the OBG Guarantor's assets in respect of the OBG following the occurrence of an Issuer Event of Default, and the service of a Notice to Pay on the Issuer and the OBG Guarantor;
- (iv) the Liquidity Buffer Test is intended to ensure that the Eligible Portfolio includes at all times a liquidity buffer composed of liquid assets at least equal to the maximum cumulative net outflow of liquidity of the Programme over the next 180 days; and
- (v) the Reserve Account is established for the purposes of trapping, from time to time, excess cash flow from the Interest Available Funds to cover an amount equal to the sum of (A) (B) and (C)

where

- (A) means the amount of interest accrued on the OBG until that Guarantor Payment Date (inclusive) and not yet paid by the Issuer or the OBG Guarantor;
- (B) means the amount of interest due and payable by the OBG Guarantor on the immediately succeeding Guarantor Payment Date (without double counting with (A)); and
- (C) means an amount equal to 0.30% of the Outstanding Principal Balance of Portfolio as at the end of the immediately preceding Collection Period.

Certain of these factors are considered more fully in the remainder of this section.

OBG Guarantee

The OBG Guarantee provided by the OBG Guarantor guarantees the payment of Guaranteed Amounts (as defined in the Conditions) on the relevant Scheduled Due for Payment Date (as defined in the Conditions) in respect of all OBG issued under the Programme. The OBG Guarantee will not guarantee any other amount becoming payable in respect of the OBG for any other reason, including any accelerated payment, following the occurrence of an Issuer Event of Default. In this circumstance (and until a Guarantor Event of Default occurs and a Guarantor Acceleration Notice is served), the OBG Guarantor's obligations will only be to pay the Guaranteed Amounts as they fall Due for Payment.

See further "*Description of the Transaction Documents — OBG Guarantee*", as regards the terms of the OBG Guarantee and see "*Accounts and Cashflows — Priority of Payments*", as regards the payment of amounts payable by the OBG Guarantor to OBG Holders and the other Secured Creditors following the occurrence of an Issuer Event of Default.

Mandatory Tests, Over-Collateralisation Test, Amortisation Test and Liquidity Buffer Test

Under the terms of the Portfolio Administration Agreement, UniCredit (as Seller and Issuer), the Additional Seller (if any) must ensure that, on each Calculation Date and on each OC Calculation Date prior to service of a Notice to Pay, the Eligible Portfolio and the OC Adjusted Eligible Portfolio, as at the immediately preceding Reconciliation Date, is in compliance with the Mandatory Tests and the Over-Collateralisation Test, respectively. If on any Calculation Date or any OC Calculation Date (as the case may be) the Eligible Portfolio is not in compliance with the Mandatory Tests or, as the case may be, the OC Adjusted Eligible Portfolio is not in compliance with the Over-Collateralisation Test, then UniCredit (as Seller and Issuer) and the Additional Seller (if any) shall sell to the OBG Guarantor Assets or Integration Assets in an amount sufficient to allow the Mandatory Tests and the Over-Collateralisation Test (as applicable) to be satisfied, in accordance with, as appropriate, the Master Transfer Agreement and the Portfolio Administration Agreement (including the transfer agreement(s) to be entered into by the Additional Seller (if any), if applicable). To this extent UniCredit (as Issuer and Seller), the Additional Seller (if any), as the case may be, shall provide, in accordance with the Subordinated Loan or, as the case may be, with any additional subordinated loan, the funds necessary the purposes of funding the purchase of Assets or Integration Assets.

If (i) the breach of Mandatory Tests is not remedied within one calendar month from the service by the Calculation Agent of a Negative Report as confirmed by the Asset Monitor (the "**Mandatory Test Cure Period**"), or (ii) the breach of the Over-Collateralisation Test is not remedied within one calendar month from the service by the Calculation Agent of a Negative Report as confirmed by the Asset Monitor (the "**OC Cure Period**"), an Issuer Event of Default shall occur.

Under the terms of the Portfolio Administration Agreement, the Issuer must ensure that, on each Liquidity Buffer Test Calculation Date or on any other date on which the calculation of the Liquidity Buffer Test is required pursuant to the Transaction Documents, the amount of Liquid Assets standing to the credit of the Accounts is equal to or higher than the maximum cumulative Net Liquidity Outflow of the Programme over the next 180 days (the “**Liquidity Buffer Test**”). If, on any Liquidity Buffer Test Calculation Date or on any other date on which the verification of the Liquidity Buffer Test is required pursuant to the Transaction Documents the amount of Liquid Assets standing to the credit of the Accounts is not at least equal to or higher than the maximum cumulative Net Liquidity Outflow of the Programme over the next 180 days, then UniCredit (as Seller and Issuer) and the Additional Seller (if any) shall:

- (i) sell Liquid Assets to the OBG Guarantor in accordance with the Master Transfer Agreement and, to this extent, shall grant the funds necessary for payment of the purchase price of the assets to the OBG Guarantor in accordance with the Subordinated Loan Agreement (increasing the “*Ammontare Massimo*” of the Subordinated Loan, if necessary, in accordance with the procedures set forth under the Subordinated Loan Agreement) or with any additional subordinated loan as applicable; and/or
- (ii) grant to the OBG Guarantor funds under the Subordinated Loan Agreement (increasing the “*Ammontare Massimo*” of the Subordinated Loan, if necessary, in accordance with the procedures set forth under the Subordinated Loan Agreement) or under any additional subordinated loan as applicable; and/or
- (iii) repurchase Assets by exercising the call option provided for under the Master Transfer Agreement in accordance with, and subject to the terms, set out therein,

in an aggregate amount sufficient to ensure that the Liquidity Buffer Test is complied with as soon as practicable.

Mandatory Tests

Pursuant to the Law 130 and the BoI OBG Regulations, for so long as the OBG remain outstanding, the Issuer (also as Seller) or any Additional Seller (if applicable) shall procure on a continuing basis and on each Calculation Date or on any other date on which the verification of the Mandatory Tests is required pursuant to the Transaction Documents that:

- (a) the Outstanding Principal Balance of the Eligible Portfolio (net of any amount standing to the credit of the Accounts other than the Principal Collection Account) from time to time owned by the OBG Guarantor shall be higher than or equal to the Outstanding Principal Balance of the OBG at the same time outstanding multiplied by 105%;
- (b) the Adjusted Net Present Value of the Eligible Portfolio shall be higher than or equal to the Present Value of the outstanding OBG;

- (c) the Expected Income shall be higher than or equal to the Expected Payments, (the tests above are jointly defined as the “**Mandatory Tests**”).

it being understood that:

- (i) pursuant to Article 7-*undecies*, paragraph 2, letter d) of the Law 130, the calculation of the interest generated by the assets included in the Eligible Portfolio and the interest due by the Issuer on the OBG outstanding shall be made on the basis of prudent criteria and criteria consistent with the applicable accounting principles; and
- (ii) pursuant to Article 7-*undecies*, paragraph 2, letter f) of the Law 130, the methodologies for the calculation of the numerator and denominator of the Mandatory Tests are based on criteria consistent with each other.

The compliance with the Mandatory Tests will be verified by the Calculation Agent and subsequently checked by the Asset Monitor, and by the internal risk management functions of the UniCredit Banking Group (under the supervision of the management body of the Issuer) on each Calculation Date and on any other date on which the verification of the Mandatory Tests is required pursuant to the Transaction Documents.

For the purposes of this section:

“**Adjusted Net Present Value of the Eligible Portfolio**” means at any date (i) the Present Value of the Eligible Portfolio; *minus* (ii) the Present Value of the payments to be made in priority to or *pari passu* with any amount to be paid in relation to the OBG in accordance with the relevant Priority of Payments (including the Expected Maintenance and Administration Costs).

“**Credito in Sofferenza**” means any Mortgage Receivable classified as “*in sofferenza*” by the Servicer on behalf of the OBG Guarantor in compliance with the Collection Policies, as interpreted and applied in compliance with BoI OBG Regulations and in accordance with principles governing the prudential administration of Mortgage Receivables and with the maximum standard of *diligenza professionale*.

“**Defaulted Receivables**” means Mortgage Receivables which, following the relevant Evaluation Date, (i) have been classified by the Servicer on behalf of the OBG Guarantor as Mortgage Receivables classified as unlikely to pay and in respect of which the relevant credit line (*affidamento creditizio*) has been revoked or (ii) have been classified by the Servicer on behalf of the OBG Guarantor as Mortgage Receivables classified (even once) as Crediti in Sofferenza or (iii) which have been Receivables in Arrears for at least 360 days (even once).

“**Defaulted Public Security**” means a Public Security in respect of which a notice of default has been served and/or a Public Security which has been accelerated in accordance with the relevant terms and condition.

“Earliest Maturing OBG” means at any time the relevant Series of the OBG that has the earliest Maturity Date as specified in the applicable Final Terms or the Extended Maturity Date (if an Extendible Maturity Date is provided by the applicable Final Terms).

“Eligible Portfolio” means the aggregate amount of Assets, Integration Assets and Liquid Assets (including (i) any sum standing to the credit of the Accounts and (ii) the Eligible Investments) *provided that* (i) any Defaulted Receivable or Defaulted Public Securities and those Assets, Integration Assets or Liquid Assets for which a breach of the representations and warranties granted under Clause 2 of the Warranty and Indemnity Agreement has occurred and has not been remedied will not be considered for the purpose of the calculation, (ii) any Mortgage Receivable in respect of which the Loan to Value Ratio exceed the percentage limit set forth under Article 129, paragraph 1, of the CRR, will be calculated up to an amount of principal which – taking into account the Market Value of the Real Estate related to the sale of that Mortgage Receivable – allows the compliance with such percentage limit, (iii) the aggregate of the Integration Assets or Liquid Assets in excess of the Limit to the Integration will not be considered for the purposes of the calculation, (iv) in accordance with Article 7-undecies, paragraph 2, letter a) of the Law 130, unsecured receivables, in case a default pursuant to article 178 of the CRR occurs, will not be considered for the purpose of the calculation, and (v) any Mortgage Receivable which is secured by a Real Estate (as defined below) which is not insured against the risk for damages in accordance with Article 7-novies, paragraph 2, letter a) of the Law 130 will not be considered for the purpose of the calculation.

“Expected Income” means, at any given time, the sum of the interest collections expected to be collected under the Eligible Portfolio, as from time to time outstanding on the basis of the scheduled payments, any interest maturing on the OBG Guarantor’s Accounts and other additional cash flows expected to be deposited in the Accounts (to the extent not already included in the above). For the avoidance of doubt such calculation is performed with respect to the Eligible Portfolio as of the immediately preceding Reconciliation Date.

“Expected Maintenance and Administration Costs” means any expected cost related to maintenance and administration for the winding-down of the Programme calculated as a lump sum as set out in the Portfolio Administration Agreement.

“Expected Payments” means, at any given time, any amount of interest payable in respect of the OBG and any amount to be paid in priority to, or *pari passu* with, any amount to be paid in respect of the OBG in each case in accordance with the relevant Priority of Payments. For the avoidance of doubt, any amounts above will result to be estimated (if relevant) on the basis of the Portfolio or the Eligible Portfolio (as the case may be) being from time to time outstanding on the basis of the scheduled payments. For the avoidance of doubt such calculation is performed with respect to the Eligible Portfolio as of the immediately preceding Reconciliation Date.

“Limit to the Integration ” means the limits set forth under Article 129, paragraph 1a of the CRR.

“Loan to Value Ratio” means on a certain date and with reference to any single Mortgage Receivable, the ratio between: (a) the Outstanding Principal Balance of the specific Mortgage Receivable and (b) the most recent Market Value of the Real Estate related to such Mortgage Receivable.

“Negative Carry Corrector” means a percentage calculated by reference to the average margin payable on the outstanding Series of OBG weighted for the Principal Amount Outstanding of each outstanding Series of OBG plus 0.5 per cent.

“Negative Report” means each of the report to be delivered by the Calculation Agent (or the Additional Calculation Agent, as the case may be) under the Portfolio Administration Agreement in case of breach of any of the Mandatory Tests, the Over-Collateralisation Test, the Amortisation Test or the Liquidity Buffer Test, as the case may be.

“OC Calculation Date” means on any given date, (a) if no Negative Report is delivered by the Calculation Agent (or the Additional Calculation Agent, as the case may be) (or a Negative Report is delivered and the relevant breach has been cured), 4 (four) Business Days prior to each Guarantor Payment Date, or (b) if a Negative Report is delivered and until the relevant breach has been cured, 4 (four) Business Days before the end of each calendar month.

“Outstanding Principal Balance” means, at any date, in relation to a loan, a bond or any other asset the aggregate nominal principal amount outstanding of such loan, bond, or asset at such date.

“Outstanding Principal Balance of the Eligible Portfolio” means the Outstanding Principal Balance of the Eligible Portfolio.

“Outstanding Principal Balance of the OBG” means the Outstanding Principal Balance of the outstanding OBG.

“Present Value” means, as of any date, the value resulting from discounting at a given discount rate a series of future payments or incomes (as the case may be).

“Random Basis” means any process which selects Assets on a basis that is not designated to favour the selection of any identifiable class, type or quality of assets over all the Assets forming part of the Portfolio.

“Real Estates” means the real estates subjected to mortgage as guarantee for Mortgage Receivables.

“Receivables in Arrears” means those Mortgage Receivables which have at least one Unpaid Instalment but which have not yet been classified as unlikely to pay in respect of which the relevant credit line (affidamento creditizio) has been revoked or as Credito in Sofferenza.

“Reconciliation Date” means the last calendar day of each Collection Period or, for so long a breach of any of the Tests or the Liquidity Buffer Test is outstanding, the last calendar day of each calendar month.

“Required Redemption Amount” means in respect of any relevant Series or Tranche of OBG, the amount calculated as follows:

- (a) the Outstanding Principal Balance of the relevant Series or Tranche of OBG multiplied by $(1 + (\text{Negative Carry Corrector} * (\text{days to the Maturity Date (or the Extended Maturity Date if applicable) of the relevant Series or Tranche of OBG} / 365)))$; *plus*
- (b) any pro rata cost expected to be incurred by the OBG Guarantor up to the last Maturity Date (or the Extended Maturity Date if applicable) with respect to the relevant Series or Tranche of OBG.

“Selected Assets” means the Assets selected on a Random Basis to be sold by the OBG Guarantor, following the delivery of a Notice to Pay pursuant to the terms of the Portfolio Administration Agreement.

“Unpaid Instalment” means a due instalment that has not been paid, also partially, within 30 days starting from the date on which it becomes due and payable.

Over-Collateralisation Test

The Portfolio and the other assets of the OBG Guarantor shall be also subject, as at each OC Calculation Date and prior to each issuance, to the following test, intended to ensure that the ratio between the OBG Guarantor’s assets and the OBG is maintained at a certain minimum level. UniCredit (as Seller and Issuer) and any Additional Seller (if any) shall procure on a continuing basis and on each OC Calculation Date that the OC Adjusted Eligible Portfolio shall be equal to or higher than the Outstanding Principal Balance of the OBG (the **“Over-Collateralisation Test”**).

The **“OC Adjusted Eligible Portfolio”** shall be calculated as follows: $(A+B+C+D) - Z$

Where

“A” is the aggregate of the values determined in respect of each Mortgage Receivable as the lower of (i) E, and (ii) F, where

“E” is $P * M - T$, where,

“P” means (i) $VO + J * (VI - VO)$ if VI results to be higher than or equal to VO, or (ii) $VI * 80$ per cent. or 60 per cent. (depending on whether the Mortgage Receivable is a Residential Mortgage Receivable or a Non-Residential Mortgage Receivable) if VI is lower than VO;

“VI” means the Market Value of the Real Estate;

“VO” means the original market value of the Real Estate;

“J” means 70 per cent.;

“M” means in respect of a Mortgage Receivable other than those Mortgage Receivables in respect of which (or in respect of the Loan Agreement from which such Mortgage Receivable arises) any of the representations and warranties set out in the Warranty and Indemnity Agreement have been breached to the extent the OBG Guarantor has not already been indemnified by the Seller (or by any Additional Seller, if applicable) (i) 100 per cent. if the Mortgage Receivables is not a Receivable in Arrear or a Defaulted Receivable, or (ii) 65 per cent. if the Mortgage Receivables is a Receivable in Arrear or (iii) 0 per cent. if the Mortgage Receivable is a Defaulted Receivable;

“T” means any financial loss incurred by the OBG Guarantor due to any breach of any other material representation and warranty by the Seller (or by any Additional Seller, if applicable), to the extent the OBG Guarantor has not already been indemnified by the Seller (or by any Additional Seller, if applicable);

“F” is the result of the Outstanding Principal Balance of the Mortgage Receivables other than those Mortgage Receivables in respect of which (or in respect of the Loan Agreement from which such Mortgage Receivable arises) any of the representations and warranties set out in the Warranty and Indemnity Agreement have been breached to the extent the OBG Guarantor has not already been indemnified by the Seller (or by any Additional Seller, if applicable), multiplied by the Asset Percentage *minus* T (as described above);

“B” means the balance of the Accounts opened with the Account Bank;

“C” means the balance of the Eligible Investments (with respect to the portion deriving from the Principal Collections only) without duplication with B and the Outstanding Principal Balance of the Public Securities without duplication with D;

“D” means the aggregate Outstanding Principal Balance of the Public Securities minus (i) those Public Securities in respect of which (or in respect of the agreement from which such Public Securities arises) any of the representations and warranties set out in the Warranty and Indemnity Agreement have been breached to the extent the OBG Guarantor has not already been indemnified by the Seller (or by any Additional Seller, if

applicable) and (ii) those Public Securities classified as Defaulted Public Securities,

the amount resulting from the calculations above, *multiplied by* the Asset Percentage;

“**Z**” means the amount resulting from the multiplication of (1) the higher of (a) zero and (b) the positive difference between (i) the weighted average residual life (expressed in years) from the relevant date until the applicable Maturity Date in respect of the OBG then outstanding and (ii) the expected weighted average life of the Portfolio (expressed in years), (2) the Outstanding Principal Balance of the OBG, and (3) the Negative Carry Corrector;

the calculations above will be performed without including any Integration Assets or Liquid Assets in excess of the Limit to the Integration.

For the purpose of this section:

“**Asset Percentage**” means, with reference to each OC Calculation Date, 93 per cent. (which is equivalent to a minimum overcollateralization of 7.5 per cent.) or such other lower Asset Percentage from time to time determined by the Issuer on behalf of the OBG Guarantor and notified to the Representative of the OBG Holders, the Calculation Agent and the Additional Calculation Agent by not later than 5 Business Days before each OC Calculation Date.

If either **(a)** the Counterparty Risk Assessment of UniCredit S.p.A. (as Issuer and Seller) (or the Additional Sellers, if any and as the case may be) falls below “P-2(cr)” in respect of short-term debt or “A3(cr)” in respect of long term debt by Moody’s, or **(b)** the sum of the Set-off Amount and the Commingling Amount is higher than 5% of the Outstanding Principal Balance of the Eligible Portfolio, then UniCredit S.p.A. (as Seller and Issuer) (or the Additional Sellers) (as the case may be) shall notify Moody’s and the Representative of the OBG Holders of such event and of the amount which may be subject to set-off in respect of any Mortgage Receivable, if applicable; such amounts will have to be communicated by UniCredit S.p.A. (as Seller and Issuer) or the Additional Sellers, if any (as the case may be), to Moody’s on a quarterly basis.

Further to such downgrading, and **(a)** for so long as the rating is not re-established at least at such levels (or for so long as UniCredit (as Seller and Issuer) and/or the Additional Seller (if any) do not take any action to maintain the initial rating (if any) assigned to the OBG), or **(b)** for so long as the sum of the Set-off Amount and the Commingling Amount is higher than 5% of the Outstanding Principal Balance of the Eligible Portfolio, then the determination of the Asset Percentage shall be modified so as to deduct such amounts which may be subject to a set-off by the relevant Debtors (i.e. the Set-Off Amount), as calculated by UniCredit S.p.A. (as Seller and Issuer) or the Additional Sellers, if any, as the case may be.

If **(a)** the Counterparty Risk Assessment of the Servicer (or the Substitute Servicer, if any) falls below “P-2(cr)” in respect of short-term debt or “A3(cr)” in respect of

long term debt by Moody's, or **(b)** the sum of the Set-off Amount and the Commingling Amount is higher than 5% of the Outstanding Principal Balance of the Eligible Portfolio, then the Servicer shall notify Moody's and the Representative of the OBG Holders of such event. Further to such downgrading, and **(a)** for so long as the rating is not re-established above such levels (or for so long as the Servicer, and/or the Substitute Servicer (if any), do not take any action to maintain the initial rating (if any) assigned to the OBG), or **(b)** for so long as the sum of the Set-off Amount and the Commingling Amount is higher than 5% of the Outstanding Principal Balance of the Eligible Portfolio, if the measures indicated under Clause 3.2(B) of the Servicing Agreement will not be put in place, then the determination of the Asset Percentage shall be modified so as to consider the amounts which may be subject to commingling risk (i.e. the Commingling Amount) in case of bankruptcy of the Servicer (or the Substitute Servicer, if any).

"Commingling Amount" means the amount of Collections which may be subject to commingling risk in case of bankruptcy of the Servicer (or the Successor Servicer, if any), as calculated by UniCredit S.p.A. (as Servicer) or the Successor Servicer, if any (as the case may be).

"Loan Agreement" means, collectively, the Non-Residential Loan Agreements and the Residential Loan Agreements.

"Set-Off Amount" means the sum of any amount which may be subject to set-off in respect of any Mortgage Receivable, as calculated by UniCredit S.p.A. (as Seller and Issuer) or the Additional Sellers, if any (as the case may be).

Amortisation Test

The Amortisation Test has the scope to ensure that on each Calculation Date following the service of a Notice to Pay (but prior to the occurrence of a Guarantor Event of Default) the Amortisation Amount (as defined below) will be an amount at least equal to the aggregate Outstanding Principal Balance of the OBG as calculated on the relevant Calculation Date. Failure to satisfy the Amortisation Test on any relevant Calculation Date will constitute a Guarantor Event of Default

The Amortisation Test will be calculated on each Calculation Date as follows:

Amortisation Amount \geq the Outstanding Principal Balance of the OBGs

where,

"Amortisation Amount" means $(A + B + C + D) - Z$,

where

"A" is the aggregate of the values determined in respect of each Mortgage Loan as the lower between (i) the Outstanding Principal Balance of the Mortgage Receivable * M, and (ii) P * M;

"M" means in respect of a Mortgage Receivable (i) 100 per cent. if the Mortgage Receivable is not a Receivable in Arrear or a Defaulted Receivable, or (ii) 65 per

cent. if the Mortgage Receivable is a Receivable in Arrear or (iii) 0 per cent. if the Mortgage Receivable is a Defaulted Receivable;

“P” means (i) $VO + J * (VI - VO)$ if VI results to be higher than or equal to VO, or (ii) $VI * 80$ per cent. or 60 per cent. (depending on whether the Mortgage Receivable is a Residential Mortgage Receivable or a Non-Residential Mortgage Receivable) if VI is lower than VO;

“VI” means the Market Value of the Real Estate;

“VO” means the original market value of the Real Estate;

“J” means 70 per cent.;

“B” means the balance of the Accounts opened with the Account Bank;

“C” means the balance of the Eligible Investments purchased using Principal Collections (without duplication with B) and the Outstanding Principal Balance of the Public Securities which are not included under point D below;

“D” means the aggregate Outstanding Principal Balance of the Public Assets minus (i) those Public Assets in respect of which (or in respect of the agreement from which such Public Securities arises) any of the representations and warranties set out in the Warranty and Indemnity Agreement have been breached to the extent the OBG Guarantor has not already been indemnified by the Seller (or by any Additional Seller, if applicable) and (ii) those Public Assets classified as Defaulted Receivables or Defaulted Public Security (as the case may be);

“Z” means the sum of (A) and (B) where:

- (A) means the amount resulting from the multiplication of the higher of (1) the higher of (a) zero and (b) the positive difference between (i) the weighted average residual life (expressed in years) from the relevant date until the applicable Maturity Date in respect of the OBG then outstanding and (ii) the expected weighted average life of the Portfolio (expressed in years), (2) the Outstanding Principal Balance of the OBG, and (3) the Negative Carry Corrector; and
- (B) means on any given date on which the Amortisation Test is calculated, the higher of zero and $U + V - W$;

where:

“U” means the sum of the aggregate amount of interest payable in respect of all Series of OBG from the date of the relevant calculation up to and including the relevant Maturity Date.

“V” means the product of:

- (i) the higher of (a) zero; and (b) the difference between (a) the expected weighted average life of the Portfolio (expressed in years) and (b) the weighted average residual life (expressed in

years) from the relevant date until the relevant Maturity Date in respect of the OBG then outstanding,

- (ii) the aggregate Principal Amount Outstanding of all Series on the last day of the previous calendar month, and
- (iii) the weighted interest rate payable on the OBG after the Maturity Date.

“W” means the Expected Income.

Liquidity Buffer Test

In accordance with, and pursuant to, Article 7-*duodecies* of the Law 130 and with the BoI OBG Regulations, for so long as the OBG remain outstanding, the Issuer shall procure on a continuing basis and on each Liquidity Buffer Test Calculation Date or on any other date on which the calculation of the Liquidity Buffer Test is required pursuant to the Transaction Documents that the amount of Liquid Assets standing to the credit of the Accounts is equal to or higher than the maximum cumulative Net Liquidity Outflow of the Programme over the next 180 days (the “**Liquidity Buffer Test**”). In accordance with Article 7-*undecies*, paragraph 2, letter c), of the Law 130, the Liquid Assets standing to the credit of the Accounts shall be considered to contribute to the Eligible Portfolio, provided that such liquid assets satisfy the requirements to qualify as eligible assets set forth in Article 7-*novies*, paragraph 1, letter a), of the Law 130.

For the purposes of this section:

“**Liquid Assets**” means the assets identified under Article 7-*duodecies*, paragraph 2, letter a) and letter b), of the Law 130, provided that such assets satisfy the requirements to qualify as eligible assets set forth in article 129 of the CRR and qualify as Eligible Investments.

“**Liquidity Buffer Test Calculation Date**” means the Calculation Date.

“**Net Liquidity Outflow**” means all payment outflows falling due on one day, including principal and interest payments, net of all payment inflows falling due on the same day for claims related to the cover assets, calculated in accordance with Article 7-*duodecies* of the Law 130 and Section III, paragraph 3. of the BoI OBG Regulation.

Reserve Account

The Reserve Account is held in the name of the OBG Guarantor for the purpose of setting aside, on each Guarantor Payment Date, the amount necessary to reach the Total Target Reserve Amount.

In the event that a payment is required to the OBG Guarantor under the OBG Guarantee, such Total Target Reserve Amount is determined in an amount sufficient to ensure that on each Guarantor Payment Date that, the OBG Guarantor would have sufficient funds set aside to pay an amount equal to to the sum of (A) (B) and (C)

where

- (A) means the amount of interest accrued on the OBG until that Guarantor Payment Date (inclusive) and not yet paid by the Issuer or the OBG Guarantor;
- (B) means the amount of interest due and payable by the OBG Guarantor on the immediately succeeding Guarantor Payment Date (without double counting with (A)); and
- (C) means an amount equal to 0.30% of the Outstanding Principal Balance of Portfolio as at the end of the immediately preceding Collection Period.

The Total Target Reserve Amount will be accumulated over time allocating the amount of excess spread available, from time to time, according to the relevant Priority of Payments.

Therefore the Total Target Reserve Amount is expected to increase over time upon each relevant Guarantor Payment Date.

ACCOUNTS AND CASH FLOWS

ACCOUNTS

The following accounts (together with any other account to be opened in accordance with the Cash Management and Agency Agreement, the “**Accounts**”) shall be established and maintained with the Account Bank and the Paying Agent as separate accounts in the name of the OBG Guarantor.

The Collection Accounts, the Reserve Account and the Expenses Account (in each case as defined below) shall be held with the Account Bank for as long as the Account Bank qualifies as an Eligible Institution.

The Payment Account, the Securities Account and the Eligible Investment Account shall be held with the Paying Agent for as long as the Paying Agent qualifies as an Eligible Institution.

The Interest Collection Account

Deposits. A Euro-denominated current account established and maintained with the Account Bank into which:

- (i) on a daily basis by the end of the Business Day immediately following each date of actual collection, all the amounts received or recovered as interest in relation to the Assets – as they are collected in accordance with the Servicing Agreement by the Servicer – will be deposited by the Servicer into the Interest Collection Account, together with all the payments (other than those in respect of principal) deriving from the Transaction Documents;
- (ii) on each Collection Date, any net interest amount accrued and liquidated on the Principal Collection Account, the Reserve Account and the Expenses Account during the immediately preceding Collection Period will be transferred to the Interest Collection Account;
- (iii) on each Liquidation Date (i) all proceeds arising out of the liquidation of the Eligible Investments (if any) purchased using amount standing to the credit of the Interest Collection Account, and (ii) any net interest amount or net yield component of the proceeds arising out of the liquidation of all the other Eligible Investments (if any) and Public Securities (if any, other than ones already included in the Eligible Investments), will be transferred to the Interest Collection Account;
- (iv) on the last day of each Collection Period, any net interest amount or net yield component arising out of Liquid Assets (other than cash deposit) (if any) will be transferred to the Interest Collection Account; and
- (v) on a daily basis any amount received as interest by the OBG Guarantor from any party to the Transaction Documents, other than any amount which is expressed to be paid to any other Account pursuant to the Cash Management and Agency Agreement.

Withdrawals.

- (i) on each date falling 2 Business Days before each Guarantor Payment Date all the amounts necessary to meet any payment obligation on the OBG Guarantor under the applicable Priority of Payments (as defined below) (and standing to the credit of the Interest Collection Account on the calendar day immediately preceding the last Collection Date) shall be transferred to the Payment Account (as defined below), together with any amount transferred to the Interest Collection Account on the immediately preceding Liquidation Date and necessary to meet such obligations; and
- (ii) on a weekly basis, upon instruction of the Cash Manager, all the amounts standing to the credit from time to time of the Interest Collection Account may be transferred to the Eligible Investments Account.

(the “**Interest Collection Account**”).

The Principal Collection Account

Deposits. A Euro-denominated current account established and maintained with the Account Bank into which, *inter alia*:

- (i) on a daily basis by the end of the Business Day immediately following each date of actual collection, all the amounts received or recovered as principal in relation to the Assets – as they are collected in accordance with the Servicing Agreement by the Servicer – will be transferred by the Servicer to the Principal Collection Account, together with all the amounts in respect of principal deriving from the Transaction Documents;
- (ii) on each Guarantor Payment Date, any amount paid in accordance with item (iv) of the Pre-Issuer Event of Default Interest Priority will be transferred by the Paying Agent to the Principal Collection Account;
- (iii) on each Liquidation Date, all principal components of the proceeds arising out of the liquidation of any Eligible Investments (if any) and Public Securities (if any, other than the ones already included in the Eligible Investments) purchased using amount standing to the credit of the Principal Collection Account and any principal component of Integration Assets and Public Securities (if any, other than the ones already included in the Eligible Investments) will be transferred to the Principal Collection Account;
- (iv) on each date on which the Liquid Assets (other than cash deposit) (if any) are liquidated, all principal components of the proceeds arising out of the liquidation of any Liquid Assets (if any) will be transferred to the Principal Collection Account;
- (v) any amount granted by the Issuer to the OBG Guarantor under the Subordinated Loan for the purposes of complying with the Liquidity Buffer Test; and
- (vi) on a daily basis any principal amount received by the OBG Guarantor from any party to the Transaction Documents, other than any amount which is

expressed to be paid to any other Account pursuant to the Cash Management and Agency Agreement.

Withdrawals.

- (i) on each date falling 2 Business Days before each Guarantor Payment Date, all the amounts necessary to meet any payment obligation on the OBG Guarantor under the applicable Priority of Payments (and standing to the credit of the Principal Collection Account on the calendar day immediately preceding the last Collection Date) shall be transferred to the Payment Account together with any amount transferred from the Eligible Investments Account (if any) to the Principal Collection Account on the immediately preceding Liquidation Date and necessary to meet such obligations;
- (ii) on each Collection Date, any net interest amount accrued and liquidated on the Principal Collection Account during the preceding Collection Period shall be transferred to the Interest Collection Account;
- (iii) on a weekly basis, upon instruction of the Cash Manager, all the amounts standing to the credit from time to time to the Principal Collection Account (other than any net interest amount accrued and liquidated on the Principal Collection Account) may be transferred to the Eligible Investments Account; and
- (iv) on each date on which Liquid Assets (other than cash deposit) shall be purchased, the necessary amounts required to make such purchase shall be transferred to the Liquid Assets Securities Reserve Account.

(the “**Principal Collection Account**” and, together with the Interest Collection Account, the “**Collection Accounts**”).

The Reserve Account

Deposits. A Euro-denominated current account established and maintained with the Account Bank into which, *inter alia*:

- (i) on each Guarantor Payment Date, in accordance with the applicable Priority of Payments, any amount necessary to reach the Total Target Reserve Amount shall be transferred by the Paying Agent to the Reserve Account;
- (ii) on each Liquidation Date, all principal components of the proceeds arising out of the liquidation of any Eligible Investments (if any) purchased using amount standing to the credit of the Reserve Account shall be transferred to the Reserve Account; and
- (iii) on each Liquidation Date (i) all proceeds arising out of the liquidation of the Eligible Investments (if any) purchased using amount standing to the credit of the Reserve Account, and (ii) any net interest amount or net yield component of the proceeds arising out of the liquidation of all the other Eligible Investments (if any) and Public Securities (if any, other than ones already included in the Eligible Investments), will be transferred to the Reserve Account.

Withdrawals.

- (i) on each date falling 2 Business Days before each Guarantor Payment Date corresponding to an OBG Payment Date, all the amounts standing to the credit of the Reserve Account and exceeding the Total Target Reserve Amount (if any) shall be transferred to the Payment Account;
 - (ii) on each Collection Date, any net interest amount accrued and liquidated on the Reserve Account during the immediately preceding Collection Period shall be transferred to the Interest Collection Account; and
 - (iii) on a weekly basis, upon instruction of the Cash Manager, the OBG Guarantor shall transfer or procure to transfer all the amounts standing to the credit from time to time to the Reserve Account (other than any net interest amount accrued and liquidated on the Reserve Account) to the Eligible Investments Account.
- (the “**Reserve Account**”).

The Payment Account

Deposits. A Euro-denominated current account established and maintained with the Paying Agent into which, *inter alia*:

- (i) on each date falling 2 Business Days before each Guarantor Payment Date, all the amounts necessary to meet any payment obligation on the OBG Guarantor under the OBG Guarantee and in accordance with the applicable Priority of Payments (and standing to the credit of the Interest Collection Account on the calendar day immediately preceding the last Collection Date) shall be transferred from the Interest Collection Account to the Payment Account, together with any amount transferred to the Interest Collection Account on the immediately preceding Liquidation Date;
- (ii) on each date falling 2 Business Days before each Guarantor Payment Date, all the amounts necessary to meet any payment obligation on the OBG Guarantor under the OBG Guarantee and in accordance with the applicable Priority of Payments (and standing to the credit of the Principal Collection Account on the calendar day immediately preceding the last Collection Date) (including, for the avoidance of doubt, the Purchase Price Accumulation Amount) shall be transferred from the Principal Collection Account to the Payment Account together with any amount transferred from the Eligible Investments Account (if any) to the Principal Collection Account on the immediately preceding Liquidation Date;
- (iii) on each date falling 2 Business Days before each Guarantor Payment Date, all the amounts standing to the credit of the Reserve Account and exceeding the Total Target Reserve Amount (if any) shall be transferred from the Reserve Account to the Payment Account; and
- (iv) (i) on each date falling 2 Business Days before each Guarantor Payment Date (which is not the Programme Termination Date) and (ii) on the date

falling 2 Business Days before the Programme Termination Date, all the amounts standing to the credit of the Expenses Account shall be credited from the Expenses Account to the Payment Account.

Withdrawals.

- (i) On each Guarantor Payment Date, all the amounts standing to the credit of the Payment Account shall be applied by the Paying Agent to make any payment to be executed according to the relevant Priority of Payments as shown in the Payments Report.
- (ii) On the date on which the Definitive Purchase Price of the New Portfolio transferred in the context of a Revolving Assignment has to be paid in accordance with the Master Transfer Agreement, an amount equal to the lower of (a) the Purchase Price Accumulation Amount and (b) the Definitive Purchase Price of the New Portfolio, as the case may be, will be paid to the Seller and/or Additional Sellers (if any) by the Paying Agent and, after having made any such payment, any residual amount shall be transferred to the Principal Collection Account.

(the “**Payment Account**”).

“**Definitive Purchase Price of the New Portfolio**” has the meaning ascribed to the expression “*Corrispettivo Definitivo del Portafoglio Successivo*” under the Master Transfer Agreement.

The Eligible Investments Account

Deposits. A Euro-denominated current account established and maintained with the Paying Agent into which, on a weekly basis, all the amounts standing from time to time to the credit of:

- (i) the Interest Collection Account;
- (ii) the Principal Collection Account (other than any net interest amount accrued and liquidated on the Principal Collection Account), and
- (iii) the Reserve Account (other than any net interest amount accrued and liquidated on the Reserve Account).

may be transferred or procured to be transferred by the OBG Guarantor, upon instruction of the Cash Manager.

Withdrawals. On each Liquidation Date, the OBG Guarantor shall transfer or procure to transfer:

- (i) all proceeds arising out of the liquidation of the Eligible Investments (if any) purchased using amount standing to the credit of the Interest Collection Account, and (ii) any net interest amount or net yield component of the proceeds arising out of the liquidation of all the other Eligible Investments (if any), to the Interest Collection Account;

- (ii) all principal components of the proceeds arising out of the liquidation of any Eligible Investments (if any) purchased using amount standing to the credit of the Principal Collection Account to the Principal Collection Account, and
- (iii) all principal components of the proceeds arising out of the liquidation of any Eligible Investments (if any) purchased using amount standing to the credit of the Reserve Account to the Reserve Account.

(the “**Eligible Investments Account**”).

The Securities Account

A Euro-denominated securities account opened with the Paying Agent into which, *inter alia*, the OBG Guarantor shall keep from time to time (i) the Public Securities or the Integration Assets owned by the OBG Guarantor as a result of investing in Eligible Investments and (ii) the Public Securities or the Integration Assets owned by the OBG Guarantor and purchased from the Seller or the Additional Seller (if any) (the “**Securities Account**”).

The Expenses Account

Deposits. A Euro-denominated current account established and maintained with the Account Bank into which, *inter alia*, the Paying Agent shall transfer, on each Guarantor Payment Date, and in accordance with the applicable Priority of Payments, any amount necessary to reach the Target Expenses Amount.

Withdrawals.

- (i) at any time all the amounts standing to the credit of the Expenses Account shall be applied to pay the Expenses due and payable at any time;
- (ii) on each Collection Date, the OBG Guarantor shall transfer or procure to transfer any net interest amount accrued and liquidated on the Expenses Account during the immediately preceding Collection Period to the Interest Collection Account; and
- (iii) (i) on each date falling 2 Business Days before each Guarantor Payment Date (which is not the Programme Termination Date) and (ii) on the date falling 2 Business Days before the Programme Termination Date, all the amounts standing to the credit of the Expenses Account shall be transferred to the Payment Account.

(the “**Expenses Account**”).

The Liquid Assets Securities Reserve Account

Deposits. From time to time the OBG Guarantor may open a securities account with the Account Bank for the purposes of purchasing and depositing the Liquid Assets (other than cash deposit) in accordance with Article 7-*duodecies*, paragraph 2, of the Law 130 and clause of 9 of the Portfolio Administration Agreement: (a) into which, on each date on which Liquid Assets (other than cash deposit) shall be purchased, the necessary amounts required to make such purchase shall be transferred from the

Principal Collection Account; and (b) where the Liquid Assets (other than cash deposit) owned by the OBG Guarantor will be deposited.

Withdrawals.

- (i) on each date on which the Liquid Assets (other than cash deposit) are liquidated, all principal components of the proceeds arising out of the liquidation of the Liquid Assets (other than cash deposit) purchased using amount standing to the credit of the Principal Collection Account will be transferred to the Principal Collection Account; and
- (ii) on the last day of each Collection Period, any net interest amount or net yield component arising from the Liquid Asset (other than cash deposit) will be transferred to the Interest Collection Account.

(the “**Liquid Assets Securities Reserve Account**”).

For the purposes of this section:

“**Eligible Institutions**” means any banks in relation to which, on any given date, its long term unsecured, unsubordinated and unguaranteed debt obligations and its short term unsecured, unsubordinated and unguaranteed debt obligations are rated at least as high as the long term rating and short-term rating specified in column 2 of the table below corresponding to the category of the OBG as at the same day as specified in column 1 of the table below, provided however that if the OBG has been downgraded as a result of the downgrading of the relevant bank reference must be made to the category of the OBG as specified in column 1 of the table below immediately prior to such downgrade.

Column 1	Column 2
Category of the OBG	Long-term rating and short-term rating
Aaa	A3 and P-1
Aa1	Baa1 and P-2
Aa2	Baa2 and P-2
Aa3	Baa3 and P-3
A1	Baa3 and P-3

“**Expenses**” means any OBG Guarantor’s documented fees, costs, expenses and taxes to maintain it in good standing, to comply with applicable legislation and to preserve its corporate existence.

“**Liquid Assets**” means the assets identified under Article 7-duodécies, paragraph 2, letter a) and letter b), of the Law 130, provided that such assets satisfy the requirements to qualify as eligible assets set forth in article 129 of the CRR and qualify as Eligible Investments.

“Target Expenses Amount” means €50,000.

“Initial Issue Date” means the date on which the Issuer will issue the first Series of OBG.

“Liquidation Date” means the date falling 4 Business Days before a Guarantor Payment Date.

“Total Target Reserve Amount” means, on each Guarantor Payment Date, the sum of (A), (B) and (C)

where

(A) means the amount of interest accrued on the OBG until that Guarantor Payment Date (inclusive) and not yet paid by the Issuer or the OBG Guarantor,

(B) means the amount of interest due and payable by the OBG Guarantor on the immediately succeeding Guarantor Payment Date (without double counting with (A)), and

(C) means an amount equal to 0.30% of the Outstanding Principal Balance of Portfolio as at the end of the immediately preceding Collection Period.

CASH FLOWS

This section summarises the cashflows of the OBG Guarantor only, as to the allocation and distribution of amounts standing to the credit of the Accounts and their order of priority (all such orders of priority, the **“Priority of Payments”**) (a) prior to an Issuer Event of Default and a Guarantor Event of Default, (b) following an Issuer Event of Default (but prior to a Guarantor Event of Default) and (c) following a Guarantor Event of Default.

Pre-Issuer Event of Default Interest Priority

On each Guarantor Payment Date, prior to the service of a Notice to Pay, the OBG Guarantor will use Interest Available Funds to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

- (i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof: (a) any OBG Guarantor’s documented fees, costs, expenses and taxes to maintain it in good standing, to comply with applicable legislation and to preserve its corporate existence (the **“Expenses”**), to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, and (b) all amounts due and payable to the Seller and/or to the Additional Seller (if any) or the party indicated by the Seller or by the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the preceding Collection Period with respect to the outstanding Asset;

- (ii) *second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable (including fees, costs and expenses) to the Representative of the OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Servicer and the Additional Servicer (if any), and to credit the Target Expenses Amount into the Expenses Account;
- (iii) *third*, to replenish the Reserve Account up to the Total Target Reserve Amount;
- (iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount necessary to cover the amounts transferred from the Pre-Issuer Event of Default Principal Priority according to item (i) on any preceding Guarantor Payment Date and not paid yet;
- (v) *fifth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, (a) to pay the Corrispettivi Individuali in Linea Interessi of the Assets, Integration Assets and Liquid Assets offered for sale by the Seller and/or by the Additional Seller (if any) in the context of a Revolving Assignment, Integration Assignment for the purposes of curing a breach of the Limit to the Integration, or Issuance Collateralisation in accordance with the provisions of the Master Transfer Agreement; (b) if the payment of any such purchase price shall be deferred in accordance with the provisions of the Master Transfer Agreement, to credit to the Payment Account the Purchase Price Accumulation Amount; (c) to pay any amount due and payable to the Seller and/or the Additional Seller (if any) in accordance with the provisions of the Master Transfer Agreement as Corrispettivi Individuali in Linea Interessi of the Assets, Integration Assets and Liquid Assets offered for sale by the Seller and/or by the Additional Seller (if any) in the context of a Revolving Assignment, Integration Assignment for the purposes of curing a breach of the Limit to the Integration, or Issuance Collateralisation to the extent not previously paid by using the funds credited to the Payment Account as Purchase Price Accumulation Amount on the immediately preceding Guarantor Payment Date; and (d) all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement provided that the Over-Collateralisation Test, the Mandatory Tests and the Liquidity Buffer Test would still be satisfied after such payment;
- (vi) *sixth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments) provided that the Over-Collateralisation Test, the

Mandatory Tests and the Liquidity Buffer Test would still be satisfied after such payment;

- (vii) *seventh*, provided that a Programme Suspension Period is not continuing and after the repayment request made by the Subordinated Loan Provider under the Subordinated Loan (or additional subordinated loan provider, if any, under any additional subordinated loan), to pay *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or the relevant additional subordinated loan, if any) provided that the Over-Collateralisation Test, the Mandatory Tests and the Liquidity Buffer Test would still be satisfied after such payment;
- (viii) *eighth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata*, according to the respective amounts thereof, any Subordinated Loan Interest Amount due and payable under the Subordinated Loan (or additional subordinated loan, if any) provided that the Over-Collateralisation Test, the Mandatory Tests and the Liquidity Buffer Test would still be satisfied after such payment,

(the “**Pre-Issuer Event of Default Interest Priority**”).

“**Target Expenses Amount**” means at each Guarantor Payment Date the amount of €50,000.

“**Total Target Reserve Amount**” ” means, on each Guarantor Payment Date, the sum of (A), (B) and (C)

where

- (A) means the amount of interest accrued on the OBG until that Guarantor Payment Date (inclusive) and not yet paid by the Issuer or the OBG Guarantor,
- (B) means the amount of interest due and payable by the OBG Guarantor on the immediately succeeding Guarantor Payment Date (without double counting with (A)), and
- (C) means an amount equal to 0.30% of the Outstanding Principal Balance of Portfolio as at the end of the immediately preceding Collection Period.

Pre-Issuer Event of Default Principal Priority

On each Guarantor Payment Date, prior to the service of a Notice to Pay, the OBG Guarantor will use Principal Available Funds to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

- (i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable under items (i) and (ii) (other than any amount due according to (i) b)) of the Pre-Issuer Event of Default Interest

Priority, to the extent that the Interest Available Funds are not sufficient, on such Guarantor Payment Date, to make such payments in full;

- (ii) *second*, provided that a Programme Suspension Period is not continuing, *pari passu* and *pro rata* according to the respective amounts thereof, (a) to pay the Corrispettivi Individuali in Linea Capitale of the Assets, Integration Assets and Liquid Assets offered for sale by the Seller and/or by the Additional Seller (if any) in the context of a Revolving Assignment or Integration Assignment for the purposes of curing a breach of the Limit to the Integration in accordance with the provisions of the Master Transfer Agreement; (b) if the payment of any such purchase price shall be deferred in accordance with the provisions of the Master Transfer Agreement, to credit to the Payment Account the Purchase Price Accumulation Amount; and (c) to pay any amount due and payable to the Seller and/or the Additional Seller (if any) in accordance with the provisions of the Master Transfer Agreement as Corrispettivi Individuali in Linea Capitale of the Assets, Integration Assets and Liquid Assets offered for sale by the Seller and/or by the Additional Seller (if any) in the context of a Revolving Assignment or Integration Assignment for the purposes of curing a breach of the Limit to the Integration to the extent not previously paid by using the funds credited to the Payment Account as Purchase Price Accumulation Amount on the immediately preceding Guarantor Payment Date;
- (iii) *third*, if a Programme Suspension Period has occurred and is continuing, to deposit on the Principal Collection Account any residual Principal Available Funds until an amount up to the Required Redemption Amount of any Series of OBG outstanding has been accumulated;
- (iv) *fourth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement provided that the Over-Collateralisation Test, the Mandatory Tests and the Liquidity Buffer Test would still be satisfied after such payment, to the extent not already paid under item (v) of the Pre-Issuer Event of Default Interest Priority;
- (v) *fifth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments) provided that the Over-Collateralisation Test, the Mandatory Tests and the Liquidity Buffer Test would still be satisfied after such payment, to the extent not already paid under item (vi) of the Pre-Issuer Event of Default Interest Priority;

- (vi) *sixth*, provided that a Programme Suspension Period is not continuing, to pay, *pari passu* and *pro rata* according to the respective amounts thereof after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any), the amount due as principal redemption under the Subordinated Loan (or additional subordinated loan, if any) provided that the Over-Collateralisation Test, the Mandatory Tests and the Liquidity Buffer Test would still be satisfied after such payment;

(the “**Pre-Issuer Event of Default Principal Priority**”).

On each Guarantor Payment Date the “**Interest Available Funds**” shall include (a) any interest received from the Portfolio during the Collection Period immediately preceding such Guarantor Payment Date, (b) any interest amount received by the OBG Guarantor as remuneration of the Accounts during the Collection Period immediately preceding such Guarantor Payment Date, (c) any amount received as interest by the OBG Guarantor from any party to the Transaction Documents (other than amounts already allocated under items (a) and (b)) during the Collection Period immediately preceding such Guarantor Payment Date, (d) any amount deposited in the Reserve Account as at the Calculation Date immediately preceding such Guarantor Payment Date (other than the amount already allocated under item (b)), (e) any amount deposited in the Interest Collection Account, as at the preceding Guarantor Payment Date, (f) the amount standing to the credit of the Expenses Account (other than amounts already allocated under item (b)) at the end of the Collection Period preceding such Guarantor Payment Date (which is not a Programme Termination Date), (g) any net interest amount or income from any Eligible Investments or of the Public Securities (without duplication with the Eligible Investments) liquidated at the immediately preceding Liquidation Date, (h) provided that the Liquidity Buffer Test is satisfied, any amount standing to the credit of the Liquid Assets Securities Reserve Account.

On each Guarantor Payment Date the “**Principal Available Funds**” shall include: (a) any principal payment received during the Collection Period immediately preceding such Guarantor Payment Date; (b) any principal amount received by the OBG Guarantor as reimbursement of the Eligible Investments liquidated on the immediately preceding Liquidation Date arising from investment made using principal collection; (c) any principal amount received by the OBG Guarantor from any party to the Transaction Documents (other than the amounts already allocated under items (a) and (b)) during the Collection Period immediately preceding such Guarantor Payment Date; (d) any amount standing to the credit of the Principal Collection Account (other than the amounts already allocated under item (a)) at the end of the Collection Period preceding such Guarantor Payment Date net of any interest accrued thereon; (e) the amount standing to the credit of the Expenses Account on the Programme Termination Date; (f) any principal amount arising out from the liquidation of Public Securities (without duplication with the (b) above) liquidated at the immediately preceding Liquidation Date arising from investment made using principal collection and (g) the positive difference (if any) between (1)

the Purchase Price Accumulation Amount credited to the Payment Account on the immediately preceding Guarantor Payment Date and (2) the monies paid to the Seller and/or the Additional Seller in the context of a Revolving Assignment, in accordance with the Master Transfer Agreement, during the period between the preceding Guarantor Payment Date and the immediately following Guarantor Payment Date, as consideration for the purchase of the New Portfolio by using the Purchase Price Accumulation Amount credited to the Payment Account on the immediately preceding Guarantor Payment Date.

“Collection Period” means (a) prior to the occurrence of a Guarantor Event of Default, any period between each Collection Date (included) and the following Collection Date (excluded), save for the first Collection Period, where the Collection Period is comprised between the Evaluation Date (included) in respect to the transfer of the first Portfolio and 1 April 2012 (excluded) and (b) after the occurrence of a Guarantor Event of Default, any period between two Business Days.

“Collection Date” means 1 January, 1 April, 1 July and 1 October of each year and, following an Issuer Event of Default, the first calendar day of each month.

“Evaluation Date” means (a) in respect of the Initial Portfolio the beginning of 1 January 2012 and (b) in respect of any New Portfolio, the date indicated as such in the relevant offer for the transfer of New Portfolios.

“Purchase Price Accumulation Amount” means an amount equal to the Provisional Purchase Price of the New Portfolio as determined with reference to a New Portfolio under the relevant Offer of Transfer.

“Provisional Purchase Price of the New Portfolio” has the meaning ascribe to the expression *“Corrispettivo Provvisorio del Portafoglio Successivo”* under the Master Transfer Agreement.

Post-Issuer Event of Default Priority

On each Guarantor Payment Date, following the service of a Notice to Pay, but prior to the occurrence of a Guarantor Event of Default, the OBG Guarantor will use the Available Funds, to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

- (i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof (a) the Expenses, to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, (b) all amounts due and payable to the Seller and/or by the Additional Seller (if any) or the party indicated by the Seller or the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the preceding Collection Period with respect to the outstanding Asset still owned by the OBG Guarantor;

- (ii) *second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable (including fees, costs and expenses) to the Representative of the OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the Administrative Services Provider, the Asset Monitor, the Portfolio Manager, the Servicer and the Additional Servicer (if any), and to credit the Target Expenses Amount into the Expenses Account;
- (iii) *third*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable as interest on the OBG on their relevant OBG Payment Dates;
- (iv) *fourth*, to replenish the Reserve Account up to the Total Target Reserve Amount;
- (v) *fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any amount due and payable as principal on the OBG on their relevant OBG Payment Dates;
- (vi) *sixth*, to deposit on the relevant OBG Guarantor's Accounts any residual amount until all Series of OBG outstanding have been repaid in full;
- (vii) *seventh*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement;
- (viii) *eighth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments);
- (ix) *ninth*, after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any), to pay *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any);
- (x) *tenth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any interest amount due under the Subordinated Loan (or additional subordinated loan, if any); and
- (xi) *eleventh*, after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any), to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any

principal amount due under the Subordinated Loan (or additional subordinated loan, if any);

(the “**Post-Issuer Event of Default Priority**”).

“**Available Funds**” shall include (a) the Interest Available Funds, (b) the Principal Available Funds and (c) following the occurrence of an Issuer Event of Default, the Excess Proceeds.

“**Excess Proceeds**” means the amounts received by the OBG Guarantor as a result of any enforcement taken against the Issuer in accordance with Article 7-*quaterdecies*, Paragraph 3 of the Law 130.

“**Negative Carry Corrector**” means a percentage calculated by reference to the average margin payable on the outstanding Series of OBG weighted for the Principal Amount Outstanding of each outstanding Series of OBG plus 0.5 per cent.

“**Required Redemption Amount**” means in respect of any relevant Series or Tranche of OBG, the amount calculated as follows:

- (a) the Outstanding Principal Balance of the relevant Series or Tranche of OBG multiplied by $(1 + (\text{Negative Carry Corrector} * (\text{days to the Maturity Date (or the Extended Maturity Date if applicable) of the relevant Series or Tranche of OBG} / 365)))$; *plus*
- (b) any pro rata cost expected to be incurred by the OBG Guarantor up to the last Maturity Date (or the Extended Maturity Date if applicable) with respect to the relevant Series or Tranche of OBG.

Post-Guarantor Event of Default Priority

On each Guarantor Payment Date, following the service of a Guarantor Acceleration Notice, the OBG Guarantor will use the Available Funds, to make payments in the order of priority set out below (in each case only if and to the extent that payments of a higher priority have been made in full):

- (i) *first*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof (a) any Expenses, to the extent that such costs and expenses have not been already met by utilising the amount standing to the credit of the Expenses Account, and (b) all amounts due and payable to the Seller and/or to the Additional Seller (if any) or the party indicated by the Seller or by the Additional Seller (if any) as the case may be, in respect of the insurance premium element of the instalment (if any) collected by the OBG Guarantor during the preceding Collection Period with respect to the outstanding Asset;
- (ii) *second*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof any amount due and payable (including fees, costs and expenses) to the Representative of the OBG Holders, the Account Bank, the Cash Manager, the Calculation Agent, the Additional Calculation Agent, the Paying Agent, the Administrative Services Provider, the Asset Monitor, the

Portfolio Manager, the Servicer and the Additional Servicer (if any) and to credit the Target Expenses Amount into the Expenses Account;

- (iii) *third*, to pay, *pari passu* and *pro rata* any interest and principal amount due and payable on the OBG;
- (iv) *fourth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, all amounts due and payable to the Seller or the Additional Seller (if any) (as the case may be), in accordance with the relevant transfer agreement;
- (v) *fifth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any and all outstanding fees, costs, liabilities and any other expenses to be paid to fulfil obligations to any other creditors and Secured Creditors of the OBG Guarantor incurred in the course of the OBG Guarantor's business in relation to this Programme (other than amounts already provided for in this Priority of Payments);
- (vi) *sixth*, after the repayment request made by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan Agreement (or additional subordinated loan agreement), to pay *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due and payable as determined by the Subordinated Loan Provider (or additional subordinated loan provider, if any) under the Subordinated Loan (or additional subordinated loan, if any);
- (vii) *seventh*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any interest amount due under the Subordinated Loan (or additional subordinated loan, if any); and
- (viii) *eighth*, to pay, *pari passu* and *pro rata* according to the respective amounts thereof, any principal amount due under the Subordinated Loan (or additional subordinated loan, if any),

(the “**Post-Guarantor Events of Default Priority**” and, together with the Pre-Issuer Event of Default Principal Priority, the Pre-Issuer Event of Default Interest Priority, the Post-Issuer Event of Default Priority, are collectively referred to as the “**Priority of Payments**”).

USE OF PROCEEDS

The net proceeds to the Issuer from the issue of all OBG will be applied by the Issuer for:

- (a) general funding purposes of the Group (including funding of the mortgage loans business of the Group); or
- (b) as otherwise indicated in the relevant Final Terms, including, without limitation, to be applied towards Eligible Projects/Green Projects (“**Green OBG**”), Eligible Projects/Social Projects (“**Social OBG**”) or a financing or re-financing of any combination of each of the Eligible Projects/Green Projects or Eligible Projects/Social Projects (“**Sustainability OBG**”).

In accordance with the ICMA Green Bond Principles, the ICMA Social Bond Principles and the ICMA Sustainability Bond Guidelines, only OBG financing or refinancing Eligible Projects/Green Projects or Eligible Projects/Social Projects, as the case may be, and complying with the relevant eligibility criteria and any other criteria set out in the Issuer’s Sustainability Bond Framework (as defined below) and which, prior to the relevant Issue Date, will be available in the “Investors” section of the Issuer’s website at <https://www.unicreditgroup.eu> (the “**Issuer’s Sustainability Bond Framework**”) will be classified as Green OBG, Social OBG or, as the case may be, Sustainability OBG.

For the purposes of this section:

“**Eligible Projects/Green Projects**” means projects identified as such in the Issuer’s Sustainability Bond Framework.

“**Eligible Projects/Social Projects**” means projects identified as such in the Issuer’s Sustainability Bond Framework.

For the avoidance of doubt, the Issuer’s Sustainability Bond Framework is not, nor shall be deemed to be, incorporated in and/or form part of this Prospectus.

DESCRIPTION OF THE TRANSACTION DOCUMENTS

Master transfer agreement

Pursuant to a master transfer agreement entered into on 13 January 2012, as from time to time amended (the “**Master Transfer Agreement**”), between the Seller and the OBG Guarantor, the Seller assigned to the OBG Guarantor the Initial Portfolio and the parties thereto agreed that the Seller may assign and transfer Mortgage Receivables satisfying the General Criteria and the Specific Criteria and other Assets and/or Integration Assets and/or Liquid Assets to the OBG Guarantor from time to time, in the cases and subject to the limits for the transfer of further Assets and/or Integration Assets and/or Liquid Assets, on a revolving basis.

The purchase price in respect of the Initial Portfolio has been determined pursuant to the Master Transfer Agreement. Under the Master Transfer Agreement the relevant parties thereto have acknowledged that the purchase price in respect of the Initial Portfolio shall be funded through the proceeds granted in accordance with the Subordinated Loan Agreement.

Further Assignments

For the assignment of each New Portfolio comprised of Mortgage Receivables, the OBG Guarantor shall pay the Seller an amount equal to the aggregate of the individual receivable price (equal to the value of each Receivable as it results from the Seller’s latest balance sheet) of all the Mortgage Receivables in such New Portfolio.

Each New Portfolio shall be composed exclusively of Assets or Integration Assets or Liquid Assets, which comply with the General Criteria and (if applicable in relation to the relevant issuance, the Specific Criteria) on the relevant purchase date, provided that, pursuant to the BoI OBG Regulations, the Master Transfer Agreement and the Portfolio Administration Agreement, total Integration Assets and Liquid Assets shall not exceed the Limit to the Integration.

The Further Assignments shall be aimed at:

- (a) collateralising and allowing the issue of further series of OBG by the Issuer, subject to the Limit to the Integration (the “**Issuance Collateralisation Assignment**”);
- (b) investing the Available Funds, provided that a Programme Suspension Period is not continuing (the “**Revolving Assignment**”); and/or
- (c) comply with the Mandatory Tests, the Over-Collateralisation Test, the Limit to the Integration and/or the Liquidity Buffer Test in accordance with the Portfolio Administration Agreement (the “**Integration Assignment**”), subject to the limits referred to the Limit to the Integration.

The obligation of the OBG Guarantor to purchase any New Portfolio shall be:

- (i) conditional upon (a) the existence of sufficient Available Funds to be applied under item (ii) of the Pre-Issuer Event of Default Principal Priority

of Payments for the perfection of Revolving Assignments, Issuance Collateralisation Assignments or Integration Assignments for the purpose of complying with the Limit to the Integration or (b) the funding of the requested amounts under the Subordinated Loan Agreement for the perfection of Issuance Collateralisation Assignments or Integration Assignments for the purpose of complying with the Mandatory Tests, the Over-Collateralisation Test and/or the Liquidity Buffer Test;

- (ii) conditional upon compliance with the following concentration thresholds:
 - (a) as at the relevant Evaluation Date of each relevant Further Assignment, the Outstanding Principal Balance of the Non-Residential Mortgage Receivables comprised in the Portfolio (including those purported to be assigned in the context of the relevant Further Assignment) shall not be higher than 30 per cent. of the Outstanding Principal Balance of the Portfolio; and
 - (b) as at the relevant Evaluation Date of each relevant Further Assignment, the Outstanding Principal Balance of the Mortgage Receivables granted to employees of a company belonging to the UniCredit Banking Group comprised in the Portfolio (including those purported to be assigned in the context of the relevant Further Assignment) shall not be higher than 15 per cent. of the Outstanding Principal Balance of the Portfolio; and
- (iii) subject to certain conditions subsequent set out in the Master Transfer Agreement.

Criteria

Each of the receivables forming part of the Portfolio shall comply with all the General Criteria, while, in the context of the sale of further portfolios of Mortgage Receivables shall comply also with the relevant Specific Criteria.

Price Adjustments

The Master Transfer Agreement provides a price adjustment mechanism pursuant to which:

- (i) if, following the relevant Effective Date, any mortgage receivable which is part of the Initial Portfolio or of a New Portfolio does not meet the Criteria, then such mortgage receivable will be deemed not to have been assigned and transferred to the OBG Guarantor pursuant to the Master Transfer Agreement; and
- (ii) if, following the relevant Effective Date, any Mortgage Receivable which meets the Criteria but it is not part of the Initial Portfolio or of a New Portfolio, then such Mortgage Receivable shall be deemed to have been assigned and transferred to the OBG Guarantor as of the Evaluation Date of the relevant Portfolio, pursuant to the Master Transfer Agreement.

In accordance with the above, the Seller and the OBG Guarantor have set up a proper mechanism to manage the necessary settlements for the substitution or

acquisition of the relevant Mortgage Receivables and the increase or decrease, as the case may be, of the amounts already paid as Purchase Price.

Repurchase of receivables and pre-emption right

The Seller is granted an option right, pursuant to article 1331 of Italian Civil Code, to repurchase the Mortgage Receivables and/or Public Securities and/or Liquid Assets individually or in block, also in different tranches. In order to exercise the option right, the Seller is required to pay the OBG Guarantor an amount equal to the sum of: (a) the purchase price paid to the Seller with reference to such Mortgage Receivable and/or Public Security and/or Liquid Asset, *less* (b) the total amount of the principal amounts collected in the period between the Evaluation Date (excluded) concerning such Mortgage Receivable and/or Public Security and/or Liquid Asset and the Date of Carve Out, *plus* (d) the possible damages and losses borne by the OBG Guarantor as consequences of any claim raised by third parties and referred to such Mortgage Receivable and/or Public Security and/or Liquid Asset.

The Seller is granted a pre-emption right to repurchase Mortgage Receivables, Public Securities and Liquid Assets to be sold by the OBG Guarantor to third parties, at the same terms and conditions provided for such third parties. Such pre-emption rights shall cease if the Seller is submitted to any of the procedures set forth in Title V of the Banking Law.

Termination of the OBG Guarantor's obligation to purchase and termination of the agreement

Pursuant to the Master Transfer Agreement, the obligation of the OBG Guarantor to purchase New Portfolios shall terminate upon the occurrence of any of the following: (i) a breach of the undertakings and duties assumed by the Seller pursuant to the Transaction Documents, in the event such breach is not cured within the period specified in the Master Transfer Agreement, or it is otherwise not curable; (ii) a breach of the Seller's representations and warranties given in any of the Transaction Documents; (iii) a Seller's material adverse change; (iv) an enforcement against the Sellers' assets, winding-up of the Seller, opening of a bankruptcy or insolvency proceeding (excluding the resolution procedure and early intervention measures); (v) the Seller being submitted to judicial proceeding which may cause the occurrence of a material adverse change of the Seller; or (vi) the Programme Termination Date has occurred. Further to the occurrence of an event described above, the OBG Guarantor shall no longer be obliged to purchase New Portfolios.

Undertakings

The Master Transfer Agreement also contains a number of undertakings by the Seller in respect of its activities in relation to the Mortgage Receivables, the Public Securities, the Guarantees, the Liquid Activities and the Loan Agreements. The Seller has undertaken, *inter alia*, to refrain from carrying out activities with respect to the Mortgage Receivables, the Public Securities, the Liquid Activities, the Loan Agreements and the Guarantees which may prejudice the validity or recoverability

of the same and in particular not to assign or transfer the Mortgage Receivables, the Public Securities, the Liquid Activities, the Loan Agreements and the Guarantees to any third party or to create any security interest, charge, lien or encumbrance or other right in favour of any third party in respect of the Mortgage Receivables, the Public Securities, the Liquid Activities, the Loan Agreements and the Guarantees. The Seller also has undertaken to refrain from any action which could cause any of the Mortgage Receivables or Guarantees to become invalid or to cause a reduction in the amount of any of the Mortgage Receivables or the Guarantees. The Master Transfer Agreement also provides that the Seller shall waive any set off rights in respect of the Mortgage Receivables and cooperate actively with the OBG Guarantor in any activity concerning the Mortgage Receivables.

Main Definitions

For the purposes of the Master Transfer Agreement:

“Additional Guarantee” means any guarantee, establishing a right *in rem* or *in personam*, other than the Mortgages, provided by a Debtor, a Guarantor of a Receivable or a Public Security or by any other person or entity in order to guarantee (i) the payments of the Mortgage Receivables or the Public Securities (as the case may be) and (ii) the satisfaction of the obligations arising from the Loan Agreements or the Public Securities (as the case may be).

“Date of Carve Out” means 30 Business Days starting from the date on which (i) the Seller or the OBG Guarantor (as the case maybe) has been served with a written notice or (ii) an agreement has been reached between the Seller and the OBG Guarantor or (iii) the date fixed by a third party in accordance with the Clause 9.6 (*Arbitraggio*) of the Master Transfer Agreement.

“Debtor” means any person, entity or subject, also different from the Beneficiary, who is liable for the payment of amounts due, as principal and interest, in respect of a Mortgage Receivable or Security.

“Guarantees” means jointly or, where the context otherwise requires, severally, the Mortgages and the Additional Guarantees.

“Guarantor of a Receivable or Public Security” means any person, entity or subject, different from the Debtor and including any successor, who has granted a Mortgage or an Additional Guarantee in order to guarantee the payments of a Receivable or Security.

“Mortgages” means the mortgages established on Real Estates from the relevant Mortgagor in order to guarantee the payments of the Mortgage Receivables.

“New Portfolio” means any portfolio of Mortgage Receivables meeting the General Criteria and the Specific Criteria, Public Securities, Integration Assets and Liquid Assets which, further to the sale of the Initial Portfolio, the Seller will assign to the OBG Guarantor in accordance with the Master Transfer Agreement.

“Real Estates” means the real estates subjected to mortgage as guarantee for Mortgage Receivables.

Governing Law

The Master Transfer Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian Law.

Warranty and Indemnity Agreement

Pursuant to a warranty and indemnity agreement entered into on 13 January 2012, as amended from time to time, between the Seller and the OBG Guarantor (the “**Warranty and Indemnity Agreement**”), the Seller made certain representations and warranties to the OBG Guarantor.

Specifically, as of the date of execution of the Master Transfer Agreement (and with reference to the representations and warranties concerning the Mortgage Receivables and the Securities, also on any relevant effective transfer date) and, with reference to the representations and warranties concerning the Transaction Documents, as of each relevant Issue Date, the Seller has given and will be deemed to repeat to the OBG Guarantor, *inter alia*, certain representations and warranties about: (i) its status and powers, (ii) the information and the documents provided to the OBG Guarantor, (iii) its legal title on the Assets (iv) the status of the Assets and (v) the terms and conditions of the Assets.

Pursuant to the Warranty and Indemnity Agreement, the Seller has undertaken to fully and promptly indemnify and hold harmless the OBG Guarantor and its officers, directors and agents (each, an “**Indemnified Person**”), from and against any and all damages, losses, claims, liabilities, costs and expenses (including, without limitation, reasonable attorney’s fees and disbursements and any value added tax and other tax thereon as well as any claim for damages by third parties) awarded against, or incurred by, any of them, arising from any representations and/or warranties made by the Seller under the Warranty and Indemnity Agreement being actually false, incomplete or incorrect and/or failure by the Seller to perform any of the obligations and undertakings assumed by the Seller.

Without prejudice of the foregoing, the Seller has further undertaken that, if any Mortgage Receivable or Public Security does not exist, in whole or in part, (including where such non existence is based only on a judicial pronouncement that is not definitive), the Seller shall immediately pay the OBG Guarantor any damage, costs, expenses incurred by the OBG Guarantor. In the event that, thereafter, any definitive judicial pronouncement recognises that such Mortgage Receivable or Public Security exists, the OBG Guarantor shall repay the amounts mentioned above received by the Seller on the immediately subsequent Guarantor Payment Date, in accordance with the relevant Priority of Payments.

The parties to the Warranty and Indemnity Agreement agreed that, further to the breach of any of the representations and warranties which have not been indemnified by the Seller within 30 days from the notice of the breach, the Seller is entitled to exercise a call option and the OBG Guarantor a put option, in respect of the Mortgage Receivables and the Securities with reference to which a breach of the representations and warranties occurred.

Governing Law

The Warranty and Indemnity Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian Law.

Subordinated Loan Agreement

Pursuant to a subordinated loan agreement entered into on 13 January 2012, as amended from time to time, between the Seller and the OBG Guarantor (the “**Subordinated Loan Agreement**”), the Seller granted the OBG Guarantor a subordinated loan (the “**Subordinated Loan**”) with a maximum amount equal to € 40,000,000,000, save for further increases to be determined by the Seller as subordinated loan provider. Under the provisions of such agreement, upon the relevant disbursement notice being filed by the OBG Guarantor, the Seller shall make advances to the OBG Guarantor in amounts equal to the relevant price of the Initial Portfolio and each New Portfolios transferred from time to time to the OBG Guarantor in view of (a) collateralising the issue of further OBG or (b) carrying out an integration of the Portfolio, through Assets, Integration Assets or Liquid Assets, in order to prevent a breach of the Mandatory Tests, the Over-Collateralisation Test and/or the Liquidity Buffer Test or (c) allow the OBG Guarantor to establish a sufficient cash reserve to comply with the Liquidity Buffer Test.

The OBG Guarantor shall pay any amounts due under the Subordinated Loan in accordance with the relevant Priority of Payments. The OBG Guarantor shall use the proceeds arising from the Subordinated Loan Agreement: (i) as consideration in part for the acquisition of Assets from the Seller pursuant to the terms of the Master Transfer Agreement, as described above, and/or (ii) to invest in Integration Assets or Liquid Assets in an amount not exceeding the prescribed limit.

The Subordinated Loan shall bear interest in an amount equal to the algebraic sum of:

- (i) (+) the higher of (a) the amount of interest accrued on the Portfolio during the relevant Interest Period of the Subordinated Loan and (b) the Interest Available Funds;
- (ii) (-) (a) the sum of any amount paid under items from (i) to (vii) of the Pre-Issuer Event of Default Interest Priority or (b) following the occurrence of an Issuer Event of Default and the service of a Notice to Pay, the sum of any amount paid under items from (i) to (viii) of the Post-Issuer Event of Default Priority or (c) following the occurrence of a Guarantor Event of Default, the sum of any amount paid under items from (i) to (vi) of the Post-Guarantor Event of Default Priority;

(the “**Subordinated Loan Interest Amount**”).

The OBG Guarantor shall reimburse any amount due as principal under the Subordinated Loan Agreement on a lump sum on the last Maturity Date or the Extended Maturity Date, where applicable. If an interpretation of the Bank of Italy, or other competent authority, confirms the possibility for the OBG Guarantor to

partially repay the Subordinated Loan prior to the repayment of all the OBG, subject to certain conditions set out therein, the OBG Guarantor will reimburse the Subordinated Loan upon receipt of a request to that effect from the Seller.

Governing Law

The Subordinated Loan Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

OBG Guarantee

Pursuant to a guarantee entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor and the Representative of the OBG Holders, the OBG Guarantor issued a guarantee securing the payment obligations of the Issuer under the OBG (the “**OBG Guarantee**”), in accordance with the provisions of Law 130.

Under the terms of the OBG Guarantee, if the Issuer defaults in the payment on the due date (subject to any applicable grace periods) of any moneys due and payable under or pursuant to the OBG, or if any other Issuer Event of Default occurs and the service by the Representative of the OBG Holders of a Notice to Pay, the OBG Guarantor has agreed (subject as described below) to pay, or procure to be paid, unconditionally and irrevocably to or to the order of the Representative of the OBG Holders (for the benefit of the OBG Holders), any amounts due under the OBG as and when the same were originally due for payment by the Issuer, as of any Maturity Date or, if applicable, Extended Maturity Date.

Pursuant to Article 7-*bis*, paragraph 1, of Law No. 130 of 30 April 1999 as applicable until the entry into force of the BoI OBG Regulations, and Article 4 of the Decree of the Ministry of Economy and Finance of 14 December 2006, No. 310, as amended from time to time (the “**MEF Decree**”) and Article 7-*quaterdecies* of the Law 130 (as applicable), the guarantee provided under the OBG Guarantee is a first demand (*a prima richiesta*), unconditional (*incondizionata*), irrevocable (*irrevocabile*) and independent guarantee (*garanzia autonoma*) and therefore provides for direct and independent obligations of the OBG Guarantor vis-à-vis the OBG Holders and with limited recourse to the Available Funds, irrespective of any invalidity, irregularity, unenforceability or genuineness of any of the guaranteed obligations of the Issuer. The provisions of the Italian Civil Code relating to *fideiussione* set forth in Articles 1939 (*Validità della fideiussione*), 1941, paragraph 1 (*Limiti della fideiussione*), 1944, paragraph 2 (*Escussione preventiva*), 1945 (*Eccezioni opponibili dal fideiussore*), 1955 (*Liberazione del fideiussore per fatto del creditore*), 1956 (*Liberazione del fideiussore per obbligazione futura*) and 1957 (*Scadenza dell'obbligazione principale*) shall not apply to the OBG Guarantee.

Following the service of a Notice to Pay on the OBG Guarantor, but prior to the occurrence of a Guarantor Event of Default, payment by the OBG Guarantor of the Guaranteed Amounts pursuant to the OBG Guarantee will be made, subject to and in accordance with the Post-Issuer Event of Default Priority, on the relevant Scheduled Due for Payment Date, provided that, if an Extended Maturity Date is

envisaged under the relevant Final Terms and actually applied, any amount representing the Final Redemption Amount due and remaining unpaid on the Maturity Date may be paid by the OBG Guarantor on any Scheduled Payment Date thereafter, up to (and including) the relevant Extended Maturity Date. In addition, where the OBG Guarantor is required to make a payment of a Guaranteed Amount in respect of a Final Redemption Amount payable on the Maturity Date of the relevant Series of OBG, to the extent that the OBG Guarantor has insufficient moneys available after payment of higher ranking amounts and taking into account amounts ranking *pari passu* therewith in the relevant Priority of Payments, to pay such Guaranteed Amounts, it shall make partial payments of such Guaranteed Amounts in accordance with the Post-Issuer Event of Default Priority.

If, following the service of a Notice to Pay served as a result of the taking of a resolution pursuant to Article 74 of the Banking Law, the Issuer Event of Default consisting of a resolution pursuant to Article 74 of the Banking Law issued in respect of the Issuer that had caused the service of such notice is cured and no other Issuer Event of Default or Guarantor Event of Default has occurred and is continuing, the Representative of the OBG Holders will deliver to the OBG Guarantor a notice (the “**Cure Notice**”) informing the OBG Guarantor that the Issuer Event of Default (consisting of a resolution pursuant to Article 74 of the Banking Law issued in respect of the Issuer) then outstanding has been revoked and the OBG Guarantor’s obligation to make payment of the Guaranteed Amounts in accordance with the OBG Guarantee shall cease to apply until the OBG Guarantee has newly enforced by the Representative of the OBG Holders.

Following the service of a Guarantor Acceleration Notice all OBG of all Series will accelerate, in accordance with the Conditions, against the OBG Guarantor becoming due and payable, and they will rank *pari passu* amongst themselves and the Available Funds shall be applied in accordance with the Post-Guarantor Events of Default Priority.

All payments of Guaranteed Amounts by or on behalf of the OBG Guarantor will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature unless such withholding or deduction of such taxes, assessments or other governmental charges are required by law or regulation or administrative practice of any jurisdiction. If any such withholding or deduction is required, the OBG Guarantor will pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted. The OBG Guarantor will not be obliged to pay any amount to any OBG Holder in respect of the amount of such withholding or deduction.

Exercise of rights

Following the occurrence of an Issuer Event of Default and service of a Notice to Pay on the OBG Guarantor, but prior to the occurrence of any Guarantor Event of Default, and with reference and as of the date of administrative liquidation (*liquidazione coatta amministrativa*) of the Issuer in accordance with the provisions

of Article 4, paragraph 3 of the MEF Decree and Article 7-*quaterdecies* of the Law 130 (as applicable), the OBG Guarantor, shall substitute the Issuer in all obligations of the Issuer towards the OBG Holders in accordance with the terms and conditions originally set out for the OBG, so that the rights of payment of the OBG Holders in such circumstance will only be the right to receive payments of the Scheduled Interest and the Scheduled Principal from the OBG Guarantor on the Scheduled Due for Payment Date. In consideration of the substitution of the OBG Guarantor in the performance of the payment obligations of the Issuer under the OBG, the OBG Guarantor (directly or through the Representative of the OBG Holders) shall exercise, on an exclusive basis and, to the extent applicable, in compliance with the provisions of Article 4, paragraph 3 of the MEF Decree and Article 7-*quaterdecies* of the Law 130 (as applicable), the rights of the OBG Holders vis-à-vis the Issuer and any amount recovered from the Issuer will be part of the Available Funds.

As a consequence and as expressly indicated in the Conditions, the OBG Holders have irrevocably delegated to the OBG Guarantor (also in the interest and for the benefit of the OBG Guarantor) the exclusive right to proceed against the Issuer to enforce the performance of any of the payment obligations of the Issuer under the OBG including any rights of enforcing any acceleration of payment provisions provided under the Conditions or under the applicable legislation. For this purpose, the OBG Holders, upon request of the OBG Guarantor, shall provide the OBG Guarantor with any powers of attorney and/or mandates as the latter may deem necessary or expedient for taking all necessary steps to ensure the timely and correct performance of its mandate.

For the purposes of the OBG Guarantee:

“Due for Payment Date” means (i) a Scheduled Due for Payment Date or (ii) following the occurrence of a Guarantor Event of Default, the date on which a Guarantor Acceleration Notice is served on the OBG Guarantor. If the Due for Payment Date is not a Business Day, the Due for Payment Date will be the next following Business Day. For the avoidance of doubt, the Due for Payment Date does not refer to any earlier date upon which payment of any Guaranteed Amounts may become due under the guaranteed obligations, by reason of prepayment, mandatory or optional redemption or otherwise.

“Guaranteed Amounts” means, (i) prior to the service of a Guarantor Acceleration Notice, with respect to any Guarantor Payment Date, the sum of amounts equal to the Scheduled Interest and the Scheduled Principal, in each case, payable on that Guarantor Payment Date and all amounts payable by the OBG Guarantor under the Transaction Documents ranking senior to any payment due in respect to the OBG according to the applicable Priority of Payments, or (ii) after the service of a Guarantor Acceleration Notice, an amount equal to the relevant Early Redemption Amount plus all accrued and unpaid interest and all other amounts due and payable in respect of the OBG, including all Excluded Scheduled Interest Amounts and all Excluded Scheduled Principal Amounts (whenever the same arose) and all amounts payable by the OBG Guarantor under the Transaction Documents ranking senior to any payment due in respect to the OBG according to the applicable Priority of

Payments, provided that any Guaranteed Amounts representing interest paid after the Maturity Date (or the Extended Maturity Date, as the case may be) shall be paid on such dates and at such rates as specified in the relevant Final Terms. The Guaranteed Amounts include any Guaranteed Amount that was timely paid by or on behalf of the Issuer to the OBG Holders to the extent it has been clawed back and recovered from the OBG Holders by the receiver or liquidator, in bankruptcy or other insolvency or similar official for the Issuer named or identified in the Order, and has not been paid or recovered from any other source (the “**Clawed Back Amounts**”).

“**Scheduled Due for Payment Date**” means:

- (a) (A) the date on which the Scheduled Payment Date in respect of the relevant Guaranteed Amounts is reached, and (B) only with respect to the first Scheduled Payment Date immediately after the occurrence of an Issuer Event of Default, the later of (i) the day which is two Business Days following service of the Notice to Pay on the OBG Guarantor in respect of such Guaranteed Amounts and (ii) the relevant Scheduled Payment Date; or
- (b) if the applicable Final Terms specified that an Extended Maturity Date is applicable to the relevant series of OBG, the OBG Payment Date that would apply if the Maturity Date of such series of OBG had been the Extended Maturity Date or such other OBG Payment Date(s) as specified in the relevant Final Terms;

“**Scheduled Interest**” means in respect of each OBG Payment Date (i) following an Issuer Event of Default and the service of a Notice to Pay on the OBG Guarantor, an amount equal to the amount in respect of interest which would have been due and payable under the OBG on such OBG Payment Date as specified in the Conditions falling on or after service of a Notice to Pay on the OBG Guarantor (but excluding any additional amounts relating to premiums, default interest or interest upon interest, which are hereinafter referred to as the “**Excluded Scheduled Interest Amounts**”) payable by the Issuer and (ii) following the service of a Guarantor Acceleration Notice, an amount equal to the amount in respect of interest which would have been due and payable under the OBG on each OBG Payment Date as specified in the Conditions falling on or after the service of a Guarantor Acceleration Notice and including such Excluded Scheduled Interest Amounts (whenever the same arose), less any additional amounts the Issuer would be obliged to pay as result of any gross-up in respect of any withholding or deduction made under the circumstances set out in the Conditions.

“**Scheduled Payment Date**” means, in relation to payments under the OBG Guarantee, each OBG Payment Date.

“**Scheduled Principal**” means in respect of each OBG Payment Date (i) following an Issuer Event of Default and the service of a Notice to Pay on the OBG Guarantor, an amount equal to the amount in respect of principal which would have been due and repayable under the OBG on such OBG Payment Dates or the Maturity Date (as the case may be) as specified in the Conditions (but excluding any additional

amounts relating to prepayments, early redemption, broken funding indemnities, penalties or premiums, which are hereinafter referred to as the “**Excluded Scheduled Principal Amounts**”) payable by the Issuer and (ii) following the service of a Guarantor Acceleration Notice, an amount equal to the amount in respect of principal which would have been due and repayable under the OBG on each OBG Payment Dates or the Maturity Date (as the case may be) as specified in the Conditions and including such Excluded Scheduled Principal Amounts (whenever the same arose).

Governing Law

The OBG Guarantee, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Servicing Agreement

Pursuant to a servicing agreement entered into on 13 January 2012, as amended from time to time, between the Servicer and the OBG Guarantor (the “**Servicing Agreement**”), the Servicer has agreed to administer and service the Mortgage Receivables, on behalf of the OBG Guarantor. The appointment to the Servicer is not a mandate *in rem propriam* and, therefore, the OBG Guarantor is entitled to revoke or terminate the same in accordance with the provisions set forth in the Servicing Agreement.

As consideration for the activity performed and reimbursement of expenses, the Servicing Agreement provides that the Servicer will receive certain fees payable by the OBG Guarantor on each Guarantor Payment Date in accordance with the applicable Priority of Payments.

Servicer's activities

In the context of the appointment, the Servicer has undertaken to perform, with its best diligence and highest ethical standards, *inter alia*, the activities specified below:

- (i) administration, management and collection of the Mortgage Receivables in accordance with the Collection Policies; management and administration of enforcement proceedings and insolvency proceedings;
- (ii) to perform certain activities with reference to the data processing pursuant to Legislative Decree no. 196 of 30 June 2003, as amended and supplemented by Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the “**Privacy Law**”);
- (iii) to keep and maintain updated and safe the documents relating to the transfer of the Mortgage Receivables from the Seller to the OBG Guarantor; to consent to the OBG Guarantor and the Representative of the OBG Holders to examine and inspect the Documents and to draw copies; and

- (iv) upon the occurrence of an Issuer Events of Default, the Servicer may or, in certain case, must, in the name and on behalf of the OBG Guarantor, in accordance with the terms and conditions set forth in the Portfolio Administration Agreement, selling or offer to sell to third parties one or more Assets.

The Servicer is entitled to delegate the performance of certain activities to third parties, except for the supervisory activities in accordance with Bank of Italy Regulations of 5 August 1996, No. 216, as amended and supplemented. Notwithstanding the above, the Servicer shall remain fully liable for the activities performed by a party so appointed by the Servicer, and shall maintain the OBG Guarantor fully indemnified for any losses, costs and damages incurred for the activity performed by a party so appointed by the Servicer.

Servicer Reports

The Servicer has undertaken to prepare and submit reports to the OBG Guarantor, the Administrative Services Provider, the Representative of the OBG Holders and the Calculation Agent, in the form set out in the Servicing Agreement, containing information about the Collections made in respect of the Portfolio during the preceding Collection Period. The reports will provide the main information relating to the Servicer's activity during the period, including without limitation: a description of the Portfolio (outstanding amount, principal and interest), information relating to delinquencies, defaults and collections during the Collection Period.

On an annual basis, an audit firm agreed with between the parties will be instructed to issue an audit report on the activities (including monitoring activities) performed by the Servicer throughout the last year.

Successor Servicer

According to the Servicing Agreement, upon the occurrence of a termination or withdrawal event, the OBG Guarantor shall have the right to withdraw the appointment of the Servicer and, subject to the approval in writing of the Representative of the OBG Holders, to appoint a different entity (the “**Successor Servicer**”). The Successor Servicer shall undertake to carry out the activity of administration, management and collection of the Mortgage Receivables, as well as all other activities provided for in the Servicing Agreement by entering into a servicing agreement having substantially the same form and contents as the Servicing Agreement and accepting the terms and conditions of the Intercreditor Agreement.

The OBG Guarantor may terminate the Servicer's appointment and appoint a Successor Servicer following the occurrence of any of the termination event (each a “**Servicer Termination Event**”). The Servicer Termination Events include:

- (i) failure to transfer, deposit or pay any amount due by the Servicer within 10 Business Days from the date on which such amount has been required to be transferred, paid or deposited;

- (ii) failure to observe or perform duties under specified clauses of the Servicing Agreement and the continuation of such failure for a period of 10 Business Days following receipt of written notice from the OBG Guarantor;
- (iii) an insolvency, liquidation or winding up event occurs with respect to the Servicer;
- (iv) failure to observe or perform duties under the Transaction Documents and the continuation of such failure for a period of 10 Business Days following receipt of written notice from the OBG Guarantor where such breach prejudiced the reliance of the OBG Guarantor on the Servicer;
- (v) amendments of the functions and services involved in the management of the Mortgage Receivables and in the recovery and collection procedures, if such amendments may individually or jointly, prevent the Servicer from fulfilling the obligations assumed under the Servicing Agreement; and
- (vi) inability of the Servicer to meet the legal requirements and the Bank of Italy's regulations for entities acting as servicer.

The Servicing Agreement provides several actions to be taken by the Servicer if and for so long as the rating of the Servicer (or the Successor Servicer, if any) shall, *inter alia*, fall below "P-2(cr)" (short term) or "A3(cr)" (long term) by Moody's, unless, pursuant to the Portfolio Administration Agreement, taking into account the changes to the applicable Asset Percentage made under these circumstances the Mandatory Tests, the Liquidity Buffer Test and the Over-Collateralisation Test are complied with. One of such actions is the notification to all Debtors of the details of a new bank account opened with an Eligible Institution in the name of the OBG Guarantor, on which the Debtors will have to transfer the amounts due under the Assets.

Back-Up Servicer

In case of loss by the Servicer of the minimum required ratings provided for under the Servicing Agreement, the OBG Guarantor shall appoint within 30 Business Days from the date on which such loss has been notified by the Servicer, a financial intermediary or a bank, having the requirements provided for in relation to the Successor Servicer and which will take the place of the Servicer in case of termination of the Servicing Agreement (the "**Back-Up Servicer**"). The Back-Up Servicer shall enter into, *inter alia*, a servicing agreement having substantially the same form and contents as the Servicing Agreement and accepting the terms and conditions of the Intercreditor Agreement.

Governing Law

The Servicing Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Administrative Services Agreement

Pursuant to an administrative services agreement entered into on 13 January 2012, as amended from time to time, (the "**Administrative Services Agreement**"),

between the Administrative Services Provider (as successor of UniCredit Credit Management Bank S.p.A. as original administrative services provider and subsequently doBank S.p.A. and Italfondinario S.p.A.) and the OBG Guarantor, the Administrative Services Provider has agreed to provide the OBG Guarantor with a number of administrative services, including the keeping of the corporate books and of the accounting and tax registers.

Governing Law

The Administrative Services Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Intercreditor Agreement

Pursuant to an intercreditor agreement entered into on 19 January 2012, as amended from time to time, (the “**Intercreditor Agreement**”) among, *inter alia*, the OBG Guarantor, the Representative of the OBG Holders (in its own capacity and as legal representative of the Organisation of the OBG Holders), the Issuer, the Seller, the Subordinated Loan Provider, the Servicer, the Administrative Services Provider, the Account Bank, the Paying Agent, the Cash Manager, the Asset Monitor and the Calculation Agent, the parties agreed that all the Available Funds of the OBG Guarantor will be applied in or towards satisfaction of the OBG Guarantor’s payment obligations towards the OBG Holders as well as the other Secured Creditors, in accordance with the relevant Priority of Payments provided in the Intercreditor Agreement.

According to the Intercreditor Agreement, the Representative of the OBG Holders will, subject to a Guarantor Events of Default having occurred and the service of a Guarantor Acceleration Notice, ensure that all the Available Funds are applied in or towards satisfaction of the OBG Guarantor’s payment obligations towards the OBG Holders as well as the other Secured Creditors, in accordance with the Post-Guarantor Event of Default Priority of Payments provided in the Intercreditor Agreement.

The obligations owed by the OBG Guarantor to each of the OBG Holders and each of the other Secured Creditors will be limited recourse obligations of the OBG Guarantor. The OBG Holders and the other Secured Creditors will have a claim against the OBG Guarantor only to the extent of the Available Funds, in each case subject to and as provided for in the Intercreditor Agreement and the other Transaction Documents.

The OBG Guarantor has granted a general irrevocable mandate to the Representative of the OBG Holders, in the interest of the OBG Holders and the other Secured Creditors, to act in the name and on behalf of the OBG Guarantor on the terms and conditions specified in the Intercreditor Agreement, in exercising the rights of the OBG Guarantor under the Transaction Documents to which it is a party, other than the rights related to the collection and recovery of the Mortgage Receivables and to cash and payment services (save, in this respect, as provided otherwise therein).

Pursuant to the Intercreditor Agreement, the Issuer will publish, on its website and at least on a quarterly basis, the information on the Programme that is sufficiently detailed to allow investors to assess the profile and risks of the Programme and to carry out their due diligence in accordance with, and as required by, Article 7-*septiesdecies* of the Law 130 and Section V of the BoI OBG Regulations.

Governing Law

The Intercreditor Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Cash Management and Agency Agreement

Pursuant to a cash management and agency agreement entered into on 19 January 2012, as amended from time to time, between, *inter alia*, the OBG Guarantor, the Cash Manager, the Account Bank, the Paying Agent, the Servicer, the Seller, the Subordinated Loan Provider, the Administrative Services Provider, the Calculation Agent, the Additional Calculation Agent and the Representative of the OBG Holders (the “**Cash Management and Agency Agreement**”):

- (i) the Account Bank has agreed to establish and maintain the Collection Accounts, the Reserve Account, the Expenses Account and the Liquid Assets Securities Reserve Account (if any) and to provide, *inter alia*, the OBG Guarantor, prior to each Calculation Date, with a report together with account handling services in relation to moneys from time to time standing to the credit of the accounts above mentioned;
- (ii) the Cash Manager will provide, *inter alia*, the OBG Guarantor, on or prior to each Calculation Date, with a report together with certain cash management services in relation to moneys standing to the credit of the Accounts;
- (iii) the Calculation Agent (with the cooperation of the Additional Calculation Agent) will provide, *inter alia*, the OBG Guarantor: (i) with a payments report (the “**Payments Report**”) which will set out the Available Funds and the payments to be made on the following OBG Payment Date, (ii) with an asset cover report including the relevant calculations in respect of the Mandatory Tests and the Limit to the Integration (the “**Asset Cover Report**”), pursuant to the provisions of the Portfolio Administration Agreement, (iii) with a report including the relevant calculations in respect of the Amortisation Test (the “**Amortisation Report**”), pursuant to the provisions of the Portfolio Administration Agreement, (iv) with a report including the relevant calculations in respect of the Over Collateralisation Test (the “**Over Collateralisation Report**”), pursuant to the provisions of the Portfolio Administration Agreement, (v) with a liquidity buffer test report including the relevant calculations in respect of the Liquidity Buffer Test (the “**Liquidity Buffer Test Report**”), pursuant to the provisions of the Portfolio Administration Agreement and (vi) with an investors report (the “**Investors Report**”) which will set out certain information with respect to the Portfolio and the OBG;

- (iv) the Additional Calculation Agent will cooperate with the Calculation Agent in preparing: (i) each Payments Report and (ii) each Investors Report; and
- (v) the Paying Agent will provide the Issuer and the OBG Guarantor with certain payment services in respect of the OBG and has agreed to establish and maintain the Payment Account, the Eligible Investments Account and the Securities Account. Following the delivery of a Notice to pay or a Guarantor Acceleration Notice, the Paying Agent shall make payments of principal and interest in respect of the Guaranteed Amounts on behalf of the OBG Guarantor upon being so instructed.

Upon the occurrence of certain events with the reference to the Account Bank, the Cash Manager, the Calculation Agent or the Paying Agent, including:

- (i) the default to perform their own duties and obligations under the Cash Management and Agency Agreement;
- (ii) the cessation or the threat to cease to carry on their business or a substantial part of their business or the interruption of payments or the threat to interrupt payment of their debts; and
- (iii) the inability to perform their obligations under such agreement for a period of sixty days by reason of circumstances beyond their respective reasonable control;

either the Representative of the OBG Holders or the OBG Guarantor, provided that (in the case of the OBG Guarantor) the Representative of the OBG Holders consents in writing to such termination, may terminate the appointment of the relevant Agent under the terms of the Cash Management and Agency Agreement. Notwithstanding the above, none of the Agents shall be released from its respective obligations under the Cash Management and Agency Agreement until the relevant substitute has been appointed by the Representative of the OBG Holders and/or the OBG Guarantor and has entered into the Intercreditor Agreement, the Master Definitions Agreement and an agreement on the same terms *mutatis mutandis* as the Cash Management and Agency Agreement.

Governing Law

The Cash Management and Agency Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Portfolio Administration Agreement

Pursuant to a portfolio administration agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor, UniCredit (as Issuer, Seller, Servicer and Subordinated Loan Provider), the Asset Monitor, the Representative of the OBG Holders, the Calculation Agent and the Additional Calculation Agent (the “**Portfolio Administration Agreement**”), UniCredit (as Issuer and Seller) and the OBG Guarantor have undertaken certain obligations for the replenishment of the Portfolio in order to cure a breach of the Mandatory Tests, the Over-Collateralisation Test, the Liquidity Buffer Test or the Limit to the

Integration and the purchase and sale by the OBG Guarantor of the assets included in Portfolios.

Pursuant to the terms and conditions of the Portfolio Administration Agreement, the Calculation Agent has agreed to verify the compliance of the Mandatory Tests, the Over-Collateralisation Test, the Liquidity Buffer Test and the Limit to the Integration and, in the event of a breach, to immediately notify in writing the Representative of the OBG Holders, the Issuer, the Seller, any Additional Seller (if any), the Asset Monitor and OBG Guarantor of such breach. Respectively on each Calculation Date and on each OC Calculation Date, moreover, the Calculation Agent shall deliver an asset cover report including the relevant calculations in respect of the Mandatory Tests, the Over Collateralisation Test, the Liquidity Buffer Test and the Limit to the Integration to the Issuer, the Seller, any Additional Seller (if any), the Representative of the OBG Holders and the Asset Monitor.

Following the delivery of a Notice to Pay (and prior to the occurrence of a Guarantor Event of Default), the OBG Guarantor shall (if necessary in order to effect payments under the OBG as originally scheduled in the relevant Final Terms, as determined by the Calculation Agent in consultation with the Portfolio Manager), direct the Servicer or the Substitute Servicer to sell Selected Assets in accordance with the Portfolio Administration Agreement, subject to any pre-emption right of the Issuer (also as Seller) and any Additional Seller (if any) pursuant to the Master Transfer Agreement or any other Transaction Documents. The proceeds of any such sale shall be credited to the Principal Collection Account and invested in accordance with the terms of the Cash Management and Agency Agreement.

For so long as there are OBG outstanding, following service of a Notice to Pay (but prior to the occurrence of a Guarantor Event of Default) UniCredit (as Seller and Issuer) and the Additional Seller (if any) shall procure to verify on a continuing basis, and on each Calculation Date, the compliance of the Amortisation Test. If the Amortisation Test is breached a Guarantor Event of Default shall occur.

Following the delivery of a Guarantor Acceleration Notice, the Representative of the OBG Holders shall, in the name and on behalf of the OBG Guarantor, direct the Servicer or the Successor Servicer (if any) to sell Selected Assets in accordance with the Portfolio Administration Agreement, subject to any pre-emption right of UniCredit (as Seller and Issuer) or any Additional Servicer (if any) pursuant to the Master Transfer Agreement or any other Transaction Documents. The proceeds of any such sale shall be credited to the Principal Collection Account and applied in accordance with the relevant Priority of Payments.

If the OBG Guarantor is required to sell Selected Assets following the occurrence of a Guarantor Event of Default, the Representative of the OBG Holders shall (i) in the name and on behalf of the OBG Guarantor (so authorised by means of the execution of the Portfolio Administration Agreement) instruct the Servicer or Successor Servicer (if any) to sell a portfolio of Selected Assets in respect of all the Series of OBG and (ii) instruct the Portfolio Manager to use all reasonable endeavours to

procure that Selected Assets are sold as quickly as reasonably practicable taking into account the market conditions at that time.

Governing Law

The Portfolio Administration Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Asset Monitor Agreement

Pursuant to an asset monitor agreement entered into on 19 January 2012, as amended from time to time, among, *inter alios*, the Asset Monitor, the OBG Guarantor, the Calculation Agent, the Additional Calculation Agent, the Issuer and the Representative of the OBG Holders (the “**Asset Monitor Agreement**”), the Asset Monitor will perform certain tests and procedures and carry out certain monitoring and reporting services with respect to the Issuer and the OBG Guarantor.

Pursuant to the Asset Monitor Agreement, the Asset Monitor has agreed to the Issuer and, upon delivery of a Notice to Pay, to the OBG Guarantor, subject to due receipt of the information to be provided by the Calculation Agent, to conduct independent tests in respect of the calculations performed by the Calculation Agent for the Mandatory Tests, the Over-Collateralisation Test, the Liquidity Buffer Test, the Limit to the Integration and the Amortisation Test, as applicable with a view to verifying the compliance by the OBG Guarantor with such tests.

The Asset Monitor will be required to conduct such tests no later than the relevant Asset Monitor Report Date (as defined under the Asset Monitor Agreement). On each Asset Monitor Report Date, the Asset Monitor shall deliver to the OBG Guarantor, the Calculation Agent, the Additional Calculation Agent, the Representative of the OBG Holders and the Issuer a report substantially in the form set forth under the Asset Monitor Agreement.

Other than in relation to the verification of the Mandatory Tests, the Over-Collateralisation Test, the Liquidity Buffer Test, the Limit to the Integration and the Amortisation Test, the Asset Monitor is entitled, in the absence of manifest error, to assume that all information provided to it under the Asset Monitor Agreement is true and correct and is complete and not misleading. The results of the tests conducted by the Asset Monitor will be delivered to the Calculation Agent, the Additional Calculation Agent, the OBG Guarantor, the Issuer and the Representative of the OBG Holders.

In the Asset Monitor Agreement, the Asset Monitor has acknowledged to perform its services also for the benefit and in the interests of the OBG Guarantor (to the extent it will carry out the services under the appointment of the Issuer) and the OBG Holders and accepted that upon delivery of a Notice to Pay, it will receive instructions from, provide its services to, and be liable *vis-à-vis* the OBG Guarantor or the Representative of the OBG Holders on its behalf.

The OBG Guarantor will pay to the Asset Monitor a fee per test for the tests to be performed by the Asset Monitor in the amount set out in the Asset Monitor Agreement from time to time.

The Issuer and (upon delivery of a Notice to Pay) the OBG Guarantor may, with the prior notice to the Rating Agency and, in respect of the OBG Guarantor only, subject to the prior approval of the Representative of the OBG Holders, revoke the appointment of the Asset Monitor by giving not less than six months or earlier, in the event of a breach of warranties and covenants, written notice to the Asset Monitor (with a copy to the Representative of the OBG Holders).

the Issuer and (upon delivery of a Notice to Pay) the OBG Guarantor may, with the prior notice to the Rating Agency and, in respect of the OBG Guarantor only, the prior approval of the Representative of the OBG Holders, revoke the appointment of the Asset Monitor by giving written notice to the Asset Monitor if the Asset Monitor ceases to be independent from the Issuer or any other party to the Programme or does not differ from the accounting firm which carries out the audit of the Issuer or of the OBG Guarantor, in accordance with Article 7-*sexiesdecies*, paragraph 2, of the Law 130.

If termination of the appointment of the Asset Monitor would otherwise take effect less than 30 days before or after any Calculation Date or, as applicable, OC Calculation Date or Liquidity Buffer Test Calculation Date immediately after which an Asset Monitor Report shall be delivered, then such termination shall not take effect until the tenth day following such Calculation Date or, as applicable, OC Calculation Date or Liquidity Buffer Test Calculation Date. In any case, no revocation of the appointment of the Asset Monitor shall take effect until a successor, notified in advance to the Rating Agency and approved by the Representative of the OBG Holders following the occurrence of an Issuer Event of Default, has been duly appointed.

The Asset Monitor may, at any time, resign by giving not less than two months prior written notice of termination to the Issuer, the OBG Guarantor and the Representative of the OBG Holders, provided that such resignation will not take effect unless and until, *inter alia*: (i) a substitute Asset Monitor being appointed by the Issuer and (upon delivery of a Notice to Pay) the OBG Guarantor, with the prior written approval of the Representative of the OBG Holders, on substantially the same terms as those set out in the Asset Monitor Agreement; and (ii) the Asset Monitor being not released from its obligations under the Asset Monitor Agreement until a substitute Asset Monitor has entered into such new agreement and it has become a party to the Intercreditor Agreement.

Governing Law

The Asset Monitor Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Quotaholders' Agreement

Pursuant to a quotaholders' agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor, the Seller, SVM and the Representative of the OBG Holders (the "**Quotaholders' Agreement**") the parties have undertaken certain provisions in relation to the management of the OBG Guarantor. In addition, pursuant to the Quotaholders' Agreement, SVM granted a call option in favour of the Seller to purchase from SVM and the Seller granted a put option in favour of SVM to sell to the Seller the quota of the OBG Guarantor quota capital held by SVM.

Governing Law

The Quotaholders' Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Dealer Agreement

Pursuant to a dealer agreement entered into on 19 January 2012, as amended from time to time, between the Issuer, the Seller, the OBG Guarantor, the Representative of OBG Holders and the Dealers (the "**Dealer Agreement**"), the parties have agreed certain arrangements under which the OBG may be issued and sold, from time to time, by the Issuer to any one or more of the Dealers.

The Issuer will indemnify the Dealers for costs, liabilities, charges, expenses and claims incurred by or made against the Dealers arising out of, in connection with or based on breach of duty or misrepresentation by the Issuer.

The Dealer Agreement contains provisions relating to the resignation or termination of appointment of existing Dealers and for the appointment of additional or other dealers acceding as new dealer: (i) generally in respect of the Programme or (ii) in relation to a particular issue of OBG.

The Dealer Agreement contains stabilisation provisions.

Pursuant to the Dealer Agreement, the Issuer, the OBG Guarantor and the Seller gave certain representations and warranties to the Dealers in relation to, *inter alia*, themselves and the information given respectively by each of them in connection with this Prospectus.

Governing Law

The Dealer Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Subscription Agreement

The Dealer Agreement also contains the *pro forma* of the Subscription Agreement to be entered into in relation to each issue of OBG issued on a syndicated basis.

On or prior to the relevant Issue Date, the Issuer, the Dealers who are parties to such Subscription Agreement (the "**Relevant Dealers**") will enter into a subscription agreement under which the Relevant Dealers will agree to subscribe for the relevant Tranche of OBG, subject to the conditions set out therein.

Under the terms of the Subscription Agreement, the Relevant Dealers will confirm the appointment of the Representative of the OBG Holders.

A simplified procedure is provided for the issuance of OBG on a non-syndicated basis.

Governing Law

The Subscription Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

Master Definition Agreement

Pursuant to a master definition agreement entered into on 19 January 2012, as amended from time to time, between the OBG Guarantor and the other parties to the Transaction Documents (the “**Master Definition Agreement**”), the parties thereto agreed, the definitions and constructions of certain terms used in the Transaction Documents.

Governing Law

The Master Definition Agreement, and any non-contractual obligations arising out of, or in connection with it, are governed by Italian law.

SELECTED ASPECTS OF ITALIAN LAW

The following is an overview only of certain aspects of Italian law that are relevant to the transactions described in this Prospectus and of which prospective OBG Holders should be aware. It is not intended to be exhaustive and prospective OBG Holders should also read the detailed information set out elsewhere in this Prospectus.

Italian Law 130 of 30 April 1999 was enacted on 30 April 1999 and was conceived to simplify the securitisation process and to facilitate the increased use of securitisation as a financing technique in the Republic of Italy.

Law Decree of 14 March 2005, No. 35, converted into law by law 14 May 2005, No. 80, added Articles 7-*bis* and 7-*ter* to the Italian Law No. 130 of 30 April 1999 as applicable until the entry into force of BoI OBG Regulations (as defined below), in view of allowing Italian banks to use the securitisation techniques in view of issuing covered bonds (*obbligazioni bancarie garantite*).

On 18 December 2019, Directive (EU) 2019/2162 (the “**Covered Bond Directive**”) and Regulation (EU) 2019/2160 (the “**Covered Bond Regulation**”) amending the the EU Regulation 575/2013 (the EU Regulation 575/2013, as amended by the Covered Bond Regulation, the “**CRR**”) have been published in the Official Journal of the European Union, with the aim of harmonising the regime on covered bonds in the European Union.

In particular:

- (i) the Covered Bond Directive lays down rules on the issuance requirements, structural features, public supervision and publication obligations for covered bonds;
- (ii) the Covered Bond Regulation introduces some amendments to Article 129 of the CRR, providing for additional requirements for covered bonds to be eligible for the relevant preferential treatment.

On 30 November 2021 the Legislative Decree no. 190 of 5 November 2021 (the “**Decree 190/2021**”) implementing the Covered Bond Directive, which modified the Italian Law 130 of 30 April 1999 (as amended from time to time, including by Decree 190/2021, the “**Law 130**”), was published in the Official Gazette No. 285 of 30 November 2021 and entered into force on 1st December 2021.

The Decree 190/2021 repealed Articles 7-*bis*, 7-*ter* and 7-*quater* of the Italian Law No. 130 of 30 April 1999 (as applicable until the entry into force of the BoI OBG Regulations) and introduced the new Title I-*bis* of the Law 130, which sets out the legislative framework applicable to covered bonds issued as of the adoption by the Bank of Italy of new the supervisory instructions set out in Part III, Chapter 3 of the “*Disposizioni di Vigilanza per le Banche*” dated 30 March 2023 (Circolare No. 285 of 17 December 2013), as amended from time to time (the “**BoI OBG Regulations**”).

In accordance with the Decree 190/2021:

- (i) until the entry into force of the BoI OBG Regulations (*i.e.*, 31 March 2023), covered bonds have been issued pursuant to article 7-bis of the Law No. 130 of 30 April 1999 as applicable until the entry into force of the BoI OBG Regulations, the Decree of the Ministry of Economy and Finance of 14 December 2006, No. 310 (the “**MEF Decree**”), the previous version of the Bank of Italy “*Disposizioni di Vigilanza per le Banche*” dated 17 December 2013 (Circolare No. 285 of 17 December 2013) and the previous version of article 129 of the CRR; and
- (ii) as of the entry into force of the BoI OBG Regulations (*i.e.*, 31 March 2023), covered bonds will be issued pursuant to the provisions of Title I-bis of the Law 130, the BoI OBG Regulations and the Article 129 of the CRR as amended by the Covered Bond Regulation.

Pursuant to Title I-*bis* of the Law 130, certain provisions of Law 130 apply to transactions involving the true sale (by way of non-gratuitous assignment) of receivables meeting certain eligibility criteria set out in Article 7-*novies* of the Law 130, where the sale is to a special purpose vehicle created in accordance with Article 7-*septies* of the Law 130 and all amounts paid by the debtors are to be used by the relevant special purpose vehicle exclusively to meet its obligations under a guarantee to be issued by it, in view of securing the payment obligations of the selling bank or of other banks in connection with the issue of covered bonds (the “**OBG Guarantee**”).

Pursuant to Article 7-*sexies*, paragraph 1, letter b) of the Law 130, the purchase price of the assets to be comprised in the cover pool shall be financed through the taking of a loan granted or guaranteed by the banks selling the assets. The payment obligations of the special purpose vehicle under such loan shall be subordinated to the payment obligations of the special purpose vehicle *vis-à-vis* the OBG holders, the counterparties of any derivative contracts hedging risks in connection with the assigned receivables and securities, the counterparties of any other ancillary contract and counterparties having a claim in relation to any payment of other costs of the transaction.

Under the BoI OBG Regulations, the covered bonds may be issued by banks which individually satisfy, or which belong to banking groups which on a consolidated basis satisfy, certain requirements relating to the regulatory capital and the solvency ratio. Such requirements must also be complied with by banks selling the assets, where the latter are different from the bank issuing the covered bonds.

On 8 May 2015, the Ministerial Decree No. 53/2015 (the “**Decree 53/2015**”) issued by the Ministry of Economy and Finance was published in the Official Gazette of the Republic of Italy. The Decree 53/2015 provides for the implementation of Articles 106, paragraph 3, 112, paragraph 3, and 114 of the the Italian legislative decree No. 385 of 1 September 1993 (the “**Banking Law**”) and Article 7-*ter*, paragraph 1-*bis* of the Italian Law No. 130 (as applicable until the entry into force of the BoI OBG Regulations) and entered into force on 23 May 2015, repealing the

Decree No. 29/2009. Pursuant to Article 7 of the Decree 53/2015, the assignee companies which guarantee covered bonds, belonging to a banking group as defined by Article 60 of the Banking Law (such as UniCredit OBG S.r.l.), will no longer have to be registered in the general register held by the Bank of Italy pursuant to Article 106 of the Banking Law.

Eligibility criteria of the assets

Pursuant to Article 7-*novies*, paragraph 1, of the Law 130, the following assets may be assigned to the purchasing company:

- (A) provided that the issuing bank complies with the requirements set forth under Article 129, paragraphs 1a, 1b, 1c, 1d, 2 and 3 of the CRR, eligible assets pursuant to Article 129, paragraph 1, of the CRR, including, *inter alia*:
 - (i) mortgage receivables secured by residential real estate assets in accordance with Article 129, paragraph 1, lett. (d) of the CRR (the **“Residential Mortgage Receivables”**);
 - (ii) mortgage receivables secured by non residential real estate assets in accordance with Article 129, paragraph 1, lett. (f) of the CRR (the **“Non-Residential Mortgage Receivables”** and, together with the Residential Mortgage Receivables, the **“Mortgage Receivables”**); and
 - (iii) securities satisfying the requirements set forth under Article 129, paragraph 1, letter (a) and letter (b) of the CRR (the **“Public Securities”** and, together with the Mortgage Receivables, the **“Assets”**).
- (B) Liquid Assets (as defined below).

In addition, pursuant to Article 7-*novies*, paragraph 2, of the Law 130:

- (i) the real estate assets securing the receivables must be located in an Admitted State (as defined below);
- (ii) such real estate assets must be insured against the risk of damage;
- (iii) if such the real estate asset is located in an Admitted State other than a Member State of the European Union, the relevant security interest must be enforceable in all relevant jurisdictions and may be enforced within a reasonable time;
- (iv) the hardening period for the claw back of the relevant security interest has elapsed; and
- (v) in case of Assets which are not directly originated by the issuing bank, the issuing bank has performed an evaluation of the credit quality of the debtors prior to the transfer to the Cover Pool or has verified the adequacy of the credit quality evaluation criteria adopted by the originator of the eligible assets.

For the purposes of this section, “**Admitted States**” means any States belonging to the European Economic Space and Switzerland.

Ring Fencing of the Assets

Under the terms of Article 3 of Law 130, all the receivables relating to a Law 130 transaction, the relevant collections (to the extent that they are clearly identifiable as the relevant Law 130 special purpose vehicle’s collections under the receivables), any monetary claims accrued by the relevant special purpose vehicle in the context of the relevant Law 130 transaction and the financial assets resulting from the investment of the cash referred to above are segregated from all other assets of the relevant Law 130 special purpose vehicle and from those relating to the other Law 130 transactions carried out by the same Law 130 special purpose vehicle. On a winding-up of such a special purpose vehicle, such assets will only be available to holders of the covered bonds in respect of which the special purpose vehicle has issued a guarantee and to the other secured creditors of the special purpose vehicle. In addition, the assets relating to a particular transaction will not be available to the holders of covered bonds issued under any other covered bonds transaction or to general creditors of the special purpose vehicle.

However, under Italian law, any other creditor of the special purpose vehicle would be able to commence insolvency or winding-up proceedings against the special purpose vehicle in respect of any unpaid debt.

Law 130 provides, *inter alia*, that to the extent that the relevant depository bank where the Law 130 special purpose vehicle holds its bank accounts in the context of a Law 130 transaction is subject to insolvency proceedings in Italy, upon the commencement of insolvency or insolvency-like proceedings against such depository bank, the amounts standing to the credit of such accounts: (i) may not be subject to the suspension of payments pursuant to article 74 of the Banking Law; and (ii) should be promptly repaid in full to the relevant Law 130 special purpose vehicle, without any need to file in the insolvency proceeding (*domanda di ammissione al passivo o di rivendica*) and outside of the applicable insolvency distributions (*fuori dei piani di riparto o di restituzione di somme*).

The Assignment

The assignment of the receivables under Law 130 will be governed by Article 58 paragraphs 2, 3 and 4, of the Banking Law. The prevailing interpretation of this provision, which view has been strengthened by Article 4 of Law 130, is that the assignment can be perfected against the originator, assigned debtors and third party creditors by way of publication of a notice in the Italian Official Gazette and by way of registration of such notice in the register of enterprises (*registro delle imprese*) where the special purpose vehicle is registered, so avoiding the need for notification to be served on each debtor.

As from the latest to occur between the date of publication of the notice of the assignment in the Italian Official Gazette and the date of registration of such notice

with the Register of Enterprises at which the purchaser is registered, the assignment becomes enforceable against:

- (a) the debtors and any creditors of the originator who have not, prior to the date of publication of the notice, commenced enforcement proceedings in respect of the relevant receivables;
- (b) the liquidator or any other bankruptcy officials of the debtors (so that any payments made by a debtor to the special purpose vehicle may not be subject to any claw-back action according to Articles 65 and 67 of Royal Decree no. 267 of 16 March 1942 (*Legge Fallimentare*), the “**Bankruptcy Law**”) or, after the entry into force of the Crisis and Insolvency Code (as defined below), Article 166 or Article 164, paragraph 1 of the Crisis and Insolvency Code; and
- (c) other permitted assignees of the originator who have not perfected their assignment prior to the date of publication.

Upon the completion of the formalities referred to above, the benefit of any privilege, guarantee or security interest guaranteeing or securing repayment of the assigned receivables will automatically be transferred to and perfected with the same priority in favour of the purchaser, without the need for any formality or annotation.

As from the latest to occur between the date of publication of the notice of the assignment in the Italian Official Gazette and the date of registration of such notice with the Register of Enterprises at which the purchaser is registered, no legal action may be brought against the receivables assigned or the sums derived therefrom other than for the purposes of enforcing the rights of the holders of the covered bonds and other creditors for costs incurred in the framework of the transaction.

Notice of the initial assignment of the Initial Receivables pursuant to the Master Transfer Agreement was published in the Italian Official Gazette and was filed with the relevant Register of Enterprises.

However, Article 7-*octies*, para. 4, also provides that, where the role of servicer (*soggetto incaricato della riscossione dei crediti*) is attributed, in the context of covered bonds transaction, to an entity other than the assigning bank (whether from the outset or eventually), notice of such circumstance shall be given by way of publication in the Italian Official Gazette and registered mail with return receipt to the relevant public administrations.

Assignments under Law 130

Assignments executed under Law 130 are subject to revocation on bankruptcy under Article 67 of the Bankruptcy Law or, after the entry into force of the Crisis and Insolvency Code, Article 166 of the Crisis and Insolvency Code, but only in the event that the transaction is entered into within three months of the adjudication of bankruptcy of the relevant party or in cases where paragraph 1 of Article 67 applies or, after the entry into force of the Crisis and Insolvency Code, paragraph 1 of

Article 166 of the Crisis and Insolvency Code, within six months of the adjudication of bankruptcy.

In addition to the above, any payment made by an assigned debtor to the OBG Guarantor is not subject to claw-back actions pursuant to article 65 and article 67 of the Bankruptcy Law or, after the entry into force of the Crisis and Insolvency Code, Article 166 or Article 164, paragraph 1 of the Crisis and Insolvency Code.

The subordinated loans to be granted to the special purpose vehicle and the covered bond guarantee are subject to the provisions of Article 67, paragraph 4, of the Bankruptcy Law, or, after the entry into force of the Crisis and Insolvency Code, of Article 166, paragraph 4, of the Crisis and Insolvency Code, pursuant to which the provisions of Article 67 or, after the entry into force of the Crisis and Insolvency Code, of Article 166 of the Crisis and Insolvency Code, relating to the claw-back of for-consideration transactions, payments and guarantees do not apply to certain transactions.

Coverage Requirements

Pursuant to Article 7-*undecies*, paragraph 1 of the Law 130, the issuing bank and the assigning bank (to the extent different from the issuer) will have to ensure that, on a on-going basis, the following mandatory tests are complied with:

- (a) the outstanding aggregate nominal amount of the cover pool shall be equal to, or greater than, the aggregate nominal amount of the outstanding covered bonds;
- (b) the net present value of the cover pool, net of the transaction costs to be borne by the special purpose vehicle, including therein the expected costs and the costs of any hedging arrangement entered into in relation to the transaction, shall be equal to, or greater than, the net present value of the outstanding covered bonds; and
- (c) the amount of interests and other revenues generated by the cover pool, net of the costs borne by the special purpose company, shall be equal to, or greater than, the interests and costs due by the issuer under the outstanding covered bonds, also taking into account any hedging arrangements entered into in relation to the transaction.

it being understood that, for the calculations of the mandatory tests, the issuing bank shall comply, *inter alia*, with the following criteria:

- (i) pursuant to Article 7-*undecies*, paragraph 2, letter a) of the Law 130, unsecured receivables, in the event of a default pursuant to Article 178 of Regulation (EU) No 575/2013, shall not contribute to the calculations of the mandatory tests;
- (ii) pursuant to Article 7-*undecies*, paragraph 2, letter b) of the Law 130, the costs related to maintenance and administration for the winding-down of the covered bonds programme may be calculated as a lump sum;

- (iii) pursuant to Article 7-*undecies*, paragraph 2, letter c) of the Law 130, the Liquid Assets (as defined below) shall contribute to the calculations of the mandatory tests provided that they comply with the conditions for qualifying as eligible assets set out under Article 7-*novies*, paragraph 1, letter (a), of the Law 130;
- (iv) pursuant to Article 7-*undecies*, paragraph 2, letter d) of the Law 130, the calculation of the interest generated by the assets included in the cover pool and the interest due by the Issuer on the OBG outstanding shall be made on the basis of prudent criteria and criteria consistent with the applicable accounting principles;
- (v) pursuant to Article 7-*undecies*, paragraph 2, letter f) of the Law 130, the methodologies for the calculation of the numerator and denominator of the mandatory tests are based on criteria consistent with each other.

In addition, pursuant to Article 129, paragraph 3a, of the CRR, in addition to being collateralised by the Assets, covered bonds shall be subject to a minimum level of 5% of overcollateralisation.

The Liquidity Buffer Test requirement

Pursuant to Article 7-*duodecies*, paragraph 1 of the Law 130, the Issuer ensures on an ongoing basis, for the entire duration of the cover bond programme, that the segregated assets include a liquidity reserve that is at least equal to the maximum cumulative net outflow of liquidity over the next 180 days.

The liquidity reserve is composed of the following liquid assets having the characteristics set forth in Article 7-*duodecies*, paragraph 2, of Law 130:

- (a) high quality liquid assets (as identified in Commission Delegated Regulation (EU) 2015/61);
- (b) exposures with an original maturity of ninety days or less to credit institutions that qualify for credit quality steps 1 or 2 or short-term exposures to credit institutions that are classified for credit quality steps 1, 2 or 3 in accordance with Article 129, paragraph 1, letter (c) of the CRR,

(the “**Liquid Assets**”).

The features of the OBG Guarantee

According to Article 7-*quaterdecies*, paragraph 1, of the Law 130 the OBG Guarantee shall be limited recourse to the cover pool, irrevocable (*irrevocabile*), first-demand (*a prima richiesta*), unconditional (*incondizionata*) and autonomous (*garanzia autonoma*) from the obligations assumed by the issuer of the covered bonds. Accordingly, such obligations shall be a direct, unconditional, unsubordinated obligation of the special purpose vehicle, limited recourse to the special purpose vehicle’s available funds, irrespective of any invalidity, irregularity or unenforceability of any of the guaranteed obligations of the issuer of the covered bonds.

In order to ensure the autonomous nature of the OBG Guarantee, Article 7-*quaterdecies*, paragraph 1, of the Law 130 provides that the following provisions of the Italian Civil Code, generally applicable to personal guarantees (*fideiussioni*), shall not apply to the OBG Guarantee (a) Article 1939, providing that a *fideiussione* shall not generally be valid where the guaranteed obligation is not valid; (b) Article 1941, paragraph. 1, providing that a *fideiussione* cannot exceed the amounts due by the guaranteed debtor, nor can it be granted for conditions more onerous than those pertaining to the main obligation; (c) Article 1944, paragraph. 2, providing, *inter alia*, that the parties to the contract pursuant to which the *fideiussione* is issued may agree that the guarantor shall not be obliged to pay before the attachment is carried out against the guaranteed debtor; (d) Article 1945, providing that the guarantor can raise against the creditor any objections (*eccezioni*) which the guaranteed debtor is entitled to raise, except for the objection relating to the lack of legal capacity on the part of the guaranteed debtor; (e) Article 1955, providing that a *fideiussione* shall become ineffective (*estinta*) where, as a consequence of acts of the creditor, the guarantor is prevented from subrogating into any rights, pledges, mortgages, and liens (*privilegi*) of the creditor; (f) Article 1956, providing that the guarantor of future receivables shall not be liable where the creditor - without the authorisation of the guarantor - has extended credit to a third party, while being aware that the economic conditions of the principal obligor were such that recovering the receivable would have become significantly more difficult; and (g) Article 1957, providing, *inter alia*, that the guarantor will be liable also after the guaranteed obligation has become due and payable, provided that the creditor has filed its claim against the guaranteed debtor within six months and has diligently pursued them.

The obligations of the OBG Guarantor following a liquidation of the Issuer

The Law 130 sets out also certain principles which are aimed at ensuring that the payment obligations of the special purpose vehicle are isolated from those of the issuer of the OBG. To that effect it requires that the OBG Guarantee contains provisions stating that the relevant obligations thereunder shall not accelerate upon the issuer's default, so that the payment profile of the covered bonds shall not automatically be affected thereby.

More specifically, Article 7-*quaterdecies*, paragraph 2, of the Law 130 provides that in case of breach by the issuer of its obligations *vis-à-vis* the covered bonds holders, the special purpose vehicle shall assume the obligations of the issuer - within the limits of the cover pool - in accordance with the terms and conditions originally set out for the covered bonds.

In addition, the acceleration (*decadenza dal beneficio del termine*) provided for by Article 1186 of the Civil Code and affecting the issuer shall not affect the payment obligations of the special purpose vehicle under the OBG Guarantee. Pursuant to Article 7-*quaterdecies*, paragraph 2, of the Law 130, the limitation in the application of Article 1186 of the Civil Code shall apply not only to the events expressly mentioned therein, but also to any additional event of acceleration provided for in the relevant contractual arrangements.

In accordance with Article 7-*quaterdecies*, paragraph 3, of the Law 130, in case of *liquidazione coatta amministrativa* or resolution of the issuer, the special purpose vehicle shall assume the obligations of the issuer *vis-à-vis* the covered bonds holders - within the limits of the cover pool - in accordance with the terms and conditions originally set out for the covered bonds and shall exercise the rights of the covered bonds holders *vis-à-vis* the issuer in accordance with the legal regime applicable to the issuer. Any amount recovered by the special purpose vehicle as a result of the exercise of such rights shall be deemed to be included in the cover pool. In the event of a suspension of payments pursuant to article 74 of the Banking Law, the special purpose vehicle shall assume the obligations of the issuer *vis-à-vis* the covered bonds holders - within the limits of the cover pool – only with respect to the receivables due and payable during the suspension period. The special purpose vehicle shall exercise recourse against the issuer for the amounts paid.

In accordance with Article 7-*quaterdecies*, paragraph 4, of the Law 130, in case of *liquidazione coatta amministrativa* of the issuer, the covered bonds holders shall concur to the distribution of the issuer's assets, to the extent remaining after the enforcement of the OBG Guarantee, with the unsecured creditors of the issuer, including, in the case provided for in Article 7-*quingiesdecies*, paragraph 2, of the Law 130, the derivatives counterparties.

Controls over the transaction

Section IV of the BoI OBG Regulations lay down rules on controls over transactions involving the issuance of OBG.

Inter alia, the resolutions of the selling banks approving the assignment of portfolios to the special purpose vehicle are passed in relation to each transfer of assets on the basis of appraisal reports on the assets prepared by an auditing firm. Such report are not required where the assignment is carried out at the book values set out in the most recent approved financial statements of the selling bank, or in its most recent six month report (*situazione patrimoniale semestrale*).

The management body of the issuing bank must ensure that the structures delegated to the risk management verify at least every six months and for each transaction, *inter alia*:

- (i) the quality and integrity of the assets sold to the SPV securing the obligations undertaken by the latter;
- (ii) compliance with the maximum ratio between covered bonds issued and the cover pool sold to the SPV for purposes of backing the issue and with the liquidity buffer requirement, in accordance with Articles 7-*undecies* and 7-*duodecies* of the Law 130 and Section III of the BoI OBG Regulations;
- (iii) compliance with the internal operational limits on the sale of Assets and Limit to the Integration set out by the BoI OBG Regulations;
- (iv) the effectiveness and adequacy of the coverage of risks provided under derivative agreements entered into in connection with the transaction; and

- (v) the completeness, truthfulness and the timely delivery of the information provided to investors pursuant Section V of the BoI OBG Regulations.

The bodies with management responsibilities of issuing banks and banking groups ensure that an assessment is carried out on the legal aspects of the activity on the basis of specially issued legal reports setting out an in-depth analysis of the contractual structures and schemes adopted, with a particular focus on, *inter alia*, the characteristics of the OBG Guarantee.

Pursuant to Article 7-*sexiesdecies* of the Law 130, the controls on (a) the regularity of the transaction (*regolarità dell'operazione*), (b) the compliance with the requirement of Section III of the BoI OBG Regulations, (c) the integrity of the OBG Guarantee (*integrità della garanzia*) and (d) on the disclosure to investors will also be carried out by an external party appointed by the issuing bank (the “**Asset Monitor**”). The Asset Monitor shall be an auditing firm having adequate professional experience in relation to the tasks entrusted with the same and independent from (a) the audit firm entrusted with the auditing of the issuing bank or of the other entities taking part to the transaction, (b) the issuing bank and (c) the other entities taking part to the transaction.

The Asset Monitor shall prepare annual reports on controls and assessments on the performance of transactions, to be addressed, *inter alia*, to the body entrusted with control functions of the bank which appointed the Asset Monitor. The BoI OBG Regulations refer to the provisions of articles 52 and 61, paragraph 5, of the Banking Law, which impose on persons responsible for conducting controls specific obligations to report to the Bank of Italy, and to the provisions of Article 7-*sexiesdecies* of the Law 130.

In order to ensure that the special purpose vehicle can perform, in an orderly and timely manner, the obligations arising under the OBG Guarantee, the issuing banks shall use asset and liability management techniques for purposes of ensuring, including by way of specific controls at least every six months, that the payment dates of the cash-flows generated by the cover pool match the payments dates with respect to payments due by the issuing bank under the covered bonds issued and other transaction costs.

Finally, in relation to the information flows, the parties to the covered bonds transactions shall assume contractual undertakings allowing the issuing and the assigning bank also acting as servicer (and any third party servicer, if appointed) to hold the information on the cover pool which are necessary to carry out the controls described in the BoI OBG Regulations and for the compliance with the supervisory reporting obligations, including therein the obligations arising in connection with the membership to the central credit register (*Centrale dei Rischi*).

Public disclosure

Pursuant to Article 7-*septiesdecies* of the Law 130, the issuing bank shall publish, at least quarterly, including on its website and in accordance with the implementing provisions of the Bank of Italy, information on issuance programmes in order to

enable investors to perform an informed assessment of the issuances and the associated risks.

Section IV of the BoI OBG Regulations has been further supplemented by Section V of the BoI OBG Regulations, which sets out the relevant information to be provided to the investors.

Insolvency proceedings

On 15 July 2022, Legislative Decree No. 14/2019, as amended by Legislative Decree No. 147 of 26 October 2020, by Law Decree No. 118 of 24 August 2021 and by Legislative Decree No. 83 of 17 June 2022 (the “**Crisis and Insolvency Code**”) entered into force setting out, *inter alia*, a new regime for insolvency and turnaround procedures.

Except for certain provisions which are applicable since 16 March 2019 (including, *inter alia*, with reference to certain organisational duties for Italian corporates), 20 November 2020 and 15 November 2021, the provisions of the Crisis and Insolvency Code apply to turnaround and insolvency proceedings started from 15 July 2022 (included) onwards.

The Bankruptcy Law is still applicable to turnaround and insolvency proceedings whose petition has been filed with the competent court before 15 July 2022 (excluded).

Under the Crisis and Insolvency Code, insolvency and turnaround proceedings may take the form of, *inter alia*, judicial liquidation (*liquidazione giudiziale*), compulsory administrative liquidation (*liquidazione coatta amministrativa*), composition with creditors (*concordato preventivo*), restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*), restructuring creditors’ agreements (*accordi di ristrutturazione dei debiti*), certified plan agreements (*accordi in esecuzione di piani attestati di risanamento*), moratorium agreements (*convenzione di moratoria*). The Crisis and Insolvency Code also governs, *inter alia*, (i) negotiated settlement procedure (*composizione negoziata della crisi*) and (ii) “simplified composition with creditors” (*concordato semplificato*).

The regime set forth under the Crisis and Insolvency Code as described in this paragraph is only applicable to certain businesses either run by companies or by individuals to the extent certain requirements are met.

A debtor (other than, among others, banks to which the procedures summarised in the below paragraphs apply) can be subject to a judicial liquidation (*liquidazione giudiziale*) proceeding, pursuant to the Crisis and Insolvency Code, if it is declared insolvent by a court (at its own initiative, or at the initiative of any of its creditors or the public prosecutor or the supervising internal bodies or the supervising administrative authorities). Insolvency occurs when the relevant entity is not able to fulfil its obligations in a timely manner. Upon the declaration of insolvency (*sentenza di apertura di liquidazione giudiziale*), *inter alia*, the relevant entity loses control over all its assets and the management of its business, which is taken over

by a court appointed receiver (*curatore*). The creditors' claims have to be filed with the bankruptcy estate and are subject to verification by the delegated judge while the sale of the debtor's assets is conducted in accordance with a liquidation plan drafted by the court appointed receiver and approved by the creditors' committee.

A bankruptcy eligible insolvent or in distress (*stato di crisi*) debtor may propose to its creditors to implement a turnaround proceeding, including a composition with creditors proposal (*proposta di concordato preventivo*) pursuant to articles 84 and following of the Crisis and Insolvency Code, a restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*) pursuant to articles 64-bis and following of the Crisis and Insolvency Code, restructuring creditors' agreements (*accordi di ristrutturazione dei debiti*) pursuant to articles 57 and following of the Crisis and Insolvency Code, certified plan agreements (*accordi in esecuzione di piani attestati di risanamento*) pursuant to articles 56 of the Crisis and Insolvency Code or moratorium agreements (*convenzione di moratoria*) pursuant to article 62 of the Crisis and Insolvency Code.

The Crisis and Insolvency Code also sets out the regime for (i) the negotiated settlement procedures (*composizione negoziata*) which is aimed at facilitating the solution to a situation of the debtor being in a net worth or economical or financial unbalance (*squilibrio patrimoniale o economico-finanziario*) that would probably lead to distress or insolvency; and (ii) "simplified composition with creditors" (*concordato semplificato*) which aims at liquidating all the debtor's assets in order to distribute the relevant proceeds to its creditors and whose proposal may be filed by the relevant debtor in case of a negative outcome of the negotiated settlement procedure, provided that the expert certifies in the final report that the relevant negotiations in the negotiated settlement phase have been carried out fairly and in good faith.

A moratorium regime in relation to the start and/or continuation of enforcement and interim actions (*azioni esecutive e cautelari*) for pre-existing claims is provided, subject to certain requirements and for specific timeframes, in the context of, among others, judicial liquidation (*liquidazione giudiziale*), *concordato preventivo* proceedings, restructuring plan subject to homologation (*piano di ristrutturazione soggetto ad omologazione*), restructuring creditors' agreements (*accordi di ristrutturazione dei debiti*) and negotiated settlement procedures (*composizione negoziata*).

The Crisis and Insolvency Code provides that consumers and other entities which cannot be subject to insolvency proceedings may benefit from special proceedings for the restructuring of their debts.

Description of *Amministrazione Straordinaria delle Banche*

A bank may be submitted to the *amministrazione straordinaria delle banche* where (a) serious administrative irregularities, or serious violations of the provisions governing the bank's activity provided for by laws, regulations or the bank's bylaws activity are found; (b) serious capital losses are expected to occur; (c) the

dissolution has been the object of a request by the administrative bodies or an extraordinary company meeting providing the reasons for the request.

According to the Banking Law, the procedure is initiated by decree of the Bank of Italy, which shall terminate the board of directors and the board of statutory auditors of the bank. Subsequently the Bank of Italy shall appoint (a) one or more special administrator (*commissari straordinari*); (b) an oversight committee composed of between three and five members (*comitato di sorveglianza*). The *commissari straordinari* are entrusted with the duty to assess the situation of the bank, remove the irregularities which may have been found and promote solutions in the best interest of the depositors of the bank. The *comitato di sorveglianza* exercises auditing functions and provides to the *commissari straordinari* the opinions requested by the law or by the Bank of Italy. However, it should be noted that the Bank of Italy may instruct in a binding manner the *commissari straordinari* and the *comitato di sorveglianza* providing specific safeguards and limits concerning the management of the bank.

In exceptional circumstances, the *commissari straordinari*, in order to protect the interests of the creditors, in consultation with the *comitato di sorveglianza* and subject to an authorisation by the Bank of Italy, may suspend payment of the bank's liabilities and the restitution to customers of financial instruments. Payments may be suspended for a period of up to one month, which may be extended for an additional two months.

The *amministrazione straordinaria delle banche* usually lasts one year (unless the decree provides for a shorter period or the supervisory authority closes the proceeding in advance). If the circumstances for the activation of the procedure remain, it may be extended for one or more periods of one year.

At the end of the procedure, the *commissari straordinari* shall undertake the necessary steps for the appointment of the bodies governing the bank in the ordinary course of business. After the appointment, the management and audit functions shall be transferred to the newly appointed bodies. It should however be noted that, should at the end of the procedure or at any earlier time the conditions for the declaration of the *liquidazione coatta amministrativa* (described in the following section) be met, then the bank may be subject to such procedure.

The Banking Law also provides that, in the circumstances that may trigger extraordinary administration, the Bank of Italy may appoint one or more temporary administrator to assist the management body of the bank. The supervisory authority may determine the powers of the relevant administrator and condition certain management decisions to the prior approval of the administrator(s).

Specific rules apply in the case of banking groups.

Description of *Liquidazione Coatta Amministrativa delle Banche*

The Minister of economy and finance, following a proposal from the Bank of Italy, by virtue of a decree, may revoke the authorisation for the carrying out of banking activities and submit the bank to the compulsory winding up (*liquidazione coatta*

amministrativa), including where the *amministrazione straordinaria* or (voluntary) liquidation is already pending, if the bank is failing or is likely to fail and: (i) there is no reasonable prospect that any alternative private sector measures, including measures by an institutional protection scheme, or supervisory action, including early intervention measures or the extraordinary administration, would prevent the failure of the institution within a reasonable timeframe and (ii) a resolution action would not be in the public interest.

From the date of issue of the decree the functions of the administrative and control bodies, of the shareholders meetings and of every other governing body of the bank shall cease. The Bank of Italy shall appoint (a) one or more liquidators (*commissari liquidatori*); (b) an oversight committee composed of between three and five members (*comitato di sorveglianza*).

From the date the *commissari liquidatori* and the *comitato di sorveglianza* have assumed their functions and in any case from the sixth business day following the date of issue of the aforesaid decree of the Minister of economy and finance, the payment of any liabilities and the restitution of assets owned by third parties shall be suspended.

The *commissari liquidatori* shall act as legal representatives of the bank, exercise all actions that pertain to the bank and carry out all transactions concerning the liquidation of the bank's assets. The *comitato di sorveglianza* shall (i) assist the *commissari liquidatori* in exercising their functions, (ii) control the activities carried out by *commissari liquidatori*; and (iii) provide to the *commissari straordinari* the opinions requested by the law or by the Bank of Italy. The Bank of Italy may issue directives concerning the implementation of the procedure and establish that some categories of operations and actions shall be subject to its authorisation and to preliminary consultation with the *comitato di sorveglianza*.

The Banking Law regulates the procedure for the assessment of the bank's liabilities (*accertamento del passivo*), and the procedures which allow creditors whose claims have been excluded from the list of liabilities (*stato passivo*) to challenge the list of liabilities.

The liquidators, with the favourable opinion of the *comitato di sorveglianza* and subject to authorisation by the Bank of Italy, may assign assets and liabilities, going concerns, assets and legal relationships identifiable *en bloc*. Such assets may be assigned at any stage of the procedure, even before the *stato passivo* has been deposited. The assignor shall however be liable exclusively for the liabilities included in the *stato passivo*. Subject to prior authorisation of the Bank of Italy and for the purpose of maximising profits deriving from the liquidation of the assets, the *commissari liquidatori* may continue the banks' activity or of specific going concerns of the bank, in compliance with any indications provided for by the *comitato di sorveglianza*. In such case the provision of the Crisis and Insolvency Code concerning the termination of legal relationships shall not apply.

Once the assets have been realised and before the final allotment to the creditors or the last restitution to customers, the *commissari liquidatori* shall present to the Bank

of Italy the closing statement of accounts of the liquidation, the financial statement and the allotment plan, accompanied by their own report and a report by the oversight committee.

Bank recovery and resolution

On 6 June 2012, the European Commission published a proposal for a new Directive relating to reorganization and resolution of banking crises, which is part of a broader initiative to create a single mechanism for the resolution of banking crises in the event of insolvency or where a bank has serious financial difficulties.

The BRRD was adopted on 15 May 2014. Member States were required to implement the BRRD by 31 December 2014, with the exception of the provisions contained in Title IV, Chapter IV, Sec. 5 (bail-in measures), which had to be implemented no later than 1 January 2016. The BRRD provides for the establishment of a series of instruments to resolve potential bank crises, safeguarding at the same time essential banking transactions and reducing to a minimum the exposure of taxpayers to losses in the (i) preparation and prevention stage, (ii) early intervention stage and (iii) resolution of the crisis stage.

On 15 July 2014, the Single Resolution Mechanism Regulation was adopted. SRM Regulation sets out uniform rules and procedures for the resolution of credit institutions and certain investment firms under the Single Resolution Mechanism and the Single Resolution Fund.

SRM Regulation and the BRRD enable a range of resolution tools and powers to be used in relation to credit institutions and investment firms considered to be at risk of failing. According to the bank resolution legislative framework, centralized decision-making power for resolution is entrusted to the Single Resolution Board. In addition, the SRB cooperates closely with the national resolution authorities of Member States that are parties to the Banking Union. The national resolution authorities of Member States are empowered to implement the resolution programmes adopted by the SRB.

On 23 November 2016, the European Commission proposed amendments to the BRRD. BRRD II was adopted on 29 September 2020. Member States were required to implement the BRRD II by 28 December 2020.

SRMR II, amending the Single Resolution Mechanism Regulation, was published in the Official Journal of the European Union on 7 June 2019, applying from 28 December 2020.

In accordance with the BRRD as amended by the BRRD II, the entities have to prepare recovery plans and update them on an annual basis, establishing the measures to restore the bank's financial position in the event of significant deterioration. On the other hand, the crisis resolution authorities are in charge of drafting crisis resolution plans for each entity, establishing the actions to take if an entity fulfills the conditions to resolve the crisis.

The main crisis resolution measures provided for are as follows:

- (i) the sale of all or a part of the company assets;
- (ii) the establishment of a bridging entity that would permit the temporary transfer of the performing assets of the banks to an entity controlled by public authorities (a so-called “bridging institution”);
- (iii) the separation of the assets, entailing the transfer of non-performing assets to a management vehicle; and
- (iv) the bail-in measures.

The general principles that govern the activities of the authority in the resolution of crises are: (i) primary allocation of losses to the shareholders and, secondarily, to creditors; (ii) the guaranteed equal treatment of creditors (unless differential treatment is justified for reasons of public interest); and (iii) protection of creditors, who cannot sustain losses greater than those that would have been suffered had the bank been subject to the procedures of ordinary liquidation (so-called “no creditor worse off”).

These measures provide that if insolvency proceedings against a bank are brought forth, the bail-out procedure operated through public resources will be replaced by a bail-in system, where losses are transferred to the shareholders, the junior debt holders (hybrid instruments), the senior unsecured debt security holders, the deposits by small- and medium-sized enterprises and finally to depositors for the portion exceeding the guaranteed amount (i.e., the part exceeding €100,000). A single resolution fund must be used to be created by the Member States in the event of requirements that further exceed the losses transferred as described above.

In Italy, the BRRD was implemented by Legislative Decree No. 180/2015, which established a framework for the recovery and resolution of credit institutions, and for identifying, inter alia, the powers and the instruments that the resolution authorities (including the Bank of Italy) may adopt for the resolution of banks that are failing or likely to fail (as defined by article 17, paragraph 2 of Legislative Decree No. 180/2015). This is to ensure the continuity of an institution’s critical financial and economic functions, while minimising the impact of an institution’s failure on the economy and financial system, as well as the costs for taxpayers.

Legislative Decree No. 193/2021 (published in the Official Gazzette on 30 November 2021) amended the Legislative Decree No. 180/2015 to implement the changes to banks’ recovery and resolution framework introduced by the BRRD II, including as regards the revised minimum requirement of own funds and eligible liabilities (MREL).

In particular, in the case of a bank that is failing or likely to fail, the resolution authority may use a number of recovery tools as an alternative to winding up the entity through normal insolvency proceedings. Among these, the bail-in tool represents the ability to write down up to the full amount of the nominal value of shares in the entity and to write down the claims against the bank by converting them into equity, in order to absorb the losses and recapitalize the bank in crisis or a new entity that shall continue its critical functions.

Article 20, paragraph 1 of Legislative Decree No. 180/2015 and article 21 of the SRM Regulation provide that, upon occurrence of the applicable conditions for the crisis management measures of the intermediary, the resolution authority shall exercise the power to write down or convert the shares, other instruments of ownership, capital instruments, and eligible liabilities, if this is sufficient to address the failure or the risk of failure of the bank. When such actions are not sufficient to address the failure or risk of failure, the resolution authority may resolve or wind up the bank through normal insolvency proceedings.

In particular, shares, the other instruments of ownership, the capital instruments, and eligible liabilities issued by any failing institution may be written down or converted (pursuant to article 27 of Legislative Decree No. 180/2015 and article 21, paragraph 7 of the SRM Regulation) either: (i) independently of resolution action or winding-up through normal insolvency proceedings; or (ii) in combination with a resolution action where the resolution plan provides for measures that may imply the write-down of the value of the rights of shareholders or creditors or disposal of their conversion to equity; in this case, the write-down or the conversion is disposed immediately before, or at the same time as, the application of such measures. The resolution's measures (article 39, paragraph 1 of Legislative Decree No. 180/2015 and article 22, paragraph 1 of the SRM Regulation) include the ability to effect a bail-in.

The bail-in tool follows a hierarchy, with the riskiest securities bearing losses first.

When applying the bail-in tool, the resolution authority, pursuant to article 52, paragraph 2 of Legislative Decree No. 180/2015 and article 17 of the SRM Regulation, shall exercise its powers in accordance with the following priority of claims:

1. firstly, the write-down power, in proportion to the losses, as follows:
 - (a) Common Equity Tier 1 Instruments;
 - (b) Additional Tier 1 Instruments;
 - (c) Tier 2 Instruments, including subordinated bonds;
 - (d) subordinated debts other than the Additional Tier 1 Instruments and the Tier 2 Instruments; and
 - (e) the remaining liabilities, including senior bonds;
2. once the losses have been recovered, or in case no losses have occurred, conversion into shares included in CET 1, as follows:
 - (a) Additional Tier 1 Instruments;
 - (b) Tier 2 Instruments, including subordinated bonds;
 - (c) subordinated debt other than the Additional Tier 1 Instruments and Tier 2 Instruments; and
 - (d) any remaining liabilities, including senior bonds.

Until 31 December 2018, as part of the “remaining liabilities”, the bail-in was covering senior bonds and any other unsecured liabilities of the bank, including deposits in excess of €100,000, of any enterprise other than SMEs and micro-enterprises, inter-bank deposits with a remaining maturity of more than seven days and derivatives. From 1 January 2019, the abovementioned deposits are preferred to the senior bonds and the other unsecured liabilities.

The liabilities set forth in article 49 of Legislative Decree No. 180/2015 and article 27, paragraphs from 5 to 14 of the SRM Regulation, including debt secured by assets of the bank and the deposits covered by the deposit guarantee fund up to €100,000 for each depositor, are excluded from the bail-in. Certain deposits, such as those indicated in article 96-bis of the Banking Law, are excluded from the deposit guarantee fund and therefore subject to bail-in. In case a bail-in measure is applied to a bank, the deposit guarantee fund will pay the bank an amount sufficient to cover the protected deposits, as long as such sum does not exceed 50% of the fund’s resources (or such higher amount as may be set by the Bank of Italy).

The bail-in tool may be used alone or in combination with other resolution measures provided for by Legislative Decree No. 180/2015, such as: (i) transfer of assets and contracts to a third party; (ii) transfer of assets and contracts to a bridge institution; and (iii) transfer of assets and contracts to a vehicle company for the management of the activity.

TERMS AND CONDITIONS OF THE OBG

*The following is the text of the terms and conditions of the OBG (the "**Conditions**" and, each of them, a "**Condition**"). In these Conditions, references to the "holder" of OBG and to the "OBG Holders" are to the ultimate owners of the OBG. The OBG will be held by Monte Titoli (as defined below) on behalf of the OBG Holders until redemption and cancellation for the account of each relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream, Luxembourg and Euroclear. The OBG will at all times be in book entry form and title to the bonds will be evidenced by book entries with Monte Titoli in accordance with the provisions of (i) the Financial Services Act and (ii) the joint regulation of CONSOB and the Bank of Italy dated 13 August 2018 and published in the Official Gazette No. 201 of 30 August 2018, as subsequently amended and supplemented from time to time.*

In addition, the relevant Final Terms in relation to any Series or Tranche of OBG may apply and/or disapply and/or complete the generally applicable Conditions in the manner required to reflect the particular terms and conditions applicable to the relevant Series of OBG (or Tranche thereof).

Any reference to the Conditions or a Condition shall be a reference to the Conditions as the context may require. Any reference to the OBG Holders shall be referred to the holders of the OBG.

Any reference to the OBG will be construed as to including the OBG issued under the Conditions.

1. Introduction

(a) Programme

Unicredit S.p.A. (the "**Issuer**") has established an OBG Programme (the "**Programme**") for the issuance of up to €35,000,000,000 in aggregate principal amount of *obbligazioni bancarie garantite* (the "**OBG**") guaranteed by UniCredit OBG S.r.l. (the "**OBG Guarantor**").

(b) Final Terms

OBG are issued in series (each a "**Series**") and each Series may comprise one or more tranches, whether or not issued on the same date, that (except in respect of the Interest Commencement Date and their Issue Price) have identical terms on issue and are expressed to be consolidated and have the same Series number (each a "**Tranche**") of OBG. The Tranches are the subject of final terms (the "**Final Terms**") which complete these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche or more Tranches of OBG are these Conditions as completed by the relevant Final Terms. References to the "**relevant Final Terms**" are to the Final Terms (or the relevant provisions thereof) pursuant to which the relevant Tranches are issued.

(c) OBG Guarantee

Each Series of OBG is the subject of a guarantee dated on or about the Initial Issue Date (the "**OBG Guarantee**") entered into by the OBG Guarantor for the purpose of guaranteeing the payments due from the Issuer in respect of the OBG of all Series issued under the Programme. The OBG Guarantee will be collateralised by a portfolio constituted by certain assets assigned from time to time to the OBG Guarantor pursuant to the Master Transfer Agreement (as defined below) and in accordance with the provisions of the Law 130 and the BoI OBG Regulations.

(d) *Dealer Agreement and Subscription Agreement*

In respect of each Tranche of OBG issued under the Programme, the Relevant Dealer(s) (as defined below) has or have agreed to subscribe for the OBG and pay the Issuer the Issue Price for the OBG on the Issue Date under the terms of a Dealer Agreement dated on or about the Initial Issue Date, as amended from time to time (the "**Dealer Agreement**") between the Issuer, the OBG Guarantor and the dealer(s) named therein (the "**Dealers**"), as supplemented (if applicable) by a subscription agreement entered into between the Issuer, the OBG Guarantor and the Relevant Dealer(s) (as defined below) on or around the date of the relevant Final Terms (the "**Subscription Agreement**"). In the Dealer Agreement or such other document as may be agreed between the Issuer, the OBG Guarantor and the Relevant Dealer(s), the Relevant Dealer(s) has or have appointed Banca Finanziaria Internazionale S.p.A. (formerly Securitisation Services S.p.A.) as representative of the OBG Holders (in such capacity, the "**Representative of the OBG Holders**"), as described in Condition 13 (Representative of the OBG Holders).

(e) *Master Definitions Agreement*

In a master definitions agreement dated on or about the Initial Issue Date, as amended from time to time (the "**Master Definitions Agreement**") between all the parties to each of the Transaction Documents (as defined below), the definitions of certain terms used in the Transaction Documents have been agreed.

(f) *The OBG*

Except where stated otherwise, all subsequent references in these Conditions to "OBG" are to the OBG which are the subject of the relevant Final Terms, but all references to "each Series of OBG" are to (i) the OBG which are the subject of the relevant Final Terms and (ii) each other Tranche of OBG issued under the Programme which remains outstanding from time to time.

(g) *Rules of the Organisation of OBG Holders*

The Rules of the Organisation of OBG Holders are attached to, and form an integral part of, these Conditions. References in these Conditions to the "**Rules of the Organisation of the OBG Holders**" include such rules as from time to time modified in accordance with the provisions contained therein and any agreement or other document expressed to be supplemental thereto. The OBG Holders are deemed to have notice of and are bound by and shall have the benefit of, *inter alia*, the terms of the Rules of the Organisation of the OBG Holders. The rights and

powers of the Representative of the OBG Holders and the OBG Holders may be exercised in accordance with these Conditions and the Rules of the Organisation of the OBG Holders.

(h) *Summaries*

Certain provisions of these Conditions are summaries of the Transaction Documents (as defined below) and are subject to their detailed provisions. OBG Holders are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Transaction Documents applicable to them. Copies of the Transaction Documents are available for inspection by OBG Holders during normal business hours at the registered office of the Representative of the OBG Holders from time to time and, where applicable, at the Specified Offices of the Luxembourg Listing Agent and the Representative of the OBG Holders.

2. **Interpretation**

(a) *Definitions*

In these Conditions the following expressions have the following meanings:

"Account Bank" means UniCredit S.p.A., acting as such pursuant to the Cash Management and Agency Agreement and any successor thereof appointed in accordance with the Cash Management and Agency Agreement;

"Accrual Yield" has the meaning given in the relevant Final Terms;

"Additional Business Centre(s)" means the city or cities specified as such in the relevant Final Terms;

"Additional Calculation Agent" means Capital and Funding Solutions S.r.l., acting as such pursuant to the Cash Management and Agency Agreement;

"Additional Financial Centre(s)" means the city or cities specified as such in the relevant Final Terms;

"Adjustment Spread" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, in each case to be applied to a Successor Reference Rate or an Alternative Reference Rate (as applicable) as a result of the replacement of the Original Reference Rate with such Successor Reference Rate or Alternative Reference Rate (as applicable) and is the spread, formula or methodology which: (i) in the case of a Successor Reference Rate, is formally recommended in relation to the replacement of the Original Reference Rate with such Successor Reference Rate by any Relevant Nominating Body; or (ii) in the case of a Successor Reference Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the relevant Independent Adviser or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Original Reference Rate, where such rate has been replaced by such Successor Reference Rate or Alternative Reference Rate (as applicable);

"Administrative Service Provider" means doNext S.p.A., having its registered office at Lungotevere Flaminio 18, Rome, Italy, in its capacity as administrative service provider under the Administrative Services Agreement;

"Administrative Services Agreement" means an administrative services agreement dated on or about 13 January 2012 between doNext S.p.A. as corporate servicer and the OBG Guarantor, as amended from time to time;

"Alternative Reference Rate" means the rate that the relevant Independent Adviser or the Issuer (as applicable) determines has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest in respect of the OBG and of a comparable duration to the relevant OBG Interest Periods, or, if such Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as such Independent Adviser or the Issuer (as applicable) determines in its discretion is most comparable to the Original Reference Rate;

"Amortisation Test" means such test provided for under the Portfolio Administration Agreement;

"Asset Monitor" means BDO Italia S.p.A., acting as such pursuant to the Asset Monitor Agreement and any successor thereof appointed in accordance with the Asset Monitor Agreement;

"Asset Monitor Agreement" means the Asset Monitor Agreement entered into on or about the Initial Issue Date between, *inter alios*, the Asset Monitor and the Issuer, as amended from time to time;

"Asset Monitor Report" means the results of the tests conducted by the Asset Monitor in accordance with the Asset Monitor Agreement to be delivered in accordance therewith;

"Banking Law" means Legislative Decree No. 385 of 1 September 1993, as amended;

"Benchmark Event" means, in respect of a Reference Rate:

- (a) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist or being subject to a material change; or
- (b) a public statement by the administrator of the Original Reference Rate that it will, by a specified date on or prior to the next Interest Determination Date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a specified date on or prior to the next Interest Determination Date, be permanently or indefinitely discontinued; or

- (d) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative of its relevant underlying market; or
- (e) a public statement by the supervisor of the administrator of the Original Reference Rate, an insolvency official with jurisdiction over the administrator of the Original Reference Rate, a resolution authority with jurisdiction over the administrator of the Original Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the Original Reference Rate, which states that the administrator of the Original Reference Rate has ceased or will, within a specified period of time, cease to provide the Original Reference Rate permanently or indefinitely, provided that, where applicable, such period of time has lapsed, and provided further that, at the time of cessation, there is no successor administrator that will continue to provide the Original Reference Rate; or
- (f) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences either generally, or in respect of the OBG, in each case by a specific date on or prior to the next Interest Determination Date; or
- (g) it has become unlawful (including, without limitation, under Regulation (EU) 2016/1011, as amended from time to time, if applicable) for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any OBG Holder using the Original Reference Rate;

"Business Day" means a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:

- (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (iii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
 - (iv) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
 - (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means UniCredit Bank AG, acting as such pursuant to the Cash Management and Agency Agreement and the Portfolio Administration Agreement and any successor thereof appointed in accordance with the Cash Management and Agency Agreement;

"Calculation Amount" has the meaning given in the relevant Final Terms;

"Cash Management and Agency Agreement" means the cash management and agency agreement entered into on or about the Initial Issue Date between, inter alios, the OBG Guarantor, the Cash Manager, the Account Bank, the Servicer, the Administrative Service Provider, the Representative of the OBG Holders, the Calculation Agent, the Additional Calculation Agent and the Paying Agent, as amended from time to time;

"Cash Manager" means UniCredit S.p.A. acting as such pursuant to the Cash Management and Agency Agreement and any successor thereof appointed in accordance with the Cash Management and Agency Agreement;

"Clearstream" means Clearstream Banking, *société anonyme*, Luxembourg;

"CONSOB" means *Commissione Nazionale per le Società e la Borsa*;

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any OBG for any period of time (from and including the first day of

such period to but excluding the last) (whether or not constituting an OBG Interest Period, the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if "**Actual/Actual (ICMA)**" is so specified, means:
 - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (b) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

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

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30";

- (vi) if "30E/360" or "Eurobond Basis" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30; and

- (vii) if "30E/360 (ISDA)" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30;

"**Early Redemption Amount**" means, in respect of any Series of OBG, the principal amount of such Series or such other amount as may be specified in the relevant Final Terms;

"**Early Redemption Amount (Tax)**" means, in respect of any Series of OBG, the principal amount of such Series or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

"**Early Redemption Date**" means, as applicable, the Optional Redemption Date (Call), the Optional Redemption Date (Put) or the date on which any Series of OBG is to be redeemed pursuant to Condition 8(c) (Redemption for tax reasons);

"**Euroclear**" means Euroclear Bank S.A./N.V.;

"**Extension Determination Date**" means the date falling 4 Business Days prior to the Maturity Date;

"**Extended Maturity Date**" means, in relation to any Series of OBG, the date if any specified as such in the relevant Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Maturity Date will be deferred pursuant to Condition 8(b) (Extension of maturity), which cannot fall more than 12 months after the relevant Maturity Date;

"**Extraordinary Resolution**" has the meaning given in the Rules of the Organisation of OBG Holders attached to these Conditions;

"**Final Redemption Amount**" means, in respect of any Series of OBG, the principal amount of such Series or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms which, in respect of any Series of OBG other than Zero Coupon OBG, shall be equal to the nominal amount of the relevant OBG and which in respect to Zero Coupon OBG shall be at least equal to the nominal amount of the relevant OBG;

"**First Series**" means the first Series of OBG issued by the Issuer under the Programme;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"Guaranteed Amounts" means, (i) prior to the service of a Guarantor Acceleration Notice, with respect to any Guarantor Payment Date, the sum of amounts equal to the Scheduled Interest and the Scheduled Principal, in each case, payable on that Guarantor Payment Date and all amounts payable by the OBG Guarantor under the Transaction Documents ranking senior to any payment due in respect to the OBG according to the applicable Priority of Payments, or (ii) after the service of a Guarantor Acceleration Notice, an amount equal to the relevant Early Redemption Amount plus all accrued and unpaid interest and all other amounts due and payable in respect of the OBG, including all Excluded Scheduled Interest Amounts and all Excluded Scheduled Principal Amounts (whenever the same arose) and all amounts payable by the OBG Guarantor under the Transaction Documents ranking senior to any payment due in respect to the OBG according to the applicable Priority of Payments, provided that any Guaranteed Amounts representing interest paid after the Maturity Date (or the Extended Maturity Date, as the case may be) shall be paid on such dates and at such rates as specified in the relevant Final Terms. The Guaranteed Amounts include any Guaranteed Amount that was timely paid by or on behalf of the Issuer to the OBG Holders to the extent it has been clawed back and recovered from the OBG Holders by the receiver or liquidator, in bankruptcy or other insolvency or similar official for the Issuer named or identified in the Order, and has not been paid or recovered from any other source (the **"Clawed Back Amounts"**);

"Guarantor Acceleration Notice" means the notice to be served by the Representative of the OBG Holders on the OBG Guarantor upon occurrence of a Guarantor Event of Default;

"Guarantor Event of Default" has the meaning given to it in Condition 11(d) (Guarantor Events of Default);

"Guarantor Payment Date" means (i) before the occurrence of an Issuer Event of Default, 31 January, 30 April, 31 July and 31 October of each year, provided that the first Guarantor Payment Date will be 30 April 2012, (ii) following the occurrence of an Issuer Event of Default, the last day of each month starting from the calendar month immediately following the calendar month in which the Issuer Event of Default has occurred, subject in all instances to adjustment in accordance with the Modified Following Business Day Convention and (iii) following the occurrence of a Guarantor Event of Default, each Business Day;

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense;

"Initial Issue Date" means the date on which the Issuer will issue the first Series of OBG;

"Insolvency Event" means, in respect of any company or corporation, that:

- (i) such company or corporation has become subject to any applicable bankruptcy, liquidation, receivership, administration, insolvency, insolvency-like proceedings, composition with creditors, insolvent reorganisation, turnaround/insolvency tools (*strumenti di regolazione della crisi e dell'insolvenza*) or negotiated settlement procedure (*composizione negoziata per la soluzione della crisi d'impresa*) (including, without limitation, *liquidazione giudiziale, liquidazione coatta amministrativa, piani di risanamento, accordi di ristrutturazione del debito, amministrazione straordinaria, composizione negoziata della crisi* and *concordato semplificato*, each such expression bearing the meaning ascribed to it by the laws of the Republic of Italy, and including the seeking of liquidation, winding-up, insolvent reorganisation, dissolution, administration, receivership, arrangement, adjustment, protection or relief of debtors) or similar proceedings or the whole or any substantial part of the undertaking or assets of such company or corporation are subject to a *pignoramento* or any procedure having a similar effect (other than, in the case of the OBG Guarantor, any portfolio of assets purchased by the OBG Guarantor for the purposes of further programme of issuance of OBG), unless in the opinion of the Representative of the OBG Holders (who may rely on the advice of legal advisers selected by it), such proceedings are being disputed in good faith with a reasonable prospect of success; or
- (ii) an application for the commencement of any of the proceedings under (i) above is made in respect of or by such company or corporation or such proceedings are otherwise initiated against such company or corporation and, in the opinion of the Representative of the OBG Holders (who may rely on the advice of legal advisers selected by it), the commencement of such proceedings are not being disputed in good faith with a reasonable prospect of success; or
- (iii) such company or corporation takes any action for a re-adjustment of deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors (other than, in case of the OBG Guarantor, the creditors under the Transaction Documents) or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or applies for suspension of payments; or
- (iv) an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution in any form of such company or corporation or any of the events under Article 2484 of the Italian Civil Code occurs with respect to such company or corporation (except in any such case a winding-up or other proceeding for the purposes of or pursuant to a solvent amalgamation, merger, corporate reorganisation or reconstruction, the terms of which have been previously approved in writing by the Representative of the OBG Holders); or

- (v) such company or corporation becomes subject to any proceedings equivalent or analogous to those above under the law of any jurisdiction in which such company or corporation is deemed to carry on business.

"Intercreditor Agreement" means the agreement entered into on or about the Initial Issue Date between, *inter alios*, the OBG Guarantor, the Representative of the OBG Holders, the Seller, the Servicer, the Issuer, the Subordinated Loan Provider, the Account Bank, the Administrative Service Provider, the Asset Monitor, the Cash Manager and the Paying Agent, as amended from time to time;

"Interest Amount" means, in relation to any Series of OBG and an OBG Interest Period, the amount of interest payable in respect of that Series for that OBG Interest Period;

"Interest Commencement Date" means the Issue Date of the relevant Series of OBG or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" has the meaning given in the relevant Final Terms;

"Investors Report Date" means 7 calendar days after each Guarantor Payment Date;

"Investors Report" means the report prepared in accordance with the Cash Management and Agency Agreement setting out certain information with respect to the Portfolio and the OBG;

"ISDA Definitions" means the 2006 ISDA Definitions, as amended, supplemented and updated as at the date of issue of the first Tranche of the OBG of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.;

"Issue Date" has the meaning given in the relevant Final Terms;

"Issue Price" the issue price specified, in respect of any Tranche, in the relevant Final Terms;

"Issuer Event of Default" has the meaning given to it in Condition 11(a) (Issuer Events of Default);

"Liquidity Buffer Test" has the meaning given to such term in the Portfolio Administration Agreement;

"Mandatory Tests" means such tests provided for under the Law 130 and the BoI OBG Regulation as set out in the Portfolio Administration Agreement;

"Margin" has the meaning given in the relevant Final Terms;

"Master Transfer Agreement" means the master transfer agreement entered into between the OBG Guarantor and the Seller on 13 January 2012, as amended from time to time;

"Maturity Date" means, with reference to each Series of OBG, the OBG Payments Date, indicated in the relevant Final Terms, on which such Series or Tranche of OBG will be redeemed at their principal amount outstanding, unless otherwise extended in accordance with the Conditions;

"Maximum Redemption Amount" has the meaning given in the relevant Final Terms; "Minimum Redemption Amount" has the meaning given in the relevant Final Terms;

"Monte Titoli" means Monte Titoli S.p.A.;

"Monte Titoli Account Holders" means any authorised institution entitled to hold accounts on behalf of their customers with Monte Titoli (and includes any Relevant Clearing System which holds account with Monte Titoli or any depository banks appointed by the Relevant Clearing System);

"Negative Report" means each of the report to be delivered by the Calculation Agent under the Portfolio Administration Agreement in case of breach of the Mandatory Tests, the Over-Collateralisation Test, the Liquidity Buffer Test or the Amortisation Test, as the case may be;

"Notice to Pay" means the notice to be delivered by the Representative of the OBG Holders to the Issuer and the OBG Guarantor upon the occurrence of an Issuer Event of Default;

"OBG Holders" means the holders from time to time of OBG, title to which is evidenced in the manner described in Condition 3 (Form, Denomination and Title);

"OBG Interest Period" means each period beginning on (and including) an Interest Commencement Date or, in respect of any OBG Interest Period other than the first OBG Interest Period of each Series or Tranche, any OBG Payment Date and ending on (but excluding) the next OBG Payment Date, provided that the initial OBG Interest Period of the First Series or Tranche shall begin on (and include) the Initial Issue Date and end on (but exclude) the first OBG Payment Date;

"OBG Payment Date" means any date specified as such in, or determined in accordance with the provisions of, the relevant Final Terms, provided however that each OBG Payment Date must also be a Guarantor Payment Date and subject in each case, to the extent provided in the relevant Final Terms, to adjustment in accordance with the applicable Business Day Convention;

"Official Gazette" means *Gazzetta Ufficiale della Repubblica Italiana*;

"Optional Redemption Amount (Call)" means, in respect of any Series of OBG, the principal amount of such Series or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Amount (Put)" means, in respect of any Series of OBG, the principal amount of such Series or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Date (Call)" has the meaning given in the relevant Final Terms, in respect of the relevant Series of OBG;

"Optional Redemption Date (Put)" has the meaning given in the relevant Final Terms, in respect of the relevant Series of OBG;

"Organisation of the OBG Holders" means the organisation of the OBG Holders created by the issue and subscription of OBG and regulated by the Rules of the Organisation of the OBG Holders;

"Original Reference Rate" means:

- (a) the originally- specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the OBG; or
- (b) any Successor Reference Rate or Alternative Reference Rate which has been determined in relation to such benchmark or screen rate (as applicable) pursuant to the operation of Condition 6(k) (*Reference Rate Replacement*);

"Over-Collateralisation Test" means the test providing a minimum level of over collateralisation as defined and calculated pursuant to the Portfolio Administration Agreement;

"Paying Agent" means BNP Paribas, Italian branch, acting as such pursuant to a letter of appointment entered into with the Issuer and pursuant to the Cash Management and Agency Agreement and any successor thereof appointed in accordance with the Cash Management and Agency Agreement;

"Payment Business Day" means a day on which banks in the relevant Place of Payment are open for payment of amounts due in respect of debt securities and for dealings in foreign currencies and any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Place of Payment" means, in respect of any OBG Holders, the place at which such OBG Holder receives payment of interest or principal on the OBG;

"Portfolio" means the whole portfolio of Assets, Integration Assets and Liquid Assets, which include the Initial Portfolio and any New Portfolio, transferred to the OBG Guarantor pursuant to the Master Transfer Agreement;

"Portfolio Administration Agreement" means the portfolio administration agreement dated on or about the Initial Issue Date between the Issuer, the OBG Guarantor, the Seller, the Representative of the OBG Holders, the Cash Manager, the Calculation Agent and the Asset Monitor, as amended from time to time;

"Post-Guarantor Event of Default Priority" has the meaning ascribed to such expression in the Intercreditor Agreement;

"Post-Issuer Event of Default Priority" has the meaning ascribed to such expression in the Intercreditor Agreement;

"Pre-Issuer Event of Default Interest Priority" has the meaning ascribed to such expression in the Intercreditor Agreement;

"Pre-Issuer Event of Default Principal Priority" has the meaning ascribed to such expression in the Intercreditor Agreement;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency provided, however, that in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Paying Agent;

"Priority of Payments" means, collectively, the Pre-Issuer Event of Default Principal Priority of Payment, the Pre-Issuer Event of Default Interest Priority of Payment, the Post-Issuer Event of Default Priority of Payment and the Post-Guarantor Event of Default Priority of Payments or any one of them as the context requires;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any OBG Holder wanting to exercise a right to redeem OBG at the option of the OBG Holder;

"Put Option Receipt" means a receipt issued by the Paying Agent to a depositing OBG Holder upon deposit of OBG with such Paying Agent by any OBG Holder wanting to exercise a right to redeem OBG at the option of the OBG Holder;

"Quotaholders' Agreement" means the agreement entered into on or about the Initial Issue Date between SVM Securitisation Vehicles Management S.r.l. (as quotaholder of the OBG Guarantor, holding 40 per cent. of the share capital) and UniCredit S.p.A. (as quotaholder of the OBG Guarantor, holding 60 per cent. of the share capital), as amended from time to time;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Tranche of OBG specified in the relevant Final Terms or calculated or determined in accordance with the provisions of the Conditions and/or the relevant Final Terms;

"Rating Agency" or **"Moody's"** means Moody's Investors Service, or its successor, to the extent that at the relevant time it provides ratings in respect of the then outstanding OBG;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), or such other

amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms;

"Reference Banks" has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Paying Agent in the market that is most closely connected with the Reference Rate;

"Reference Price" has the meaning given in the relevant Final Terms;

"Reference Rate" has the meaning given in the relevant Final Terms;

"Regular Period" means:

- (i) in the case of OBG where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first OBG Payment Date and each successive period from and including one OBG Payment Date to but excluding the next OBG Payment Date;
- (ii) in the case of OBG where, apart from the first OBG Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any OBG Payment Date falls; and
- (iii) in the case of OBG where, apart from one OBG Interest Period other than the first OBG Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any OBG Payment Date falls other than the OBG Payment Date falling at the end of the irregular OBG Interest Period;

"Relevant Clearing System" means Euroclear and/or Clearstream, Luxembourg and/or any other clearing system (other than Monte Titoli) specified in the relevant Final Terms as a clearing system through which payments under the OBG may be made;

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the OBG Holders;

"Relevant Dealer(s)" means, in relation to a Tranche, the Dealer(s) which is/are party to any agreement (whether oral or in writing) entered into with the Issuer and the OBG Guarantor for the issue by the Issuer and the subscription by such Dealer(s) of such Tranche pursuant to the Dealer Agreement;

"Relevant Financial Centre" has the meaning given in the relevant Final Terms;

"Relevant Nominating Body" means, in respect of a reference rate: (i) the central bank for the currency to which such reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate; or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which such reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of such reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof;

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" has the meaning given in the relevant Final Terms;

"Scheduled Due for Payment Date" means:

- (a) (A) the date on which the Scheduled Payment Date in respect of the relevant Guaranteed Amounts is reached, and (B) only with respect to the first Scheduled Payment Date immediately after the occurrence of an Issuer Event of Default, the later of (i) the day which is two Business Days following service of the Notice to Pay on the OBG Guarantor in respect of such Guaranteed Amounts and (ii) the relevant Scheduled Payment Date; or
- (b) if the applicable Final Terms specified that an Extended Maturity Date is applicable to the relevant series of OBG, the OBG Payment Date that would apply if the Maturity Date of such series of OBG had been the Extended Maturity Date or such other OBG Payment Date(s) as specified in the relevant Final Terms;

"Scheduled Interest" means in respect of each OBG Payment Date (i) following an Issuer Event of Default and the service of a Notice to Pay on the OBG Guarantor, an amount equal to the amount in respect of interest which would have been due and payable under the OBG on such OBG Payment Date as specified in the Conditions falling on or after service of a Notice to Pay on the OBG Guarantor (but excluding any additional amounts relating to premiums, default interest or interest upon interest, which are hereinafter referred to as the **"Excluded Scheduled Interest Amounts"**) payable by the Issuer and (ii) following the service of a Guarantor Acceleration Notice, an amount equal to the amount in respect of interest which would have been due and payable under the OBG on each OBG Payment Date as specified in the Conditions falling on or after the service of a Guarantor Acceleration Notice and including such Excluded Scheduled Interest Amounts (whenever the same arose), less any additional amounts the Issuer would be obliged to pay as result of any gross-up in respect of

any withholding or deduction made under the circumstances set out in the Conditions;

"Scheduled Payment Date" means, in relation to payments under the OBG Guarantee, each OBG Payment Date;

"Scheduled Principal" means in respect of each OBG Payment Date (i) following an Issuer Event of Default and the service of a Notice to Pay on the OBG Guarantor, an amount equal to the amount in respect of principal which would have been due and repayable under the OBG on such OBG Payment Dates or the Maturity Date (as the case may be) as specified in the Conditions (but excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties or premiums, which are hereinafter referred to as the **"Excluded Scheduled Principal Amounts"**) payable by the Issuer and (ii) following the service of a Guarantor Acceleration Notice, an amount equal to the amount in respect of principal which would have been due and repayable under the OBG on each OBG Payment Dates or the Maturity Date (as the case may be) as specified in the Conditions and including such Excluded Scheduled Principal Amounts (whenever the same arose);

"Seller" means UniCredit S.p.A. in its capacity as such pursuant to the Master Transfer Agreement;

"Servicer" means UniCredit S.p.A. in its capacity as such pursuant to the Servicing Agreement;

"Servicing Agreement" means the servicing agreement entered into on 13 January 2012 between the OBG Guarantor and the Servicer, as amended from time to time;

"Specified Denomination(s)" means €100,000 and integral multiples of €1,000 in excess thereof or such other higher denomination as may be specified in the applicable Final Terms;

"Specified Office" means:

- (i) in the case of the Paying Agent, Piazza Lina Bo Bardi 3, 20124, Milan, Italy; or
- (ii) in the case of the Luxembourg Listing Agent, any Calculation Agent or the Representative of the OBG Holders, the offices specified in the relevant Final Terms,

or, in each case, such other office in the same city or town as such Agent may specify by notice to the Issuer and the other parties to the Agency Agreement in the manner provided therein;

"Specified Period" has the meaning given in the relevant Final Terms;

"Subordinated Loan Agreement" means the subordinated loan agreement entered into on 13 January 2012 between the Subordinated Loan Provider and the OBG Guarantor, as amended from time to time;

"Subordinated Loan Provider" means the Seller, in its capacity as Subordinated Loan Provider pursuant to the Subordinated Loan Agreement;

"Subsidiary" has the meaning given to it in Article 2359 of the Italian Civil Code;

"Successor Reference Rate" means the rate: (i) that the Issuer determines is a successor to or replacement of the Original Reference Rate and (ii) that is formally recommended by any Relevant Nominating Body;

"TARGET Settlement Day" means any day on which TARGET2 (the Trans-European Automated Real-time Gross Transfer System 2 (or any successor thereto)) is open for the settlement of payments in Euro;

"Transaction Documents" means, in respect of each Tranche, these Conditions, the relevant Final Terms, the OBG Guarantee, the Dealer Agreement, the relevant Subscription Agreement (if any), the Master Transfer Agreement, the Warranty and Indemnity Agreement, the Subordinated Loan Agreement, the Servicing Agreement, the Cash Management and Agency Agreement, the Portfolio Administration Agreement, the Asset Monitor Agreement, the Intercreditor Agreement, the Administrative Services Agreement, the Quotaholder's Agreement, the Master Definition Agreement and any document or agreement which supplement, amend or restate the content of any of the above mentioned documents and any other document designated as such by the Issuer, the OBG Guarantor and the Representative of the OBG Holders;

"Warranty and Indemnity Agreement" means the warranty and indemnity agreement entered into between the Seller and the OBG Guarantor on 13 January 2012, as amended from time to time; and

"Zero Coupon OBG" means an OBG specified as such in the relevant Final Terms.

(b) *Interpretation*

In these Conditions:

- (i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 10 (Taxation), any premium payable in respect of a Series of OBG and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 10 (Taxation) and any other amount in the nature of interest payable pursuant to these Conditions;
- (iii) if an expression is stated in Condition 2(a) (Definitions) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the OBG;

- (iv) any reference to a Transaction Document shall be construed as a reference to such Transaction Document, as amended and/or supplemented;
- (v) any reference to a party to a Transaction Document (other than the Issuer and the OBG Guarantor) shall, where the context permits, include any Person who, in accordance with the terms of such Transaction Document, becomes a party thereto subsequent to the date thereof, whether by appointment as a successor to an existing party or by appointment or otherwise as an additional party to such document and whether in respect of the Programme generally or in respect of a single Tranche only; and
- (vi) any reference in any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

3. Form, Denomination and Title

The OBG are in the Specified Denomination(s), which may include a minimum denomination and higher integral multiples of a smaller amount, in each case as specified in the relevant Final Terms. The currency of denomination of the OBG will be the Euro. The OBG will be issued in bearer form and in dematerialised form (*emesse in forma dematerializzata*) and will be wholly and exclusively deposited with Monte Titoli in accordance with Article 83-*bis* of Italian legislative decree No. 58 of 24 February 1998, as amended, through the authorised institutions listed in Article 83-*quater* of such legislative decree. The OBG will at all times be evidenced by, and title thereto will be transferable by means of, book-entries in accordance with the provisions of Article 83-*bis* of Italian legislative decree No. 58 of 24 February 1998, as amended, and the joint regulation of CONSOB and the Bank of Italy dated 13 August 2018 and published in the Official Gazette No. 201 of 30 August 2018, as amended and supplemented from time to time. The OBG will be held by Monte Titoli on behalf of the OBG Holders until redemption or cancellation thereof for the account of the relevant Monte Titoli Account Holder. Monte Titoli shall act as depository for Clearstream, Luxembourg and Euroclear. No physical documents of title will be issued in respect of the OBG. The rights and powers of the OBG Holders may only be exercised in accordance with the Rules of the Organisation of the OBG Holders.

Except as ordered by a court of competent jurisdiction or as required by law, the Issuer, the Representative of the OBG Holders, the OBG Guarantor and the Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the Monte Titoli Account Holder, whose account is at the relevant time credited with an OBG, as the absolute owner of such OBG for the purposes of payments to be made to the holder of such OBG (whether or not the OBG is overdue and notwithstanding any notice to the contrary, any notice of ownership or writing on the OBG or any notice of any previous loss or theft of the OBG) and shall not be liable for doing so.

4. Status and Guarantee

(a) *Status of the OBG*

The OBG constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* without preference among themselves and (save for any applicable statutory provisions) at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding. In the event of a compulsory winding-up (*liquidazione coatta amministrativa*) of the Issuer, any funds realised and payable to the OBG Holders will be collected by the OBG Guarantor on their behalf.

(b) *Status of the OBG Guarantee*

The payment of Guaranteed Amounts in respect of each Series of OBG when due for payment will be unconditionally and irrevocably guaranteed by the OBG Guarantor in accordance with the OBG Guarantee and these Conditions. The payment obligations of the OBG Guarantor under the OBG Guarantee constitute direct and unconditional obligations of the OBG Guarantor, recourse in respect of which is limited in the manner described in Condition 16 (Limited Recourse and non-Petition). The OBG Holders acknowledge that the limited recourse nature of the OBG Guarantor under the OBG Guarantee produces the effects of a *contratto aleatorio* under Italian law and they accept the consequences thereof, including, but not limited to, the provisions of Article 1469 of the Italian Civil Code.

Pursuant to Article 7-*quaterdecies*, paragraph 4, of the Law 130, if the Issuer is subject to *liquidazione coatta amministrativa* and the OBG Holders are not satisfied in full upon the enforcement of the OBG Guarantee, the OBG Holders will have a claim against the Issuer for the residual amount ranking *pari passu* with all the other unsecured creditors of the Issuer.

(c) *Priority of Payments*

Amounts due from the OBG Guarantor pursuant to the OBG Guarantee shall be paid in accordance with the Priority of Payments, as set out in the Intercreditor Agreement.

(d) *Segregation of the Portfolio*

By virtue of the Law 130, the OBG Guarantor's right, title and interest in and to (i) the Portfolio, (ii) any amount collected from the Portfolio, (iii) any monetary claims accrued by the OBG Guarantor in the context of the Programme and arising under the Transaction Documents, as well as (iv) any financial asset (including those constituting Eligible Investments) resulting from the investment of the cash referred to above from time to time owned by the OBG Guarantor and held in an account located in Italy resulting from the investment of the cash referred to above is segregated from all other assets of the OBG Guarantor. Any amount deriving from the Mortgage Receivables will only be available both before and after a winding-up of the OBG Guarantor to satisfy the obligations of the OBG Guarantor to the OBG Holders, to the creditors as set out in the Intercreditor Agreement and

to any third-party creditors of the OBG Guarantor in respect of costs, fees and expenses incurred by the OBG Guarantor in relation to the Programme.

5. Fixed Rate Provisions

(a) Application

This Condition 5 is applicable to the OBG only if the "Fixed Rate Provisions" are specified in the relevant Final Terms as being applicable.

(b) Accrual of interest

The OBG bear interest on their outstanding nominal principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest payable, such interest being payable in arrear on each OBG Payment Date, subject as provided in Condition 9 (Payments). Each OBG will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 until whichever is the earlier of (i) the day on which all sums due in respect of such OBG up to that day are received by or on behalf of the relevant OBG Holder and (ii) the day which is seven days after the Paying Agent has notified the OBG Holders that it has received all sums due in respect of the OBG up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) Fixed Coupon Amount

The amount of interest payable in respect of each OBG for any OBG Interest Period shall be the relevant Fixed Coupon Amount and, if the OBG are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) Calculation of interest amount

The amount of interest payable in respect of each OBG for any period for which a Fixed Coupon Amount is not specified shall be calculated by the Paying Agent (or failing the Paying Agent, by the Representative of the OBG Holders) by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such OBG divided by the Calculation Amount. For this purpose a "sub-unit" means one cent of euro.

6. Floating Rate

(a) Application

This Condition 6 is applicable to the OBG only if the "Floating Rate Provisions" are specified in the relevant Final Terms as being applicable.

(b) Accrual of interest

The OBG bear interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each OBG Payment Date, subject as provided in Condition 9 (Payments). Each OBG will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 until whichever is the earlier of (i) the day on which all sums due in respect of such OBG up to that day are received by or on behalf of the relevant OBG Holder and (ii) the day which is seven days after the Paying Agent has notified the OBG Holders that it has received all sums due in respect of the OBG up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination*

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the OBG for each OBG Interest Period will be determined, subject to Condition 6(k) (*Reference Rate Replacement*), by the Paying Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Paying Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Paying Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Paying Agent will:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Paying Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Paying Agent) quoted by major banks in the Principal Financial Centre of the euro, selected by the Paying Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the euro) on the first day of the relevant OBG Interest Period for loans in euro to leading European banks for a period equal to the relevant

OBG Interest Period and in an amount that is representative for a single transaction in that market at that time, and the Rate of Interest for such OBG Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Paying Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any OBG Interest Period, the Rate of Interest applicable to the OBG during such OBG Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the OBG in respect of a preceding OBG Interest Period.

(d) *ISDA Determination*

If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the OBG for each OBG Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any OBG Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Paying Agent under an interest rate swap transaction if the Paying Agent were acting as Paying Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is as specified in the relevant Final Terms.

(e) *Maximum or Minimum Rate of Interest*

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(f) *Calculation of Interest Amount*

The Paying Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each OBG Interest Period, calculate the Interest Amount payable in respect of each OBG for such OBG Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such OBG Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant OBG divided by the Calculation Amount. For this purpose, a "sub-unit" means one cent of euro.

(g) *Calculation of other amounts*

If the relevant Final Terms specifies that any other amount is to be calculated by the Paying Agent, then the Paying Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Paying Agent in the manner specified in the relevant Final Terms.

(h) *Publication*

Subject to Condition 6(k) (*Reference Rate Replacement*), the Paying Agent shall cause each Rate of Interest and Interest Amount determined by it, together with the relevant OBG Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agent and each competent authority, stock exchange and/or quotation system (if any) by which the OBG have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and OBG Payment Date) in any event not later than the first day of the relevant OBG Interest Period. Notice thereof shall also promptly be given to the OBG Holders. The Paying Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant OBG Interest Period, provided that it shall immediately notify the Paying Agent thereof. If the Paying Amount is less than the minimum Specified Denomination, the Paying Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a OBG having the minimum Specified Denomination.

(i) *Notifications etc*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Paying Agent will (in the absence of manifest error) be final binding on the Issuer, the OBG Guarantor, the Paying Agent, the OBG Holders and (subject as aforesaid) no liability to any such Person will attach to the Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes, save for the case of wilful misconduct (*dolo*) or gross negligence (*colpa grave*) of the Paying Agent.

(j) *Failure by the Paying Agent*

If the Paying Agent fails to make the relevant calculations in accordance with this Condition, the Representative of the OBG Holders shall make the relevant calculation in place of the Paying Agent and shall notify the same to all the relevant parties in accordance with these Conditions. The Representative of the OBG Holders shall not incur in any liability for such activities except in the case of its wilful misconduct (*dolo*) or gross negligence (*colpa grave*).

(k) *Reference Rate Replacement*

If (i) Reference Rate Replacement is specified in the relevant Final Terms as being applicable and the Issuer determines that a Benchmark Event has occurred in

relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply to the relevant Series of the OBG:

- (i) the Issuer shall use reasonable endeavours: (A) to determine a Successor Reference Rate and an Adjustment Spread (if any); or (B) if the Issuer cannot determine a Successor Reference Rate and an Adjustment Spread (if any), appoint an Independent Adviser to determine an Alternative Reference Rate, and an Adjustment Spread (if any) (in any such case, acting in good faith and in a commercially reasonable manner) no later than five Business Days prior to the Interest Determination Date relating to the next OBG Interest Period (the “**IA Determination Cut-off Date**”), for the purposes of determining the Rate of Interest applicable to the OBG for such next OBG Interest Period and for all other future OBG Interest Periods (subject to the subsequent operation of this Condition 6(k) during any other future OBG Interest Period(s));
- (ii) if the Issuer is unable to determine a Successor Reference Rate and the Independent Adviser is unable to determine an Alternative Reference Rate (as applicable) prior to the relevant IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine an Alternative Reference Rate and an Adjustment Spread (if any) no later than three Business Days prior to the Interest Determination Date relating to the next OBG Interest Period (the “**Issuer Determination Cut-off Date**”), for the purposes of determining the Rate of Interest applicable to the OBG for such next OBG Interest Period and for all other future OBG Interest Periods (subject to the subsequent operation of this Condition 6(k) during any other future OBG Interest Period(s)). Without prejudice to the definitions thereof, for the purposes of determining any Alternative Reference Rate and/or any Adjustment Spread, the Issuer will take into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets;
- (iii) if a Successor Reference Rate or, failing which, an Alternative Reference Rate (as applicable) is determined by the relevant Independent Adviser or the Issuer (as applicable) in accordance with this Condition 6(k):
 - (A) such Successor Reference Rate or Alternative Reference Rate (as applicable) shall replace the Original Reference Rate for all future OBG Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 6(k));
 - (B) if the relevant Independent Adviser or the Issuer (as applicable):
 - (I) determines that an Adjustment Spread is required to be applied to such Successor Reference Rate or Alternative Reference Rate

(as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Reference Rate or Alternative Reference Rate (as applicable) for all future OBG Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 6(k)); or

(II) is unable to determine the quantum of, or a formula or methodology for determining, an Adjustment Spread, then such Successor Reference Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread for all future OBG Interest Periods (subject to the subsequent operation of, and adjustment as provided in, this Condition 6(k)); and

(C) the relevant Independent Adviser or the Issuer (as applicable) (acting in good faith and in a commercially reasonable manner) may in its discretion specify:

(I) changes to these Conditions in order to follow market practice in relation to such Successor Reference Rate or Alternative Reference Rate (as applicable), including, but not limited to (1) Additional Business Centre(s), Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Reference Banks, Relevant Financial Centre and/or Relevant Screen Page applicable to the OBGs and (2) the method for determining the fallback to the Rate of Interest in relation to the OBGs if such Successor Reference Rate or Alternative Reference Rate (as applicable) is not available; and

(II) any other changes which the relevant Independent Adviser or the Issuer (as applicable) determines are reasonably necessary to ensure the proper operation and comparability to the Original Reference Rate of such Successor Reference Rate or Alternative Reference Rate (as applicable),

which changes shall apply to the OBGs for all future OBG Interest Periods (subject to the subsequent operation of this Condition 6(k)); and

(iv) promptly following the determination of (i) any Successor Reference Rate or Alternative Reference Rate (as applicable) and (ii) if applicable, any Adjustment Spread, the Issuer shall give notice thereof and of any changes (and the effective date thereof) pursuant to Condition 6(k)(iii)(C) to the Paying Agent and, if applicable, the Calculation Agent and the OBG Holders in accordance with Condition 17 (*Notices*).

No consent of the OBG Holders or the Representative of the OBG Holders shall be required in connection with effecting the relevant Successor

Reference Rate or Alternative Reference Rate (as applicable) as described in this Condition 6(k) or such other relevant changes pursuant to Condition 6(k)(iii)(C), including for the execution of any documents or the taking of other steps by the Issuer.

For the avoidance of doubt, if a Successor Reference Rate or an Alternative Reference Rate is not determined pursuant to the operation of this Condition 6(k) prior to the relevant Issuer Determination Cut-off Date, then the Rate of Interest for the next OBG Interest Period shall be determined by reference to the fallback provisions of Condition 6(c).

7. Zero Coupon Provisions

(a) *Application*

This Condition 7 is applicable to the OBG only if the "Zero Coupon Provisions" are specified in the relevant Final Terms as being applicable.

(b) *Late payment on Zero Coupon OBG*

If the Redemption Amount payable in respect of any Zero Coupon OBG is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such OBG up to that day are received by or on behalf of the relevant OBG Holder and (ii) the day which is seven days after the Paying Agent has notified the OBG Holders that it has received all sums due in respect of the OBG up to such seventh day (except to the extent that there is any subsequent default in payment).

8. Redemption and Purchase

(a) *Scheduled redemption*

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 8, if redemption by instalments is specified as applicable in the relevant Final Terms for a Series of OBG, each such shall be partially redeemed on each instalment date at the related instalment amount specified in the relevant Final Terms. The outstanding nominal amount of each such OBG shall be reduced by the instalment amount (or, if such instalment amount is calculated by reference to a proportion of the nominal amount of such OBG, such proportion) for all purposes with effect from the related instalment date, unless payment of the instalment amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the date on which payment in full of the instalment amount outstanding is made.

- (ii) Unless previously redeemed, purchased and cancelled as provided below, the OBG will be redeemed on the Maturity Date at their Final Redemption Amount, or in the case of OBG falling withing paragraph (i) above at their final instalment amount, subject as provided in Condition 8(b) (Extension of maturity) and Condition 9 (Payments).

(b) *Extension of maturity*

Without prejudice to Condition 11 (*Events of Default*), if an Extended Maturity Date is specified as applicable in the relevant Final Terms for a Series of OBG and the Issuer has failed to pay the relevant Final Redemption Amount on the applicable Maturity Date specified in the relevant Final Terms and, the OBG Guarantor or the Calculation Agent on its behalf determines on the date falling on the Extension Determination Date that the OBG Guarantor has insufficient moneys available under the relevant Priority of Payments to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in full in respect of the relevant Series of OBG, then (subject as provided below), payment of the unpaid amount by the OBG Guarantor under the OBG Guarantee shall be deferred automatically until the applicable Extended Maturity Date provided that any amount representing the Final Redemption Amount due and remaining unpaid after the Maturity Date may be paid by the OBG Guarantor on any OBG Payment Date thereafter up to (and including) the relevant Extended Maturity Date.

The Issuer shall confirm to the Paying Agent as soon as reasonably practicable and in any event at least four Business Days prior to the Maturity Date as to whether payment of the Final Redemption Amount in respect of the relevant Series of OBG will or will not be made in full on that Maturity Date. Any failure by the Issuer to notify the Paying Agent shall not affect the validity or effectiveness of the extension.

The OBG Guarantor shall notify the relevant holders of the OBG (in accordance with Condition 17 (Notices), the Rating Agency, the Representative of the OBG Holders and the Paying Agent as soon as reasonably practicable and in any event at least four Business Days prior to the Maturity Date of any inability of the OBG Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of the OBG pursuant to the OBG Guarantee. Any failure by the OBG Guarantor to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party.

In the circumstances outlined above, the OBG Guarantor shall on the Maturity Date, pursuant to the OBG Guarantee, apply the moneys (if any) available (after paying or providing for payment of higher ranking or pari passu amounts in accordance with the relevant Priority of Payments) pro rata in part payment of an amount equal to the Final Redemption Amount in respect of the OBG and shall pay the Guaranteed Amounts constituting interest in respect of each such OBG on such date. The obligation of the OBG Guarantor to pay any amounts in respect of the balance of the Final Redemption Amount not so paid shall be deferred as described above.

Interest will continue to accrue on any unpaid amount during such extended period and be payable on each Guarantor Payment Date following the Maturity Date up to the Extended Maturity Date (inclusive).

The Issuer shall notify to the Bank of Italy the extension of maturity of the OBG pursuant to this Condition 8(b) (*Extension of Maturity*) within 10 days from the occurrence thereof.

(c) *Redemption for tax reasons*

The OBG may be redeemed at the option of the Issuer in whole, but not in part:

- (i) at any time (if the Floating Rate Provisions are not specified in the relevant Final Terms as being applicable); or
- (ii) on any OBG Payment Date (if the Floating Rate Provisions are specified in the relevant Final Terms as being applicable);

on giving not less than 30 nor more than 60 days' notice to the OBG Holders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued but unpaid (if any) to the date fixed for redemption, if:

- (A) the Issuer gives satisfactory evidence to the Representative of the OBG Holders immediately before the giving of such notice that it has or will become obliged to pay additional amounts as provided or referred to in Condition 10 (Taxation) as a result of any change in, or amendment to, the laws or regulations of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the OBG; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- 1. where the OBG may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the OBG were then due; or
- 2. where the OBG may be redeemed only on an OBG Payment Date, 60 days prior to the OBG Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the OBG were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Paying Agent and the Representative of the OBG Holders (A) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have

occurred of and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and (C) a certificate signed by two directors of the Issuer stating that the Issuer shall have the amounts necessary in order to effect the early repayment at the date fixed for the redemption. Upon the expiry of any such notice as is referred to in this Condition 8(c) (*Redemption for tax reasons*), the Issuer shall be bound to redeem the OBG in accordance with this Condition 8(c) (*Redemption for tax reasons*).

(d) *Redemption at the option of the Issuer*

If the "Call Option" is specified in the relevant Final Terms as being applicable, the OBG may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) together with interest accrued but unpaid (if any) on the Issuer's giving (i) not less than 7 nor more than 30 days' notice to the OBG Holders and (ii) not less than 7 days before the giving of the notice referred to in (i), notice to the Representative of the OBG Holders and the Paying Agent, (which notices shall be irrevocable and shall oblige the Issuer to redeem the OBG on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued (but unpaid) interest (if any) to such date). Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Paying Agent and the Representative of the OBG Holders a certificate signed by two directors of the Issuer stating that the Issuer shall have the amounts necessary in order to effect the early repayment at the date fixed for the redemption.

(e) *Partial redemption*

If the OBG are to be redeemed in part only on any date in accordance with Condition 8(d) (Redemption at the option of the Issuer), the OBG to be redeemed in part shall be redeemed in the principal amount specified by the Issuer and the OBG will be so redeemed in accordance with the rules and procedures of Monte Titoli and/or any other Relevant Clearing System (to be reflected in the records of such clearing systems as a pool factor or a reduction in principal amount, at their discretion), subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the OBG have then been admitted to listing, trading and/or quotation. The notice to OBG Holders referred to in Condition 8(d) (Redemption at the option of the Issuer) shall specify the proportion of the OBG so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(f) *Redemption at the option of OBG Holders*

If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of any OBG Holder redeem such OBG held by it on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the

relevant Optional Redemption Amount (Put) together with interest (if any) accrued, but unpaid, to such date. In order to exercise the option contained in this Condition 8(f) (*Redemption at the option of OBG Holders*), the OBG Holder must, not less than 15 or more than 30 days before the relevant Optional Redemption Date (Put), deposit with the Paying Agent a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Put Option Notice is so deposited shall deliver a duly completed Put Option Receipt to the depositing OBG Holder. Once deposited in accordance with this Condition 8(f) (*Redemption at the option of OBG Holders*), no duly completed Put Option Notice may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any OBG become immediately due and payable or, upon due presentation of any such OBG on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall notify thereof the OBG Holder at such address as may have been given by such OBG Holder in the relevant Put Option Notice and shall hold such OBG blocked in the records of the relevant Monte Titoli Account Holder, relevant clearing system or relevant custodian (as applicable), against surrender of the relevant Put Option Receipt. For so long as any outstanding OBG are held blocked by the Paying Agent in accordance with this Condition 8(f) (*Redemption at the option of OBG Holders*), the OBG Holder and not the Paying Agent shall be deemed to be the holder of such OBG for all purposes.

(g) *No other redemption*

The Issuer shall not be entitled to redeem the OBG otherwise than as provided in Conditions 8(a) (Scheduled redemption) to (f) (Redemption at the option of OBG Holders) above.

(h) *Early redemption of Zero Coupon OBG*

The Redemption Amount payable on redemption of a Zero Coupon OBG at any time before the Maturity Date shall be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the OBG become due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 8(h) (*Early redemption of Zero Coupon OBG*) or, if none is so specified, a Day Count Fraction of 30E/360.

(i) *Cancellation*

All OBG so redeemed by the Issuer shall be cancelled and may not be reissued or resold.

(j) *Purchase*

The Issuer or any of its Subsidiaries (other than the OBG Guarantor) may at any time purchase OBG in the open market or otherwise and at any price. Such OBG may be held, resold or, at the option of the Issuer, cancelled or, as applicable, at the option any of its Subsidiaries (other than the OBG Guarantor), surrendered to the Issuer for cancellation. The OBG Guarantor shall not purchase any OBG at any time.

9. Payments

(a) *Payments through clearing systems*

Payment of interest and repayment of principal in respect of the OBG will be credited, in accordance with the instructions of Monte Titoli, by the Paying Agent on behalf of the Issuer or the OBG Guarantor (as the case may be) to the accounts of those banks and authorised brokers whose accounts with Monte Titoli are credited with those OBG and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those OBG or through the Relevant Clearing Systems to the accounts with the Relevant Clearing Systems of the beneficial owners of those OBG, in accordance with the rules and procedures of Monte Titoli and of the Relevant Clearing Systems, as the case may be.

(b) *Payments subject to fiscal laws*

All payments in respect of the OBG are subject in all cases to any applicable fiscal or other laws, directives and regulations in the place of payment or other laws to which the Issuer, the OBG Guarantor or their agents agree to be subject and neither Issuer nor the OBG Guarantor will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 10 (Taxation). No commissions or expenses shall be charged to OBG Holders in respect of such payments.

(c) *Payments on business days*

If the due date for payment of any amount in respect of any OBG is not a Payment Business Day in the Place of Payment, the OBG Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

10. Taxation

(a) *Gross up by Issuer*

All payments of principal and interest in respect of the OBG by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or

on behalf of the Republic of Italy or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as shall be necessary in order that the net amounts received by the OBG Holders after such withholding or deduction of such amounts shall be equal to the respective amounts which would otherwise have been receivable by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any OBG:

- (i) in respect to any payment or deduction of any interest or principal for or on account of *imposta sostitutiva* (at the then applicable rate of tax) pursuant to Legislation Decree No. 239 of 1 April 1996, as amended (“**Decree No. 239**”) with respect to any OBG and in all circumstances in which the procedures set forth in Decree No 239 have not been met or complied with except where such procedures have not been met or complied with due to the actions or omissions of the Issuer or its agents; or
- (ii) held by or on behalf of an OBG Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such OBG by reason of it having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the OBG; or
- (iii) held by or on behalf of an OBG Holder who is entitled to avoid such withholding or deduction in respect of such OBG by making a declaration or any other statement to the relevant tax authority, including, but not limited to, a declaration of residence or non/residence or other similar claim for exemption; or
- (iv) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or any other amount is paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Italian authorities; or
- (v) where the OBG Holder would have been able to lawfully avoid (but has not so avoided) such deduction or withholding by complying, or procuring that any third party complies, with any statutory requirements; or
- (vi) held by or on behalf of an OBG Holder who would have been able to avoid such withholding or deduction by presenting the relevant OBG to another Paying Agent in a Member State of the EU.

For the avoidance of doubt, if an amount were to be deducted or withheld from interest, principal or other payments on the OBG as a result of an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder, any official

interpretations thereof, or any law implementing an intergovernmental approach thereto (“**FATCA**”), none of the Issuer, the OBG Guarantor, any paying agent or any other person would, pursuant to the terms and conditions of the OBG be required to pay additional amounts as a result of the deduction or withholding.

(b) *Taxing jurisdiction*

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy, references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction. For the avoidance of doubt, for the purposes of this paragraph (b), the Issuer will not be considered to become subject to the taxing jurisdiction of the United States should the Issuer be required to withhold amounts in respect any withholding tax imposed by the United States on any payments the Issuer makes.

(c) *No Gross-up by the OBG Guarantor*

If withholding of, or deduction of any present or future taxes, duties, assessments or charges of whatever nature is imposed by or on behalf of Italy, any authority therein or thereof having power to tax, the OBG Guarantor will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the OBG Holders, as the case may be, and shall not be obliged to pay any additional amounts to the OBG Holders.

11. Events of default

(a) *Issuer Event of Default*

If any of the following events (each, an “**Issuer Event of Default**”) occurs and is continuing:

- (i) Non-payment: Default is made by the Issuer for a period of 7 days or more in the payment of any principal or redemption amount, or for a period of 14 days or more in the payment of any interest on the OBG of any Series when due; or
- (ii) Breach of other obligation: The Issuer has incurred into a material default in the performance or observance of any of its obligations under or in respect of the OBG (of any Series outstanding) or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the OBG) and (except where, in the opinion of the Representative of the OBG Holders, such default is not capable of remedy in which case no notice will be required), such default remains unremedied for 30 days after the Representative of the OBG Holders has given written notice thereof to the Issuer, certifying that such default is, in its opinion, materially prejudicial to the interests of the OBG Holders and specifying whether or not such default is capable of remedy; or
- (iii) Insolvency: An Insolvency Event (other than *risoluzione* or *misure di intervento precoce*) occurs with respect to the Issuer; or

- (iv) Tests: The Mandatory Tests or the Over-Collateralisation Test are breached and not cured within 1 month following the delivery by the Calculation Agent of a Negative Report as confirmed by the Asset Monitor Report; or
- (v) Suspension of Payments: A resolution pursuant to Article 74 of the Banking Law is issued in respect of the Issuer

(b) *Effect of an Issuer Event of Default*

If an Issuer Event of Default occurs the Representative of the OBG Holders will promptly serve the Notice to Pay on the OBG Guarantor, declaring that an Issuer Event of Default has occurred and specifying, in case of the Issuer Event of Default referred to under point (v) (*Suspension of Payments*) above, that the Issuer Event of Default may be of temporary nature.

(c) *Effect of a Notice to Pay*

Upon service of a Notice to Pay to the Issuer and the OBG Guarantor:

- (i) No further Series of OBG: the Issuer may not issue any further Series of OBG;
- (ii) Acceleration against the Issuer: Each series of OBG will accelerate against the Issuer and they will rank *pari passu* amongst themselves against the Issuer, provided that (i) such events shall not trigger an acceleration against the OBG Guarantor, (ii) in accordance with Article 7-*quaterdecies*, Para. 3, of the Law 130, the OBG Guarantor shall be solely responsible for the exercise of the rights of the OBG Holders vis-à-vis the Issuer and (iii) in case of the Issuer Event of Default referred to under point (v) (*Suspension of Payments*) above (x) the OBG Guarantor, in accordance with the Law 130, shall be responsible for the payments of the amounts due and payable under the OBG within the suspension period and (y) upon the end of the suspension period the Issuer shall be responsible for meeting the payment obligations under the OBG (and for the avoidance of doubts, the OBG then outstanding will not be deemed to be accelerated against the Issuer);
- (iii) Enforcement: in accordance with Article 7-*quaterdecies*, Para. 3, of the Law 130, the OBG Guarantor shall be solely responsible, at its discretion and without further notice, to take such steps and/or institute such proceedings (also acting through the Representative of the OBG Holders) against the Issuer as it may think fit to enforce such payments, but it shall not be bound to take any such proceedings or steps unless requested or authorised by an Extraordinary Resolution of the OBG Holders;
- (iv) OBG Guarantee: Without prejudice to paragraph (i) above, interest and principal falling due on the OBG will be payable by the OBG Guarantor at the time and in the manner provided under these Conditions, subject to and in accordance with the terms of the OBG Guarantee and the relevant Priority of Payments to creditors set out in the Intercreditor Agreement;

- (v) Tests: The Mandatory Tests and the Liquidity Buffer Test shall continue to be applied and the Amortisation Test shall apply;
- (vi) Disposal of Assets: the OBG Guarantor shall sell the Assets, Integration Assets and Liquid Assets included in the portfolio in accordance with the provisions of the Portfolio Administration Agreement;

provided that, in case of the Issuer Event of Default referred to under item (v) (*Suspension of payments*) above, the effects listed in items (i) (No further Series of OBG), (iv) (OBG Guarantee) and (vi) (Disposal of Assets) above will only apply for as long as the suspension of payments pursuant to Article 74 of the Banking Law will be in force and effect (the “**Suspension Period**”). Accordingly (A) the OBG Guarantor, in accordance with the Law 130, shall be responsible for the payments of the amounts due and payable under the OBG during the Suspension Period and (B) at the end of the Suspension Period, the Issuer shall be again responsible for meeting the payment obligations under the OBG (and for the avoidance of doubts, the OBG then outstanding will not be deemed to be accelerated against the Issuer).

(d) *Guarantor Events of Default*

If any of the following events (each, an “**Guarantor Event of Default**”) occurs and is continuing:

- (i) Non-payment: non payment of principal and interest due in respect of the relevant Series of OBG in accordance with the OBG Guarantee, subject to a period of 8 days cure period in respect of principal or redemption amount and a 15 days cure period in respect of interest payment; or
- (ii) Insolvency: An Insolvency Event occurs with respect to the OBG Guarantor; or
- (iii) Breach of other obligation: A breach of the obligations of the OBG Guarantor under the Transaction Documents (other than (d)(i) above) occurs which breach is incapable of remedy or, if in the opinion of the Representative of the OBG Holders capable of remedy, is not in the opinion of the Representative of the OBG Holders remedied within 30 days after notice of such breach shall have been given to the OBG Guarantor by the Representative of the OBG Holders; or
- (iv) Breach of Amortisation Test: The Amortisation Test is breached according to a Negative Report issued by the Calculation Agent as confirmed by the Asset Monitor Report;

then the Representative of the OBG Holders

- (a) in cases under (i) (*Non-payment*), (ii) (*Insolvency*) and (iv) (*Breach of Amortisation test*) above, may but shall, if so directed by an Extraordinary Resolution of the OBG Holders, and

- (b) in case under (iii) (*Breach of other obligation*) above, shall, if so directed by an Extraordinary Resolution of the OBG Holders

serve a Guarantor Acceleration Notice on the OBG Guarantor.

- (e) *Effect of a Guarantor Acceleration Notice*

Upon service of a Guarantor Acceleration Notice upon the OBG Guarantor:

- (i) Acceleration of OBG: The OBG shall become immediately due and payable at their Early Redemption Amount together, if appropriate, with any accrued interest;
- (ii) OBG Guarantee: Subject to and in accordance with the terms of the OBG Guarantee, the Representative of the OBG Holders, on behalf of the OBG Holders, shall have a claim against the OBG Guarantor for an amount equal to the Early Redemption Amount, together with accrued interest and any other amount due under the OBG (other than additional amounts payable under Condition 10(a) (*Gross up by Issuer*)) in accordance with the relevant Priority of Payments to creditors set out in the Intercreditor Agreement;
- (iii) Disposal of Assets: the OBG Guarantor shall sell the Assets, Integration Assets and Liquid Assets included in the portfolio in accordance with the provisions of the Portfolio Administration Agreement; and
- (iv) Enforcement: The Representative of the OBG Holders may, at its discretion and without further notice, take such steps and/or institute such proceedings against the Issuer or the OBG Guarantor (as the case may be) as it may think fit to enforce such payments, but it shall not be bound to take any such proceedings or steps unless requested or authorised by an Extraordinary Resolution of the OBG Holders.

- (f) *Determinations, etc*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 11 (*Events of default*) by the Representative of the OBG Holders shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the OBG Guarantor and all OBG Holders and (in such absence as aforesaid) no liability to the OBG Holders, the Issuer or the OBG Guarantor shall attach to the Representative of the OBG Holders in connection with the exercise or non-exercise by it of its powers, duties and discretions hereunder.

12. Prescription

Claims for payment under the OBG shall become void unless made within ten years (in respect of principal) or five years (in respect of interest) from the due date thereof.

13. Representative of the OBG Holders

- (a) *Organisation of the OBG Holders*

The Organisation of the OBG Holders shall be established upon, and by virtue of, the issuance of the OBG and shall remain in force and in effect until repayment in full or cancellation of the OBG. Pursuant to the Rules of the Organisation of the OBG Holders, for as long as the OBG are outstanding, there shall at all times be a Representative of the OBG Holders. The appointment of the Representative of the OBG Holders as legal representative of the Organisation of the OBG Holders is made by the OBG Holders subject to and in accordance with the Rules of the Organisation of the OBG Holders.

(b) *Initial appointment*

In the Dealer Agreement the Relevant Dealer(s) has or have appointed the Representative of the OBG Holders to perform the activities described in the Dealer Agreement, in these Conditions (including the Rules of the Organisation of OBG Holders), in the Intercreditor Agreement and in the other Transaction Documents, and the Representative of the OBG Holders has accepted such appointment for the period commencing on the Issue Date and ending (subject to early termination of its appointment) on the date on which all of the OBG have been cancelled or redeemed in accordance with these Conditions.

(c) *Acknowledgment by OBG Holders*

Each OBG Holder, by reason of holding OBG:

- (i) recognises the Representative of the OBG Holders as its representative and (to the fullest extent permitted by law) agrees to be bound by any agreement entered into from time to time by the Representative of the OBG Holders in such capacity as if such OBG Holder were a signatory thereto; and
- (ii) acknowledges and accepts that the Relevant Dealer(s) shall not be liable in respect of any loss, liability, claim, expenses or damage suffered or incurred by any of the OBG Holders as a result of the performance by the Representative of the OBG Holders of its duties or the exercise of any of its rights under the Transaction Documents.

14. Agents

In acting under the Cash Management and Agency Agreement and in connection with the OBG, the Paying Agent act solely as agent of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the OBG Holders.

Following service of a Notice to Pay or a Guarantor Acceleration Notice, in acting under the Cash Management and Agency Agreement, the Paying Agent acts solely as agent of the OBG Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the OBG Holders.

The Paying Agent, its initial Specified Offices, any additional Paying Agent and its Specified Offices and the initial Calculation Agent (if any) are specified in the relevant Final Terms. The Issuer and the OBG Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a

successor paying agent or Calculation Agent and additional or successor paying agents; provided, however, that:

- (a) the Issuer and the OBG Guarantor shall at all times maintain a paying agent; and
- (b) the Issuer and the OBG Guarantor shall at all times maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax; and
- (c) if a Calculation Agent is specified in the relevant Final Terms, the Issuer and the OBG Guarantor shall at all times maintain a Calculation Agent; and
- (d) if and for so long as the OBG are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a paying agent in any particular place, the Issuer and the OBG Guarantor shall maintain a paying agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agent or in its Specified Office shall promptly be given to the OBG Holders.

15. Further Issues

The Issuer may from time to time, without the consent of the OBG Holders, create and issue further OBG having the same terms and conditions as the OBG in all respects (or in all respects except for the first payment of interest) so that such further issue shall be consolidated and form a single series with any Series or upon such terms as the Issuer may determine at the time of their issue, provided that Moody's has been notified of such issuance.

16. Limited Recourse and Non Petition

(a) Limited recourse

The obligations of the OBG Guarantor under the OBG Guarantee constitute direct and unconditional, unsubordinated and limited recourse obligations of the OBG Guarantor, collateralised by the Assets, Integration Assets and Liquid Assets as provided under the Law 130 and the BoI OBG Regulation. The recourse of the OBG Holders to the OBG Guarantor under the OBG Guarantee will be limited to the assets comprised in the cover pool subject to, and in accordance with, the relevant Priority of Payments pursuant to which specified payments will be made to other parties prior to payments to the OBG Holders.

(b) Non petition

Only the Representative of the OBG Holders may pursue the remedies available under the general law or under the Transaction Documents to obtain payment of the Guaranteed Amounts or enforce the OBG Guarantee and/or any security and no OBG Holder shall be entitled to proceed directly against the OBG Guarantor to

obtain payment of the Guaranteed Amounts or to enforce the OBG Guarantee and/or any security. In particular:

- (i) no OBG Holder (nor any person on its behalf) is entitled, otherwise than as permitted by the Transaction Documents, to direct the Representative of the OBG Holder to enforce the OBG Guarantee and/or any security or take any proceedings against the OBG Guarantor to enforce the OBG Guarantee and/or any security;
- (ii) no OBG Holder (nor any person on its behalf, other than the Representative of the OBG Holders, where appropriate) shall, save as expressly permitted by the Transaction Documents, have the right to take or join any person in taking any steps against the OBG Guarantor for the purpose of obtaining payment of any amount due from the OBG Guarantor;
- (iii) at least until the date falling two years and one day after the date on which all Series of OBG issued in the context of the Programme have been cancelled or redeemed in full in accordance with their Final Terms together with any payments payable in priority or *pari passu* thereto, no OBG Holder (nor any person on its behalf, other than the Representative of the OBG Holders) shall initiate or join any person in initiating an Insolvency Event in relation to the OBG Guarantor; and
- (iv) no OBG Holder shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Priorities of Payments not being complied with.

17. Notices

(a) Notices given through Monte Titoli

Any notice regarding the OBG, as long as the OBG are held through Monte Titoli, shall be deemed to have been duly given if given through the systems of Monte Titoli.

(b) Notices through Luxembourg Stock Exchange

Any notice regarding the OBG, as long as the OBG are listed on the Luxembourg Stock Exchange, shall be deemed to have been duly given if published on the website of the Luxembourg Stock Exchange (at www.luxse.com) or, if required, of the CSSF and, in any event, if published in accordance with the rules and regulation of the Luxembourg Stock Exchange.

(c) Other publication

The Representative of the OBG Holders shall be at liberty to sanction any other method of giving notice to OBG Holders if, in its opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the competent authority, stock exchange and/or quotation system by which the OBG are then admitted to trading and provided that notice of such other method is given

to the holders of the OBG in such manner as the Representative of the OBG Holders shall require.

(d) *Investors Report*

The Issuer or, as the case may be, the OBG Guarantor shall make available to the holders of the OBG (in accordance with this Condition 17 (Notices) each Investors Report as soon as practicable after each relevant Investors Report Date.

18. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), and (d) all amounts used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

19. Governing Law and Jurisdiction

(a) *Governing law*

These OBG, and any non-contractual obligations arising out of, or in connection with them, are governed by Italian law. All Transaction Documents and any non-contractual obligations arising out of, or in connection with them, are governed by Italian law.

(b) *Jurisdiction*

The courts of Milan have exclusive competence for the resolution of any dispute that may arise in relation to the OBG or their validity, interpretation or performance.

(c) *Relevant legislation*

Anything not expressly provided for in these Conditions will be governed by the provisions of the Law 130 and, if applicable, Article 58 of the Banking Law and the BoI OBG Regulation.

RULES OF THE ORGANISATION OF THE OBG HOLDERS

TITLE I GENERAL PROVISIONS

Article 1

General

The Organisation of the OBG Holders in respect of the OBG issued under the Programme by UniCredit S.p.A. is created concurrently with the issue and subscription of the OBG of the first Series and is governed by these Rules of the Organisation of the OBG Holders ("**Rules**").

These Rules shall remain in force and effect until full repayment or cancellation of all the OBG.

The contents of these Rules are deemed to be an integral part of the Conditions of the OBG of each Series issued by the Issuer.

Article 2

Definitions and Interpretation

2.1 Definitions

In these Rules, the terms below shall have the following meanings:

"**Block Voting Instruction**" means, in relation to a Meeting, a document issued by the Paying Agent:

- (a) certifying that specified OBG have been blocked in an account with a clearing system, the Monte Titoli Account Holder or the relevant custodian and will not be released until a the earlier of:
 - (i) a specified date which falls after the conclusion of the Meeting; and
 - (ii) the notification to the Paying Agent not less than 48 hours before the time fixed for the Meeting (or, if the meeting has been adjourned, the time fixed for its resumption) of confirmation that the OBG have been unblocked and notification of the release thereof by the Paying Agent to the Issuer and Representative of the OBG Holders;
- (b) certifying that the Holder of the relevant Blocked OBG or a duly authorised person on its behalf has notified the Paying Agent that the votes attributable to such OBG are to be cast in a particular way on each resolution to be put to the Meeting and that during the period of 48 hours before the time fixed for the Meeting such instructions may not be amended or revoked;
- (c) listing the total number and the principal amount outstanding of such specified Blocked OBG, distinguishing between those in respect of which instructions have been given to vote for, and against, each resolution; and
- (d) authorising a named individual to vote in accordance with such instructions;

"**Blocked OBG**" means OBG which have been blocked in an account with a clearing system, the Monte Titoli Account Holder or the relevant custodian for the purpose of obtaining a Voting Certificate or requesting the Paying Agent to issue a Block Voting Instruction on terms that they will not be released until after the conclusion of the Meeting in respect of which the Voting Certificate or the Block Voting Instruction is required;

"**Chairman**" means, in relation to any Meeting, the person who takes the chair in accordance with Article 6 (*Chairman of the Meeting*);

"**Event of Default**" means an Issuer Event of Default or a Guarantor Event of Default, as the context requires;

"Extraordinary Resolution" means a resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules on any of the subjects covered by Article 18.2 (*Extraordinary Resolution*) by a majority of not less than three quarters of the votes cast;

"Holder" means in respect of OBG, the ultimate owner of such OBG;

"Liabilities" means losses, liabilities, inconvenience, costs, expenses, damages, claims, actions or demands;

"Meeting" means a meeting of the OBG Holders (whether originally convened or resumed following an adjournment);

"Monte Titoli Account Holder" means any authorised institution entitled to hold accounts on behalf of their customers with Monte Titoli (and includes any Relevant Clearing System which holds account with Monte Titoli or any depository banks appointed by the Relevant Clearing System);

"Ordinary Resolution" means any resolution passed at a Meeting, duly convened and held in accordance with the provisions contained in these Rules on any of the subjects covered by Article 18.1 (*Ordinary Resolution*) by a majority of more than 50 per cent. of the votes cast;

"Portfolio" has the meaning given to it in the Master Definition Agreement;

"Programme Resolution" means an Extraordinary Resolution passed at a single meeting of the OBG Holders of all Series, duly convened and held in accordance with the provisions contained in these Rules to direct the Representative of the OBG Holders to take steps and/or institute proceedings against the Issuer or the OBG Guarantor pursuant to Condition 11(e)(iii) (*Effect of a Guarantor Acceleration Notice - Enforcement*);

"Proxy" means a person appointed to vote under a Voting Certificate as a proxy or a person appointed to vote under a Block Voting Instruction, in each case other than:

- (a) any person whose appointment has been revoked and in relation to whom the Paying Agent has been notified in writing of such revocation by the time which is 48 hours before the time fixed for the relevant Meeting; and
- (b) any person appointed to vote at a Meeting which has been adjourned for want of a quorum and who has not been reappointed to vote at the Meeting when it is resumed;

"Rating Agency" means Moody's Investors Service, or its successor, to the extent that at the relevant time it provides ratings in respect of the then outstanding OBG;

"Resolutions" means the Ordinary Resolutions and the Extraordinary Resolutions, collectively as the context requires;

"Swap Rate" means, in relation to a Series or a Tranche of OBG, the applicable spot rate;

"Transaction Party" means any person who is a party to a Transaction Document;

"Voter" means, in relation to a Meeting, the Holder or a Proxy named in a Voting Certificate, the bearer of a Voting Certificate issued by the Monte Titoli Account Holder or a Proxy named in a Block Voting Instruction;

"Voting Certificate" means, in relation to any Meeting:

- (a) a certificate issued by a Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended from time to time stating that:
 - (i) that Blocked OBG will not be released until the earlier of
 - (A) a specified date which falls after the conclusion of the Meeting; and
 - (B) the surrender of such certificate to the Paying Agent; and
- (b) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked OBG; or

- (c) if possible under the relevant applicable laws and regulations, a certificate issued by the Paying Agent stating:
 - (i) that Blocked OBG will not be released until the earlier of:
 - (A) a specified date which falls after the conclusion of the Meeting; and
 - (B) the surrender of such certificate to the Paying Agent; and
 - (ii) the bearer of the certificate is entitled to attend and vote at such Meeting in respect of such Blocked OBG.

"Written Resolution" means a resolution in writing signed by or on behalf of one or more persons holding or representing at least 75 per cent of the Outstanding Principal Balance of (i) all the OBG (in case of Programme Resolution) or (ii) all the OBG of one or more relevant Series (in case of a resolution to be taken by the OBG Holders of such relevant Series), whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of such OBG Holders;

"24 hours" means a period of 24 hours including all or part of a day on which banks are open for business both in the place where any relevant Meeting is to be held and in the place where the Paying Agent has its specified office; and

"48 hours" means two consecutive periods of 24 hours.

Unless otherwise provided in these Rules, or unless the context requires otherwise, words and expressions used in these Rules shall have the meanings and the construction ascribed to them in the Conditions.

2.2 Interpretation

In these Rules:

- 2.2.1 any reference herein to an "Article" shall, except where expressly provided to the contrary, be a reference to an article of these Rules of the Organisation of the OBG Holders;
- 2.2.2 a "successor" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction Document or to which, under such laws, such rights and obligations have been transferred; and
- 2.2.3 any reference to any Transaction Party shall be construed so as to include its and any subsequent successors and transferees in accordance with their respective interests.

2.3 Separate Series

Subject to the provisions of the next sentence, the OBG of each Series shall form a separate Series of OBG and accordingly, unless for any purpose the Representative of the OBG Holders in its absolute discretion shall otherwise determine, the provisions of this sentence and of Articles 3 (*Purpose of the Organisation*) to 25 (*Meetings and Separate Series*) and 28 (*Duties and Powers of the Representative of the OBG Holders*) to 35 (*Powers to Act on behalf of the OBG Guarantor*) shall apply mutatis mutandis separately and independently to the OBG of each Series. However, for the purposes of this Article 2.3:

- 2.3.1 Articles 26 (*Appointment*) and 27 (*Resignation*); and
- 2.3.2 insofar as they relate to a Programme Resolution, Articles 3 (*Purpose of the Organisation*) to 25 (*Meetings and Separate Series*) and 28 (*Duties and Powers of the Representative of the OBG Holders*) to 35 (*Powers to Act on behalf of the OBG Guarantor*),

the OBG shall be deemed to constitute a single Series and the provisions of such Articles shall apply to all the OBG together as if they constituted a single Series and, in such Articles, the expressions "OBG" and "OBG Holders" shall be construed accordingly.

Article 3

Purpose of the Organisation of the OBG Holders

Each OBG Holders is a member of the Organisation of the OBG Holders.

The purpose of the Organisation of the OBG Holders is to co-ordinate the exercise of the rights of the OBG Holders and, more generally, to take any action necessary or desirable to protect the interest of the OBG Holders.

TITLE II

MEETINGS OF THE OBG HOLDERS

Article 4

Convening a Meeting

4.1 Convening a Meeting

The Representative of the OBG Holders, the OBG Guarantor or the Issuer may convene separate or combined Meetings of the OBG Holders at any time and the Representative of the OBG Holders shall be obliged to do so upon the request in writing by OBG Holders representing at least one-tenth of the aggregate Outstanding Principal Balance of the relevant Series of OBG.

The Representative of the OBG Holders may convene a single meeting of the OBG Holders of more than one Series if in the opinion of the Representative of the OBG Holders there is no conflict between the holders of the OBG of the relevant Series, in which event the provisions of this Schedule shall apply thereto *mutatis mutandis*.

4.2 Meetings convened by Issuer

Whenever the Issuer is about to convene a Meeting, it shall immediately give notice in writing to the Representative of the OBG Holders and the Paying Agent specifying the proposed day, time and place of the Meeting, and the items to be included in the agenda.

4.3 Time and place of Meetings

Every Meeting will be held on a date and at a time and place selected or approved by the Representative of the OBG Holders, provided that it is in a EU Member State.

Article 5

Notice

5.1 Notice of Meeting

At least 21 days' notice (exclusive of the day notice is delivered and of the day on which the relevant Meeting is to be held), specifying the day, time and place of the Meeting, must be given to the relevant OBG Holders and the Paying Agent, with a copy to the Issuer and the OBG Guarantor, where the Meeting is convened by the Representative of the OBG Holders, or with a copy to the Representative of the OBG Holders, where the Meeting is convened by the Issuer.

5.2 Content of notice

The notice shall set out the full text of any resolution to be proposed at the Meeting unless the Representative of the OBG Holders agrees that the notice shall instead specify the nature of the resolution without including the full text and shall explain how OBG Holders may appoint Proxies, obtaining Voting Certificates and use Block Voting Instructions.

5.3 Validity notwithstanding lack of notice

A Meeting is valid notwithstanding that the formalities required by this Article 5 are not complied with if the Holders of the OBG constituting the Outstanding Principal Balance of the OBG, the Holders of

which are entitled to attend and vote are represented at such Meeting and the Issuer and the Representative of the OBG Holders are present.

Article 6

Chairman of the Meeting

6.1 Appointment of Chairman

An individual (who may, but need not be, a OBG Holder), nominated in writing by the Representative of the OBG Holders may take the chair at any Meeting, but if:

- 6.1.1 the Representative of the OBG Holders fails to make a nomination; or
- 6.1.2 the individual nominated declines to act or is not present within 15 minutes after the time fixed for the Meeting,

the Meeting shall be chaired by the person elected by the majority of the Voters present, failing which, the Issuer shall appoint a Chairman. The Chairman of an adjourned Meeting need not be the same person as was Chairman at the original Meeting.

6.2 Duties of Chairman

The Chairman ascertains that the Meeting has been duly convened and validly constituted, manages the business of the Meeting, monitors the fairness of proceedings, leads and moderates the debate, and determines the mode of voting.

6.3 Assistance to Chairman

The Chairman may be assisted by outside experts or technical consultants, specifically invited to assist in any given matter, and may appoint one or more vote-counters, who are not required to be OBG Holders.

Article 7

Quorum

The quorum at any Meeting will be:

- 7.1.1 in the case of an Ordinary Resolution, one or more Voters holding or representing at least 25 per cent of the Outstanding Principal Balance of the OBG of the relevant Series for the time being outstanding or, at an adjourned Meeting, one or more persons being or representing OBG Holders, whatever the Outstanding Principal Balance of the OBG so held or represented; or
- 7.1.2 in the case of an Extraordinary Resolution or a Programme Resolution (subject as provided below), one or more Voters holding or representing at least 50 per cent. of the Outstanding Principal Balance of the OBG of the relevant Series for the time being outstanding or, at an adjourned Meeting, one or more persons being or representing OBG Holders of the relevant Series for the time being outstanding, whatever the Outstanding Principal Balance of the OBG so held or represented; or
- 7.1.3 at any meeting the business of which includes any of the following matters (other than in relation to a Programme Resolution) (each of which shall, subject only to Article 32 (*Waiver*), only be capable of being effected after having been approved by Extraordinary Resolution, namely:
 - (a) reduction or cancellation of the amount payable or, where applicable, modification of the method of calculating the amount payable or modification of the date of payment or, where applicable, modification of the method of calculating the date of payment in respect of any principal or interest in respect of the specific Series of OBG;
 - (b) alteration of the currency in which payments under the specific Series of OBG are to be made;

- (c) alteration of the majority required to pass an Extraordinary Resolution;
- (d) except in accordance with Articles 31 (*Amendments and Modifications*) and 32 (*Waiver*), the sanctioning of any such scheme or proposal to effect the exchange, conversion or substitution of the specific Series of OBG for, or the conversion of such Specific Series of OBG into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate, formed or to be formed; and
- (e) alteration of this Article 7.1.3;

(each a "**Series Reserved Matter**"), the quorum shall be one or more voters being or representing holders of not less two-thirds of the aggregate Outstanding Principal Balance of the OBG of such Series for the time being outstanding or, at any adjourned meeting, one or more voters being or representing not less than one-third of the aggregate Outstanding Principal Balance of the OBG of such Series for the time being outstanding.

Article 8

Adjournment for Want of Quorum

- 8.1 If a quorum is not present for the transaction of any particular business within 15 minutes after the time fixed for any Meeting, then, without prejudice to the transaction of the business (if any) for which a quorum is present:
- 8.1.1 if such Meeting was convened upon the request of OBG Holders, the Meeting shall be dissolved; and
 - 8.1.2 in any other case, the Meeting shall stand adjourned to the same day in the next week (or if such day is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for such period, being not less than 10 clear days nor more than 42 clear days, and to such place as may be appointed by the Chairman either at or subsequent to such meeting and approved by the Representative of the OBG Holders).
- 8.2 If within 15 minutes (or such longer period not exceeding 30 minutes as the Chairman may decide) after the time appointed for any adjourned meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the Chairman may either (with the approval of the Representative of the OBG Holders) dissolve such meeting or adjourn the same for such period, being not less than 13 clear days (but without any maximum number of clear days), and to such place as may be appointed by the Chairman either at or subsequent to such adjourned meeting and approved by the Representative of the OBG Holders.

Article 9

Adjourned Meeting

Except as provided in Article 8 (*Adjournment for Want of Quorum*), the Chairman may, with the prior consent of any Meeting, and shall if so directed by any Meeting, adjourn such Meeting to another time and place. No business shall be transacted at any adjourned meeting except business which might have been transacted at the Meeting from which the adjournment took place.

Article 10

Notice Following Adjournment

10.1 Notice required

Article 5 (*Notice*) shall apply to any Meeting which is to be resumed after adjournment for want of a quorum except that:

- 10.1.1 10 days' notice (exclusive of the day on which the notice is delivered and of the day on which the Meeting is to be resumed) shall be sufficient; and
- 10.1.2 the notice shall specifically set out the quorum requirements which will apply when the Meeting resumes.

10.2 Notice not required

Except in the case of a Meeting to consider an Extraordinary Resolution, it shall not be necessary to give notice of resumption of any Meeting adjourned for reasons other than those described in Article 8 (*Adjournment for Want of Quorum*).

Article 11

Participation

The following categories of persons may attend and speak at a Meeting:

- 11.1 Voters;
- 11.2 the directors and the auditors of the Issuer and the OBG Guarantor;
- 11.3 representatives of the Issuer, the OBG Guarantor and the Representative of the OBG Holders;
- 11.4 financial advisers to the Issuer, the OBG Guarantor and the Representative of the OBG Holders;
- 11.5 legal advisers to the Issuer, the OBG Guarantor and the Representative of the OBG Holders; and
- 11.6 any other person authorised by virtue of a resolution of such Meeting or by the Representative of the OBG Holders.

Article 12

Voting Certificates and Block Voting Instructions

- 12.1 A OBG Holder may obtain a Voting Certificate in respect of a Meeting by requesting its Monte Titoli Account Holder to issue a certificate in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended from time to time.
- 12.2 A OBG Holder may also obtain from the Paying Agent or require the Paying OBG Agent to issue a Block Voting Instruction by arranging for such OBG to be blocked in an account in the relevant clearing system, the Monte Titoli Account Holder or the relevant custodian not later than 48 hours before the time fixed for the relevant Meeting.
- 12.3 A Voting Certificate or Block Voting Instruction shall be valid until the release of the Blocked OBG to which it relates.
- 12.4 So long as a Voting Certificate or Block Voting Instruction is valid, the named therein as Holder or Proxy (in the case of a Voting Certificate issued by a Monte Titoli Account Holder), and any Proxy named therein (in the case of a Block Voting Instruction issued by the Paying Agent) shall be deemed to be the Holder of the OBG to which it relates for all purposes in connection with the Meeting to which such Voting Certificate or Block Voting Instruction relates.
- 12.5 A Voting Certificate and a Block Voting Instruction cannot be outstanding simultaneously in respect of the same OBG.
- 12.6 References to the blocking or release of OBG shall be construed in accordance with the usual practices (including blocking the relevant account) of any relevant clearing system.

Article 13

Validity of Block Voting Instructions

- 13.1 A Block Voting Instruction or a Voting Certificate issued by a Monte Titoli Account Holder shall be valid for the purpose of the relevant Meeting only if it is deposited at the Specified Offices of the Representative of the OBG Holders, or at any other place approved by the Representative of the OBG

Holders, at least 24 hours before the time fixed for the relevant Meeting. If a Block Voting Instruction or a Voting Certificate is not deposited before such deadline, it shall not be valid unless the Chairman decides otherwise before the Meeting proceeds to business. If the Representative of the OBG Holders so requires, a notarised copy of each Block Voting Instruction and satisfactory evidence of the identity of each Proxy named in a Block Voting Instruction or of each Holders or Proxy named in a Voting Certificate issued by a Monte Titoli Account Holder shall be produced at the Meeting but the Representative of the OBG Holders shall not be obliged to investigate the validity of a Block Voting Instruction or a Voting Certificate or the identity of any Proxy or any holder of the OBG named in a Voting Certificate or a Block Voting Instruction or the identity of any Holder named in a Voting Certificate issued by a Monte Titoli Account Holder.

Article 14

Voting by show of hands

- 14.1 Every question submitted to a Meeting shall be decided in the first instance by a vote by a show of hands.
- 14.2 Unless a poll is validly demanded before or at the time that the result is declared, the Chairman's declaration that on a show of hands a resolution has been passed or passed by a particular majority or rejected, or rejected by a particular majority, shall be conclusive without proof of the number of votes cast for, or against, the resolution.

Article 15

Voting by poll

15.1 Demand for a poll

A demand for a poll shall be valid if it is made by the Chairman, the Issuer, the OBG Guarantor, the Representative of the OBG Holders or any one or more Voters, whatever the Outstanding Principal Balance of the OBG held or represented by such Voter. A poll may be taken immediately or after such adjournment as is decided by the Chairman but any poll demanded on the election of a Chairman or on any question of adjournment shall be taken immediately. A valid demand for a poll shall not prevent the continuation of the relevant Meeting for any other business. The result of a poll shall be deemed to be the resolution of the Meeting at which the poll was demanded as at the date of the taking of the poll.

15.2 The Chairman and a poll

The Chairman sets the conditions for the voting, including for counting and calculating the votes, and may set a time limit by which all votes must be cast. Any vote which is not cast in compliance with the terms specified by the Chairman shall be null and void. After voting ends, the votes shall be counted and, after the counting, the Chairman shall announce to the Meeting the outcome of the vote.

Article 16

Votes

16.1 Voting

Each Voter shall have:

- 16.1.1 on a show of hands, one vote; and
- 16.1.2 on a poll every person who is so present shall have one vote in respect of each €1.00 or such other amount as the Representative of the OBG Holders may in its absolute discretion stipulate.

16.2 Block Voting Instruction

Unless the terms of any Block Voting Instruction or Voting Certificate state otherwise in the case of a Proxy, a Voter shall not be obliged to exercise all the votes to which such Voter is entitled or to cast all the votes he exercises the same way.

16.3 Voting tie

In the case of a voting tie, the relevant Resolution shall be deemed to have been rejected.

Article 17

Voting by proxy

17.1 Validity

Any vote by a Proxy in accordance with the relevant Block Voting Instruction or Voting Certificate appointing a Proxy shall be valid even if such Block Voting Instruction or Voting Certificate or any instruction pursuant to which it has been given had been amended or revoked provided that none of the Issuer, the Representative of the OBG Holders or the Chairman has been notified in writing of such amendment or revocation at least 24 hours prior to the time set for the relevant Meeting.

17.2 Adjournment

Unless revoked, the appointment of a Proxy under a Block Voting Instruction or a Voting Certificate in relation to a Meeting shall remain in force in relation to any resumption of such Meeting following an adjournment save that no such appointment of a Proxy in relation to a meeting originally convened which has been adjourned for want of a quorum shall remain in force in relation to such meeting when it is resumed. Any person appointed to vote at such Meeting must be re-appointed under a Block Voting Instruction or Voting Certificate to vote at the Meeting when it is resumed.

Article 18

Resolutions

18.1 Ordinary Resolutions

Subject to Article 18.2 (*Extraordinary Resolutions*), a Meeting shall have the following powers exercisable by Ordinary Resolution, to:

- 18.1.1 grant any authority, order or sanction which, under the provisions of these Rules or of the Conditions, is required to be the subject of an Ordinary Resolution or required to be the subject of a resolution or determined by a Meeting and not required to be the subject of an Extraordinary Resolution; and
- 18.1.2 to authorise the Representative of the OBG Holders or any other person to execute all documents and do all things necessary to give effect to any Ordinary Resolution.

18.2 Extraordinary Resolutions

A Meeting, in addition to any powers assigned to it in the Conditions, shall have power exercisable by Extraordinary Resolution to:

- 18.2.1 sanction any compromise or arrangement proposed to be made between the Issuer, the OBG Guarantor, the Representative of the OBG Holders or any of them where such compromise or arrangement are subject expressly to the OBG Holders approval;
- 18.2.2 approve any modification, abrogation, variation or compromise in respect of (a) the rights of the Representative of the OBG Holders, the Issuer, the OBG Guarantor, the OBG Holders or any of them, whether such rights arise under the Transaction Documents or otherwise, and (b) these Rules, the Conditions or of any Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the OBG, which, in any such case, shall be proposed by the Issuer, the Representative of the OBG Holders and/or any other party thereto where such modification, abrogation, variation or compromise are subject expressly to the OBG Holders approval;
- 18.2.3 assent to any modification of the provisions of these Rules or the Transaction Documents which shall be proposed by the Issuer, the OBG Guarantor, the Representative of the OBG Holders or of any OBG Holder where such modification are subject expressly to the OBG Holders approval;

- 18.2.4 in accordance with Article 26 (*Appointment*), appoint and remove the Representative of the OBG Holders;
- 18.2.5 subject to the provisions set forth under the Conditions and the Transaction Documents or upon request of the Representative of the OBG Holders, authorise the Representative of the OBG Holders to issue a Notice to Pay as a result of an Issuer Event of Default pursuant to Condition 11(a) (*Issuer Event of Default*) or a Guarantor Acceleration Notice as a result of a OBG Guarantor Event of Default pursuant to Condition 11(d) (*Guarantor Event of Default*);
- 18.2.6 discharge or exonerate, whether retrospectively or otherwise, the Representative of the OBG Holders from any liability in relation to any act or omission for which the Representative of the OBG Holders has or may become liable pursuant or in relation to these Rules, the Conditions or any other Transaction Document;
- 18.2.7 grant any authority, order or sanction which, under the provisions of these Rules or of the Conditions, must be granted by an Extraordinary Resolution;
- 18.2.8 authorise and ratify the actions of the Representative of the OBG Holders in compliance with these Rules, the Intercreditor Agreement and any other Transaction Document, if required therein;
- 18.2.9 to appoint any person (whether OBG Holders or not) as a committee to represent the interests of the OBG Holders and to confer on any such committee any powers which the OBG Holders could themselves exercise by Extraordinary Resolution; and
- 18.2.10 authorise the Representative of the OBG Holders or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution.

18.3 Programme Resolutions

A Meeting shall have power exercisable by a Programme Resolution to direct the Representative of the OBG Holders to take steps and/or institute proceedings against the Issuer or the OBG Guarantor pursuant to Condition 11(e)(iv) (*Effect of a Guarantor Acceleration Notice - Enforcement*) and to approve any amendment to the OBG Guarantee (except in a manner determined by the Representative of the OBG Holders not to be materially prejudicial to the interests of the OBG Holders of any Series).

18.4 Other Series of OBG

No Ordinary Resolution or Extraordinary Resolution other than a Resolution relating to a Series Reserved Matter that is passed by the Holders of one Series of OBG shall be effective in respect of another Series of OBG unless it is sanctioned by an Ordinary Resolution or Extraordinary Resolution (as the case may be) of the Holders of OBG then outstanding of that other Series, subject to Article 24.1.

Article 19

Effect of Resolutions

19.1 Binding nature

Subject to Article 18.4 (*Other Series of OBG*), any resolution passed at a Meeting of the OBG Holders duly convened and held in accordance with these Rules shall be binding upon all OBG Holders, whether or not present at such Meeting and or not voting. A Programme Resolution passed at any Meeting of the holders of the OBG of all Series shall be binding on all holders of the OBG of all Series, whether or not present at the meeting.

19.2 Notice of voting results

Notice of the results of every vote on a resolution duly considered by OBG Holders shall be published (at the cost of the Issuer) in accordance with the Conditions and given to the Paying Agent (with a

copy to the Issuer, the OBG Guarantor and the Representative of the OBG Holders within 14 days of the conclusion of each Meeting).

Article 20

Challenge to Resolutions

Any absent or dissenting OBG Holder has the right to challenge Resolutions which are not passed in compliance with the provisions of these Rules.

Article 21

Minutes

Minutes shall be made of all resolutions and proceedings of each Meeting and entered in books provided by the Issuer for that purpose. The Minutes shall be signed by the Chairman and shall be *prima facie* evidence of the proceedings therein recorded. Unless and until the contrary is proved, every Meeting in respect of which minutes have been signed by the Chairman shall be regarded as having been duly convened and held and all resolutions passed or proceedings transacted shall be regarded as having been duly passed and transacted.

Article 22

Written Resolution

A Written Resolution shall take effect as if it were an Extraordinary Resolution or, in respect of matters required to be determined by Ordinary Resolution, as if it were an Ordinary Resolution.

Article 23

Individual actions and remedies

Each OBG Holder has accepted and is bound by the provisions of Clauses 4 (*Exercise of Rights and Subrogation*) and 11 (*Limited Recourse*) of the OBG Guarantee and Clause 10 (*Limited Recourse and Non Petition*) of the Intercreditor Agreement and, accordingly, if any OBG Holder is considering bringing individual actions or using other individual remedies to enforce his/her rights under the OBG and the OBG Guarantee, any such action or remedy shall be subject to a Meeting not passing an Extraordinary Resolution objecting to such individual action or other remedy on the grounds that it is not consistent with such Condition. In this respect, the following provisions shall apply:

- 23.1 the OBG Holder intending to enforce his/her rights under the OBG will notify the Representative of the OBG Holders of his/her intention;
- 23.2 the Representative of the OBG Holders will, without delay, call a Meeting in accordance with these Rules (including, for the avoidance of doubt, Article 24 (*Choice of Meeting*));
- 23.3 if the Meeting passes an Extraordinary Resolution objecting to the enforcement of the individual action or remedy, the OBG Holder will be prevented from taking such action or remedy (without prejudice to the fact that after a reasonable period of time, the same matter may be resubmitted for review of another Meeting); and
- 23.4 if the Meeting of OBG Holders does not object to an individual action or remedy, the OBG Holder will not be prohibited from taking such individual action or remedy.

Article 24

Meetings and separate Series

24.1 Choice of Meeting

If and whenever the Issuer shall have issued and have outstanding OBG of more than one Series the foregoing provisions of this Rules shall have effect subject to the following modifications:

- 24.1.1 a resolution which in the opinion of the Representative of the OBG Holders affects the OBG of only one Series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the OBG of that Series;
- 24.1.2 a resolution which in the opinion of the Representative of the OBG Holders affects the OBG of more than one Series but does not give rise to a conflict of interest between the holders of OBG of any of the Series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the OBG of all the Series so affected;
- 24.1.3 a resolution which in the opinion of the Representative of the OBG Holders affects the OBG of more than one Series and gives or may give rise to a conflict of interest between the holders of the OBG of one Series or group of Series so affected and the holders of the OBG of another Series or group of Series so affected shall be deemed to have been duly passed only if passed at separate meetings of the holders of the OBG of each Series or group of Series so affected;
- 24.1.4 a Programme Resolution shall be deemed to have been duly passed only if passed at a single meeting of the OBG Holders of all Series; and
- 24.1.5 to all such meetings all the preceding provisions of these Rules shall *mutatis mutandis* apply as though references therein to OBG and OBG Holders were references to the OBG of the Series or group of Series in question or to the holders of such OBG, as the case may be.

Article 25

Further regulations

Subject to all other provisions contained in these Rules, the Representative of the OBG Holders may, without the consent of the Issuer, prescribe such further regulations regarding the holding of Meetings and attendance and voting at them and/or the provisions of a Written Resolution as the Representative of the OBG Holders in its sole discretion may decide.

TITLE III

THE REPRESENTATIVE OF THE OBG HOLDERS

Article 26

Appointment, removal and remuneration

26.1 Appointment

The appointment of the Representative of the OBG Holders takes place by Extraordinary Resolution of the OBG Holders in accordance with the provisions of this Article 26, except for the appointment of Banca Finanziaria Internazionale S.p.A. (formerly Securitisation Services S.p.A.) as first Representative of the OBG Holders which will be appointed under the Dealer Agreement.

26.2 Identity of Representative of the OBG Holders

The Representative of the OBG Holders shall be:

- 26.2.1 a bank incorporated in any jurisdiction of the European Union or a bank incorporated in any other jurisdiction acting through an Italian branch; or
- 26.2.2 a company or financial institution enrolled with the register held by the Bank of Italy pursuant to Article 106 of the Banking Law; or
- 26.2.3 any other entity which is not prohibited from acting in the capacity of Representative of the OBG Holders pursuant to the law.

The directors and auditors of the Issuer and those who fall within the conditions set out in Article 2399 of the Italian Civil Code cannot be appointed as Representative of the OBG Holders and, if appointed as such, they shall be automatically removed.

26.3 Duration of appointment

Unless the Representative of the OBG Holders is removed by Extraordinary Resolution of the OBG Holders pursuant to Article 18.2 (*Extraordinary Resolution*) or resigns pursuant to Article 27 (*Resignation of the Representative of the OBG Holders*), it shall remain in office until full repayment or cancellation of all the Series of OBG.

26.4 After termination

In the event of a termination of the appointment of the Representative of the OBG Holders for any reason whatsoever, such representative shall remain in office until the substitute Representative of the OBG Holders, which shall be an entity specified in Article 26.2 (*Identity of Representative of the OBG Holders*), accepts its appointment, and the powers and authority of the Representative of the OBG Holders whose appointment has been terminated shall, pending the acceptance of its appointment by the substitute, be limited to those necessary to perform the essential functions required in connection with the OBG.

26.5 Remuneration

The Issuer shall pay to the Representative of the OBG Holders an annual fee for its services as Representative of the OBG Holders from the Issue Date, as agreed in a separate fee letter. Such fees shall accrue from day to day and shall be payable in accordance with the priority of payments set out in the Intercreditor Agreement up to (and including) the date when the OBG shall have been repaid in full or cancelled in accordance with the Conditions. In case of failure by the Issuer to pay the Representative of the OBG Holders the fee for its services, the same will be paid by the OBG Guarantor.

Article 27

Resignation of the Representative of the OBG Holders

The Representative of the OBG Holders may resign at any time by giving at least three calendar months' written notice to the Issuer and the OBG Guarantor, without needing to provide any specific reason for the resignation and without being responsible for any costs incurred as a result of such resignation. The resignation of the Representative of the OBG Holders shall not become effective until a new Representative of the OBG Holders has been appointed in accordance with Article 26.1 (*Appointment*) and such new Representative of the OBG Holders has accepted its appointment, provided that if OBG Holders fail to select a new Representative of the OBG Holders within three months of written notice of resignation delivered by the Representative of the OBG Holders, the Representative of the OBG Holders may appoint a successor which is a qualifying entity pursuant to Article 26.2 (*Identity of the Representative of the OBG Holders*).

Article 28

Duties and powers of the Representative of the OBG Holders

28.1 Representative of the OBG Holders as legal representative

The Representative of the OBG Holders is the legal representative of the Organisation of the OBG Holders and has the power to exercise the rights conferred on it by the Transaction Documents in order to protect the interests of the OBG Holders.

28.2 Meetings and resolutions

Unless any Resolution provides to the contrary, the Representative of the OBG Holders is responsible for implementing all resolutions of the OBG Holders. The Representative of the OBG Holders has the right to convene and attend Meetings to propose any course of action which it considers from time to time necessary or desirable.

28.3 Delegation

The Representative of the OBG Holders may in the exercise of the powers, discretions and authorities vested in it by these Rules and the Transaction Documents:

28.3.1 act by responsible officers or a responsible officer for the time being of the Representative of the OBG Holders;

28.3.2 whenever it considers it expedient and in the interest of the OBG Holders,

whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons some, but not all, of the powers, discretions or authorities vested in it as aforesaid.

Any such delegation pursuant to Article 28.3.1 may be made upon such conditions and subject to such regulations (including power to sub-delegate) as the Representative of the OBG Holders may think fit in the interest of the OBG Holders. The Representative of the OBG Holders shall not, other than in the normal course of its business, be bound to supervise the acts or proceedings of such delegate or sub-delegate and shall not in any way or to any extent be responsible for any loss incurred by reason of any misconduct, omission or default on the part of such delegate or sub-delegate, provided that the Representative of the OBG Holders shall use all reasonable care in the appointment of any such delegate and shall be responsible for the instructions given by it to such delegate. The Representative of the OBG Holders shall, as soon as reasonably practicable, give notice to the Issuer and the OBG Guarantor of the appointment of any delegate and any renewal, extension and termination of such appointment, and shall procure that any delegate shall give notice to the Issuer and the OBG Guarantor of the appointment of any sub-delegate as soon as reasonably practicable.

28.4 Judicial proceedings

The Representative of the OBG Holders is authorised to represent the Organisation of the OBG Holders in any judicial proceedings including any Insolvency Event in respect of the Issuer and/or the OBG Guarantor.

28.5 Consents given by Representative of OBG Holders

Any consent or approval given by the Representative of the OBG Holders under these Rules and any other Transaction Document may be given on such terms and subject to such conditions (if any) as the Representative of the OBG Holders deems appropriate and, notwithstanding anything to the contrary contained in the Rules or in the Transaction Documents, such consent or approval may be given retrospectively.

28.6 Discretions

Save as expressly otherwise provided herein, the Representative of the OBG Holders shall have absolute discretion as to the exercise or non-exercise of any right, power and discretion vested in the Representative of the OBG Holders by these Rules or by operation of law.

28.7 Obtaining instructions

In connection with matters in respect of which the Representative of the OBG Holders is entitled to exercise its discretion hereunder, the Representative of the OBG Holders has the right (but not the obligation) to convene a Meeting or Meetings in order to obtain the OBG Holders' instructions as to how it should act. Without prejudice to the provisions set forth under Article 33 (*Indemnity*), prior to undertaking any action, the Representative of the OBG Holders shall be entitled to request that the OBG Holders indemnify it and/or provide it with security as specified in Article 29.2 (*Specific Limitations*).

28.8 Remedy

The Representative of the OBG Holders may determine whether or not a default in the performance by the Issuer or the OBG Guarantor of any obligation under the provisions of these Rules, the OBG or any other Transaction Documents may be remedied, and if the Representative of the OBG Holders certifies that any such default is, in its opinion, not capable of being remedied, such certificate shall be conclusive and binding upon the Issuer, the OBG Holders, the other creditors of the OBG Guarantor and any other party to the Transaction Documents.

Article 29

Exoneration of the Representative of the OBG Holders

29.1 Limited obligations

The Representative of the OBG Holders shall not assume any obligations or responsibilities in addition to those expressly provided herein and in the Transaction Documents.

29.2 Specific limitations

Without limiting the generality of the Article 29.1, the Representative of the OBG Holders:

- 29.2.1 shall not be under any obligation to take any steps to ascertain whether an Issuer Event of Default or a Guarantor Event of Default or any other event, condition or act, the occurrence of which would cause a right or remedy to become exercisable by the Representative of the OBG Holders hereunder or under any other Transaction Document, has occurred and, until the Representative of the OBG Holders has actual knowledge or express notice to the contrary, it shall be entitled to assume that no Issuer Event of Default or Guarantor Event of Default or such other event, condition or act has occurred;
- 29.2.2 shall not be under any obligation to monitor or supervise the observance and performance by the Issuer or the OBG Guarantor or any other parties of their obligations contained in these Rules, the Transaction Documents or the Conditions and, until it shall have actual knowledge or express notice to the contrary, the Representative of the OBG Holders shall be entitled to assume that the Issuer or the OBG Guarantor and each other party to the Transaction Documents are duly observing and performing all their respective obligations;
- 29.2.3 except as expressly required in these Rules or any Transaction Document, shall not be under any obligation to give notice to any person of its activities in performance of the provisions of these Rules or any other Transaction Document;
- 29.2.4 shall not be responsible for investigating the legality, validity, effectiveness, adequacy, suitability or genuineness of these Rules or of any Transaction Document, or of any other document or any obligation or rights created or purported to be created hereby or thereby or pursuant hereto or thereto, and (without prejudice to the generality of the foregoing) it shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:
 - (i) the nature, status, creditworthiness or solvency of the Issuer or the OBG Guarantor;
 - (ii) the existence, accuracy or sufficiency of any legal or other opinion, search, report, certificate, valuation or investigation delivered or obtained or required to be delivered or obtained at any time in connection herewith;
 - (iii) the suitability, adequacy or sufficiency of any collection procedure operated by the Servicer or compliance therewith;
 - (iv) the failure by the OBG Guarantor to obtain or comply with any licence, consent or other authorisation in connection with the purchase or administration of the assets contained in the Portfolio; and
 - (v) any accounts, books, records or files maintained by the Issuer, the OBG Guarantor, the Servicer and the Paying Agent or any other person in respect of the Portfolio or the OBG;
- 29.2.5 shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the OBG or the distribution of any of such proceeds to the persons entitled thereto;
- 29.2.6 shall have no responsibility for procuring or maintaining any rating of the OBG by any credit or rating agency or any other person;

- 29.2.7 shall not be responsible for investigating any matter which is the subject of any recital, statement, warranty, representation or covenant by any party other than the Representative of the OBG Holders contained herein or in any Transaction Document or any certificate, document or agreement relating thereto or for the execution, legality, validity, effectiveness, enforceability or admissibility in evidence thereof;
- 29.2.8 shall not be liable for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting these Rules or any Transaction Document;
- 29.2.9 shall not be bound or concerned to examine or enquire into or be liable for any defect or failure in the right or title of the OBG Guarantor in relation to the assets contained in the Portfolio or any part thereof, whether such defect or failure was known to the Representative of the OBG Holders or might have been discovered upon examination or enquiry or whether capable of being remedied or not;
- 29.2.10 shall not be under any obligation to guarantee or procure the repayment of the Receivables contained in the Portfolio or any part thereof;
- 29.2.11 shall not be responsible for reviewing or investigating any report relating to the Portfolio or any part thereof provided by any person;
- 29.2.12 shall not be responsible for or have any liability with respect to any loss or damage arising from the realisation of the Portfolio or any part thereof;
- 29.2.13 shall not be responsible (except as expressly provided in the Conditions) for making or verifying any determination or calculation in respect of the OBG, the Portfolio or any Transaction Document;
- 29.2.14 shall not be under any obligation to insure the Portfolio or any part thereof;
- 29.2.15 shall, when in these Rules or any Transaction Document it is required in connection with the exercise of its powers, trusts, authorities or discretions to have regard to the interests of the OBG Holders, have regard to the overall interests of the OBG Holders of each Series as a class of persons and shall not be obliged to have regard to any interests arising from circumstances particular to individual OBG Holders whatever their number and, in particular but without limitation, shall not have regard to the consequences of such exercise for individual OBG Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or taxing authority;
- 29.2.16 shall not, if in connection with the exercise of its powers, trusts, authorities or discretions, it is of the opinion that the interest of the holders of the OBG of any one or more Series would be materially prejudiced thereby, exercise such power, trust, authority or discretion without the approval of such OBG Holders by Extraordinary Resolution or by a written resolution of such OBG Holders of not less than 25 per cent. of the Outstanding Principal Balance of the OBG of the relevant Series then outstanding;
- 29.2.17 shall, as regards at the powers, trusts, authorities and discretions vested in it by the Transaction Documents, except where expressly provided therein, have regard to the interests of both the OBG Holders and the other creditors of the Issuer or the OBG Guarantor but if, in the opinion of the Representative of the OBG Holders, there is a conflict between their interests the Representative of the OBG Holders will have regard solely to the interest of the OBG Holders;
- 29.2.18 may refrain from taking any action or exercising any right, power, authority or discretion vested in it under these Rules or any Transaction Document or any other agreement relating to the transactions herein or therein contemplated until it has been indemnified and/or secured to its satisfaction against any and all actions, proceedings, claims and demands which might be brought or made against it and against all Liabilities suffered, incurred or

sustained by it as a result. Nothing contained in these Rules or any of the other Transaction Documents shall require the Representative of the OBG Holders to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured; and

29.2.19 shall not be liable or responsible for any Liabilities which may result from anything done or omitted to be done by it in accordance with the provisions of these Rules or the Transaction Documents.

29.3 Illegality

No provision of these Rules shall require the Representative of the OBG Holders to do anything which may be illegal or contrary to applicable law or regulations or to expend moneys or otherwise take risks in the performance of any of its duties, or in the exercise of any of its powers or discretion. The Representative of the OBG Holders may refrain from taking any action which would or might, in its opinion, be contrary to any law of any jurisdiction or any regulation or directive of any agency of any state, or if it has reasonable grounds to believe that it will not be reimbursed for any funds it expends, or that it will not be indemnified against any loss or Liabilities which it may incur as a consequence of such action. The Representative of the OBG Holders may do anything which, in its opinion, is necessary to comply with any such law, regulation or directive as aforesaid.

Article 30

Reliance on information

30.1 Advice

The Representative of the OBG Holders may act on the advice of a certificate or opinion of, or any written information obtained from, any lawyer, accountant, banker, broker, credit or rating agency or other expert, whether obtained by the Issuer, the OBG Guarantor, the Representative of the OBG Holders or otherwise, and shall not be liable for any loss occasioned by so acting. Any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, e-mail or fax transmission and the Representative of the OBG Holders shall not be liable for acting on any opinion, advice, certificate or information purporting to be so conveyed although the same contains some error or is not authentic.

30.2 Certificates of Issuer and/or OBG Guarantor

The Representative of the OBG Holders may require, and shall be at liberty to accept (a) as sufficient evidence

30.2.1 as to any fact or matter *prima facie* within the Issuer's or the OBG Guarantor's knowledge, a certificate duly signed by a director of the Issuer or (as the case may be) the OBG Guarantor;

30.2.2 that such is the case, a certificate of a director of the Issuer or (as the case may be) the OBG Guarantor to the effect that any particular dealing, transaction, step or thing is expedient,

and the Representative of the OBG Holders shall not be bound in any such case to call for further evidence or be responsible for any loss that may be incurred as a result of acting on such certificate unless any of its officers in charge of the administration of these Rules shall have actual knowledge or express notice of the untruthfulness of the matters contained in the certificate.

30.3 Resolution or direction of OBG Holders

The Representative of the OBG Holders shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any Meeting in respect whereof minutes have been made and signed or a direction of the requisite percentage of OBG Holders, even

though it may subsequently be found that there was some defect in the constitution of the Meeting or the passing of the Written Resolution or the giving of such directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the giving of the direction was not valid or binding upon the OBG Holders.

30.4 Certificates of Monte Titoli Account Holders

The Representative of the OBG Holders, in order to ascertain ownership of the OBG, may fully rely on the certificates issued by any Monte Titoli Account Holder in accordance with the regulation issued jointly by the Bank of Italy and CONSOB on 13 August 2018, as amended from time to time, which certificates are to be conclusive proof of the matters certified therein.

30.5 Clearing Systems

The Representative of the OBG Holders shall be at liberty to call for and to rely on as sufficient evidence of the facts stated therein, a certificate, letter or confirmation certified as true and accurate and signed on behalf of such clearing system as the Representative of the OBG Holders considers appropriate, or any form of record made by any clearing system, to the effect that at any particular time or throughout any particular period any particular person is, or was, or will be, shown its records as entitled to a particular number of OBG.

30.6 Certificates of parties to Transaction Documents

The Representative of the OBG Holders shall have the right:

30.6.1 to require the Issuer to obtain, written certificates issued by one of the parties to the Intercreditor Agreement, or by any other creditor of the OBG Guarantor, as to any matter or fact which is *prima facie* within the knowledge of such party or as to such party's opinion with respect to any matter; and

30.6.2 to rely on such written certificates.

The Representative of the OBG Holders shall not be required to seek additional evidence in respect of the relevant fact, matter or issue and shall not be held responsible for any Liabilities incurred as a result of having failed to do so.

30.7 Rating Agency

The Representative of the OBG Holder shall be entitled to assume, for the purposes of exercising any power, authority, duty or discretion under or in relation to these Rules that such exercise will not be materially prejudicial to the interests of the holders of OBG of any Series or of all Series for the time being outstanding if the Rating Agency has confirmed that the then current rating of the OBG of any such Series or all such Series (as the case may be) would not be adversely affected by such exercise, or have otherwise given their consent, provided that the Rating Agency shall be under no obligation to provide any consent or rating confirmation. If the Representative of the OBG Holders, in order properly to exercise its rights or fulfill its obligations, deems it necessary to obtain the views of the Rating Agency as to how a specific act would affect any outstanding rating of the OBG, the Representative of the OBG Holders may inform the Issuer, which will then obtain such views at its expense on behalf of the Representative of the OBG Holders or the Representative of the OBG Holders may seek and obtain such views itself at the cost of the Issuer.

30.8 Certificates of Parties to Transaction Document

The Representative of the OBG Holders shall have the right to call for or require the Issuer or the OBG Guarantor to call for and to rely on written certificates issued by any party (other than the Issuer or the OBG Guarantor) to the Intercreditor Agreement or any other Transaction Document,

30.8.1 in respect of every matter and circumstance for which a certificate is expressly provided for under the Conditions or any Transaction Document;

30.8.2 as any matter or fact *prima facie* within the knowledge of such party; or

- 30.8.3 as to such party's opinion with respect to any issue and the Representative of the OBG Holders shall not be required to seek additional evidence in respect of the relevant fact, matter or circumstances and shall not be held responsible for any Liabilities incurred as a result of having failed to do so unless any of its officers has actual knowledge or express notice of the untruthfulness of the matter contained in the certificate.

30.9 Auditors

The Representative of the OBG Holders shall not be responsible for reviewing or investigating any auditors' report or certificate and may rely on the contents of any such report or certificate.

Article 31

Amendments and modifications

- 31.1 The Representative of the OBG Holders may from time to time and without the consent or sanction of the OBG Holders concur with the Issuer and/or the OBG Guarantor and any other relevant parties in making any modification (and for this purpose the Representative of the OBG Holders may disregard whether any such modification relates to a Series Reserved Matter) as follows:
- 31.1.1 to these Rules, the Conditions and/or the other Transaction Documents which in the opinion of the Representative of the OBG Holders may be expedient to make provided that the Representative of the OBG Holders is of the opinion that such modification will be proper to make and will not be materially prejudicial to the interests of any of the OBG Holders of any Series;
 - 31.1.2 to these Rules, the Conditions or the other Transaction Documents which is of a formal, minor or technical nature or, which in the opinion of the Representative of the OBG Holders is to correct a manifest error or an error established as such to the satisfaction of the Representative of the OBG Holders or for the purpose of clarification; and
 - 31.1.3 to these Rules, the Conditions or the other Transaction Documents which is necessary to comply with mandatory provisions of law and regulation or a change of the OBG Regulations or any guidelines issued by the Bank of Italy in respect thereof.
- 31.2 Any such modification may be made on such terms and subject to such conditions (if any) as the Representative of the OBG Holders may determine, shall be binding upon the OBG Holders and, unless the Representative of the OBG Holders otherwise agrees, shall be notified by the Issuer or the OBG Guarantor (as the case may be) to the OBG Holders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.
- 31.3 In establishing whether an error is established as such, the Representative of the OBG Holders may have regard to any evidence on which the Representative of the OBG Holders considers reasonable to rely on, and may, but shall not be obliged to, have regard to a certificate from a Relevant Dealer, stating the intention of the parties to the relevant Transaction Document, confirming nothing has been said to, or by, investors or any other parties which is in any way inconsistent with such stated intention and stating the modification to the relevant Transaction Document that is required to reflect such intention
- 31.4 The Representative of the OBG Holders shall be bound to concur with the Issuer and the OBG Guarantor and any other party in making any of the above-mentioned modifications if it is so directed by an Extraordinary Resolution or and if it is indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.
- 31.5 Any variations of the Conditions and the other Transaction Documents to give effect to Condition 6(k) (*Reference Rate Replacement*) shall not require the consent or approval of the Representative of the OBG Holders, subject (to the extent required) to the Issuer giving any notice required to be given to, and receiving any consent required from, or non-objection from, the competent authority.

Article 32

Waiver

32.1 Waiver of Breach

The Representative of the OBG Holders may at any time and from time to time in its sole direction, without prejudice to its rights in respect of any subsequent breach, condition, event or act, from time to time and at any time, but only if and in so far as in its opinion the interests of the Holders of the OBG then outstanding shall not be materially prejudiced thereby:

- 32.1.1 authorise or waive, on such terms and subject to such conditions (if any) as it may decide, any proposed breach or breach of any of the covenants or provisions contained in the OBG Guarantee or any of the obligations of or rights against the OBG Guarantor under any other Transaction Documents; or
- 32.1.2 determine that any Event of Default shall not be treated as such for the purposes of the Transaction Documents, without any consent or sanction of the OBG Holders.

32.2 Binding Nature

Any authorisation, waiver or determination referred in Article 32.1 (*Waiver of Breach*) shall be binding on the OBG Holders.

32.3 Restriction on powers

The Representative of the OBG Holders shall not exercise any powers conferred upon it by this Article 32 (*Waiver*) in contravention of any express direction by an Extraordinary Resolution of the Holders of the OBG then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent in aggregate Outstanding Principal Balance of the OBG (in the case of any such determination, with the OBG of all Series taken together as a single Series as aforesaid), and at all times then only if it shall be indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing but so that no such direction or request:

- 32.3.1 shall affect any authorisation, waiver or determination previously given or made or
- 32.3.2 all authorise or waive any such proposed breach or breach relating to a Series Reserved Matter unless holders of OBG of each Series has, by Extraordinary Resolution, so authorised its exercise.

32.4 Notice of waiver

Unless the Representative of the OBG Holders agrees otherwise, the Issuer shall cause any such authorisation, waiver or determination to be notified to the OBG Holders and the Secured Creditors, as soon as practicable after it has been given or made in accordance with Condition 17 (*Notices*).

Article 33

Indemnity

Pursuant to the Dealer Agreement, the Issuer has covenanted and undertaken to reimburse, pay or discharge (on a full indemnity basis) upon demand, to the extent not already reimbursed, paid or discharged by the OBG Holders, all costs, liabilities, losses, charges, expenses, damages, actions, proceedings, claims and demands duly documented and properly incurred by or made against the Representative of the OBG Holders, including but not limited to legal expenses, and any stamp, issue, registration, documentary and other taxes or duties paid by the Representative of the OBG Holders in connection with any action and/or legal proceedings brought or contemplated by the Representative of the OBG Holders pursuant to the Transaction Documents against the Issuer, or any other person to enforce any obligation under these Rules, the OBG or the Transaction Documents.

Article 34

Liability

Notwithstanding any other provision of these Rules, the Representative of the OBG Holders shall not be liable for any act, matter or thing done or omitted in any way in connection with the Transaction Documents, the OBG or the Rules except in relation to its own fraud (*frode*), gross negligence (*colpa grave*) or wilful default (*dolo*).

TITLE IV

THE ORGANISATION OF THE OBG HOLDERS AFTER SERVICE OF A OBG GUARANTOR ACCELERATION NOTICE

Article 35

Powers to act on behalf of the OBG Guarantor

It is hereby acknowledged that, upon service of a Guarantor Acceleration Notice or, prior to service of a Guarantor Acceleration Notice, following the failure of the OBG Guarantor to exercise any right to which it is entitled, pursuant to the Intercreditor Agreement the Representative of the OBG Holders, in its capacity as legal representative of the Organisation of the OBG Holders, shall be entitled (also in the interests of the Secured Creditors) pursuant to Articles 1411 and 1723 of the Italian Civil Code, to exercise certain rights in relation to the Portfolio. Therefore, the Representative of the OBG Holders, in its capacity as legal representative of the Organisation of the OBG Holders, will be authorised, pursuant to the terms of the Intercreditor Agreement, to exercise, in the name and on behalf of the OBG Guarantor and as *mandatario in rem propriam* of the OBG Guarantor, any and all of the rights of the OBG Guarantor under certain Transaction Documents, including the right to give directions and instructions to the relevant parties to the relevant Transaction Documents.

TITLE V

GOVERNING LAW AND JURISDICTION

Article 36

Governing law

These Rules are governed by, and will be construed in accordance with, the laws of the Republic of Italy.

Article 37

Jurisdiction

The Courts of Milan will have jurisdiction to law and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with these Rules.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of OBG issued under the Programme. Text in this section appearing in italics does not form part of the Final Terms but denotes directions for completing the Final Terms.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The OBG are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPS Regulation**”) for offering or selling the OBG or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the OBG or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The OBG are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or (ii) a customer within the meaning the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the FSMA) to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the UK PRIIPs Regulation) for offering or selling the OBG or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the OBG or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation]

[MiFID II Product Governance / Professional investors and ECPs only target market – Solely for the purposes of each of the manufacturer’s product approval process, the target market assessment in respect of the OBG has led to the conclusion that: (i) the target market for the OBG is eligible counterparties and professional clients only, each as defined in [MiFID II]; and (ii) all channels for distribution of the OBG to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the OBG (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the OBG (by either adopting or

refining the manufacturers' target market assessment) and determining appropriate distribution channels.]

[UK MiFIR Product Governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] of the manufacturer's product approval process, the target market assessment in respect of the OBG has led to the conclusion that: (i) the target market for the OBG is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the OBG to eligible counterparties and professional clients are appropriate. [Consider any negative target market]. Any person subsequently offering, selling or recommending the OBG (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the OBG (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Final Terms dated [●]

UniCredit S.p.A.

Issue of *[Aggregate Nominal Amount of Tranche]* *[Description]*

OBG due *[Maturity]* **(the "OBG")**

Guaranteed by UniCredit OBG S.r.l.

under the €35,000,000,000 OBG Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the prospectus dated 11 May 2023 [and the supplement[s] to the prospectus dated [●]] which [together] constitute[s] a base prospectus (the "Prospectus") for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation. This document constitutes the Final Terms of the OBG described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer, the OBG Guarantor and the offer of the OBG described herein is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus[, including the supplement[s]] [is/are] available for viewing at the website of the Luxembourg Stock Exchange at www.luxse.com. These Final Terms will be published on the website of the Luxembourg Stock Exchange at www.luxse.com and will be available from the registered office of the Issuer and from the Specified Office of the Paying Agent.]

(The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.)

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Prospectus dated 7 June 2022 which are incorporated by reference in the Prospectus dated 11 May 2023. This document constitutes the Final Terms of the OBG described herein for the purposes of Article 8 of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and must be read in conjunction with the Prospectus dated 11 May 2023 [and the supplement[s] to it dated [•] [and [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the “**Prospectus**”), including the Conditions incorporated by reference in the Prospectus. Full information on the Issuer, the OBG Guarantor and the offer of the OBG described herein is only available on the basis of the combination of these Final Terms and the Prospectus [as so supplemented]. The Prospectus [, including the supplement[s]] [is/are] available for viewing at the website of the Luxembourg Stock Exchange at www.luxse.com. These Final Terms will be published on website of the Luxembourg Stock Exchange at www.luxse.com and will be available from the registered office of the Issuer and from the Specified Office of the Paying Agent.]

[Include whichever of the following apply or specify as "Not Applicable " (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

1.
 - (i) Series Number: [•]
 - (ii) Tranche Number: [•]
 - (iii) Date on which the OBG will become fungible: [Not applicable / The OBG will be consolidated, form a single Series and be interchangeable for trading purposes with [(insert Series Number and ISIN Code)] on [the Issue Date/ (insert date)]]
2. Aggregate Nominal Amount of OBG:
 - (i) Series: [•]
 - (ii) Tranche: [•]
3. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from []]
4. (i) Specified Denominations: €100,000 [plus integral multiples of €[1,000] in excess thereof] *(Include the wording in square brackets where the Specified Denomination is €100,000 or equivalent plus multiples of a lower principal amount.)*

- (ii) Calculation Amount: [•]
5. (i) Issue Date: [•]
- (ii) Interest Commencement Date: [*Specify*/Issue Date/Not Applicable]
6. Maturity Date: [*Specify date or (for Floating Rate OBG) OBG Payment Date falling in or nearest to the relevant month and year.*]
7. Extended Maturity Date of Guaranteed Amounts corresponding to Final Redemption Amount under the OBG Guarantee: [•] / [Not Applicable]
8. Interest Basis: [[•] per cent. Fixed Rate]
 [[*Specify reference rate*] +/- [*Margin*] per cent. Floating Rate]
 [Zero Coupon]
 (see paragraphs [14], [15] and [16] below)
9. Redemption/Payment Basis: [Subject to any purchase and cancellation or early redemption, the OBG (other than Zero Coupon OBG) will be redeemed on the Maturity Date at par (as referred to in Condition 8(a)(ii))] / [Subject to any purchase and cancellation or early redemption, OBG (other than Zero Coupon OBG) will be redeemed in the instalment amounts and on the instalment dates set out in paragraph 23 below (as referred to in Condition 8(a)(i))] / [Subject to any purchase and cancellation or early redemption, Zero Coupon OBG will be redeemed on the Maturity Date at [[•] (*insert an amount above 100%*)/[100]] per cent. of their nominal amount.]
10. Change of Interest or Redemption/Payment Basis: [•] / [Not Applicable]
11. Put/Call Options: [Not Applicable]
 [Put Option]
 [Call Option]
 [(see paragraphs [17] and [18] below)]

12. [Date [Board] approval for issuance of OBG [and OBG Guarantee] [respectively]] obtained: [•] [and [•], respectively] / [Not Applicable]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of OBG or related OBG Guarantee)]

13. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Rate[(s)] of Interest: [•] per cent. per annum payable on each OBG Payment Date in arrear

- (ii) OBG Payment Date(s): [•] in each year [adjusted in accordance with [[Following Business Day Convention] / [FRN Convention, Floating Rate Convention or Eurodollar Convention] / [Modified Following Business Day Convention or Modified Business Day Convention] / [Preceding Business Day Convention] (specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day")]/not adjusted]

- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount

- (iv) Broken Amount(s): [•] per Calculation Amount, payable on the OBG Payment Date falling [in/on] [•] / [Not Applicable]

- (v) Day Count Fraction: [Actual/Actual (ICMA)/
Actual/Actual (ISDA)/
Actual/365 (Fixed)/
Actual/360/
30/360/
30E/360/
30E/360 (ISDA)]

15. **Floating Rate Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) OBG Interest Period(s): [•]

- (ii) Specified Period: [•] / [Not Applicable]

- (iii) OBG Payment Dates: [•] / [Not Applicable]
- (iv) First OBG Payment Date: [•]
- (v) Business Day Convention: [Floating Rate Convention/
Following Business Day Convention/
Modified Following Business Day Convention/
Preceding Business Day Convention/
No Adjustment]
- (vi) Additional Business Centre(s): [Not Applicable/ [•]]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/
ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Paying Agent): [•] / [Not Applicable]
- (ix) Screen Rate Determination:
- Reference Rate: [•] (*For example, EURIBOR*)
 - Interest Determination Date(s): [•]
 - Relevant Screen Page: [•] (*For example, EURIBOR 01*)
 - Relevant Time: [•] (*For example, 11.00 a.m. London time/Brussels time*)
 - Relevant Financial Centre: [•] (*For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)*)
- (x) ISDA Determination:
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
- (xi) Margin(s): [+/-][•] per cent. per annum
- (xii) Minimum Rate of Interest: [[•] per cent. per annum] / [Not Applicable]
- (xiii) Maximum Rate of Interest: [[•] per cent. per annum] / [Not Applicable]

- (xiv) Day Count Fraction: [Actual/Actual (ICMA)/
Actual/Actual (ISDA)/
Actual/365 (Fixed)/
Actual/360/
30/360/
30E/360/
30E/360 (ISDA)]
- (xv) Reference Rate Replacement: [Applicable/Not Applicable]
16. **Zero Coupon Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]
- (iii) Day Count Fraction in relation to Condition [8(h) *(Early redemption of Zero Coupon OBG)*]: [Actual/Actual (ICMA)/
Actual/Actual (ISDA)/
Actual/365 (Fixed)/
Actual/360/
30/360/
30E/360/
30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

17. **Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of OBG and method, if any, of calculation of such amount(s): [[•] per Calculation Amount] / [The principal amount of the OBG outstanding on the Optional Redemption Date]
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [[•] per Calculation Amount] / [Not Applicable]
- (b) Maximum Redemption Amount: [[•] per Calculation Amount] / [Not Applicable]
- (iv) Notice period: [•]

18. **Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each OBG and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) Notice period: [•]
19. **Final Redemption Amount of OBG** [•] per Calculation Amount
(The Final Redemption Amount in respect of any Series of OBG other than Zero Coupon OBG shall be equal to the nominal amount of the relevant OBG)
20. **Early Redemption Amount (Tax)** [•] per Calculation Amount
(Early redemption amount(s) per Calculation Amount payable on redemption for taxation reasons)
21. **Early Redemption Amount** [•] per Calculation Amount
(Early redemption amount(s) per Calculation Amount payable on redemption following a Guarantor Event of Default)

GENERAL PROVISIONS APPLICABLE TO THE OBG

22. Additional Financial Centre(s): [Not Applicable/[•]]
23. Details relating to OBG for which principal is repayable in instalments: [Not Applicable/ The OBG shall be redeemed on each instalment date set out below in the instalment amounts set out below]
- | Instalment date | Instalment amount |
|-----------------|--|
| [•] | [•] |
| [•] | [•] |
| Maturity Date | [All outstanding instalment amounts not previously redeemed] |

[Third party information]

[(*Relevant third party information*) has been extracted from (*specify source*). Each of the Issuer and the OBG Guarantor confirms that such information relating to the OBG has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information relating to the OBG published by (*specify source*), no facts have been omitted which would render the reproduced information relating to the OBG inaccurate or misleading.]]

Signed on behalf of UniCredit S.p.A.

By: _____
Duly authorised

Signed on behalf of UniCredit OBG S.r.l.

By: _____
Duly authorised

PART B - OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

- (i) Listing [Official List of the Luxembourg Stock Exchange/(*specify other*)/None]
- (ii) Admission to trading [Application [is expected to be/has been] made by the Issuer (or on its behalf) for the OBG to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange/ [•] (*specify other regulated market*)] with effect from [•].]
[Not Applicable.]

[The [•] were admitted to trading on [the regulated market of the Luxembourg Stock Exchange/ [•] (*specify other regulated market*)] with effect from [•]]

(Where documenting a fungible issue, need to indicate that original OBG are already admitted to trading.)
- (iii) Estimate of total expenses [•]
related to admission to trading

2 RATINGS

- Ratings: [Moody's: [•]]
[[Other]: [•]]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

[Option 1 - CRA established in the EEA and registered under the EU CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “**EU CRA Regulation**”). [[Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website <http://www.esma.europa.eu>]. [The rating [Insert legal name of particular credit rating agency entity providing rating] has given to the OBG is endorsed by [insert legal name of credit rating agency], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”).] /[[Insert legal name of particular credit rating agency entity providing rating] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the UK CRA Regulation).] / [[Insert legal name of particular credit rating agency entity providing rating] has not been certified under Regulation (EU) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”) and the rating it has given to the OBG is not endorsed by a credit rating agency established in the UK and registered under the CRA Regulation (UK).].

Option 2 - CRA established in the EEA, not registered under the EU CRA Regulation but has applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the “**EU CRA Regulation**”), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] / [European Securities and Markets Authority]. [[Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website <http://www.esma.europa.eu>]. [The rating [Insert legal name of particular credit rating agency entity providing rating] has given to the OBG is endorsed by [insert legal name of credit rating agency], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”).] / [[Insert legal name of particular credit rating agency entity providing rating] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”).] / [[Insert legal name of particular credit rating agency entity providing rating] has not been certified under Regulation (EU) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”) and the rating it has given to the OBG is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

Option 3 - CRA established in the EEA, not registered under the EU CRA Regulation and not applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the “**EU CRA Regulation**”). [[Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website <http://www.esma.europa.eu>]. [The rating [Insert legal name of particular credit rating agency entity providing rating] has given to the OBG is endorsed by [insert legal name of credit rating agency], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation (UK)**”).] / [[Insert legal name of particular credit rating agency entity providing rating] has been certified under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the UK CRA Regulation).] / [[Insert legal name of particular credit rating agency entity providing rating] has not been certified under Regulation (EU) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”) and the rating it has given to the OBG is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

Option 4 - CRA established in the UK and registered under the UK CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the EEA or certified under the EU CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”). [[Insert legal name of particular credit rating agency entity providing rating] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on [FCA]. [The rating [Insert legal name of particular credit rating agency entity providing rating] has given to the OBG to be issued under the Programme is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “**EU CRA Regulation**”).] [[Insert legal name of particular credit rating agency entity providing rating] has been certified under Regulation (EU) No 1060/2009, as amended (the EU CRA Regulation).] / [[Insert legal name of particular credit rating agency entity providing rating] has not been certified under Regulation (EU) No 1060/2009, as amended (the “**UK CRA Regulation**”) and the rating it has given to the OBG is not endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation.]

Option 5 - CRA not established in the EEA or the UK but relevant rating is endorsed by a CRA which is established and registered under the EU CRA Regulation and/or under the UK CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK but the rating it has given to the OBG to be issued under the Programme is endorsed by [[insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “**EU CRA Regulation**”)] [and/or] [[insert legal name of credit rating agency], which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”)]

Option 6 - CRA not established in the EEA or the UK and relevant rating is not endorsed under the EU CRA Regulation or the UK CRA Regulation but CRA is certified under the EU CRA Regulation and/or under the UK CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK but is certified under [Regulation (EU) No 1060/2009, as amended (the EU CRA Regulation)] [and/or] [Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”)]].

Option 7 - CRA neither established in the EEA or the UK nor certified under the EU CRA Regulation or the UK CRA Regulation and relevant rating is not endorsed under the EU CRA Regulation or the UK CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA or the UK and is not certified under Regulation (EU) No 1060/2009, as amended (the EU CRA Regulation) or Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK CRA Regulation**”) and the rating it has given to the OBG is not endorsed by a credit rating agency established in either the EEA and registered under the EU CRA Regulation or in the UK and registered under the UK CRA Regulation

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

[“Save for any fees payable to the Dealer(s), so far as the Issuer is aware, no person involved in the offer of the OBG has an interest material to the offer. The Dealer(s) and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions, with, and may perform other services for, the Issuer and the OBG Guarantor and their respective affiliates in the ordinary course of business. *(amend as appropriate if there are other interests)*]

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation).

4 Reasons for the offer, estimated net proceeds and total expenses

Reasons for the offer/use of proceeds: [for general funding purposes of the Group]/[●]

See “*Use of proceeds*” in the Prospectus.

(If reasons for offer different from making profit or general corporate purposes (for example for a Green OBG, a Social OBG, or a Sustainability OBG), will need to include those reasons here)

Estimated net proceeds: [●]

5 Fixed Rate OBG only – YIELD

Indication of yield: [●] / [Not applicable]

6 *Floating Rate OBG only* - HISTORIC INTEREST RATES

Details of historic [EURIBOR/CMS/[•]] rates can be obtained from [Reuters/[•]].] / [Not Applicable]

7 DISTRIBUTION

- (i) If syndicated, names of Managers: [Not Applicable/[●]]
- (ii) Stabilising Manager(s) (if any): [Not Applicable/[●]]
- If non-syndicated, name of Dealer: [Not Applicable/[●]]
- U.S. Selling Restrictions: [Reg. S Compliance Category]
- Date of Subscription Agreement: [Not Applicable/[●]]
- Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (If the OBG clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the the OBG may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)*
- Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
- (If the OBG clearly do not constitute “packaged” products, or the OBG do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the OBG may constitute “packaged” products, “Applicable” should be specified.)*
- EU Benchmark Regulation: [Applicable: Amounts payable under the OBG are calculated by reference to [insert name[s] of benchmark(s)], which [is/are] provided by [insert name[s] of the administrator[s] – if more than one specify in relation to each relevant benchmark].

EU Benchmark Regulation: Article 29(2) statement on benchmarks:	[As at the date of these Final Terms, [[<i>European Money Markets Institute</i>]/[<i>ICE Benchmark Administration</i>]/[<i>administrator legal name</i>]] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to article 36 of the BMR.] [As far as the Issuer is aware, [[<i>administrator legal name</i>] does not fall within the scope of the BMR by virtue of Article 2 of the BMR]/[the transitional provisions in Article 51 of the BMR apply, such that the [[<i>European Money Markets Institute</i>]/[<i>others</i>]] is not currently required to obtain authorisation/registration [(or, if located outside the European Union, recognition, endorsement or equivalence)]]/ [Not Applicable]
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8 OPERATIONAL INFORMATION

ISIN Code:	[•]
Common Code:	[•]
CFI:	[[•], as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN] / [Not applicable]
FISN:	[[•] as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN] / [Not Applicable]
Any Relevant Clearing System(s) other than Monte Titoli, Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/ <i>give name(s), address and number(s)</i>]
Delivery:	Delivery [against/free of] payment
Names and Specified Offices of additional OBG Paying Agent(s) (if any), Calculation Agent(s), Listing Agent(s) or Representative of the OBG Holders (if any):	[•]

<p>Intended to be held in a manner which would allow Eurosystem eligibility:</p>	<p>[Yes/No]</p> <p>[Note that the designation “yes” simply means that the OBG are intended upon issue to be held in a form which would allow Eurosystem eligibility (i.e. issued in dematerialised form (<i>emesse in forma dematerializzata</i>) and wholly and exclusively deposited with Monte Titoli in accordance with 83-<i>bis</i> of Italian legislative decree No. 58 of 24 February 1998, as amended, through the authorised institutions listed in Article 83-<i>quater</i> of such legislative decree) and does not necessarily mean that the OBG will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]</p>
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TAXATION IN THE REPUBLIC OF ITALY

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 OBG 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.

This summary is based upon the laws and/or practice in force as at the date of this Prospectus, which are subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis. This summary will not be updated to reflect changes in laws and if such a change occurs the information in this summary could become invalid. Prospective purchasers of the OBG are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the OBG.

Italian Tax Treatment of the OBG – General

Legislative Decree No. 239 of 1 April 1996 (“**Decree. No. 239**”) regulates the tax treatment of interest, premiums and other income (including the difference between the redemption amount and the issue price) from certain securities issued, *inter alia*, by Italian resident banks (hereinafter collectively referred to as “**Interest**”). The provisions of Decree No. 239 only apply to OBG issued by the Issuer which qualify as *obbligazioni* (bonds) or *titoli similari alle obbligazioni* (securities similar to bonds) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986 (“**Decree No. 917**”). For this purpose, debentures similar to bonds are securities issued in series (*titoli di massa*) that (i) incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value, (ii) do not grant to the relevant holders any right to directly or indirectly participate in the management of the Issuer or of the business in relation to which they are issued or to control the same management and (iii) do not provide for a remuneration which is linked to profits.

Taxation of Interest

Italian Resident OBG holders

Pursuant to Decree No. 239, where the Italian resident holder of the OBG that qualify as *obbligazioni or titoli similari alle obbligazioni* who is the beneficial owner of such OBG, is (a) an individual holding OBG otherwise than in connection with entrepreneurial activity; (b) a partnership (other than a *società in nome collettivo* or *società in accomandita semplice* or similar partnership) or *de facto* partnership not carrying out commercial activities or professional association; (c) a non-commercial private or public institution (other than an Italian undertaking for collective investments) or a trust not carrying out mainly or exclusively commercial activities; or (d) an investor exempt from Italian corporate income taxation (unless the holders under (a), (b) and (c) have entrusted the management of their financial assets, including the OBG, to an authorised intermediary and have opted for the so-called *risparmio gestito* regime according to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997, as amended

(“Decree No. 461” – the “Asset Management Option”), Interest payments relating to the OBG are subject to a tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent. either when Interest is paid or when payment thereof is obtained by the holder on a transfer or disposal of the OBG. All the above categories are qualified as “net recipients”.

Where the resident holders of the OBG described above under (a) and (c) are engaged in an entrepreneurial activity to which the OBG are effectively connected, *imposta sostitutiva* applies as a provisional income tax and may be deducted from the taxation on income due by such resident holders.

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 *imposta sostitutiva*, on interest, premium and other income relating to the OBG if the OBG are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Law No. 232 of 11 December 2016, Article 1 (211-215) of Law No. 145 of 30 December 2018, or Article 13-bis of Law Decree No. 124 of 26 October 2019, Article 136 of Law Decree No. 34 of 19 May 2020, Article 68(1) of Law Decree No. 104 of 14 August 2020, Article 1 (219-225) of Law No. 178 of 30 December 2020, and Article 1 (26, 27, 912) of Law n. 234 of 30 December 2022, as amended and reinstated from time to time.

Pursuant to Decree No. 239, the *imposta sostitutiva* is applied by (a) banks, *società di intermediazione mobiliare* (so called “SIMs”), fiduciary companies, *società di gestione del risparmio* (“SGRs”), stock brokers and other qualified entities resident in Italy, or (b) by permanent establishments in Italy of any of such intermediaries or (c) authorised intermediaries resident outside Italy which are members of a system of centralised administration of securities and directly connected with the Department of Revenue of the Italian Ministry of Finance (which includes Euroclear and Clearstream) having appointed an Italian representative for the purposes of Decree No. 239 (“Intermediaries” and each an “Intermediary”), that must intervene in any way in the collection of Interest or, also as transferees, in transfers or disposals of the OBG.

Where the OBG and the relevant coupons are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld:

- (a) by any intermediary paying Interest to the OBG holders; or
- (b) by the Issuer.

If Interest on the OBG is not collected through an Intermediary, or absent that, by the Issuer, the Italian resident OBG holders listed above under (a) to (d) will be required to include Interest in their annual income tax return and subject them to a final substitute tax at a rate of 26%. Payments of Interest in respect of OBG that qualify as *obbligazioni* or *titoli similari alle obbligazioni*, are not subject to the 26 per cent. *imposta sostitutiva* if made to beneficial owners who are: (i) Italian resident companies or similar commercial entities or permanent establishments in Italy of foreign companies to which the OBG are effectively connected; (ii) Italian collective investment funds, SICAFs (“Società di

investimento a capitale fisso”), SICAVs (*società di investimento a capitale variabile*), Italian pension funds referred to in Legislative Decree No. 252 of 5 December 2005 (“**Decree No. 252**”), Italian real estate investment funds and Italian real estate SICAFs to which the provisions of Law Decree No. 351 of 25 September 2001, as subsequently amended, apply (“**Italian Real Estate SICAFs**”); and (iii) Italian resident individuals holding OBG not in connection with entrepreneurial activity or non-commercial partnerships or non-commercial private or public institution who have entrusted the management of their financial assets, including the OBG, to an authorised financial intermediary and have opted for the Asset Management Option. Such categories are qualified as “gross recipients”.

To ensure payment of Interest in respect of the OBG without the application of the *imposta sostitutiva*, gross recipients indicated above under (i) to (iii) must (a) be the beneficial owners of payments of Interest on the OBG and (b) timely deposit the OBG together with the coupons relating to such OBG directly or indirectly with an Intermediary.

Where the OBG and the relevant coupons are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld:

- (a) by any intermediary paying Interest to the OBG holder; or
- (b) by the Issuer,

and gross recipients that are Italian resident companies or similar commercial entities or permanent establishments in Italy of foreign companies to which the OBG are effectively connected are entitled to deduct *imposta sostitutiva* suffered from their income taxes due.

Interest accrued on the OBG must be included in the yearly taxable income for the purposes of corporate income tax (“**IRES**”), generally applying at the current ordinary rate of 24% (certain categories of taxpayers, including banks and financial entities are subject to an IRES surcharge equal to 3.5%) and in certain circumstances, depending on the “status” of the OBG holder, also in the net value of production for purposes of regional tax on productive activities – IRAP, generally applying at the rate of 3,9% that can be increased by regional laws up to 0,92% (certain categories of taxpayers, including banks, financial entities and insurance companies, are subject to higher IRAP rates) of beneficial owners who are Italian resident companies or similar commercial entities or permanent establishments in Italy of foreign companies to which the OBG are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

Italian resident individuals holding OBG not in connection with entrepreneurial activity or non-commercial partnerships or non-commercial private or public institutions who have opted for the Asset Management Option are subject to a 26 per cent annual substitute tax (the “**Asset Management Tax**”) on the increase in value of the managed assets accrued at the end of each tax year. The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Italian collective investment funds, SICAFs and SICAVs that do not invest in real estate established in Italy are not subject to *imposta sostitutiva* on the Interest and other proceeds accrued during the holding period on the OBG if either (i) the fund or SICAF

or SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the “**Italian Fund**”) and the relevant OBG are held by an authorised intermediary. A withholding tax may apply in certain circumstances at the rate of up to 26 percent on distributions made in favour of unitholders or shareholders (the “**Collective Investment Fund Tax**”).

Italian pension funds subject to the regime provided by Article 17 Decree No. 252, as subsequently amended, are not subject to *imposta sostitutiva*. They are subject to a 20 per cent. annual substitute tax (the “**Pension Fund Tax**”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the OBG). Subject to certain conditions (including a minimum holding period) and limitations, Interest accrued on the OBG may be excluded from the taxable base of the Pension Funds if the OBG are included in a long-term individual savings plan (*piano individuale di risparmio a lungo termine*) pursuant to Article 1 (100-114) of Law No. 232 of 11 December 2016, Article 1 (211-215) of Law No. 145 of 30 December 2018, or Article 13-bis of Law Decree No. 124 of 26 October 2019, Article 136 of Law Decree No. 34 of 19 May 2020, Article 68(1) of Law Decree No. 104 of 14 August 2020, Article 1 (219-225) of Law No. 178 of 30 December 2020, and Article 1 (26, 27, 912) of Law n. 234 of 30 December 2022, as amended and reinstated from time to time.

According to the current regime provided by Law Decree No. 351 dated 25 September 2001, converted with amendments by Law No. 410 of 23 November 2001 (“**Law Decree No. 351**”) and Article 9 of Legislative Decree No. 44 of 4 March 2014, payment of interest in respect of OBG made to Italian real estate funds created under Article 37 of the Financial Services Act and Article 14-*bis* of Law No. 86 dated 25 January 1994 (the “**Italian Real Estate Funds**”) and Italian Real Estate SICAFs are subject to neither *imposta sostitutiva* nor any other income tax in the hands of the Real Estate Fund or the Real Estate SICAF. A withholding tax may apply in certain circumstances at the rate of up to 26 per cent on distributions made by Italian Real Estate Funds or Italian Real Estate SICAFs and, in certain cases, a tax transparency regime may apply in respect of certain categories of Italian-resident investors in the Italian Real Estate Funds or Italian Real Estate SICAFs owning more than 5 per cent of the relevant units or shares.

Fungible issues

Pursuant to Article 11, paragraph 2 of Decree No. 239, where the relevant issuer issues a new Tranche forming part of a single series with a previous Tranche, for the purposes of calculating the amount of Interest subject to *imposta sostitutiva*, the issue price of the new Tranche will be deemed to be the same as the issue price of the original Tranche. This rule applies where (a) the new Tranche is issued within 12 months from the issue date of the previous Tranche and (b) the difference between the issue price of the new Tranche and that of the original Tranche does not exceed 1 per cent. multiplied by the number of years of maturity of the OBG.

Non-Italian resident OBG holders

According to Decree No. 239, payments of Interest in respect of OBG that qualify as *obbligazioni* or *titoli similari alle obbligazioni* will not be subject to the *imposta sostitutiva* at the rate of 26 per cent. provided that:

- (a) the payments are made to non-Italian resident beneficial owners of the OBG with no permanent establishment in Italy to which the OBG are effectively connected;
- (b) such beneficial owners are resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy (the “**White List States**”) as currently listed in the Italian Ministerial Decree dated 4 September 1996, as amended from time to time; and
- (c) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are timely met or complied with.

Decree No. 239 also provides for additional exemptions from the *imposta sostitutiva* for payments of Interest in respect of the OBG made to (i) international entities and organisations established in accordance with international agreements ratified in Italy; (ii) certain foreign institutional investors, whether or not subject to tax, established in a White List State, even if they do not possess the status of taxpayer in their own state of establishment; and (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

To ensure payment of Interest in respect of the OBG without the application of *imposta sostitutiva*, non-Italian resident investors indicated above must:

- (a) timely deposit the OBG together with the coupons relating to such OBG directly or indirectly with an Italian resident bank or SIM or a permanent establishment in Italy of a non-Italian bank or investment firm, or with a non-Italian resident operator participating in a centralised securities management system which is in contact via computer with the Ministry of Economy and Finance; and
- (b) timely file with the relevant depository a self-assessment (*autocertificazione*) stating, *inter alia*, that he or she is resident, for tax purposes, in a country which recognises the Italian fiscal authorities’ right to an adequate exchange of information. Such self-assessment (*autocertificazione*) is valid until withdrawn or revoked and need not be submitted where a certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository. The self-assessment (*autocertificazione*) is not requested for non-Italian resident investors that are international entities and organisations established in accordance with international agreements ratified in Italy and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign state.

Failure of a non-resident OBG holder to timely comply with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interest payments to such non-resident OBG holder.

The *imposta sostitutiva* will be applicable to Interest accrued during the holding period when the OBG holders are resident, for fiscal purposes, in countries which do not allow

for a satisfactory exchange of information with Italy or who do not comply with the above mentioned requirement. The *imposta sostitutiva* may be reduced or reduced to zero under certain applicable double tax treaties entered into by Italy, subject to satisfaction of the relevant conditions and timely filing of required documentation.

Atypical securities

Interest payments relating to OBG that are not deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*) may be qualified as “*atypical securities*” and subject to a withholding tax, levied at the rate of 26 per cent. For this purpose, securities similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value.

Interest payments received by: (a) Italian resident companies or similar commercial entities or permanent establishments in Italy of foreign companies to which the OBG are effectively connected, (b) Italian resident commercial partnerships and (c) Italian resident individuals carrying out a commercial activity to which the OBG are connected, form part of their aggregate income subject to income tax in Italy according to ordinary rules. In these cases, the withholding tax applies as a provisional income tax and may be deducted from the taxation on income due. In certain cases, said Interest may also be included in the taxable net value of production for IRAP purposes.

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 OBG that are classified as atypical securities, if the OBG are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Law No. 232 of 11 December 2016, Article 1 (211-215) of Law No. 145 of 30 December 2018, or Article 13-bis of Law Decree No. 124 of 26 October 2019, Article 136 of Law Decree No. 34 of 19 May 2020, Article 68(1) of Law Decree No. 104 of 14 August 2020, Article 1 (219-225) of Law No. 178 of 30 December 2020, and Article 1 (26, 27, 912) of Law n. 234 of 30 December 2022, as amended and reinstated from time to time.

In all other cases, including when the OBG holder is a non-Italian resident, the withholding tax is a final withholding tax. For non-Italian resident OBG holder, the withholding tax rate may be reduced by any applicable tax treaty, subject to satisfaction of the relevant conditions and timely filing of the required documentation.

Payments made by the OBG Guarantor

The Italian tax authorities have never expressed their view on the Italian tax regime applicable to payments on OBG made by an Italian resident guarantor in a ruling available to the public. Accordingly, there can be no assurance that the Italian tax authorities will not assert an alternative treatment of such payments than that set forth herein or that the Italian court would not support such an alternative treatment.

With respect to payments on the OBG made to certain Italian resident OBG holders by an Italian resident guarantor, in accordance with one interpretation of Italian tax law, any

payment of liabilities equal to interest and other proceeds from the OBG may be subject to an advance withholding tax at a rate of 26 per cent. pursuant to Presidential Decree No. 600 of 29 September 1973, as subsequently amended. Also, in the case of payments to non-Italian resident, a final withholding tax may be applied at 26 per cent.

Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax, subject to satisfaction of the relevant conditions and timely filing of the required documentation.

In accordance with another interpretation, any such payment made by the Italian resident guarantor will be treated as a payment by the relevant Issuer and will thus be subject to the tax regime described in the previous paragraphs of this section.

Capital Gains

Italian resident OBG holders

Pursuant to Decree No. 461, a 26 per cent. capital gains tax (referred to as “*imposta sostitutiva*”) is applicable to capital gains realised by Italian resident holder who is (i) an individual, not engaged in entrepreneurial activities to which the OBG are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, on any sale or transfer for consideration of the OBG or redemption thereof. In respect of the application of *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the OBG if the OBG are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (1008-114) of Law No. 232 of 11 December 2016, Article 1 (211-215) of Law No. 145 of 30 December 2018, or Article 13-bis of Law Decree No. 124 of 26 October 2019, Article 136 of Law Decree No. 34 of 19 May 2020, Article 68(1) of Law Decree No. 104 of 14 August 2020, Article 1 (219-225) of Law No. 178 of 30 December 2020, and Article 1 (26, 27, 912) of Law n. 234 of 30 December 2022, as amended and reinstated from time to time.

Under the so called “tax declaration regime”, which is the standard regime for taxation of capital gains realised by Italian resident holders under (i) to (iii) above, the 26 per cent. *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains net of any relevant incurred capital losses realised by Italian resident individuals not engaged in entrepreneurial activities pursuant to investment transactions carried out during any given fiscal year. The capital gains realised in a year net of any relevant incurred capital losses must be detailed in the relevant annual tax return to be filed with Italian tax authorities and *imposta sostitutiva* must be paid on such capital gains by Italian resident individuals together with any balance income tax due for the relevant tax year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind for up to the fourth subsequent fiscal year.

Alternatively to the tax declaration regime, holders of the OBG under (i) to (iii) above may elect to pay the 26% *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the OBG (“*risparmio amministrato*” regime). Such separate taxation of capital gains is allowed subject to (i) the OBG being deposited with banks, SIMs and any other Italian qualified intermediary (or permanent establishment in Italy of foreign intermediary) and (ii) an express election for the so-called *risparmio amministrato* regime being timely made in writing by the relevant holder of the OBG. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the OBG, as well as on capital gains realised as at revocation of its mandate, net of any relevant incurred capital losses, and is required to pay the relevant amount to the Italian fiscal authorities on behalf of the holder of the OBG, deducting a corresponding amount from proceeds to be credited to the holder of the OBG. Where a sale or transfer or redemption of the OBG results in a capital loss, the intermediary is entitled to deduct such loss from gains of the same kind subsequently realised on assets held by the holder of the OBG within the same relationship of deposit in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the OBG holder is not required to declare capital gains in its annual tax declaration and remains anonymous.

Special rules apply if the OBG are part of a portfolio managed in a regime of Asset Management Option (“*risparmio gestito*” regime) by an Italian asset management company or an authorised intermediary. In that case, the capital gains realised upon sale, transfer or redemption of the OBG will not be subject to *imposta sostitutiva* on capital gains but will contribute to determine the taxable base of the Asset Management Tax applicable at the rate of 26 per cent.

In particular, under the Asset Management Option, any appreciation of the OBG, even if not realised, will contribute to determine the annual accrued appreciation of the managed portfolio, subject to the Asset Management Tax. Any depreciation of the managed portfolio accrued at yearend may be carried forward against appreciation accrued in each of the following years up to the fourth. Also, under the Asset Management Option, the realised capital gain is not requested to be included in the annual income tax return of the OBG holder and the OBG holder remains anonymous.

The capital gains realised by an Italian Fund are not subject to *imposta sostitutiva* nor to any other income tax in the hands of the relevant Italian Fund. The Collective Investment Fund Tax may apply in certain circumstances on distributions made in favour of unitholders or shareholders.

Any capital gains accrued to OBG holders who are Italian pension funds subject to the regime provided by Article 17 of Decree No. 252, as subsequently amended will be included in the computation of the taxable basis of Pension Fund Tax.

The capital gains realised by Italian Real Estate Funds and Italian Real Estate SICAFs to which the provisions of Law Decree No. 351 apply are not subject to *imposta sostitutiva* nor to any other income tax in the hands of the Italian Real Estate Fund or the Italian Real Estate SICAF. A withholding tax may apply in certain circumstances at the rate of 26 per cent on distributions made by Italian Real Estate Funds or Italian Real Estate

SICAFs and, in certain cases, a tax transparency regime may apply in respect of certain categories of investors in the Italian Real Estate Fund or Italian Real Estate SICAFs owning more than 5 per cent of the relevant units or shares.

Any capital gains realised by Italian resident individuals carrying out a commercial activity to which the OBG are connected or Italian resident companies or similar commercial entities or permanent establishments in Italy of non-Italian resident companies to which the OBG are connected, will be included in their taxable corporate income for IRES purposes (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant ordinary tax rules.

Non-Italian resident OBG holders

The 26 per cent. final “*imposta sostitutiva*” may in certain circumstances be payable on capital gains realised upon sale for consideration or redemption of the OBG by non-Italian resident persons or entities without a permanent establishment in the Republic of Italy to which the OBG are effectively connected, if the OBG are held in the Republic of Italy.

However, pursuant to Article 23 of Decree No. 917, any capital gains realised by non-Italian residents without a permanent establishment in Italy to which the OBG are effectively connected through the sale for consideration or redemption of the OBG are exempt from taxation in Italy to the extent that the OBG are listed on a regulated market in Italy or abroad, and in certain cases subject to timely filing of required documentation (in the form of a self-assessment (*autocertificazione*) of non-residence in Italy) with the Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with which the OBG are deposited, even if the OBG are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

Where the OBG are not listed on a regulated market in Italy or abroad:

- (a) pursuant to the provisions of Decree No. 461 non-Italian resident beneficial owners of the OBG with no permanent establishment in Italy to which the OBG are effectively connected are exempt from the *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the OBG if they are resident, for tax purposes, in a White List State. The same exemption applies in case the beneficial owners of the OBG are (i) international entities or organisations established in accordance with international agreements ratified by Italy; (ii) certain foreign institutional investors established in countries which allow for an adequate exchange of information with Italy; or (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State; and
- (b) in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the OBG are effectively connected that may benefit from a double taxation treaty with Italy, providing that capital gains realised upon sale or redemption of OBG are to be taxed only in the country of tax residence of

the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon sale for consideration or redemption of OBG.

Under these circumstances, if non-Italian residents without a permanent establishment in Italy to which the OBG are effectively connected hold OBG with an Italian authorised financial intermediary and elect for the Asset Management Option or are subject to the *risparmio amministrato* regime, in order to benefit from exemption from Italian taxation on capital gains such non-Italian residents may be required to file in time with the authorised financial intermediary appropriate documents, which include *inter alia*, a certificate of residence from the competent tax authorities of the country of residence of the non-Italian residents.

The *risparmio amministrato* regime is the ordinary regime automatically applicable to non-resident persons and entities in relation to OBG deposited for safekeeping or administration at Italian banks, SIMs and other eligible entities, but non-resident OBG holders retain the right to waive this regime. Such waiver may also be exercised by non-resident intermediaries in respect of safekeeping, administration and deposit accounts held in their names in which third parties' financial assets are held.

Inheritance and gift tax

Pursuant to Law Decree No. 262 of 3 October 2006 and Law No. 296 of 27 December 2006, the transfers of any valuable assets (including the OBG) as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

- (a) 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding €1,000,000 (per beneficiary);
- (b) 6 per cent. if the transfer is made to brothers and sisters; in this case, the transfer is subject to the tax on the value exceeding €100,000 (per beneficiary);
- (c) 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree; and
- (d) 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (a), (b), (c) and (d) on the value exceeding €1,500,000.

Under Article 1 (114) of the Finance Act 2017, the *mortis causa* transfer of financial instruments included in a long-term savings account (*piano individuale di risparmio a lungo termine*) are exempt from inheritance taxes, to the extent that it meets the requirements set forth in Article 1 (100-114) of Law No. 232 of 11 December 2016, Article 1 (211-215) of Law No. 145 of 30 December 2018, or Article 13-bis of Law Decree No. 124 of 26 October 2019, Article 136 of Law Decree No. 34 of 19 May 2020, Article 68(1) of Law Decree No. 104 of 14 August 2020, Article 1 (219-225) of Law No. 178 of 30 December 2020, and Article 1 (26, 27, 912) of Law n. 234 of 30 December 2022, as amended and reinstated from time to time.

Transfer tax

Contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of € 200; (ii) private deeds are subject to registration tax only in case of use (“*caso d’uso*”), cross reference (“*enunciazione*”) or voluntary registration.

Stamp duty

Pursuant to Article 13 of the tariff attached to Presidential Decree No. 642 of 26 October 1972, as amended from time to time (“**Decree No. 642**”), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to a OBG holder in respect of any OBG which may be deposited with such financial intermediary. The stamp duty applies at a rate of 0.20 per cent.; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the OBG held. The stamp duty cannot exceed € 14.000.00 if the OBG holder is not an individual.

The stamp duty applies both to Italian resident and non-Italian resident OBG holders, to the extent that OBG are held with an Italian-based financial intermediary.

Wealth Tax on securities deposited abroad

According to the provisions set forth by Law No. 214 of 22 December 2011, as amended and supplemented, Italian resident individuals, non-profit entities and certain partnerships including *società semplici* or similar partnerships in accordance with Article 5 of Presidential Decree No. 917 of 22 December 1986 holding the OBG outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent. The maximum amount due is set at Euro 14,000 for Noteholders other than individuals. In this case, the abovementioned stamp duty provided for by Article 13 of the tariff attached to Decree No. 642 does not apply.

This tax is calculated on the market value of the OBG at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory.

Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Tax Monitoring

According to the Law Decree No. 167 of 28 June 1990, as subsequently amended and supplemented, Italian resident individuals, non-business entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Presidential Decree No. 917 of 22 December 1986) resident in Italy for tax purposes, under certain conditions, are required to report for tax monitoring purposes in their yearly income tax return the amount of investments (including the OBG) directly or indirectly held abroad.

The requirement applies also where the persons above, being not the direct holder of the financial instruments, are the actual owner of the instrument.

Furthermore, the above reporting requirement is not required to comply with respect to OBG deposited for management or administration with qualified Italian financial intermediaries, with respect to contracts entered into through their intervention, on the condition that the items of income derived from the OBG have been subject to tax by the same intermediaries and with respect to foreign investments which are only composed by deposits and/or bank accounts when their aggregate value never exceeds a €15,000 threshold throughout the year.

EU Directive on Administrative Cooperation in the field of Taxation and EU DAC 6 reporting obligations

On 9 July 2015, the Italian Parliament adopted Law No. 114 delegating the Italian Government to implement in Italy certain EU Council Directives, including Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). Such Directive is aimed at broadening the scope of the operational mechanism of intra-EU automatic exchange of information in order to fight cross-border tax fraud and evasion.

Following implementation of said Directive, the Italian Authorities may communicate to other EU Member States information about interest and other categories of financial income of Italian source, including income from the OBG.

The Italian government implemented the above-mentioned Council Directive 2014/107/EU in the Ministerial Decree issued by the Ministry of Finance on 28 December 2015, as amended by the Ministerial Decree on 17 January 2017.

In 2016 the Italian Parliament has also delegated the Italian Government to implement the provisions introduced by the Council Directive 2376/2015/EU on the mandatory automatic exchange of information in the field of taxation. The Council Directive 2376/2015/EU has been implemented by the Legislative Decree No. 32 of 15 March 2017, and the Council Directive 2016/2258/EU as regards access to anti-money-laundering information by tax authorities, through the issue of the Legislative Decree 18 May 2018, no. 60.

As a consequence of the OECD project on “*Base erosion and Profit Shifting*” (BEPS), the EU DAC 6 Directive (“**DAC 6**”) has been adopted on May 25, 2018 by the EU Council, amending Council Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements. According to DAC 6, intermediaries and, in some circumstances, taxpayers are required to notify the competent tax authorities of each Member States any cross-border arrangements that have at least one of the so-called “hallmarks” designed by the EU legislator as “markers” of potential risk of international tax evasion or avoidance or circumvention of disclosure requirements on financial accounts (CRS).

On August 26, 2020, the Legislative Decree No. 100, July 30, 2020 (the “**DAC 6 Decree**”), implementing the said Directive, with disclosure obligations for intermediaries and taxpayers, was published. Italian Ministry of Finance issued a Ministerial Decree on November 20, 2020, clarifying certain criteria set by the Italian law that trigger the reporting obligations.

The proposed financial transactions tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Estonia, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the OBG (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

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 OBG where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of the OBG are advised to seek their own professional advice in relation to the FTT.

LUXEMBOURG TAXATION

The following overview is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the OBG should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Taxation of the OBG Holders

Withholding Tax

Non-resident OBG Holders

Under Luxembourg general tax law currently in force no withholding tax is levied either on payments of principal, premium or interest made to non-residents OBG Holders, or on accrued but unpaid interest in respect of OBG, no Luxembourg withholding tax is payable upon redemption or repurchase of OBG held by non-resident OBG Holders.

Resident OBG Holders

In accordance with the law of 23 December 2005, as amended (the “**Relibi Law**”), interest payments made by Luxembourg paying agents to Luxembourg individual residents are subject to a 20 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

Income Taxation

Non-resident OBG Holders

Non-resident corporate OBG Holders or non-resident individual OBG Holders acting in the course of the management of a professional or business undertaking, who do not have a permanent establishment or permanent representative in Luxembourg to which such OBG are attributable, are not subject to Luxembourg income tax on interest accrued or

received, redemption premiums or issue discounts, under the OBG or on any gains realised upon the sale or disposal, in any form whatsoever, of the OBG.

Resident OBG Holders

A resident corporate OBG Holder must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the OBG, in its taxable income for Luxembourg income tax assessment purposes. The same inclusion applies to an individual OBG Holder, acting in the course of the management of a professional or business undertaking. OBG Holders who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

An OBG Holder that is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, as amended, or by the law of 13 February 2007 on specialised investment funds, as amended, or by the law of 23 July 2016 on reserved alternative investment funds (provided it is not foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies), is neither subject to Luxembourg income tax in respect of interest accrued or received, redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the OBG.

A resident individual OBG Holder, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts, under the OBG, except if (i) a withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual OBG Holder has opted for the application of a 20 per cent. (self-applied) tax in full discharge of income tax in accordance with the Relibi Law, 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). A gain realised by an individual OBG Holder, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of the OBG is not subject to Luxembourg income tax, unless the disposal of the OBG precedes the acquisition of the OBG or this sale or disposal took place less than six months after the OBG was acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if a withholding tax has been levied on such interest in accordance with the Relibi Law.

Net Wealth Taxation

A corporate OBG Holder, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which such OBGs are attributable, is subject to Luxembourg net wealth tax on these OBG, except if the OBG Holder is governed by (i) the law of 11 May 2007 on family estate management companies, as amended, (ii) the law of 17 December 2010 on undertakings for collective investment, as amended, (iii) the law of 13 February 2007 on specialised investment funds, as amended, (iv) the law of 22 March 2004 on

securitisation, as amended, (v) the law of 15 June 2004 on venture capital vehicles, as amended, or (vi) the law of 23 July 2016 on reserved alternative investment funds.

An individual OBG Holder, whether she/he is resident of Luxembourg or not, is not subject to Luxembourg wealth tax.

Further to the law dated 18 December 2015, Luxembourg levies a minimum net wealth tax for corporate taxpayers, which is due even if the net asset value of the corporate taxpayer is nil or negative. This minimum net wealth tax amounts to a EUR 4,815 flat rate for corporate taxpayers whose total assets amount to at least EUR 350,000 and at least 90% of the corporate taxpayer's assets are financial assets falling within the meaning of accounts 23, 41, 50 and 51 of the Luxembourg Plan Comptable Normalisé.

In all other cases, corporate taxpayers are subject to a minimum net wealth tax ranging from EUR 535 to EUR 32,100. All Luxembourg corporate taxpayers that are subject to net wealth tax are also subject to minimum net wealth tax.

Additionally, please note that securitization companies governed by the law of 22 March 2004 on securitization, as amended, or capital companies governed by the law of 15 June 2004 on venture capital vehicles, as amended, or reserved alternative investment funds governed by the law of 23 July 2016 (provided it is foreseen in the incorporation documents that (i) the exclusive object is the investment in risk capital and that (ii) article 48 of the aforementioned law of 23 July 2016 applies) and which fall under the special tax regime set out under article 48 thereof may be subject to minimum net wealth tax.

Other Taxes

Neither the issuance nor the transfer of OBG will give rise to any Luxembourg stamp duty, value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties, unless the documents relating to the OBG are voluntarily registered in Luxembourg or appended to a document that requires obligatory registration in Luxembourg.

Where a OBG Holder is a resident of Luxembourg for tax purposes at the time of her/his death, the OBG are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of OBG if embodied in a Luxembourg deed or recorded in Luxembourg.

SUBSCRIPTION AND SALE

OBG may be sold from time to time by the Issuer to any one or more of the Dealer(s). The arrangements under which any Series or Tranche of OBG may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealer(s) are set out in a dealer agreement dated 19 January 2012, as amended from time to time, (the “**Dealer Agreement**”) and entered into between the Issuer, the OBG Guarantor and the Initial Dealer. The Dealer Agreement also contains a *pro forma* subscription agreement to be entered into in relation to OBG issued on a syndicated basis. On or prior to the relevant Issue Date, the Issuer, the Dealer(s) who are parties to such subscription agreement (the “**Relevant Dealers**”) and the Representative of the OBG Holders will enter into a subscription agreement (each a “**Subscription Agreement**”), under which the Relevant Dealers will agree to subscribe for the relevant Series or Tranche of OBG, subject to the conditions set out therein. The relevant Subscription Agreement together with the Dealer Agreement will, *inter alia*, make provision for the terms and conditions of the relevant Series or Tranche of OBG, the price at which such Series or Tranche of OBG will be purchased by the Relevant Dealers and the commissions or other agreed deductibles (if any) payable by the Issuer in respect of such purchase.

The Dealer(s) and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions, with, and may perform other services for, the Issuer and the OBG Guarantor and their respective affiliates in the ordinary course of business.

The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealer(s) and for the appointment of additional or other Dealer(s) either generally in respect of the Programme or in relation to a particular Series of OBG.

United States of America: *Regulation S Category 2.*

The OBG have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has agreed that, except as permitted by the Dealer Agreement and Subscription Agreement (if applicable), it will not offer or sell the OBG (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells OBG during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the OBG within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The OBG are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of OBG comprising any Tranche, an offer or sale of OBG within the United States by any Dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Public Offer Selling Restrictions under the Prospectus Regulation

If the Final Terms in respect of any OBG specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of OBG which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant State except that it may make an offer of such OBG to the public in that Relevant State:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation; or
- (b) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the OBG referred to above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of OBG to the public**” in relation to any OBG in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the OBG to be offered so as to enable an investor to decide to purchase or subscribe the OBG and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

United Kingdom public offer selling restriction for prospectuses

If the Final Terms in respect of any OBG specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of OBG which are the subject of the offering contemplated by the Prospectus as completed by the relevant Final Terms in relation thereto to the public in the United Kingdom, except that the OBG may be offered to the public in the United Kingdom at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Section 86 of the FSMA.

provided that no such offer of OBG referred to above shall require the Issuer or any Dealer to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of OBG to the public**” in relation to any OBG in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any OBG to be offered so as to enable an investor to decide to purchase or subscribe for the OBG and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Prohibition of Sales to EEA Retail Investors

Unless the relevant Final Terms (or, as the case may be, Drawdown Prospectus) in respect of the OBG specifies the “Prohibition of sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any OBG which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA.

For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (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; 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 OBG to be offered so as to enable an investor to decide to purchase or subscribe for the OBG.

Prohibition of Sales to UK Retail Investors

Unless the relevant Final Terms in respect of the OBG specifies the “Prohibition of sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any OBG which are the subject of the offering contemplated

by this Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to any retail investor in the United Kingdom.

For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of United Kingdom domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the OBG to be offered so as to enable an investor to decide to purchase or subscribe for the OBG.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed that:

- (a) *No deposit taking*: in relation to any OBG having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any OBG other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the OBG would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA)

received by it in connection with the issue or sale of the OBG in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the OBG Guarantor; and

- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the OBG in, from or otherwise involving the United Kingdom.

Republic of Italy

The offering of the OBG has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, no OBG may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the OBG be distributed in the Republic of Italy, except in accordance with the exceptions provided under the Prospectus Regulation and any Italian securities, tax and other applicable laws and regulations.

Accordingly, each of the Dealers has represented and agreed that it will not offer, sell or deliver any OBG or distribute copies of this Prospectus and/or any other document relating to the OBG in the Republic of Italy except:

- (a) to “qualified investors” as referred to in Article 2 of the Prospectus Regulation; or
- (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 100 of and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”), Article 34-*ter* of the CONSOB Regulation No. 11971 of 14 May 1999, as amended and the applicable Italian laws.

In any event, any such offer, sale or delivery of the OBG or distribution of copies of this Prospectus or any other document relating to the OBG in the Republic of Italy under paragraphs (a) or (b) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Italian Banking Act**”) and any other applicable laws and regulations; and
- (b) in compliance with Article 129 of the Italian Banking Act, as amended, or any applicable implementing guidelines of the Bank of Italy, as amended from time to time; and
- (c) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB, the Bank of Italy and/or any other competent authority.

The Issuer and each Dealer acknowledges and accepts that in no event may the OBG be sold or transferred (at any time after the Issue Date) to persons other than “qualified investors”, as referred to under the Prospectus Regulation.

Japan

The OBG have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Act of Japan**”). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any OBG in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers OBG or possesses, distributes or publishes this Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver OBG or possess, distribute such offering material, in all cases at their own expense.

The Dealer Agreement provides that any of the restrictions relating to any specific jurisdiction (set out above) shall be deemed to be modified to the extent (if at all) that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in a supplement to this Prospectus.

GENERAL INFORMATION

Listing, admission to trading and minimum denomination

Application has been made for the OBG issued under the Programme to be admitted to the official list and be traded on the regulated market of the Luxembourg Stock Exchange.

OBG may be listed on such other stock exchange as the Issuer and the Relevant Dealer(s) may agree, as specified in the relevant Final Terms, or may be issued on an unlisted basis.

The OBG will not have a denomination of less than €100,000.

Authorisations

The establishment of the Programme was authorised by a resolution of the Board of Directors of the Issuer on 16 December 2011. The publication of this Prospectus was authorised by a resolution of the Board of Directors of the Issuer on 3 November 2021.

The granting of the OBG Guarantee was authorised by a resolution of the quotaholders' meeting of the OBG Guarantor on 11 January 2012.

The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the OBG.

Clearing of the OBG

The OBG will be issued in bearer and in dematerialised form and held on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli for the account of the relevant Monte Titoli Account Holders (including Euroclear and Clearstream). The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant OBG for clearance together with any further appropriate information.

Common codes and ISIN numbers

The appropriate common code and the International Securities Identification Number in relation to the OBG of each Series will be specified in the relevant Final Terms relating thereto.

The Representative of the OBG Holders

Pursuant to the provisions of the Conditions and the Rules of Organisation of the OBG Holders, there shall be at all times a Representative of the OBG Holders appointed to act in the interest and behalf of the OBG Holders. The initial Representative of OBG Holders shall be Banca Finanziaria Internazionale S.p.A. (formerly Securitisation Services S.p.A.). Banca Finanziaria Internazionale S.p.A. (formerly Securitisation Services S.p.A.) shall be appointed by the Dealers in accordance with the Dealer Agreement and the relevant Subscription Agreements.

No material litigation

Save as described in the section headed “*Description of the Issuer – Legal and Arbitration Proceedings*” from page 168 to page 181 of this Prospectus and in the December 2022 Financial Statements from page 495 to page 501 none of the Issuer or the OBG Guarantor nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the OBG Guarantor is aware) in the 12 months preceding the date of this document which, according to the information available at present, may have or have had in such period a significant effect on the financial position or profitability of the Issuer, the OBG Guarantor or the Group.

Significant or material adverse change

Material adverse change in the prospects of the Issuer and the Guarantor

Except for the potential impact of the Russia/Ukraine conflict and related spill-over effect and COVID-19 crisis detailed in the section headed “*Risk Factors*”, paragraph “*Risks associated with the impact of current macroeconomic uncertainties and the effects of the COVID-19 pandemic outbreak and recent geopolitical tensions with Russia*”, there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements as at 31 December 2022.

There has been no material adverse change in the prospects of the OBG Guarantor since the date of its last published audited financial statements as at 31 December 2022.

Significant change in the financial performance of the Group

There has been no significant change in the financial performance of the Group since 31 March 2023 to the date of this Prospectus.

Significant change in the Group's financial position

Except for the potential impact of the Russia/Ukraine conflict and related spill-over effect and COVID-19 crisis detailed in the section headed “*Risk Factors*”, paragraph “*Risks associated with the impact of current macroeconomic uncertainties and the effects of the COVID-19 pandemic outbreak and recent geopolitical tensions with Russia*”, there has been no significant changes in the financial position of the Group which has occurred since 31 March 2023.

Websites

The website of the Issuer and of the OBG Guarantor is <https://www.unicreditgroup.eu>. The information on <https://www.unicreditgroup.eu> does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus. Other than the information incorporated by reference, the content of the Issuer's and OBG Guarantor's website has not been scrutinised or approved by the competent authority.

Any information contained in any other website specified in this Prospectus does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.

Luxembourg Listing Agent

The Issuer has undertaken to maintain a listing agent in Luxembourg so long as OBG are listed on the Luxembourg Stock Exchange.

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.

Further information on the international operating model of BNP Paribas, Luxembourg Branch may be provided upon request.

Documents available for inspection

For so long as the Programme remains in effect or any OBG shall be outstanding and listed on the Luxembourg Stock Exchange, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the registered office of the Issuer and the Representative of the OBG Holders, namely:

- (i) the Transaction Documents (including the OBG Guarantee);
- (ii) Issuer's memorandum of association (*Atto Costitutivo*) and by-laws (*Statuto*) as of the date hereof, also available at <https://www.unicreditgroup.eu>;
- (iii) OBG Guarantor's memorandum of association (*Atto Costitutivo*) and by-laws (*Statuto*) as of the date hereof, also available at <https://www.unicreditgroup.eu/en/investors/funding-and-ratings/covered-bonds.html>;
- (iv) Issuer's consolidated Interim Report as at 31 March 2023;
- (v) 2022 Annual Reports and Accounts including the audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) and the audited financial statements of the Issuer (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2022;
- (vi) 2021 Annual Reports and Accounts including the audited consolidated financial statements of the UniCredit Group (including the auditors' report thereon and notes thereto) and the audited financial statements of the Issuer (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2021;
- (vii) audited financial statements of the OBG Guarantor (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2022;
- (viii) audited financial statements of the OBG Guarantor (including the auditors' report thereon and notes thereto) as of and for the year ended 31 December 2021;
- (ix) a copy of this Prospectus together with any supplement thereto, if any, or further Prospectus, also available at <https://www.unicreditgroup.eu/en/investors/funding-and-ratings/covered-bonds.html>;

- (x) any reports, letters, other documents, valuations and statements of experts included or referred to in the Prospectus (other than consent letters), also available at <https://www.unicreditgroup.eu/en/investors/funding-and-ratings/covered-bonds.html>;
- (xi) any Final Terms relating to OBG which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. In the case of any OBG which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant OBG Holders, also available at <https://www.unicreditgroup.eu/en/investors/funding-and-ratings/covered-bonds.html>;
- (xii) any document incorporated by reference.

The documents mentioned under (i) to (xii) (with the exception of (x)) may be inspected during normal business hours at the Specified Office of the Luxembourg Listing Agent.

Copies of all such documents shall also be available to OBG Holders at the Specified Office of the Representative of the OBG Holders and at <https://www.unicreditgroup.eu>.

The Issuer's 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 the Issuer in respect of the application of the proceeds of any issue of Green OBG, Social OBG and Sustainability OBG, from time to time published by the Issuer, will be available in the "Investors" section on the website of the Issuer at <https://www.unicreditgroup.eu>. For the avoidance of doubt, neither the Issuer's Sustainability Bond Framework nor any second party opinion or public reporting are incorporated in and/or form part of this Prospectus.

In any case, copy of this Prospectus (together with any supplement thereto (if any), any document incorporated by reference and any Final Term) will remain publicly available in electronic form on the Issuer's website for at least 10 years after its publication.

Financial statements available

For so long as the Programme remains in effect or any OBG listed on the Luxembourg Stock Exchange shall be outstanding, copies and, where appropriate, English translations of the most recent publicly available (i) financial statements and consolidated financial statements of the Issuer and (ii) financial statements of the OBG Guarantor may be obtained during normal business hours at the specified office of the Luxembourg Listing Agent.

The external auditors have given, and have not withdrawn, their consent to the inclusion of their report on the accounts of the Issuer in this Prospectus in the form and context in which it is included.

Publication on the Internet

Without prejudice for what is stated under paragraph "*Documents available for inspections*" above, this Prospectus, any supplement thereto and, in respect of listed

OBG only, the Final Terms will also be available on the internet site of the Luxembourg Stock Exchange, at www.luxse.com.

Auditors

At the shareholders' meeting of UniCredit held on 9 April 2020, KPMG S.p.A., with registered office at Via Vittor Pisani 25, Milan, enrolled with the Companies' Register of Milan-Monza-Brianza-Lodi under number 00709600159 and registered with the Register of Statutory Auditors (*Registro dei Revisori Legali*) maintained by Minister of Economy and Finance with registration no. 70623 ("**KPMG**"), has been appointed to act as UniCredit's external auditors for the 2022-2030 nine-year period. Consequently, KPMG are the current auditors of the Issuer and the OBG Guarantor. KPMG is also a member of Assirevi – Associazione Italiana Revisori Contabili, the Italian association of auditing firms.

KPMG has audited and issued unqualified audit opinions – incorporated by reference in this Prospectus – on the consolidated and the company financial statements of the Issuer and on the financial statements of the OBG Guarantor for the year ended on 31 December 2022.

It should be noted that the appointment of KPMG follows to the expiration of the external auditors' engagement of Deloitte & Touche S.p.A., a company incorporated under the laws of Italy, enrolled with the Companies' Register of Milan-Monza-Brianza-Lodi under number 03049560166 and registered with the Register of Statutory Auditors (*Registro dei Revisori Legali*) maintained by Minister of Economy and Finance effective from 7 June 2004 with registration number no: 132587, having its registered office at via Tortona 25, 20144 Milan, Italy, ("**Deloitte**") which were the auditors of the Issuer and the OBG Guarantor for the 2013-2021 non-renewable nine-year period. Deloitte is also a member of Assirevi – Associazione Italiana Revisori Contabili, the Italian association of auditing firms.

Deloitte has audited and issued unqualified audit opinions – incorporated by reference in this Prospectus – on the consolidated and the company financial statements of the Issuer and on the financial statements of the OBG Guarantor for the year ended on 31 December 2021.

No auditors have resigned, have been removed or have not been re-appointed with respect to the 2021 and 2022 financial years.

Legal Entity Identifier

The Legal Entity Identifier code of the Issuer is 549300TRUWO2CD2G5692.

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