



Borsa Italiana

AVVISO n.9053	15 Maggio 2014	SeDeX - INV. CERTIFICATES
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Mittente del comunicato : Borsa Italiana

Societa' oggetto : BANCA IMI
dell'Avviso

Oggetto : Inizio negoziazione 'Investment Certificates
- Classe B' 'BANCA IMI'

Testo del comunicato

Si veda allegato.

Disposizioni della Borsa

Strumenti finanziari:	MAX LONG BARRIER CERTIFICATES su Indice FTSE® MIB®		
Emittente:	BANCA IMI		
Rating Emittente:	Società di Rating	Long Term	Data Report
	Moody's	Baa2	18/02/2014
	Standard & Poor's	BBB	12/07/2013
	Fitch Ratings	BBB+	18/03/2013
Oggetto:	INIZIO NEGOZIAZIONI IN BORSA		
Data di inizio negoziazioni:	16/05/2014		
Mercato di quotazione:	Borsa - Comparto SEDEX 'Investment Certificates - Classe B'		
Orari e modalità di negoziazione:	Negoziazione continua e l'orario stabilito dall'art. IA.7.3.1 delle Istruzioni		
Operatore incaricato ad assolvere l'impegno di quotazione:	Banca IMI S.p.A. Member ID Specialist: IT2599		
L'operatore specialista s'impegna ad esporre proposte solo in acquisto, ai sensi dell'articolo IA.7.4.1, comma 6 delle Istruzioni al Regolamento.			

CARATTERISTICHE SALIENTI DEI TITOLI OGGETTO DI QUOTAZIONE

MAX LONG BARRIER CERTIFICATES su Indice FTSE® MIB®

Tipo di liquidazione:	monetaria
Modalità di esercizio:	europeo

DISPOSIZIONI DELLA BORSA ITALIANA

Dal giorno 16/05/2014, gli strumenti finanziari 'MAX LONG BARRIER CERTIFICATES su
Indice FTSE® MIB®' (vedasi scheda riepilogativa delle caratteristiche dei securitised
derivatives) verranno inseriti nel Listino Ufficiale, sezione Securitised Derivatives.

Allegati:

- Scheda riepilogativa delle caratteristiche dei securitised derivatives;
- Estratto del prospetto di quotazione dei Securitised Derivatives

Num. Serie	Codice Isin	Trading Code	Instrument Id	Descrizione	Sottostante	Tipologia	Strike	Data Scadenza	Parità	Quantità	Lotto Negoziazione	EMS	Prima Barriera	Partecipazione Up %	Esercizio	Prima Barriera %	Livello Iniziale
1	XS1045080816	I01499	760110	BI FTMIBCCPBON20838,05B16878,8E040416	FTSE MIB	Inv	20838,05	04/04/16	0,047989	1025	1	3	16878,82	100	Europ	81	20838,05

FINAL TERMS

March 18, 2014

BANCA IMI S.P.A.

**Up to 3,000 MAX LONG BARRIER CERTIFICATES ON FTSE® MIB® Index due to
04.04.2016**

***"Emissione fino a 3.000 MAX LONG BARRIER CERTIFICATES su Indice FTSE® MIB® con
scadenza 04.04.2016"***

under the Certificates Programme

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Securities. Accordingly any person making or intending to make an offer of the Securities may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 49 of Part A below, provided such person is one of the persons mentioned in Paragraph 49 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Manager has authorised, nor do they authorise, the making of any offer of Securities in any other circumstances. The expression **Prospectus Directive** means Directive 2003/71/EC and amendments thereto.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 29 August 2013 which constitutes a base prospectus for the purposes of the Prospectus Directive as amended. This document (which for the avoidance of doubt may be issued in respect of more than one series of Securities) constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing during normal business hours at the registered office of the Issuer and the specified offices of the Principal Security Agent. The Base Prospectus has been published on the websites of the Irish Stock Exchange (www.ise.ie), the Central Bank of Ireland (<http://www.centralbank.ie>) and the Issuer (<http://retailhub.bancaimi.com/retailhub/DOCUMENTAZIONE-LEGALE/PROSPETTI-BANCA-IMI.html>).

A summary of the Securities (which comprises the summary in the Base Prospectus as completed to reflect the provisions of these Final Terms) is annexed to these Final Terms. In the case of the Securities admitted to trading on the regulated market of the Irish Stock Exchange, the Final Terms will be published on the website of the Irish Stock Exchange and of the Issuer.

References herein to numbered Conditions are to the terms and conditions of the relevant series of Securities and words and expressions defined in such terms and conditions shall bear the same meaning in these Final Terms insofar as they relate to such series of Securities, save as where otherwise expressly provided.

These Final Terms relate to the series of Securities as set out in "Specific Provisions for each Series" below. References herein to "Securities" shall be deemed to be references to the relevant Certificates that are the subject of these Final Terms and references to "Securities" and "Security" shall be construed accordingly.

The purchase of Securities involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Securities. Before making an investment decision, prospective purchasers of Securities should ensure that they understand the nature of the Securities and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth (or incorporated by reference) in the Base Prospectus (including "Risk Factors" on pages 27 to 47 thereof) and these Final Terms.

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

By investing in the Securities each investor represents that:

- (a) *Non-Reliance. It is acting for its own account, and it has made its own independent decisions to invest in the Securities and as to whether the investment in the Securities is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer as investment advice or as a recommendation to invest in the Securities, it being understood that information and explanations related to the terms and conditions of the Securities shall not be considered to be investment advice or a recommendation to invest in the Securities. No communication (written or oral) received from the Issuer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Securities.*
- (b) *Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Securities. It is also capable of assuming, and assumes, the risks of the investment in the Securities.*
- (c) *Status of Parties. The Issuer is not acting as a fiduciary for or adviser to it in respect of the investment in the Securities.*

1. Issuer: Banca IMI S.p.A.

2. Specific provisions for each Series:

Series Number	No. of Securities issued	Issue price per Security	Exercise Date
7	Up to 3,000	EUR 1,000	04 April 2016

3. Minimum Exercise Amount: 1 (one) Certificate.

4. Minimum Trading Amount: 1 (one) Certificate.

5. Consolidation: Not applicable.

6. Type of Securities and underlying asset: (a) The Securities are Certificates. The Securities are Index Securities.

(b) The item to which the Securities relate is the FTSE® MIB® Index, Bloomberg Code (FTSEMIB <Index>) and Reuters code (<.FTMIB>)(the "Index").

7.	Typology:	Max Long Barrier Certificates.
8.	(i) Exercise Date:	The exercise date of the Securities is set out in paragraph 2 under "Specific Provisions for each Series" above.
	(ii) Renouncement Notice Cut-off Time:	Applicable.
9.	Settlement Date:	The settlement date for the Securities is 04 April 2016.
10.	Delivery Date:	The delivery date for the Securities is 25 March 2014.
11.	Number of Securities being issued:	The number of Securities being issued is set out in paragraph 2 under "Specific Provisions for each Series", above.
12.	Issue Date:	The issue date is 25 March 2014.
13.	Issue Currency:	The issue currency is Euro (" EUR ").
14.	Issue Price:	The issue price per Security is set out in paragraph 2 under "Specific Provisions for each Series", above.
15.	Business Day Centre(s):	The applicable Business Day Centre for the purposes of the definition of "Business Day" in Condition 3 is Milan.
16.	Reference Source:	The reference source in relation to the Underlying is Borsa Italiana S.p.A..
17.	Settlement:	Settlement will be by way of cash payment (Cash Settled Securities).
18.	Exchange Rate:	Not applicable.
19.	Settlement Currency:	The settlement currency is EUR.
20.	Name and address of Calculation Agent:	The Calculation Agent is Banca IMI S.p.A., with its registered office at Largo Mattioli 3, 20121 Milan.
21.	Exchange(s):	For the purposes of Condition 3 and Condition 12(1)(A): (a) the relevant Exchange is: Borsa Italiana S.p.A. – MTA (<i>Mercato Telematico Azionario</i>); (b) the relevant Index Sponsor is FTSE International Limited.
22.	Related Exchange(s):	For the purpose of Condition 3 and Condition 12(1)(A), the relevant Related Exchange is the Borsa Italiana – IDEM (<i>Mercato degli Strumenti Derivati</i>).
23.	Maximum Level:	Not applicable.
24.	Minimum Level:	Not applicable.
25.	Multiplier:	The Multiplier is equal to 0.047989. The multiplier to be applied is equal to the Issue Price divided by the Initial Reference Value.

26.	Cash Settlement Amount:	<p>Per each Certificate, an amount in the Settlement Currency calculated by the Calculation Agent in accordance with the following formula and rounding the resultant figure to nearest EUR cent, 0.005 EUR being rounded upwards:</p> <p>A. If the Final Reference Value is higher than, or equal to, the Barrier Level (i.e. the Barrier Event has <u>not</u> occurred):</p> <p><i>{Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value))] x Multiplier} x Minimum Exercise Amount</i></p> <p>B. If the Final Reference Value is lower than the Barrier Level (i.e. the Barrier Event has occurred):</p> <p><i>(Final Reference Value x Multiplier) x Minimum Exercise Amount</i></p>
27.	Underlying Reference Currency:	The underlying reference currency is EUR.
28.	Quanto Option:	Not applicable.
29.	Determination Date:	6 March 2014.
30.	Valuation Date:	30 March 2016.
31.	Reference Value:	The Reference Value will be calculated on the basis of the closing level of the Index.
32.	Initial Reference Value:	<p>The Initial Reference Value is equal to 20,838.05</p> <p>The Initial Reference Value has been calculated on the Determination Date and is an amount equal to the closing level of the Index on such date.</p>
	Initial Reference Value Determination Period(s):	Not applicable.
33.	Final Reference Value:	The Final Reference Value will be calculated on the Valuation Date and will be an amount equal to the closing level of the Index on such date.
	Final Reference Value Determination Period(s):	Not applicable.
34.	Initial Percentage:	100%.
35.	Participation Factor:	100%.
36.	Down Participation Factor:	Not applicable.
37.	Barrier Level:	<p>The Barrier Level is equal to 16,878.82</p> <p>The Barrier Level is equal to 81% of the Initial Reference Value.</p>
	Barrier Event Determination Period:	<p>30 March 2016 (equal to the Valuation Date).</p> <p>The Barrier Event will occur when the Calculation Agent</p>

determines that, on the Barrier Event Determination Period, the Reference Value is lower than the Barrier Level.

38. Cap Level: Not applicable.
Cap Percentage: Not applicable.

PROVISIONS RELATING TO DIGITAL AMOUNT(S)

39. Underlying: Not applicable.
Digital Level(s): Not applicable.
Digital Valuation Period(s): Not applicable.
Digital Amount(s): Not applicable.
Digital Payment Date(s): Not applicable.
Cliquet Feature: Not applicable.
Consolidation Effect: Not applicable.
Consolidation Level: Not applicable.
Consolidation Valuation Period(s): Not applicable.
Memory Effect: Not applicable.
Memory Level: Not applicable.
Memory Valuation Period(s): Not applicable.
Knock-out Level: Not applicable.
Knock-out Valuation Period(s): Not applicable.
Path Dependency Effect: Not applicable.
Path Dependency Amount: Not applicable.

ADDITIONAL FEATURES

40. Best Of Feature: Not applicable.
41. Worst Of Feature: Not applicable.
42. Combo Feature: Not applicable.
43. Rainbow Feature: Not applicable.

PROVISIONS RELATING TO AMOUNT(S) OTHER THAN CASH SETTLEMENT AMOUNT AND DIGITAL AMOUNT(S) IN RESPECT OF CERTIFICATES

44. Plus Amount(s): Not applicable.
45. Early Redemption Amounts: Not applicable.
46. Internal Return Amount: Not applicable.

Annual Valuation Dates:	Not applicable.
IRA Cap:	Not applicable.
Annual Remuneration Payment Dates:	Not applicable.

GENERAL

47. Form of Securities: Temporary Global Security exchangeable for a Permanent Global Security which is exchangeable for Definitive Securities only in the limited circumstances specified in the Permanent Global Security.

DISTRIBUTION

48. Syndication: The Securities will be distributed on a non-syndicated basis.

- (i) If syndicated, names and addresses of Managers and underwriting commitments: Not applicable.
- (ii) Date of Subscription Agreement: Not applicable.
- (iii) Stabilising Manager (if any): Not applicable.

If non-syndicated, name and address of Manager (if not the Issuer): See item 49 below.

Total commission and concession: A commission payable to the Manager (as defined in item 49 below) equal to 2.54 per cent. of the Issue Price in respect of Securities distributed up to an aggregate of 1,025 Securities and in excess determined so that the aggregate commission will be no higher than 3 per cent. of the Issue Price of the aggregate Securities placed.

49. Non exempt Offer: An offer (the **Offer**) of the Securities may be made by the Manager other than pursuant to Article 3(2) of the Prospectus Directive in Italy (**Public Offer Jurisdiction**) during the period from 19 March 2014 to and including 21 March 2014 (the offer period, as it may be amended in case of early closure of the Offer, the **Offer Period**), subject as provided in Paragraph 6 of Part B below.

The Securities are being offered to the public in Italy pursuant to Articles 17 and 18 of the Prospectus Directive and the implementing provisions in Italy.

The Issuer reserves the right, in its sole discretion, to close the Offer Period early, also in circumstances where purchases of Securities are not yet equal to the maximum amount offered of 3,000 Securities. Notice of the early closure of the Offer period will be given by the Issuer by publication on the website of the Issuer and the Manager. Early closure of the Offer will be effective the first TARGET Settlement Day following

publication.

The Issuer reserves the right, in its sole discretion, to revoke or withdraw the Offer and the issue of the Securities at any time prior to the Issue Date. Notice of revocation/withdrawal of the Offer will be given by publication on the website of the Issuer and the Manager. Revocation/withdrawal of the Offer will be effective upon publication. Upon revocation/withdrawal of the Offer, all subscription applications will become void and of no effect, without further notice.

The following entity has agreed to place the Securities on a "best efforts" basis:

- Banca Intermobiliare di Investimenti e Gestioni S.p.A., Via Gramsci 7, 10121 Torino (the **Manager**).

The Issuer will act as lead manager of the placement syndicate (Responsabile del Collocamento as defined under article 93-bis of the Legislative Decree of 24 February 1998, n. 58, as subsequently amended (the **Financial Services Act**)) but will not act as Manager and, accordingly, will not place any Securities to the public in Italy.

The Issuer and the Manager have agreed under a placement agreement (the **Placement Agreement**) the Manager will place the Securities without a firm commitment. The Placement Agreement will be dated on or about 18 March 2014.

ADDITIONAL INFORMATION

(A) Example(s) of complex derivatives securities: Not applicable.

(B) Additional provisions, not required by the relevant securities note, relating to the underlying:

INDEX DISCLAIMER - FTSE® MIB® Index

"The Certificates are not in any way sponsored, endorsed, sold or promoted by FTSE International Limited ("FTSE"), the London Stock Exchange Plc (the "Exchange"), the Financial Times Limited ("FT") or Borsa Italiana S.p.A. ("Borsa Italiana") (collectively the "Licensor Parties") and none of the Licensor Parties make any warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE® MIB® Index (the "Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is calculated by FTSE with the assistance of Borsa Italiana. None of the Licensor Parties shall be liable (whether in negligence or otherwise) to any person for any error in the Index and none of the Licensor Parties shall be under any obligation to advise any person of any error therein.

"FTSE®" is a trade mark of the Exchange and the FT, "MIB®" is a trade mark of Borsa Italiana and both are used by FTSE under licence".

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and public offer in the Public Offer Jurisdiction and admission to trading on Irish Stock Exchange of the Securities described herein pursuant to the Certificates Programme of Banca IMI S.p.A..

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: Ireland
- (ii) Admission to trading: Application is expected to be made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the regulated market of the Irish Stock Exchange with effect from the Issue Date.

After the Issue Date, application will be made to list the Securities on Italian Stock Exchange and to admit the Securities described herein for trading on the electronic "Securitized Derivatives Market" (the "SeDeX"), organised and managed by Borsa Italiana S.p.A..

There can be no assurance that the Securities will be admitted to trading on SeDeX. In such a case, application can be made to admit the Securities to trading on the multilateral trading facility EuroTLX, which is not a regulated market for the purposes of Directive 2004/39/EC.

2. NOTIFICATION

The Central Bank has provided inter alios the Commissione Nazionale per le Società e la Borsa (CONSOB) with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.

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

The Issuer is expected to enter into hedging arrangements with market counterparties in connection with the issue of the Securities in order to hedge its exposure. Where the Securities placed by the Manager should be lower and/or higher the notional amount of the hedging arrangements entered into by the Issuer, the Issuer will unwind such arrangements for the notional amount in excess of the Securities placed or respectively will enter into additional hedging arrangements in respect of the shortfall. Costs and expenses resulting from the unwinding of any such hedging arrangements or from the Issuer entering into any additional hedging arrangements will be borne by the Issuer.

The Issuer will act as Calculation Agent under the Securities. See the risk factor "Potential Conflicts of Interest" at pages 44 to 45 of the Base Prospectus.

Save as discussed above and save for any fees payable to the Manager referred to in item 48 of Part A above, so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the Offer.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: See "Use of Proceeds" wording in Base Prospectus.
- (ii) Estimated net proceeds: The net proceeds (net of the commissions referred to in item 48 of Part A above) of the issue of the Securities will be up to EUR 2,923,800 (assuming commissions referred to in item 48 of Part A above will be 2.54 per cent. of the Issue Price in respect of all Securities placed).
- (iii) Estimated total expenses: The estimated total expenses that can be determined as of the Issue Date are up to EUR 500 consisting of Listing Fees, such expenses excluding certain out-of pocket expenses incurred or to be incurred by or on behalf of the Issuer in connection with

the admission to trading of the Securities.

5. PERFORMANCE OF THE INDEX, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE INDEX

The underlying of the Securities is the FTSE® MIB® Index. The FTSE® MIB® Index is the primary bench mark index for the Italian equity market, which measures the performance of the 40 most liquid and capitalised Italian shares and seeks to replicate the broad sector weights of the Italian stock market..

In respect of the Index, certain historical information (including past performance thereof) may be found on major information providers, such as Bloomberg and Reuters. Information about the Index may be found at the web site of the Index Sponsor www.ftse.com.

Under the Securities, holders thereof are entitled to receive on the Settlement Date a Cash Settlement Amount equal to:

- (i) where the Final Reference Value is lower than 81 per cent. of the Initial Reference Value (16,878.82) (and a Barrier Event has therefore occurred), an amount in EUR linked to the performance of the underlying and therefore may be exposed to the total or partial loss of the capital invested;
- (ii) where the Final Reference Value is higher than or equal to 81 per cent. of the Initial Reference Value (16,878.82) (and a Barrier Event has not occurred), an amount equal to the maximum value between (1) the 100 per cent. of the Initial Reference Value and (2) the sum between (a) Initial Reference Value and (b) the product of (i) the Participation Factor (equal to 100 per cent.) and (ii) the difference between the Final Reference Value and the Initial Reference Value; multiplied by the Multiplier (0.047989).

Holders of the Securities are not entitled to receive any Remuneration Amount in addition to the Cash Settlement Amount.

Security holders and prospective investors in the Securities should therefore be aware and carefully consider that:

- An investment in the Securities will be profitable assuming a positive performance of FTSE® MIB® index, i.e. that the Final Reference Value will be higher than the Initial Reference Value;
- the Cash Settlement Amount of the Securities payable on the Settlement Date will be higher than or equal to the Issue Price only if no Barrier Event will occur on the Barrier Determination Period (i.e. the Final Reference Value will be higher than or equal to the 81 per cent. of the Initial Reference Value);

AN INVESTMENT IN THE SECURITIES ENTAILS SIGNIFICANT RISK. SECURITIES ARE COMPLEX FINANCIAL INSTRUMENTS WHICH MAY NOT BE A SUITABLE INVESTMENT FOR ALL INVESTORS.

6. TERMS AND CONDITIONS OF THE OFFER

Offer Price:

Issue Price

Investors should take into consideration that the Offer Price embeds placement commissions payable by the Issuer to the Manager as described in Paragraph 48 of Part A above.

	<p>Investors should also take into consideration that when the Securities are sold on the secondary market after the Offer Period, the above mentioned commissions are not taken into consideration in determining the price at which such Securities may be sold on the secondary market.</p>
Conditions to which the offer is subject:	<p>Offer of the Securities is conditional on their issue only.</p>
The Offering Period, including any possible amendments, during which the offer will be open and description of the application process:	<p>The Offer will be open during the Offer Period (as defined in the paragraph 49 of Part A above).</p> <p>During the Offer Period, prospective investors may subscribe the Securities during normal Italian banking hours at the office (<i>filiale</i>) of the Manager by filling in, duly executing (also by appropriate attorneys) and delivering a specific acceptance form (the Acceptance Form) (<i>Scheda di Adesione</i>).</p> <p>The Acceptance Form is available at the Manager's office.</p> <p>Subscription of the Securities may <u>not</u> be made by means of distance or on line communications techniques.</p> <p>There is no limit to the subscription application which may be filled in and delivered by the same prospective investor with the same Manager.</p> <p>The subscription requests can be revoked by the potential investors through a specific request made at the office of the Manager which has received the relevant subscription forms within the last day of the Offer Period, as amended in the event of an early closure of the Offer Period.</p> <p>Once the revocation terms are expired, the subscription of the Securities is irrevocable.</p>
Details of the minimum and/or maximum amount of application:	<p>The Securities may be subscribed in a minimum lot of no. 1 Security (the Minimum Exercise Amount) and an integral number of Securities higher than the Minimum Exercise Amount and being an integral multiple of 1.</p> <p>There is no maximum amount of application within the maximum number of Securities offered of 3,000 Securities.</p>
Description of possibility to reduce subscriptions and manner for refunding excess	<p>Not applicable.</p>

amount paid by applicants:

Details of the method and time limits for paying up and delivering the Securities:

The total consideration for the Securities subscribed must be made by the investor on the Issue Date to the Manager's office which has received the relevant subscription form.

The Securities will be delivered on the Issue Date, subsequent to the payment of the Offer Price, to potential Securityholders in the deposit accounts held, directly or indirectly, by the Manager at Euroclear and/or Clearstream.

Manner in and date on which results of the offer are to be made public:

Not later than 5 days on which the TARGET2 System is open following the closing of the Offer Period (as amended in the event of early closure of the Offer), the Issuer will notify the public of the results of the Offer through a notice published on the website of either the Issuer and the Manager.

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:

Not applicable

Whether tranche(s) have been reserved for certain countries:

The Securities will be offered only to the public in Italy.

Qualified investors, as defined in Article 2 (i) (e) of the Prospectus Directive, are allowed to subscribe any Securities.

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:

The Manager shall notify applicants with amounts allotted.

Subscription applications will be satisfied until reaching the maximum Number of Securities offered of 3,000 Securities and thereafter Manager will immediately suspend receipt of further subscription applications and the Offer Period will be closed early by the Issuer accordingly to the procedure described in paragraph 49 of Part A above.

Upon the close of the Offer Period, in the event that, notwithstanding the above, the aggregate amount of Securities requested to be subscribed exceed the maximum Number of Securities offered of 3,000 Securities, the Issuer will allot the Securities in accordance with allotment criteria so to assure transparency and equal treatment amongst all potential subscribers thereof.

Amount of any expenses and taxes specifically charged to the subscriber or

No expenses and duties will be charged by the Issuer to the subscribers of the Securities.

purchaser:

Investors should take into consideration that the Offer Price embeds placement commissions payable by the Issuer to the Manager as described in Paragraph 49 of Part A.

Consent to use of Base Prospectus:

Not applicable.

7. DISTRIBUTORS

- | | | |
|-------|--|---|
| (i) | Name(s) and address(es), to the extent known to the Issuer, of the Distributors in the various countries where the offer takes place: | See paragraph 49 of Part A |
| (ii) | Name and address of the co-ordinator(s) of the global offer and of single parts of the offer: | The Issuer will act as lead manager of the placement syndicate (<i>Responsabile del Collocamento</i> as defined under article 93-bis of the Financial Services Act). |
| (iii) | Name and address of any paying agents and depository agents in each country (in addition to the Principal Security Agent): | Not applicable. |
| (iv) | Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements: | See paragraph 49 of Part A |
| (v) | Date of signing of the placement agreement | See paragraph 49 of Part A |

8. POST-ISSUANCE INFORMATION

The Issuer does not intend to provide any post-issuance information in relation to the Underlying and performance thereof and/or the market value from time to time of the Securities and/or any other post-issuance information in relation to the Securities, unless required by applicable law or save as otherwise provided in the Conditions.

9. OPERATIONAL INFORMATION

- | | | |
|-------|---|---|
| (i) | ISIN Code: | XS1045080816 |
| (ii) | Common Code: | 104508081 |
| (iii) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> and the relevant identification number(s): | Not applicable. |
| (iv) | Names and addresses of initial Security Agents: | BNP Paribas Securities Services, Luxembourg branch
33, rue de Gasperich
Howald-Hesperange |

16. RESOLUTION

The establishment of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer dated 11 March 2013. For the issue of any Series of Certificates under the Programme no separate resolution of the Board of Directors of the Issuer is necessary.

PART C – SUMMARY OF THE SPECIFIC ISSUE

Section A – INTRODUCTION AND WARNINGS

A.1	<p><i>This summary should be read as an introduction to the Base Prospectus.</i></p> <p><i>Any decision to invest in the Certificates should be based on consideration of the Base Prospectus as a whole by the investor.</i></p> <p><i>Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</i></p> <p><i>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such securities.</i></p>
A.2	<i>Not Applicable – The Issuer does not consent to the use of the Base Prospectus for subsequent resales.</i>

Section B – ISSUERS AND GUARANTOR

B.1	Legal and Commercial Name of the Issuer	Banca IMI S.p.A..																																				
B.2	Domicile/ legal Form/ legislation/ country of incorporation	The Issuer is incorporated as a società per azioni with limited liability under the laws of the Republic of Italy. The Issuer is registered with the Companies' Register of Milan under No. 04377700150. Its registered office is at Largo Mattioli 3, 20121 Milan, with telephone number +39 02 72611.																																				
B.4b	Description of trends	<u>Not applicable</u> . There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for its current financial year.																																				
B.5	Description of the group of the Issuer(s)	The Issuer is a company belonging to the Intesa Sanpaolo banking group, of which Intesa Sanpaolo S.p.A. is the parent company.																																				
B.9	Profit forecast/estimate	<u>Not applicable</u> . No profit forecasts or estimates have been made in the Base Prospectus.																																				
B.10	Qualifications in the audit report	<u>Not applicable</u> . No qualifications are contained in any audit report included in the Base Prospectus.																																				
B.12	Selected historical key information / material adverse change/ significant changes	<p>SELECTED FINANCIAL AND BALANCE SHEET FIGURES RELATING TO THE ISSUER</p> <p>The audited consolidated balance sheets and income statements as of, and for each of the years ended, 31 December 2011 and 2012 and certain unaudited consolidated selected income statement and selected balance sheet figures for the three months ending 31 March 2013 have been extracted without any adjustment from, and are qualified by reference to and should be read in conjunction with, the Issuer's consolidated financial statements in respect of those dates and periods:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Assets</th><th style="text-align: center;">31 December 2012</th><th style="text-align: center;">31 December 2011</th></tr> </thead> <tbody> <tr> <td></td><td style="text-align: center;">(EUR thousand)</td><td></td></tr> <tr> <td>Cash and cash equivalents</td><td style="text-align: right;">3</td><td style="text-align: right;">3</td></tr> <tr> <td>Financial assets held for trading</td><td style="text-align: right;">69,259,238</td><td style="text-align: right;">59,622,811</td></tr> <tr> <td>Available-for-sale financial assets</td><td style="text-align: right;">6,714,432</td><td style="text-align: right;">6,745,435</td></tr> <tr> <td>Due from banks</td><td style="text-align: right;">56,403,295</td><td style="text-align: right;">56,635,055</td></tr> <tr> <td>Loans to customers</td><td style="text-align: right;">17,398,110</td><td style="text-align: right;">14,012,386</td></tr> <tr> <td>Hedging derivatives</td><td style="text-align: right;">1,091,276</td><td style="text-align: right;">988,621</td></tr> <tr> <td>Equity investments</td><td style="text-align: right;">13,535</td><td style="text-align: right;">10,070</td></tr> <tr> <td>Property and equipment</td><td style="text-align: right;">751</td><td style="text-align: right;">752</td></tr> <tr> <td>Intangible assets</td><td style="text-align: right;">194,183</td><td style="text-align: right;">194,216</td></tr> <tr> <td>of which:</td><td></td><td></td></tr> </tbody> </table>	Assets	31 December 2012	31 December 2011		(EUR thousand)		Cash and cash equivalents	3	3	Financial assets held for trading	69,259,238	59,622,811	Available-for-sale financial assets	6,714,432	6,745,435	Due from banks	56,403,295	56,635,055	Loans to customers	17,398,110	14,012,386	Hedging derivatives	1,091,276	988,621	Equity investments	13,535	10,070	Property and equipment	751	752	Intangible assets	194,183	194,216	of which:		
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- goodwill	194,070	194,070
Tax assets	294,160	541,901
a) current	101,558	217,507
b) deferred	192,602	324,394
Other assets	423,522	467,732
Total Assets	151,792,505	139,218,982
Liabilities and Equity	31 December 2012	31 December 2011
	(EUR thousand)	
Due to banks	42,471,641	42,145,742
Due to customers	7,602,384	4,479,861
Securities issued	32,764,994	32,907,923
Financial liabilities held for trading	64,004,171	54,717,953
Financial liabilities at fair value through profit and loss		684,942
Hedging derivatives	674,160	680,992
Tax liabilities	392,734	318,490
a) current	366,462	315,905
b) deferred	26,272	2,585
Other liabilities	372,892	458,523
Post-employment benefits	8,727	7,930
Provisions for risks and charges	23,680	16,423
a) pensions and similar obligations	12	12
b) other provisions	23,668	16,411
Fair value reserves	(105,866)	(392,234)
Reserves	1,396,770	1,132,179
Share premium reserve	581,260	581,260
Share capital	962,464	962,464
Equity attributable to non-controlling interests (+/-)	-	-
Profit for the year	642,494	516,534
Total Liabilities and Equity	151,792,505	139,218,982
Audited Consolidated Income Statements for the year ending 31 December 2012 compared with corresponding figures for the year ending 31 December 2011		
	31 December 2012	31 December 2011
	(EUR thousand)	
Interest and similar income	2,382,980	2,190,204
Interest and similar expense	(1,815,889)	(1,627,472)
Net interest income	567,091	562,732
Fee and commission income	399,258	343,313
Fee and commission expense	(178,332)	(84,906)
Net fee and commission income	220,926	258,407
Dividends and similar income	334,347	367,932
Profits (Losses) on trading	246,636	(57,335)
Profit (Losses) on hedging	17,467	2,818
Profits (Losses) on disposal or repurchase of:	114,034	45,059
a) loans and receivables	3,499	9,551
b) available-for-sale financial assets	123,954	29,053
c) held-to-maturity investments	-	-
d) financial liabilities	(13,419)	6,455
Profits (Losses) on financial assets and liabilities at fair value through profit and loss	(25,062)	883
Total income	1,475,439	1,180,496
Impairment losses/reversal of impairment losses on:	(110,549)	(50,013)

		<table><tr><td>a) <i>loans and receivables</i></td><td>(105,228)</td><td>(29,648)</td></tr><tr><td>b) <i>available-for-sale financial assets</i></td><td>-</td><td>-</td></tr><tr><td>c) <i>held-to-maturity investments</i></td><td>-</td><td>-</td></tr><tr><td>d) <i>other financial assets</i></td><td>(5,321)</td><td>(20,365)</td></tr><tr><td>Net financial income</td><td>1,364,890</td><td>1,130,483</td></tr><tr><td>Net banking and insurance income</td><td>1,364,890</td><td>1,130,483</td></tr><tr><td>Administrative expenses</td><td>(350,581)</td><td>(315,745)</td></tr><tr><td>a) <i>personnel expenses</i></td><td>(131,760)</td><td>(112,264)</td></tr><tr><td>b) <i>other administrative expenses</i></td><td>(218,821)</td><td>(203,481)</td></tr><tr><td>Net accruals to provision for risks and charges</td><td>(16,000)</td><td>(14,300)</td></tr><tr><td>Depreciation and net impairment losses on property and equipment</td><td>(358)</td><td>(403)</td></tr><tr><td>Amortisation and net impairment losses on intangible assets</td><td>(31)</td><td>(42)</td></tr><tr><td>Other operating income (expenses)</td><td>4,771</td><td>3,451</td></tr><tr><td>Operating expenses</td><td>(362,199)</td><td>(327,039)</td></tr><tr><td>Net gains on sales of equity investments</td><td>4,396</td><td>1,704</td></tr><tr><td>Pre-tax profit from continuing operations</td><td>1,007,087</td><td>805,148</td></tr><tr><td>Income tax expense</td><td>(364,593)</td><td>(288,614)</td></tr><tr><td>Post-tax profit from continuing operations</td><td>642,494</td><td>516,534</td></tr><tr><td>Profit for the year</td><td>642,494</td><td>516,534</td></tr><tr><td>Profit (loss) attributable to non-controlling interests</td><td>-</td><td>-</td></tr><tr><td>Profit attributable to the owners of the parent</td><td>642,494</td><td>516,534</td></tr></table>	a) <i>loans and receivables</i>	(105,228)	(29,648)	b) <i>available-for-sale financial assets</i>	-	-	c) <i>held-to-maturity investments</i>	-	-	d) <i>other financial assets</i>	(5,321)	(20,365)	Net financial income	1,364,890	1,130,483	Net banking and insurance income	1,364,890	1,130,483	Administrative expenses	(350,581)	(315,745)	a) <i>personnel expenses</i>	(131,760)	(112,264)	b) <i>other administrative expenses</i>	(218,821)	(203,481)	Net accruals to provision for risks and charges	(16,000)	(14,300)	Depreciation and net impairment losses on property and equipment	(358)	(403)	Amortisation and net impairment losses on intangible assets	(31)	(42)	Other operating income (expenses)	4,771	3,451	Operating expenses	(362,199)	(327,039)	Net gains on sales of equity investments	4,396	1,704	Pre-tax profit from continuing operations	1,007,087	805,148	Income tax expense	(364,593)	(288,614)	Post-tax profit from continuing operations	642,494	516,534	Profit for the year	642,494	516,534	Profit (loss) attributable to non-controlling interests	-	-	Profit attributable to the owners of the parent	642,494	516,534	
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B.13	Recent events	<i>Not applicable.</i> There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.																																																																

B.14	Dependence upon other group entities	The Issuer is subject to the management and co-ordination of its sole shareholder, Intesa Sanpaolo S.p.A., which is the parent company of the Intesa Sanpaolo banking group, to which the Issuer belongs.
B.15	Principal activities of the Issuer	The Issuer is a banking institution established under the laws of the Republic of Italy engaged in investment banking activities. The Issuer is the investment banking arm and securities firm of Gruppo Intesa Sanpaolo and it offers a wide range of capital markets, investment banking and special lending services to a diversified client base including banks, companies, institutional investors, entities and public bodies. The Issuer's business is divided into four business divisions: <i>Capital Markets</i> , <i>Finance & Investments</i> , <i>Investment Banking</i> and <i>Structured Finance</i> .
B.16	Control of Issuer	The Issuer is a wholly-owned direct subsidiary of Intesa Sanpaolo S.p.A., the parent company of the Intesa Sanpaolo banking group.
Section C – SECURITIES		
C.1	Type and class of securities being offered / Security identification number	Each Security is a Temporary Global Security exchangeable for a Permanent Global Security which is exchangeable for Definitive Securities only in the limited circumstances specified in the Permanent Global Security. The Securities and any non-contractual obligations arising out of or in connection with the Securities will be governed by, and shall be construed in accordance with, English Law. The ISIN of the Certificates is XS1045080816.
C.2	Currency	Euro (EUR).
C.5	Restrictions on free transferability	There are restrictions on the offer, sale and transfer of the Securities in the United States and the European Economic Area (including the Republic of Italy, the United Kingdom, the Grand Duchy of Luxembourg, the Portuguese Republic, Germany, France, The Netherlands, Belgium, Spain, Czech Republic, Hungary, Ireland, Poland, Slovak Republic, Croatia and Slovenian Republic) and such other restrictions as may be required in connection with the offering and sale of a particular series of Securities.
C.8	Description of rights and ranking	<u>SETTLEMENT AT EXERCISE DATE</u> Each Certificate entitles its holder to receive from the Issuer on the Settlement Date the Cash Settlement Amount. <u>RANKING</u> The Securities constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and rank <i>pari passu</i> among themselves and (save for certain obligations required to be performed by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.
C.11	Trading of Certificates	Application has been made to the Irish Stock Exchange for Securities issued under the Programme to be admitted to trading on the Irish Stock Exchange's regulated market and to be listed on the Official List of the Irish Stock Exchange. After the Issue Date, application will be made to list the Securities on Italian Stock Exchange and to admit the Securities described herein for trading on the electronic "Securitized Derivatives Market" (the "SeDeX"), organised and managed by Borsa Italiana S.p.A.. Application may also be made by the Issuer (or on its behalf) to list the Securities on such further or other stock exchanges or regulated markets or admitted to trading on such other trading venues (including without limitation multilateral trading facilities) as the Issuer may determine.
C.15	Description of how the value of the investment is affected by the value of the underlying	Underlying means, for the purposes of this Series, the Index FTSE® MIB® (Bloomberg Code: FTSEMIB <Index>; Reuters Page: <FTMIB>) (the "Index"). The Certificates are linked to the performance of the Index and their value depends also on the volatility of such Index, the applicable interest rates and the time from the issue date.
C.16	The expiration or maturity date of the derivative securities – the exercise date or final reference date	Each Certificate shall be automatically exercised on the Exercise Date. The Exercise Date is 04 April 2016.

C.17	Settlement procedure	<p>The Issuer shall pay or cause to be paid the relevant Cash Amount (if any) for each Certificate by credit or transfer to the Securityholder's account with Euroclear or Clearstream, Luxembourg, as the case may be, for value on the Settlement Date, less any Expenses not already paid, such payment to be made in accordance with the rules of Euroclear or Clearstream, Luxembourg, as the case may be.</p> <p>The Issuer's obligations will be discharged by payment to, or to the order of, Euroclear or Clearstream, Luxembourg (as the case may be) of the amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular amount of the Certificates must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each such payment.</p> <p>Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to FATCA.</p>
C.18	Description of how the return on derivative securities takes place	<p style="text-align: center;">CASH SETTLEMENT AMOUNT</p> <p>CALCULATION METHOD IN THE CASE OF POSITIVE AND NEGATIVE PERFORMANCE OF THE UNDERLYING – <u>(BARRIER LEVEL APPLICABLE)</u></p> <p style="text-align: center;"><u>MAX LONG BARRIER CERTIFICATES</u></p> <p>a. If the Final Reference Value is higher than or equal to the Barrier Level (i.e. the Barrier Event has not occurred):</p> <p>In relation to such type, the investor will receive in any case at least a percentage of the invested capital set out by the Issuer in the relevant Final Terms (for the purposes of this Series, equal to 100%) with the possibility of receiving a higher amount participating to the increasing performance of the Underlying depending on the Participation Factor (equal to 100%).</p> <p>b. If the Final Reference Value is lower than the Barrier Level (i.e. the Barrier Event has occurred):</p> <p>In such case, the investor will receive on the Settlement Date an amount linked to the performance of the Underlying (i.e. the investment in the Certificate is a direct investment in the Underlying) and therefore might be exposed to the total or partial loss of the capital invested.</p>
C.19	Exercise price or final reference price of the underlying	<p>The exercise price of the Index will be determined on the basis of its Final Reference Value.</p> <p>The Final Reference Value will be calculated on the Valuation Date (30 March 2016) and will be an amount equal to the closing level of the Index on such date.</p> <p>The Initial Reference Value is equal to 20,838.05. The Initial Reference Value has been calculated on the Determination Date (6 March 2014) and is an amount equal to the closing level of the Index on such date.</p>
C.20	Type of underlying and where the information on it can be found	<p>The Underlying is the FTSE® MIB® Index (Bloomberg Code: FTSEMIB <Index>; Reuters Page: <.FTMIB>) (the "Index").</p>

Section D – RISKS

D.2	Key risks specific to the Issuer	<p>There are certain factors that may affect each Issuer's ability to fulfil its obligations under Certificates issued under the Programme. These include the following risk factors:</p> <ul style="list-style-type: none"> (i) Banca IMI's business could be adversely affected by international markets and economic conditions; (ii) Recent disruptions and volatility in the global and the Euro-zone financial markets may adversely impact Banca IMI's business; (iii) Negative economic developments and conditions in the markets in which Banca IMI operates may adversely affect the Banca IMI's business and results of operations; (iv) Banca IMI's business is sensitive to current adverse macroeconomic conditions in Italy; (v) Banca IMI's business is exposed to counterparty credit risk; (vi) Deterioration in Banca IMI's loan portfolio to corporate customers may affect Banca IMI's financial performance; (vii) Banca IMI's business is exposed to settlement risk and transfer risk; (viii) Banca IMI's business is exposed to market risk; (ix) Banca IMI's business is exposed to increasing competition in the financial services industry (x) Banca IMI's business is exposed to liquidity risk;
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		<p>(xi) Banca IMI's business performance could be affected if its capital adequacy ratios are reduced or perceived to be inadequate;</p> <p>(xii) Banca IMI's business is exposed to operational risks;</p> <p>(xiii) Banca IMI's business is exposed to Reputational Risk;</p> <p>(xiv) Legal risks;</p> <p>(xv) Banca IMI operates within a highly regulated industry and its business and results are affected by the regulations to which it is subject;</p> <p>(xvi) Regulatory claims may arise in the conduct of the Banca IMI's business;</p> <p>(xvii) Banca IMI is exposed to risk of changes in tax legislation as well as to increases in tax rates;</p> <p>(xviii) Banca IMI's framework for managing its risks may not be effective in mitigating risks and losses.</p>
D.6	Key risks specific to the securities	<p>An investment in relatively complex securities such as the Certificates involves a greater degree of risk than investing in less complex securities. In some cases, investors may stand to lose the value of their entire investment or part of it, as the case may be. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme. In particular:</p> <p><u>(i) The Certificates may not be a suitable investment for all investors</u></p> <p>Certificates are complex financial instruments. A potential investor should not invest in Certificates which are complex financial instruments unless it has the expertise to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of the Certificates and the impact this investment will have on the potential investor's overall investment portfolio.</p> <p><u>(ii) Option Risk</u></p> <p>The Certificates are derivative financial instruments which may include an option right. Transactions in options involve a high level of risk.</p> <ul style="list-style-type: none"> • Risks related to the structure of the Certificates <p><u>(i) General risks and risks relating to underlying asset or basis of reference</u></p> <p>The Securities involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Purchasers should be prepared to sustain a partial or total loss of the purchase price of their Securities.</p> <p><u>(ii) Certain Factors Affecting the Value and Trading Price of Securities</u></p> <p>The Cash Settlement Amount at any time prior to expiration is typically expected to be less than the trading price of such Securities at that time. The difference between the trading price and the Cash Settlement Amount will reflect, among other things, a "time value" for the Securities. The "time value" of the Securities will depend partly upon the length of the period remaining to expiration and expectations concerning the value of the underlying asset. Securities offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Securities varies with the price level of the underlying asset, as well as by a number of other interrelated factors.</p> <p><u>(iii) Certain Considerations Regarding Hedging</u></p> <p>Prospective purchasers intending to purchase Securities to hedge against the market risk associated with investing in the underlying asset which may be specified in the applicable Final Terms, should recognise the complexities of utilising Securities in this manner.</p> <p><u>(iv) Certain Considerations Associated with Index Securities</u></p> <p>The underlying index may be a well-known and widely published index or an index which may not be widely published or available.</p> <p><u>(v) Loss risk in relation to the investment</u></p> <p>The investor shall consider that, in relation to their investment, there is a risk of loss of the capital invested depending on the performance of the underlying asset. In particular, if the relevant Final Terms provides the Barrier Level, the investor shall consider that, in the event of a negative performance of the underlying asset at the Valuation Date, in case of occurrence of the Barrier Event, a loss will occur in respect of the capital invested.</p> <p><u>(vi) Price Risk and components that determine the value of the Certificates</u></p> <p>The Certificates are composed of a combination of several options and the Securityholder shall take into account that the value of the Certificates will depend on the value of each option composing the certificate. The fluctuation over the time the time of the value of each optional components mostly depends on the current value of the underlying asset to which the Certificates are related, by the volatility of the underlying asset, by the residual life of the options composing the Certificates, by the levels of the interest rates of the monetary markets, the expected dividends (in case of Share Securities) as well as the business of the Issuer of the underlying asset, by the speculative contractions and by other factors.</p> <p><u>(vii) Risk related to the Participation Factor</u></p> <p>The Cash Settlement Amount will be calculated in relation to the Participation Factor, that is a value predetermined by the Issuer in the relevant Final Terms which may be lower, equal to or higher than 100%. Therefore, such Participation Factor will determine the potential return of the Certificates.</p> <p><u>(viii) Risk related to the Barrier Event</u></p> <p>The possibility of obtaining a predetermined minimum return is limited only to the case where, in the case of negative performance of the underlying asset at the exercise, a Barrier Event has not occurred during the Barrier Event</p>

	<p>Observation Period. If a Barrier Event occurs, such circumstance has a negative influence on the price.</p> <ul style="list-style-type: none"> • <i>Risks Related to Securities Generally</i> <p><u>(i) Modification</u></p> <p>The Conditions provide that the Principal Security Agent and the Issuer may, without the consent of Securityholders, agree to (i) any modification (subject to certain specific exceptions) of the Securities or the Agency Agreement which is not prejudicial to the interests of the Securityholders or (ii) any modification of the Securities or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of law.</p> <p><u>(ii) Expenses and Taxation</u></p> <p>The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Security by any person and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.</p> <p><u>(iii) U.S. Foreign Account Tax Compliance Withholding</u></p> <p>The application of FATCA to amounts paid with respect to the Securities is not clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from payments on the Securities, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Securities, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive a lesser amount than expected. FATCA is particularly complex and its application to the Issuer, the Securities, and investors in the Securities are uncertain at this time. The application of FATCA to Securities issued or materially modified on or after the later of 31 December 2013 or the date that is six months after the date on which the final regulations applicable to “foreign pass-through payments” are filed in the Federal Register (or whenever issued, in the case of Securities treated as equity for U.S. federal tax purposes) may be addressed in the relevant Final Terms or a supplement to the Base Prospectus, as applicable.</p> <p><u>(iv) Legislation Affecting Dividend Equivalent Payments</u></p> <p>The United States Hiring Incentives to Restore Employment Act (the HIRE Act) treats a “dividend equivalent” payment as a dividend from sources within the United States. Under the HIRE Act, unless reduced by an applicable tax treaty with the United States, such payments generally will be subject to U.S. withholding tax. If the IRS determines that a payment is substantially similar to a dividend, it may be subject to U.S. withholding tax, unless reduced by an applicable tax treaty. If withholding is so required, the Issuer will not be required to pay any additional amounts with respect to amounts so withheld.</p> <p><u>(v) Other taxation considerations</u></p> <p>It is not possible to predict whether the taxation regime applicable to Securities on the date of purchase or subscription will be amended during the term of the Securities.</p> <p><u>(vi) Illegality and Cancellation</u></p> <p>If the Issuer determines that its performance under any Securities has, or that any arrangements made to hedge the Issuer's obligations under any Securities have become, illegal in whole or in part for any reason, the Issuer may cancel such Securities. If the Issuer cancels the Securities, it will pay the holder of each such Security an amount equal to the fair market value of such Security.</p> <p><u>(vii) Change of law</u></p> <p>No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.</p> <p><u>(viii) Potential Conflicts of Interest</u></p> <p>Some activities of the Issuer or any of its Affiliates could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of such Securities.</p> <p><u>(ix) EU Savings Directive</u></p> <p>Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments.</p> <ul style="list-style-type: none"> • <i>Risks Related to the Market Generally</i> <p><u>(x) Impact of implicit fees on the Issue/Offer Price</u></p> <p>Investors should note that implicit fees may be a component of the Issue/Offer Price of Securities, but such fees will not be taken into account for the purposes of determining the price of the relevant Securities in the secondary market.</p> <p><u>(xi) Certain considerations associated with public offers of Securities</u></p> <p>If Securities are distributed by means of a public offer, the Issuer may have the right to withdraw the offer, which in such circumstances will be deemed to be null and void.</p> <p><u>(xii) Possible Illiquidity of the Securities in the Secondary Market</u></p> <p>If the Issuer does list or admit to trading an issue of Securities, there can be no assurance that at a later date, the Securities will not be delisted or that trading on such exchange or market will not be suspended. In the event of a delisting or suspension of listing or trading on a stock exchange or market, the Issuer will use its reasonable efforts to list or admit to trading the Securities on another exchange or market. The Issuer, or any of its Affiliates may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private treaty. Any Securities</p>
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		<p>so purchased may be held or resold or surrendered for cancellation. To the extent that an issue of Securities becomes illiquid, an investor may have to wait until the Exercise Date to realise value.</p> <p><u>(xiii) Listing of Securities</u></p> <p>In respect of Securities which are (in accordance with the applicable Final Terms) to be listed on a stock exchange, market or quotation system, the Issuer shall use all reasonable endeavours to maintain such listing, provided that if it becomes impracticable or unduly burdensome or unduly onerous to maintain such listing, then the Issuer may apply to de-list the relevant Securities, although in this case it will use all reasonable endeavours to obtain and maintain an alternative admission to listing, trading and/or quotation by a stock exchange, market or quotation system within or outside the European Union, as it may decide. If an alternative admission is not available or is, in the opinion of the Issuer, impracticable or unduly burdensome, an alternative admission will not be obtained.</p> <p><u>(xiv) Exchange rate risks and exchange controls</u></p> <p>There are certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than the Settlement Currency. These include the risk that exchange rates may significantly change and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls.</p> <ul style="list-style-type: none"> • Legal Risks <p><u>(i) Legal investment considerations may restrict certain investments</u></p> <p>Potential investors should consult with their own tax, legal, accounting and/or financial advisers before considering investing in the Securities.</p> <p><u>(ii) No reliance</u></p> <p>None of the Issuer, the Manager, if any, or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Securities by a prospective purchaser of the Securities.</p> <p><u>(iii) Disclaimers</u></p> <p>Each type of structured Security will be issued subject to express disclaimers in respect of the risks involved in investing in such Securities.</p>
Section E – OFFER		
E.2b	Reasons for the offer and use of proceeds	The Issuer intends to use the net proceeds from each issue of Certificates for general corporate purposes, including making a profit. A substantial portion of the proceeds may be used to hedge market risks with respect to the Certificates.
E.3	Terms and conditions of the offer	<p>This issue of Securities is being offered in a Non-Exempt Offer in Italy pursuant to Articles 17 and 18 of the Prospectus Directive. The Securities will be distributed by way of public placement and the placement activities will be carried out by the Manager, as defined above in item 48 of Part A.</p> <p>The Issuer will act as lead manager of the placement syndicate (<i>Responsabile del Collocamento</i> as defined under article 93-bis of the Legislative Decree of 24 February 1998, n. 58, as subsequently amended (the Financial Services Act)) but will not act as Manager and, accordingly, will not place any Securities to the public in Italy. The Issuer and the Manager have agreed under a placement agreement (the Placement Agreement) the Manager will place the Securities without a firm commitment. The Placement Agreement will be dated on or about 18 March, 2014.</p> <p>The Issuer reserves the right, in its sole discretion, to close the Offer Period early, also in circumstances where purchases of Securities are not yet equal to the maximum amount offered of 3,000 Securities. Notice of the early closure of the Offer period will be given by the Issuer by publication on the website of the Issuer and the Manager. Early closure of the Offer will be effective the first TARGET Settlement Day following publication.</p> <p>The Issuer reserves the right, in its sole discretion, to revoke or withdraw the Offer and the issue of the Securities at any time prior to the Issue Date. Notice of revocation/withdrawal of the Offer will be given by publication on the website of the Issuer and the Manager. Revocation/withdrawal of the Offer will be effective upon publication. Upon revocation/withdrawal of the Offer, all subscription applications will become void and of no effect, without further notice.</p> <p>The offer of the Securities in Italy is subject to the terms and conditions set out in paragraph 6 of Part B above.</p>
E.4	Material interests in the offer	Save as discussed in paragraph 3 of Part B above and save for any fees payable to the Manager referred to in item 48 of Part A above, so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the Offer.
E.7	Estimated expenses	Investors should take into consideration that the Offer Price embeds placement commissions payable by the Issuer to the Manager equal to 2.54 per cent. of the Issue Price in respect of Securities distributed up to an aggregate of 1,025 Securities and in excess determined so that the aggregate commission will be no higher than 3 per cent. of the Issue Price of the aggregate Securities placed.

NOTICE OF RESULTS OF THE OFFER

relating to the public offer of

**Up to 3,000 MAX LONG BARRIER CERTIFICATES on FTSE® MIB® Index
due to 04.04.2016**

by Banca IMI S.p.A. (the "Issuer")

**under the "Certificates Programme" dated 29 August 2013, as updated from time to time by
the relevant supplements, approved by the Central Bank of Ireland in its capacity as
competent authority of the Republic of Ireland**

ISIN XS1045080816

Pursuant to Part B, Paragraph 6 of the Final Terms of the Certificates published by the Issuer and dated March 18, 2014, the Issuer hereby gives notice that:

- (i) The Offer Period for the Certificates has been closed effective March 21, 2014,
- (ii) As at the above date, subscription requests have been received for an aggregate of no. 1,025 Certificates by no. 11 investors;
- (iii) All requested Certificates have been allotted;
- (iv) The number of Certificates being issued will be equal to 1,025.

Terms used herein and not otherwise defined shall have the same meaning ascribed to them in the Final terms relating to the Certificates.

24 March 2014

Banca IMI S.p.A.

TERMS AND CONDITIONS OF THE SECURITIES

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

The Securities of this series (such Securities being hereinafter referred to as the **Securities**) are issued by Banca IMI S.p.A. (the **Issuer**) pursuant to an Agency Agreement dated 29 August 2013 (as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) between the Issuer and BNP Paribas Securities Services, Luxembourg Branch as principal security agent (the **Principal Security Agent**, which expression shall include any successor principal security agent and, together with any additional security agents appointed pursuant to Clause 14 of the Agency Agreement, the **Security Agents**, which expression shall include any additional or successor security agents).

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

The applicable Final Terms for the Securities is attached to the Global Security. Securities will be certificates (**Certificates**), **Security** and **Securities** will be construed accordingly. References herein to the **applicable Final Terms** are to Part A of the Final Terms or each Final Terms (in the case of any further securities issued pursuant to Condition 9 and forming a single series with the Securities) (which for the avoidance of doubt may be issued in respect of more than one series of Securities) attached to the Global Security insofar as it relates to the Securities.

Each series of Securities will on issue be constituted by either (a) in the case of Securities with a maturity of more than one year, a temporary global security in bearer form (the **Temporary Global Security**) or (b) in the case of Securities with a maturity of one year or less, a permanent global security in bearer form (the **Permanent Global Security** and together with the Temporary Global Security, the **Global Securities** and each a **Global Security**) as indicated in the applicable Final Terms which, in either case, will be deposited with a depository (the **Common Depositary**) common to Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

On or after the 40th day following the Issue Date of the Securities (the **Exchange Date**) the Temporary Global Security will be exchangeable (a) for a Permanent Global Security or (b) for securities in definitive form (**Definitive Securities**, and the expression **Definitive Certificates** shall be construed accordingly), as indicated in the applicable Final Terms and in each case only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Security are not United States persons or persons who have purchased for resale to any United States person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certification received) to the Principal Security Agent. A Permanent Global Security will be exchangeable (free of charge), in whole but not in part, for Definitive Securities only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Securities represented by the Permanent Global Security in definitive form. The Issuer will promptly give notice to Securityholders in accordance with Condition 7 if an Exchange Event occurs. No Definitive Security delivered in exchange for a Temporary Global Security or a Permanent Global Security, as the case may be, will be mailed or otherwise delivered to any location in the United States or its possessions.

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

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

The applicable Final Terms for the Securities is attached to the relevant Global Security or the relevant Definitive Security, if applicable. References herein to the "applicable Final Terms" are to Part A of the Final Terms attached to the Global Securities or to the Definitive Security, if applicable.

Copies of the Agency Agreement (which contains the form of the Final Terms) and the applicable Final Terms are obtainable at the specified office of the Principal Security Agent, save that if the Securities are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Securityholder holding one or more Securities (as detailed below) and such Securityholder must produce evidence satisfactory to the Issuer or the relevant Security Agent as to its holding of such Securities and identity.

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

The Securityholders (as defined in Condition 1(B)) are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Agency Agreement (insofar as they relate to the Securities) and the applicable Final Terms, which are binding on them.

1. Type, Title and Transfer

(A) *Type*

The Securities are Index Securities, Share Securities, Exchange Rate Securities, Commodity Futures Contract Securities, Fund Securities, Interest Rate Securities and Commodities Securities, Dual Currency Securities (or a combination of Dual Currency Securities and any of the foregoing) and Combined Securities, as specified in the applicable Final Terms. Certain terms which will, unless otherwise varied in the applicable Final Terms, apply to the Securities are set out in Condition 12.

The applicable Final Terms will indicate which amount(s) other than the Cash Settlement Amount and the Digital Amount(s) (on the occurrence of a Digital Event) shall be payable in respect of the Certificates.

(B) *Title to Securities*

Except as set out below, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular number of Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the number of Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Security Agents and the Calculation Agent as the holder of such number of Securities for all purposes (and the expressions **Securityholder** and **holder of Securities** and related expressions shall be construed accordingly).

(C) *Transfers of Securities*

For so long as the Securities are represented by Definitive Securities, title to the Securities will pass by delivery.

For so long as the Securities are represented by a Global Security, all transactions (including transfers of Securities) in the open market or otherwise must be effected through an account at Euroclear or

Clearstream, Luxembourg, subject to and in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg (as the case may be).

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Security Agent from time to time and notified to the Securityholders in accordance with Condition 7.

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

2. Status of the Securities

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

3. Definitions

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

Air Bag Factor means the numerical value, in any case higher than 1, specified in the Final Terms relating to each Series;

Annual Valuation Date means, in relation to the Internal Return Amount (if applicable), the period(s) (composed of one or more Exchange Business Day(s), as indicated in the Final Terms) in which the Calculation Agent determines the Reference Value of the underlying for the purposes of the calculation of the Internal Return Amount;

Annual Remuneration Payment Date means, in relation to the Internal Return Amount (if applicable), one or more Business Day(s) on which the Issuer shall pay, directly or indirectly, the Internal Return Amount to the Securityholders. If there are more Annual Remuneration Payment Dates, the relevant Final Terms will specify the **First Annual Remuneration Payment Date**, the **Second Annual Remuneration Payment Date** and so on;

Barrier Event means, if applicable pursuant to the relevant Final Terms, the event which occurs when the Calculation Agent determines that, (i) on the relevant Valuation Date or (ii) during the Barrier Event Determination Period(s), the Reference Value of one or more underlying asset(s) (or of the Spread in the case of Spread Certificates), as calculated in accordance with the terms of the relevant Final Terms, is equal to, higher than or lower than the Barrier Level as specified from time to time in the relevant Final Terms.

In the case of Certificates with Best Of Feature or Worst Of Feature, the Issuer will indicate in the relevant Final Terms the occurrence of the Barrier Event in relation to one or more Underlying and consequently the Final Terms will indicate the Barrier Level for each Underlying.

The Barrier Level will be promptly communicated to the Securityholders pursuant to Condition 7;

Barrier Event Determination Period(s) means the period(s) composed of one or more Exchange Business Day(s) as specified from time to time in relation to each Series in the relevant Final Terms.

In the event that a Market Disruption Event has occurred on an Exchange Business Day of the Barrier Event Determination Period(s), such Exchange Business Day will be postponed to the following Exchange Business Day on which the Market Disruption Event is no longer in place.

In any case, such Exchange Business Day shall not be postponed beyond the eighth Exchange Business Day following the Exchange Business Day initially specified;

Barrier Level means, if applicable under the relevant Final Terms, the value determined as a percentage of the Initial Reference Value of the Underlying (or in the case of Spread Certificates calculated as an independent percentage) which determines the occurrence of the Barrier Event (as indicated in the relevant Final Terms). The Calculation Agent will determine the Barrier Level (i) on each Valuation Date or (ii) in the Barrier Determination Period, as specified from time to time in the relevant Final Terms.

The Barrier Level will be specified in the relevant Final Terms. In the case of Best Of Feature and Worst Of Feature, the Issuer will indicate in the relevant Final Terms whether a Barrier Event has occurred in relation to one or more Underlying(s), in which case the Barrier Level for each Underlying will be indicated in the Final Terms;

Basket means a portfolio composed of two or more Shares, two or more Indices, two or more Commodities, two or more Commodity Futures Contracts, two or more Exchange Rates, two or more Interest Rates, two or more Funds, comprised in the same basket, as specified from time to time in the relevant Final Terms. The Final Terms will also provide information related to the information in relation of the weight of each Basket Constituent related to the same Basket (the "**Basket Constituent Weight**") specifying if the Rainbow calculation method is applicable (as defined below and in the event of a Rainbow Feature);

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

Basket Constituent Performance means, in the case of a Rainbow Feature, the performance of each Basket Constituent:

(i) at the Exercise Date:

$$\frac{FRV}{IRV} - 1$$

Where:

"**FRV**" means the Final Reference Value of the Basket Constituent,

"**IRV**" means the Initial Reference Value of the Basket Constituent,

(ii) during the life of the Certificates:

$$\frac{RV}{IRV} - 1$$

Where:

"**RV**" means the Reference Value of the Basket Constituent, and

"**IRV**" means the Initial Reference Value of the Basket Constituent;

Best Of Feature means the calculation method, if applicable pursuant to the relevant Final Terms, for the calculation of the Settlement Amount, the Early Redemption Amount (if applicable), the Internal Return Amount (if applicable) and the Digital Amount, where the Calculation Agent selects– the Best Of Underlying that is the underlying asset with the first, the second or the third (and so on, on the basis of the number of the Underlyings) best performance compared with the other Underlyings;

Best Of Underlying means, in the case of Best Of Feature, the Underlying with the first, second or third (and so on, depending on the number of the underlying assets) best performance of the Underlying in respect of the performance of the other Underlyings. The Calculation Agent will select, at the maturity, the Best Of Underlying for the calculation of the Cash Settlement Amount and the investors will be informed pursuant to Condition 7. In the Final Terms, the Issuer will indicate for each Series if it will take into account the Underlying with the first best performance (in such case this will be named Best Of Underlying), the second best performance (in such case this will be named **Second Best Of Underlying**) or the third best performance (in such case this will be named **Third Best Of Underlying**) and so on;

Business Day means (i) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) and on which each of Euroclear and Clearstream, Luxembourg is open for business and (ii) for the purposes of making payments in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) or any successor thereto is open;

Calculation Agent means Banca IMI S.p.A.;

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

Calculation of the Basket Level means the method used by the Calculation Agent to determine the value of the Basket of Shares, the Basket of Indices, the Basket of Commodities, the Basket of Commodity Futures Contracts, the Basket of Exchange Rates or the Basket of Funds in order to measure the Reference Value;

In particular, at any time, the Basket level is equal to the sum of the single values of the Basket Constituents at such time, divided by the single values of the Basket Constituents at time "0" which, in the case of an offer, is the Determination Date or, in the case of an admission to trading, is the Issue Date, and multiplied for the relevant weighting of each Basket Constituent comprised in the same Basket, in accordance with the following formula:

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

Where:

"**Basket_t**" is the Basket Level at time "t",

"**C_tⁱ**" is the Basket Constituent "i" value at time "t",

"**C₀ⁱ**" is the Basket Constituent "i" value at time "0",

"**Wⁱ**" is the weighting of each Basket Constituent; and

"**n**" is the number of the Basket Constituents;

Cap Level means a value expressed in the Underlying Reference Currency and calculated as the product between the Cap Percentage and the Initial Reference Value.

In relation to the Spread Certificates, the Cap Level will be expressed as an independent percentage value and, therefore, the Cap Percentage will not be included in the Final Terms.

The Cap Level will be indicated by the Issuer, in relation to the relevant Series, in the relevant Final Terms;

Cap Percentage means, in relation to the Cap Level, the percentage indicated in the relevant Final Terms;

Cash Settlement Amount means the amount which the Securityholder is entitled to receive on the Settlement Date in the Settlement Currency in relation to each such Security as determined by the Calculation Agent pursuant to the provisions in the applicable Final Terms and Condition 17. The Cash Settlement Amount shall be rounded to the nearest sub-unit of the relevant Settlement Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Securities exercised or redeemed, as the case may be, at the same time by the same Securityholder will be aggregated for the purpose of determining the aggregate Cash Settlement Amount payable;

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

Cliquet Feature means the Determination Method, if so specified by the Issuer in the relevant Final Terms, of the Digital Level pursuant to which the Calculation Agent will update the Digital Level determining the Reference Value of the Underlying (or of the Spread in the case of Spread Certificates) (i) in relation to the relevant Digital Valuation Period or (ii) only if a Digital Event has occurred in the relevant Digital Valuation Period. The investors will be informed of the update of the Digital Level in accordance with Condition 7;

Closing Price means, in relation to the American, Asian or European Shares, the price recorded in the Reference Source as the official closing price;

Combined Securities means the type of Securities which is a combination of the following types, as specified from time to time in the relevant Final Terms: Index Securities, Share Securities, Exchange Rate Securities, Commodity Futures Contract Securities, Fund Securities, Interest Rate Securities and Commodities Securities;

Combo Feature means, in relation to Certificates linked to two or more Underlyings constituting a Basket, the calculation method, if provided by the Issuer in the relevant Final Terms, pursuant to which the Calculation Agent, for the purpose of the calculation of the Digital Amount, will determine the occurrence of the Digital Event (and eventually will determine the Consolidation Level, the Memory Level and the Knock-out Level) in relation to each Basket Constituent. However, for the purpose of the calculation of the Cash Settlement Amount, the Internal Return Amount (if applicable) and the Early Redemption Amount (if applicable), the Calculation Agent will take into account the Initial Reference Value, the Final Reference Value, the Early Redemption Level (if applicable), the Barrier Level (if applicable), the Cap Level (if applicable) and the Protection Level (if applicable) in relation to a Basket. Such calculation method shall not apply to the Spread Certificates;

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

Commodity Futures Contract means, in respect of each Series, either as single or as a Basket Constituent, the commodity future contract specified as Underlying in the relevant Final Terms. In the case of Certificates on Commodity Futures Contract, the lifetime of such instruments will reflect the lifetime of the related underlying futures;

Consolidation Effect means a calculation method of the Digital Amount, if applicable pursuant to the relevant Final Terms, according to which, if:

- (i) there are more Digital Valuation Periods; and
- (ii) the Calculation Agent determines that the value of the Underlying (or of the Spread in the case of Spread Certificates) is lower, equal to or higher than the Consolidation Level (as indicated in the relevant Final Terms) in a Consolidation Valuation Period,

the Digital Event will automatically occur, without further determinations, for all the Digital Valuation Periods following such Consolidation Valuation Period.

If the value of the Underlying (or of the Spread in the case of Spread Certificates) is lower, equal to or higher than Consolidation Level (as indicated in the relevant Final Terms), the Securityholder will be notified pursuant to Condition 7;

Consolidation Level means the value indicated by the Issuer in the relevant Final Terms in addition to the Digital Level, if the Consolidation Effect is applicable.

The Consolidation Level is represented by a percentage of the Initial Reference Value of the Underlying or, in the case of Spread Certificates by an independent percentage value.

In the event that the Calculation Agent determines that the value of the Underlying (or of the Spread in the case of Spread Certificates) is lower, equal to or higher than the Consolidation Level (as indicated in the relevant Final Terms) in a Consolidation Valuation Period, the Digital Event will automatically occur without need of further determinations for all the Digital Valuation Periods following such Consolidation Valuation Period;

Consolidation Valuation Period means, in relation to the Consolidation Effect, the period(s) (composed of one or more Exchange Business Day(s), as indicated in the Final Terms) in which the Calculation Agent determines if the value of the Underlying (or the Spread in the case of Spread Certificates) is lower, equal to or higher than the Consolidation Level (if applicable and as better specified in the relevant Final Terms).

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

The above applies provided that, in the opinion of the Calculation Agent, a Market Disruption Event during a Consolidation Valuation Period has not occurred. In this case, the Exchange Business Day of the Consolidation Valuation Period is intended to be postponed to the first following Exchange Business Day on which the Market Disruption Event is no longer in place. In any case, such Exchange Business Day of the Consolidation Valuation Period may not be postponed beyond the eighth Exchange Business Day following the Exercise Date;

Delivery Date means, in the case of an offer of the Certificates, the date specified from time to time in the relevant Final Terms and on which the Certificates are delivered to the Securityholder against payment of the Issue Price. Delivery shall mean the relevant accounting evidence of such securities in the bank account indicated by the investor in the relevant subscription module;

Determination Date(s) means one or more dates on which the Initial Reference Value is calculated by the Calculation Agent (pursuant to the terms set out in the definition of Initial Reference Value), as specified from time to time in the relevant Final Terms in relation to each Series and which is an Exchange Business Day for the relevant Underlying.

If the Determination Date, in the case of a Basket, does not fall on an Exchange Business Day for one or more Basket Constituent(s), the next Determination Date will be the immediately following Exchange Business Day (which shall be an Exchange Business Day for all the Basket Constituents);

Determination Method means the "Single Level Option", the "Multiple Level Option" and the Cliquet Feature" pursuant to Condition 17;

Digital Amount(s) means, for each Series of Certificates, in relation to one or more Digital Valuation Period(s), the amount(s) in the Settlement Currency to be paid to the Securityholder on the Digital Payment Day per each Minimum Exercise Amount pursuant to Condition 17;

Digital Event means, in relation to each Series of Certificates, the event occurring when the Calculation Agent determines that, in a Digital Valuation Period indicated by the Issuer, the value of the Underlying (or of the Spread in the case of Spread Certificates) is lower, equal to or higher than one or more Digital Levels, as specified in the relevant Final Terms from time to time.

In that case, the Securityholders are entitled to receive the payment of the relevant Digital Amount. The Digital Event will be promptly communicated to the Securityholders pursuant to Condition 7;

Digital Level means one or more value(s) determined from time to time in the relevant Final Terms in relation to the relevant Digital Valuation Period(s).

The Digital Level is represented by a percentage of the Initial Reference Value of the Underlying or in relation to the Spread Certificates by an independent percentage value.

For the purposes of the Digital Event, the Digital Level is determined by the Calculation Agent pursuant to the relevant Final Terms. The Digital Level may be the identical for all the Digital Valuation Periods or increasing, decreasing or variable in relation to each applicable Valuation Period. If there are several Digital Levels, the Issuer will indicate in the relevant Final Terms, in relation to the relevant Digital Valuation Period, the First Digital Level, the Second Digital Level and so on;

Digital Payment Date(s) means one or more Business Day(s) on which the Issuer shall pay, directly or indirectly, the Digital Amount to the Securityholders.

The Digital Payment Day falls no later than 10(ten) Business Days following the last Exchange Business Day of the Digital Valuation Period on which the Calculation Agent has determined the occurrence of a Digital Event;

Digital Sum means, in relation to the Growth & Income Certificates, the sum of the Digital Amounts paid during the life of the Certificates, as defined in Condition 17. The amount of such sum will be promptly communicated to the Securityholder pursuant to Condition 7;

Digital Valuation Period means, in relation to each Series, the period(s) (composed of one or more Exchange Business Day(s), as indicated in the Final Terms) in which the Calculation Agent determines if the value of the Underlying (or of the Spread in the case of Spread Certificates) is lower, equal to or higher than the Digital Level on the basis of the specific Determination Methods of such level indicated in the Final Terms. In the event of more Digital Valuation Periods, the relevant Final Terms will indicate the **First Digital Valuation Period**, the **Second Digital Valuation Period**, and so on.

The above applies provided that in the opinion of the Calculation Agent a Market Disruption Event in a Digital Valuation Period has not occurred. In the this case, the Exchange Business Day of the Digital Valuation Period is intended to be postponed to the first following Exchange Business Day on which the Market Disruption Event is no longer in place. In any case, such Exchange Business Day of the Digital Valuation Period may not be postponed beyond the eighth Exchange Business Day following the Exercise Date;

Disrupted Day means any Exchange Business Day on which a Market Disruption Event has occurred;

Down Participation Factor means, in relation to the Twin Win Certificates, the percentage indicated in the Final Terms of each Series;

Early Payment Date means the Business Day on which the Issuer shall pay, directly or indirectly, the Early Redemption Amount to the Securityholders.

The Early Payment Date falls no later than ten Business Days following the last Exchange Business Day of the Early Redemption Valuation Period;

Early Redemption Amount is an amount denominated in Euro, that will be specified from time to time in the relevant Final Terms and paid to the Securityholder for each Minimum Exercise Amount on the relevant Early Payment Date if an Early Redemption Event occurred;

Early Redemption Event means, if applicable pursuant to the relevant Final Terms, the event which occurs when the Calculation Agent determines that in the relevant Early Redemption Valuation Period the Reference Value of one or more Underlying(s) (or of the Spread in the case of Spread Certificates) as determined pursuant to the terms set out from time to time in the relevant Final Terms is lower, equal to or higher than the relevant Early Redemption Level, as specified from time to time in the relevant Final Terms.

In case of Best Of Feature or Worst Of Feature, the Issuer will indicate in the relevant Final Terms the occurrence of a Barrier Event in relation to one or more Underlying(s) and consequentially the Final Terms will indicate one or more Early Redemption Level(s) for each Underlying.

In any case, upon the occurrence of an Early Redemption Event, the Securityholders are entitled to receive the payment of the Early Redemption Amount and the Certificates are deemed to be early redeemed on the hour, minute and second of the last Exchange Business Day during the Early Redemption Valuation Period on which the Early Redemption Event has occurred. The Securityholders will be notified of the Early Redemption Event pursuant to Condition 7; **Early Redemption Level** means, if applicable under the relevant Final Terms, for each Underlying, the value determined as a percentage of the Initial Reference Value as specified in relation to the Early Redemption Valuation Period in the relevant Final Terms from time to time.

In case of Spread Certificates, the Early Redemption Level is represented by an independent percentage value indicated from time to time in the relevant Final Terms in relation to each Early Redemption Valuation Period.

In case of Best Of Feature or Worst Of Feature, the Issuer will indicate in the relevant Final Terms whether an Early Redemption Event has occurred in relation to one or more Underlyings, in which case the Final Terms will indicate one or more Early Redemption Level(s) for each Underlying;

Early Redemption Valuation Period means the period (or the periods) composed of one or more Exchange Business Day(s), as specified in the relevant Final Terms, on which the Calculation Agent determines if the Reference Value (as indicated in the relevant Final Terms) is equal to, or higher than the Early Redemption Level and therefore determining whether an Early Redemption Event has occurred.

If there are more Early Redemption Valuation Periods, the relevant Final Terms will specify the **First Early Redemption Valuation Period**, the **Second Early Redemption Valuation Period** and so on.

The above applies provided that, in the opinion of the Calculation Agent, a Market Disruption Event has not occurred on an Exchange Business Day in the Early Redemption Valuation Period. In such case, the Exchange Business Day of the Early Redemption Valuation Period is postponed to the immediately following Exchange Business Day on which the Market Disruption Event is no longer in place. In any case, such Exchange Business Day of the Early Redemption Valuation Period shall not be postponed beyond the eighth Exchange Business Day after the Exercise Date;

Exchange means:

- (a) in respect of Index Securities and in relation to an Index which is not specified in the applicable Final Terms as being a Designated Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities/commodities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities or commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange);
- (b) in respect of Index Securities and in relation to an Index which is specified in the applicable Final Terms as being a Designated Multi-Exchange Index, in respect of each component security of that Index (each an **Index Constituent**), the principal stock exchange on which such Index Constituent is principally traded, as determined by the Calculation Agent; and

- (c) in respect of Share Securities and in relation to a Share, each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

Exchange Business Day means, in relation to:

(A) *Share Securities, Commodity Securities, Exchange Rate Securities:*

any day (i) which is considered an exchange business day by the Reference Source provided that on that day such Reference Source is open for trading, except for the days on which trading sessions close earlier than the regular closing hours and (ii) on which the Reference Source is open for trading during the regular trading hours;

(B) *Index Securities:*

the day on which (i) the Index Sponsor determines and publishes the Index level and (ii) the Reference Source is open for trading during the regular trading hours;

(C) *Commodity Futures Contract Securities:*

any day on which the Commodity Futures Contract is regularly listed on the Reference Source. If on such a day a Market Disruption Event occurs, such day will not be considered as Exchange Business Day;

(D) *Fund Securities:*

- (i) in the case of unlisted Funds: any day on which the Net Asset Value of each Fund is (or would have been if a Market Disruption Event had not occurred) determined and/or published by the Management Company or the Fund Manager; and
- (ii) in the case of Exchange Traded Funds: any day on which the closing auction price relating to each Exchange Traded Fund is (or would have been if a Market Disruption Event had not occurred) regularly determined and published by the relevant Reference Source;

(E) *Interest Rate Securities:*

any day on which the Interest Rate is determined and/or published by the relevant Calculation Entity; and

(F) *if the Underlyings are Baskets:*

the day which is an Exchange Business Day for all the relevant Basket Constituents;

Exchange Rate means, in relation to Non Quanto Certificates, on any day and for each Series, with reference to the Underlying, the exchange rate on a given date between the Underlying Reference Currency and the Settlement Currency (expressed as a number of units or portion of the Underlying Reference Currency necessary to purchase a unit in the Settlement Currency), determined by the Calculation Agent, for any currency other than the Indian Rupee, making reference to the exchange rate (fixing) between the Underlying Reference Currency and the Settlement Currency determined by the European Central Bank at 14:15 (CET) and published on the Bloomberg Page “Euro Foreign Exchange Reference Rates” on ECB <go> or on the website www.ecb.int/starts/exchange (or as determined by the Calculation Agent on or about 14:15). In relation to the Indian Rupee, the Exchange Rate is determined by the Calculation Agent making reference to the exchange rate (fixing) between the Underlying

Reference Currency and the Settlement Currency as determined by the Reserve Bank of India and published on the Valuation Date at 14:30 (Bombay time) on Reuters page <RBIB>.

In the event that on the Valuation Date the Exchange Rate is not determined as per above, it will be determined by the Calculation Agent as the average of the quotations of the relevant Exchange Rate obtained by Calculation Agent on or about 16:30 (Milan time) on the Valuation Date from, through the "Dealing 2000" system, three banks or leading investments companies acting in the exchange rates market at the sole discretion of the Calculation Agent;

Exercise Date means, in respect of each Series, the Exchange Business Day on which the Certificates are exercised, as specified in the Final Terms, or if such day is not a Business Day, the immediately following Exchange Business Day which is also a Business Day;

Final Reference Value means an amount calculated by the Calculation Agent pursuant to the following, in accordance with the relevant Final Terms:

If the Underlying is one or more financial asset(s) (and not a Basket):

- (A) the amount corresponding to the Reference Value of the single Underlying on the Valuation Date as determined by the Calculation Agent, without considering possible changes published at a later stage in relation to the financial asset ; or
- (B) the amount corresponding to the arithmetic mean of the Reference Value of the single Underlying, ascertained by the Calculation Agent on the Valuation Dates set out in the relevant Final Terms, and determined pursuant to the following formula:

$$FRV = \frac{1}{x} \times \sum_{j=1}^x Underlying_j$$

Where

"**FRV**" is the Final Reference Value of the Underlying,

" *x* " is the number of Valuation Dates specified as such in the relevant Final Terms,

"***Underlying_j***" is the Reference Value of the Underlying as calculated on the Valuation Date " *j* ";

- (C) the amount corresponding to the maximum Reference Value (or the minimum Reference Value in the case of Max Short Certificates) recorded in relation to the single Underlying during one or more Final Reference Value Determination Period(s) ascertained by the Calculation Agent on the Valuation Date, as specified in the Final Terms;

If the Underlying is a Basket:

- (A) the amount corresponding to the Basket Reference Value on the Valuation Date, as ascertained by the Calculation Agent (pursuant to the terms set out in the foregoing definition of "Calculation of the Basket Level") and without considering possible changes published at a later stage in relation to the Basket Level; or
- (B) the amount corresponding to the sum of the arithmetic means of the Reference Value of each Basket Constituent, ascertained by the Calculation Agent on each Valuation Date set out in the relevant Final Terms, divided by the arithmetic means of the Reference Value of each Basket Constituent, ascertained by the Calculation Agent on each Determination Date specified in the

relevant Final Terms, and multiplied by the relevant weighting of the single Basket Constituents within the same Basket, in accordance with the following formula:

$$Basket = \sum_{i=1}^n \frac{\frac{1}{x} \times \sum_{j=1}^x C_j^i}{\frac{1}{y} \times \sum_{t=1}^y C_t^i} \times W^i$$

Where

"**Basket**" is the Final Reference Value of the Basket,

"**x**" is the number of Valuation Dates specified as such in the relevant Final Terms,

"**y**" is the number of Determination Dates specified as such in the relevant Final Terms,

" C_j^i " is the value of the Basket Constituent "**i**" calculated on the Valuation Date "**j**",

" C_t^i " is the value of the Basket Constituent "**i**" calculated on the Determination Date "**t**",

" W^i " is the weighting of each Basket Constituent "**i**"; and

"**n**" is the number of the Basket Constituent; or

- (C) the amount corresponding to the maximum Reference Value (or the minimum Reference Value in the case of Max Short Certificates) recorded in relation to the Basket during one or more Final Reference Value Determination Period(s), ascertained by the Calculation Agent (pursuant to the terms specified in the foregoing definition of "Calculation of the Basket Level") on the Valuation Date, as set out in the relevant Final Terms;

Final Reference Value Determination Period(s) means, if specified in the relevant Final Terms, one or more period(s) each composed of one or more Exchange Business Day(s) as specified in the relevant Final Terms;

Fund means, in respect of each Series:

- (i) Italian Undertakings for Collective Investment in Transferable Securities (*organismo d'investimento collettivo del risparmio "UCITS"*) set up pursuant to Directive 85/611/EEC as amended from time to time; and
- (ii) *Exchange Traded Fund* ("**ETF**") (a) Italian or foreign, or (b) if an application for listing to the SeDeX market is made, listed in the European regulated markets and regulated by Directives 2001/107/EC and 2001/108/EC, which will be specified from time to time in the relevant Final Terms;

Fund Manager means the Management Company (as defined below), the director, the manager or other entity which is responsible for publishing the Net Asset Value on behalf of the Management Company;

Index means, either as single or as a basket Constituent, the Italian or foreign indices (share indices, currency indices, bond indices, inflation indices, fund indices (including ETF indices), – volatility indices and interest rate indices) constituting the Underlying from time to time and as specified in the relevant Final Terms;

Initial Percentage means, for each Series of Certificates, the percentage indicated in the relevant Final Terms;

Initial Reference Value means, without prejudice to the adjustments set out in the Terms and Conditions, as specified in the relevant Final Terms, an amount calculated by the Calculation Agent pursuant to the following:

If the Underlying is one or more financial asset(s) (and not a Basket):

- (A) the amount corresponding to the Reference Value of the single Underlying as ascertained by the Calculation Agent:
 - (i) in the case of a subscription offer of the relevant Series before the listing, on the Determination Date as specified in the Final Terms; or
 - (ii) in the case of a listing without previous subscription offer, (a) on the Exchange Business Day specified in the Final Terms or (b) the Underlying value indicated by the Issuer in the Final Terms,

and without considering possible changes published at a later stage in relation to the Reference Value of the Underlying;

- (B) the amount corresponding to the arithmetic mean of the Reference Value of the single Underlying, ascertained by the Calculation Agent on the Valuation Dates set out in the relevant Final Terms, and determined pursuant to the following formula:

$$IRV = \frac{1}{x} \times \sum_{t=1}^x Underlying_t$$

Where

"IRV" is the Initial Reference Value of the Underlying,

"x" is the number of Determination Dates specified as such in the Final Terms,

Underlying_t, is the Reference Value of the Underlying calculated on the Determination Date "t";
or

- (C) the amount corresponding to the minimum Reference Value (or the maximum Reference Value in the case of Max Short Certificates) recorded in relation to the single Underlying during one or more Initial Reference Value Determination Period(s) ascertained by the Calculation Agent on the Determination Date, as specified in the Final Terms;

If the Underlying is a Basket:

- (A) the amount corresponding to the Basket Reference Value on the Determination Date, as ascertained by the Calculation Agent (pursuant to the terms set out in the foregoing definition of "Calculation of the Basket Level") and without considering possible changes published at a later stage in relation to the Basket Reference Value;
- (B) the amount corresponding by definition to 1, if the Final Reference Value of the Basket is determined as the sum of the arithmetic means of the Reference Value of each Basket Constituent, ascertained by the Calculation Agent on each Valuation Date set out in the relevant Final Terms, divided by the arithmetic means of the Reference Value of each Basket Constituent, ascertained by the Calculation Agent on each Determination Date specified in the relevant Final Terms, and is then multiplied by the relevant weighting of the single Basket Constituents within the same Basket; or
- (C) the amount corresponding to the minimum Reference Value (or the maximum Reference Value in the case of Max Short Certificates) recorded in relation to the Basket during one or more Final

Reference Value Observation Period(s), ascertained by the Calculation Agent (pursuant to the terms specified in the foregoing definition of "Calculation of the Basket Level") on the Determination Date, as set out in the relevant Final Terms;

Initial Reference Value Determination Period(s) means, if specified in the relevant Final Terms, one or more period(s) each composed of one or more Exchange Business Day(s) as specified in the relevant Final Terms;

Interest Rate means, either as single or as a Basket Constituent, the interest rate representing the Underlying from time to time and as specified in the relevant Final Terms;

Internal Return Amount means the amount linked to the performance of the Underlying as indicated in the relevant Final Terms (if applicable);

Internal Return Amount (IRA) Cap means the percentage indicated in the relevant Final Terms in relation to the Internal Return Amount (if applicable);

Issue Currency means the currency specified from time to time in the applicable Final Terms;

Issue Date means, in relation to each Series, the date of issue of the Certificates. Such a date is specified from time to time in the relevant Final Terms;

Issue Price means the price of issue of the Certificates;

Issuer means Banca IMI S.p.A. with registered office Largo Mattioli No. 3 -20121 Milan;

Italian Indices means the indices regulated by Borsa Italiana S.p.A. and by entities which have entered into a specific agreement with Borsa Italiana S.p.A.;

Italian Listed Securities means Securities in respect of which the applicable Final Terms state that an application will be made to list and admit such Securities to trading on the Italian Stock Exchange and the expression **Italian Listed Certificates** shall be construed accordingly;

Italian Stock Exchange means the electronic "Securitised Derivatives Market" (the **SeDeX**), organised and managed by Borsa Italiana S.p.A.;

Knock-Out Event means, in relation to the Knock-out Level, the event which occurs when the Calculation Agent determines that, in a Knock-out Valuation Period (as defined below), the value of the Underlying (or of the Spread in the case of Spread Certificates) as determined pursuant to the terms set out from time to time in the relevant Final Terms is lower, equal to or higher than Knock-out Level (as specified in the relevant Final Terms from time to time).

In which case, the Securityholders are not entitled to receive the payment of any relevant Digital Amount in the following Digital Valuation Periods. The Knock-out Event will be promptly communicated to the Securityholders pursuant to Condition 7;

Knock-out Level means the value (expressed as a percentage of the Initial Reference Value or, in the case of Spread Certificates, as an independent percentage value) determined from time to time, in relation to each Knock-out Valuation Period, in the relevant Final Terms. For the purposes of the above Knock-out Event, the Knock-out Level is determined by the Calculation Agent pursuant to the relevant Final Terms;

Knock-out Valuation Period means, in relation to the Knock-out Level, the period(s) (composed of one or more Exchange Business Day(s), as indicated in the Final Terms) in which the Calculation Agent determines if the value of the Underlying (or of the Spread in the case of Spread Certificates) is lower, equal to or higher than the Knock-out Level on the basis of the specific Determination Methods of such level indicated in the Final Terms. In the event of more Knock-out Valuation Periods, the relevant Final

Terms will indicate the **First Knock-out Valuation Period**, the **Second Knock-out Valuation Period**, and so on.

The above applies provided that, in the opinion of the Calculation Agent, a Market Disruption Event in a Knock-out Valuation Period has not occurred. In this case, the Exchange Business Day of the Knock-out Valuation Period is intended to be postponed to the first following Exchange Business Day on which the Market Disruption Event is no longer in place. In any case, such Exchange Business Day of the Knock-out Valuation Period may not be postponed beyond the eighth Exchange Business Day following the Exercise Date;

Limited Loss Percentage means, in relation to the Spread Certificates with the Limited Loss feature (ancillary to the Barrier option), the negative percentage indicated in the relevant Final Terms;

Management Company is the entity responsible for the management of the Fund;

Market Disruption means any event pursuant to Condition 12 that is deemed to be a Market Disruption;

Market Value means, in the case of a Market Disruption Event or Adjustment Event that as a consequence of which the Issuer redeems early the Certificates, an amount at the market value, as determined by the Calculation Agent acting in good faith pursuant to reasonable market practice and aiming to neutralise the effects which the Market Disruption Event or Adjustment Event cause to the Certificates;

Maximum Level means, in relation to each Series, the value of the Underlying, specified in the Final Terms and determined by the Calculation Agent, upon which the Issuer can opt to not carry out the issue of the Certificates and the relevant offer shall be deemed consequently cancelled pursuant to the Final Terms;

Memory Effect means a calculation method of the Digital Amount, if so provided by the Issuer in the relevant Final Terms, according to which, if:

- (i) there are more Digital Valuation Periods; and
- (ii) the Calculation Agent determines that the value of Underlying (or of the Spread in the case of Spread Certificates) is lower, equal to or higher than Memory Level (as indicated in the relevant Final Terms) in a Memory Valuation Period,

the investor will receive the Digital Amount(s) previously unpaid due to the non-occurrence of the Digital Event.

If the value of the Underlying (or of the Spread in the case of Spread Certificates) is lower, equal to or higher than the Memory Level (as indicated in the relevant Final Terms), the Securityholders will be notified pursuant to Condition 7;

Memory Level means, if the Memory Level is applicable, the value indicated by the Issuer in the Final Terms in addition to the Digital Level.

The Memory Level is represented by a percentage of the Initial Reference Value of the Underlying or, in the case of Spread Certificates, by an independent percentage value.

In the event that, the Calculation Agent determines that the value of the Underlying is lower, equal to or higher than a Memory Level (as indicated in the relevant Final Terms) in a Memory Valuation Period, the investor will receive the previously unpaid Digital Amount(s) if a Digital Event has not occurred;

Memory Valuation Period means, in relation to the Memory option, the period(s) (composed of one or more Exchange Business Day(s), as indicated in the Final Terms) in which the Calculation Agent determines if the value of the Underlying (or of the Spread in the case of Spread Certificates) is lower, equal to or higher than the Memory Level on the basis of the specific Determination Methods of such level indicated in the Final Terms. In the event of more Memory Valuation Periods, the relevant Final

Terms will indicate the **First Memory Valuation Period**, the **Second Memory Valuation Period**, and so on.

The above applies provided that in the opinion of the Calculation Agent a Market Disruption Event in a Memory Valuation Period has not occurred. In such case, the Exchange Business Day of the Memory Valuation Period is intended to be postponed to the first following Exchange Business Day on which the Market Disruption Event is no longer in place. In any case, such Exchange Business Day of Memory Valuation Period may not be postponed beyond the eighth Exchange Business Day following the Exercise Date;

Minimum Exercise Amount means the minimum amount of Certificates and the relevant multiplier which can be exercised and is set out in the relevant Final Terms, in respect of each issue;

Minimum Level means, in the case of Fund Securities, the interest rate swap value as determined on the Determination Date, whose term coincides with the lifetime of the Certificates. The Minimum Level upon which, if reached, the Calculation Agent determines the occurrence of a Market Disruption Event, as specified in the Final Terms and as determined by the Calculation Agent;

Minimum Trading Amount means the amount of Certificates specified as such in the relevant Final Terms, in relation to each Series admitted to trading;

Multiplier means the amount of underlying which is related to a single Certificate and specified from time to time in the relevant Final Terms;

NAV means the net asset value for each share or unit of the Fund as calculated and published by the Fund Manager;

Offering Period means the period indicated by the Issuer for the subscription in relation to the Series, as specified in the Final Terms;

Participation Factor means, in relation to the Digital Max Certificates, the Spread Certificates, the Twin Win Certificates and the Digital Growth & Income Certificates, the percentage indicated in the Final Terms of each Series;

Path Dependency Effect means a calculation method of the Digital Amount, described in Condition 17, according to which the Digital Amount may increase in relation to each Digital Valuation Period;

Path Dependency Amount means the amount specified in the applicable Final Terms in relation to the Path Dependency Effect;

Performance of the Underlying means, in the case of Certificates with the Best Of Feature or Worst Of Feature as well as Type B Spread Certificates, the effective performance of each Underlying as determined by the Calculation Agent;

Plus Amount(s) means, if applicable, the amount(s) indicated in the relevant Final Terms, to be paid to the Securityholder for each Minimum Exercise Amount on the Plus Payment Date pursuant to Condition 17;

Plus Payment Date(s) means one or more Business Day(s) on which the Issuer shall pay, directly or indirectly, the Plus Amount to the Securityholders. If there are more Plus Payment Dates, the relevant Final Terms will specify the **First Plus Payment Date**, the **Second Plus Payment Date** and so on;

Protection Level means the value calculated as a percentage of the Initial Reference Value, as specified in the relevant Final Terms.

In the case of Best Of Feature or Worst Of Feature, the Issuer will indicate in the relevant Final Terms the Protection Level for each Underlying;

Quanto Option means, if the Final Terms specify a Quanto Option as applicable, that the Underlying Reference Currency is in any case conventionally denominated in the Settlement Currency and the exchange rate is not applicable and, therefore, the effects of the exchange rates on the amount paid in relation to the Certificates are neutralised;

Rainbow Feature means, in relation to the Certificates linked to a Basket, the determination method in relation to the value of that Basket, provided by the Issuer in the relevant Final Terms. Unlike the securities linked to one or more Underlying(s), the Issuer will indicate in the Final Terms: (i) the financial activities which represent the Basket Constituents, (ii) the percentage of the weights within the Basket without any preliminary reference to specific financial activities and (iii) the objective criteria pursuant to which the weight will be allocated by the Calculation Agent (for instance, in a Basket constituted by **three** financial activities, the Basket would be weighted as follows: 50% for the Basket Constituent with the best performance; 30% for the Basket Constituent with the worst performance; and 20% for a Basket Constituent with the second best performance). For each determination (during the life of the Certificates and at the exercise date), the Calculation Agent will weigh the relevant Basket Constituents on the basis of the performance registered on such determination date and pursuant to the objective criteria provided under the Final Terms. The allocation of the weights within a Basket may result differently on each determination date and depending on the performance of the Basket Constituents.

Once the Calculation Agent has carried out the weighting of the Basket on the relevant determination date, the Calculation Agent will calculate the total amount of the Basket pursuant to the methods applied on the instruments normally linked to the Basket.

Such feature shall not apply to the Spread Certificates;

Reference Value means, in respect of each Exchange Business Day and each Series, an amount determined by the Calculation Agent as follows:

(A) **Index Securities:**

- (i) Italian: the Reference Value is equal to:
 - (a) the level of the Italian Index determined by referring to the opening price of the relevant components of such Index. The opening price represents, for each share composing the Index, the opening auction price as defined in article 1.3 of the Regulation of Borsa Italiana S.p.A. (the "**Opening Auction Price**") and determined pursuant to the method specified in the Regulation of Borsa; if on a Determination Date or a Valuation Date, in relation to one or more stock(s) composing the Index, the opening auction price would not be determined, without the occurrence of a Market Disruption Event, the Issuer (1) if there are derivatives on the Index which are listed in the IDEM Market and which expire on a Determination Date or on a Valuation Date, it will use the value of the Index used by the IDEM for the settlement of the derivatives; (2) in the absence of derivatives on the Index listed in the IDEM Market and which expire on a Determination Date or on a Valuation Date, it will determine the Index value by considering the Opening Auction Prices recorded by the stock(s) in the last five sessions where such value has been determined by any other objective element available. In the case of a Basket, the Reference Value will be determined on the basis of the closing values of the Indices composing the Basket (also where the Basket is composed, among the others, by an Italian Index); or
 - (b) the closing level of the relevant Italian Index on such Exchange Business Day.

The Issuer will specify in the Final Terms related to each Series of Certificates whose Underlying is an Italian Index which method set out in (a) and (b) above will apply with regard to the determination of the Reference Value by the Calculation Agent.

- (ii) Not an Italian Index: an amount equal to the closing level of the relevant index on the Exchange Business Day; and
 - (iii) Inflation index: an amount equal to the level of the relevant inflation Index published by the Sponsor of such Index as specified in the relevant Final Terms;
- (B) Share Securities:
- Italian Share: an amount equal to the "Reference Price", as defined in the Regulation of Borsa Italiana S.p.A., on the Exchange Business Day;
 - Not an Italian Share: an amount equal to the closing price of the relevant Share resulting from the listing made by the Reference Source on the Exchange Business Day;
- (C) Commodity Securities: an amount equal to the official price of the relevant Commodity resulting from the listing made by the Reference Source on the Exchange Business Day;
- (D) Commodity Futures Contract Securities: an amount equal to the official price of the relevant Future on Commodities determined on the Reference Source on the Exchange Business Day;
- (E) Exchange Rate Securities: an amount equal to the Exchange Rate value determined on the day by the European Central Bank at around 14:15 CET and published after in the REUTERS page <ECB37> and on the website www.ecb.int, as determined by the Calculation Agent. If, on a given day, the Exchange Rate was not determined through the method specified above, the Exchange Rate will be determined by the Calculation Agent referring to the fixing rate between the two currencies object of the Exchange Rate, as determined by the "Grossbanken-fixing" system at around 13.00 CET and published on the REUTERS page <OPTREF> (or determined approximately around 13:00 by the Calculation Agent). In the case where the Exchange Rate relates to two foreign currencies other than the Euro, the Reference Value will be determined by the Calculation Agent as the value given by the cross rate between the exchange rates, the Euro and each of the two currencies, as determined by the European Central Bank pursuant to the method specified above;
- (F) Interest Rate Securities: an amount equal to the value of the Interest Rate as observed by the relevant Calculation Entity on the Exchange Business Day, at the time and from the information source specified, respectively, from time to time in the relevant Final Terms; and
- (G) Fund Securities: an amount equal to the Net Asset Value, as determined and published by the Fund Manager, or in the case of an ETF, (i) an amount equal to the Net Asset Value resulting from the listing made on the Reference Source or (ii) if an application for the listing of the Certificates to the SeDeX market is made, an amount equal to the closing auction price in relation to each ETF, as determined and published by the relevant Reference Source at the end of the trading sessions on each Exchange Business Day, whose value will be available on the Bloomberg Page provided in the relevant Final Terms.

In the case of a Basket, the Reference Value of the Basket will be determined as specified in the previous definition of "Calculation of the Basket Level".

Furthermore, without prejudice to the definitions of the Final Reference Value and Initial Reference Value set out above, in relation to any valuation period during the lifetime of the Certificates, the occurrence of the relevant Event (whether it is a Digital Event, an Early Redemption Event, a Memory Effect, a Knock-out Event and so on) may be determined pursuant to the following, as specified from time to time in the relevant Final Terms:

If the Underlying is one or more financial asset(s) (and not a Basket):

- (A) the amount corresponding to the Reference Value of the single Underlying on the Exchange Business Day within such valuation period, as determined by the Calculation Agent, and without considering possible changes published at a later stage in relation to the financial asset ;
- (B) the amount corresponding to the arithmetic mean of the Reference Value of the single Underlying(s), ascertained by the Calculation Agent on the Exchange Business Day(s) within such valuation period(s) set out in the relevant Final Terms, and determined pursuant to the following formula:

$$RV = \frac{1}{x} \times \sum_{j=1}^x Underlying_j$$

Where

"RV" is the Reference Value of the Underlying, and

" x " is the number of the Exchange Business Days within such valuation period, specified as such in the relevant Final Terms,

"*Underlying_j*", is the Reference Value of the Underlying calculated on the Exchange Business Day " j "; or

- (C) the amount corresponding to the maximum Reference Value (or the minimum Reference Value in the case of Max Short Certificates) recorded in relation to the single Underlying during one or more valuation period(s) ascertained by the Calculation Agent on the Exchange Business Day, as specified in the Final Terms.

If the Underlying is a Basket:

- (A) the amount corresponding to the Basket Reference Value on the Exchange Business Day(s) within such valuation period(s), as ascertained by the Calculation Agent (pursuant to the terms set out in the foregoing definition of "Calculation of the Basket Level") and without considering possible changes published at a later stage in relation to the Basket Level;
- (B) the amount corresponding to the sum of the arithmetic means of the Reference Value of each Basket Constituent, ascertained by the Calculation Agent on each Exchange Business Day(s) within such valuation period(s) set out in the relevant Final Terms, divided by the arithmetic means of the Reference Value of each Basket Constituent, ascertained by the Calculation Agent on each Determination Date specified in the relevant Final Terms, and multiplied by the relevant weighting of the single Basket Constituents within the same Basket, in accordance with the following formula:

$$Basket = \sum_{i=1}^n \frac{\frac{1}{x} \times \sum_{j=1}^x C_j^i}{\frac{1}{y} \times \sum_{t=1}^y C_t^i} \times W^i$$

Where

" *Basket* " is the Reference Value of the Basket,

" x " is the number of Exchange Business Day(s) within such valuation period(s) specified as such in the relevant Final Terms,

" y " is the number of Determination Date specified as such in the relevant Final Terms,

" C_j^i " is the value of the Basket Constituent "i" calculated on the Exchange Business Day "j",

" C_t^i " is the value of the Basket Constituent "i" calculated on the Determination Date "t",

" W^i " is the weighting of each Basket Constituent "i"; and

"n" is the number of the Basket Constituent; or

- (C) the amount corresponding to the maximum Reference Value (or the minimum Reference Value in the case of Max Short Certificates) recorded in relation to the Basket during one or more valuation period(s), ascertained by the Calculation Agent (pursuant to the terms specified in the foregoing definition of "Calculation of the Basket Level") on the Exchange Business Day, as set out in the relevant Final Terms;

Reference Source means, in respect of Index Securities and in relation to an Index or in respect of Share Securities and in relation to a Share, each exchange or quotation system specified as such in relation to such Index or Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index or Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index or such Share on such temporary substitute exchange or quotation system as on the original Reference Source);

Series means the Certificates that will be issued, from time to time, pursuant to this Base Prospectus as identified by the relevant ISIN Code;

Settlement Currency means the currency specified in the applicable Final Terms;

Settlement Date means, unless specified otherwise in the applicable Final Terms, the fifth Business Day next following the last occurring Valuation Date;

Share means, in relation to each Series, either as single or as a Basket Constituent, the share listed in Italy on the markets managed by Borsa Italiana S.p.A., or listed on European or foreign stock exchanges, which will be specified as the underlying asset or a Basket Constituent, from time to time in the relevant Final Terms;

Short Protection means the amount specified in the relevant Final Terms;

Sigma Amount means the amount in the Settlement Currency specified by the Issuer in Final Terms for each Series;

Sponsor means, in relation to each Series, the entity responsible for the calculation and/or the management and/or the issue of the relevant Underlying, as specified from time to time in the relevant Final Terms;

Spread means, in relation to Spread Certificates, the differential registered between the Performance of the Underlying A and the Performance of the Underlying B. The Spread is determined by the Calculation Agent as follows:

$$\text{Spread} = \text{Performance of the Underlying A} - \text{Performance of the Underlying B}$$

Where:

- (i) at the Exercise Date,

$$Performance = \frac{FRV}{IRV} - 1$$

Where:

"**FRV**" means the Final Reference Value of the Underlying, and

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

(ii) during the life of the Certificates,

$$Performance = \frac{RV}{IRV} - 1$$

Where:

"**RV**" means the Reference Value of the Underlying, and

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

Spread Protection means the percentage specified in the relevant Final Terms;

Successor Sponsor means, in relation to each Underlying, a third party that may be responsible for the calculation and/or the management and/or the issuance of the Underlying in the place of the Sponsor;

Typology means the type of Certificates that will be issued in respect of each Series, as specified in the relevant Final Terms. In particular, the Certificates may be:

- *Standard Certificates,*
- *Max (Long/Short) Certificates;*
- *Spread (Type A/ Type B) Certificates;*
- *Switch Certificates;*
- *Growth & Income Certificates and*
- *Twin Win Certificates;*

Underlying means, for each Series:

in the case of Certificates linked to one or more financial asset(s), the Share, the Index, the Commodity, the Commodity Futures Contract, the Exchange Rate, the Interest Rate and the Fund, as specified in the applicable Final Terms;

in the case of Spread Certificates, two or more financial assets selected from the following Underlyings: Shares, Indexes, Commodities, Commodity Futures Contracts, Exchange Rates, Interest Rates, Funds and Baskets composed of the preceding Underlyings, and indicated respectively as **Underlying A** and **Underlying B** in the relevant Final Terms;

in the case of Certificates linked to a Basket (as defined above), a Basket composed respectively of Shares, Indices, Commodities, Futures Contracts on Commodities, Exchange Rates, Interest Rates or Funds (each a Basket Constituent, as defined above and indicated from time to time in the relevant Final Terms);

Underlying Exchange Rate means, either as single or as a Basket Constituent, the exchange rate representing, from time to time and as specified in the relevant Final terms, the Underlying;

Underlying Reference Currency means for each Series, the currency of the Underlying as indicated in the Final Terms. In the case of Quanto Certificates, the Underlying Reference Currency will be usually always in the Settlement Currency;

Valuation Date(s) means one or more Exchange Business Day(s) on the Final Reference Value (pursuant to the terms specified below in the definition of Final Reference Value) is determined. The Valuation Date will be specified in the relevant Final Terms from time to time relating to each Series, and will be considered for the purposes of the calculation of the Cash Settlement Amount, provided that, in the opinion of the Calculation Agent, a Market Disruption Event has not occurred.

If, on a Valuation Date, a Market Disruption Event (as defined below) occurs, such Valuation Date will be postponed to the following Exchange Business Day on which the Market Disruption Event is no longer in place.

Such Valuation Date shall not, in any case, be postponed beyond the eight Exchange Business Day following the Valuation Date;

Worst Of Feature means the calculation method, if specified as applicable pursuant to the relevant Final Terms, for the calculation of the Settlement Amount, the Early Redemption Amount (if applicable) and the Digital Amount, where the Calculation Agent selects the Worst Of Underlying that is the underlying asset with the first, the second or the third (and so on, on the basis of the number of the Underlyings) worst performance compared with the other Underlyings; and **Worst Of Underlying** means, in the case of Worst Of Feature, the Underlying with the first, second or third (and so on, depending on the number of the Underlyings) worst performance of the Underlying in respect of the other Underlyings. The Calculation Agent will select, on the exercise date, the Best Of Underlying for the calculation of the Cash Settlement Amount and the investors will be informed pursuant to Condition 7. In the Final Terms, the Issuer will indicate for each Series whether it will take into account the Underlying with the first worst performance (in such case, a Best Of Underlying), the second worst performance (in such case, a **Second Worst Of Underlying**) or the third worst performance (in such case, a **Third Worst Of Underlying**) and so on;

4. Illegality

If the Issuer determines that the performance of its obligations under the Securities or that any arrangements made to hedge the Issuer's obligations under the Securities have become illegal in whole or in part for any reason, the Issuer may cancel the Securities by giving notice to Securityholders in accordance with Condition 7.

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

If the Issuer cancels the Securities then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security held by such holder, which amount shall be the fair market value of a Security, notwithstanding such illegality, less the cost to the Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Securityholders in accordance with Condition 7.

5. Purchases and Cancellation

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

6. Agents, Determinations, Meetings of Securityholders and Modifications

(A) Security Agents

The specified offices of the Security Agents are as set out at the end of these Conditions.

The Issuer reserves the right at any time to vary or terminate the appointment of any Security Agent and to appoint further or additional Security Agents, provided that no termination of appointment of the Principal Security Agent shall become effective until a replacement Principal Security Agent shall have been appointed and provided that, so long as any of the Securities are listed on any stock exchange or admitted to trading or listing by any other relevant authority, there shall be a Security Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange or other relevant authority. Notice of any termination of appointment and of any changes in the specified office of any Security Agent will be given to Securityholders in accordance with Condition 7 provided that any failure to give, or non-receipt of, such notice will not affect the validity of any such termination or changes. In acting under the Agency Agreement, each Security Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders and any Security Agent's determinations and calculations in respect of the Securities shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Securityholders.

The Agency Agreement may be amended by the parties thereto, but without the consent of the Securityholders, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the parties may mutually deem necessary or desirable and which shall not be materially prejudicial to the interests of the Securityholders.

(B) *Calculation Agent*

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

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

(C) *Determinations by the Issuer*

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

(D) *Meetings of Securityholders and Modifications*

The Agency Agreement contains provisions for convening meetings of the Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Securities or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer. The quorum at any such meeting for passing an Extraordinary Resolution is two or more persons holding or representing a clear majority of the Securities for the time being outstanding or at any adjourned meeting two or more persons being or representing Securityholders whatever the number or Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Securities (including modifying the date of exercise of the Securities, reducing or cancelling the Cash Settlement Amount in respect of the Securities or altering the currency of payment of the Securities other than pursuant to Condition 13), the quorum shall be two or more persons holding or representing not less than two-thirds of the Securities for the time being outstanding or at any adjourned such meeting one or more persons holding or representing not less than one-third of the Securities for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Securityholders shall be binding on all the Securityholders, whether or not they are present at the meeting.

The Principal Security Agent and the Issuer may agree, without the consent of the Securityholders to:

- (b) any modification (except as mentioned above) of the Securities or the Agency Agreement which is not prejudicial to the interests of the Securityholders; or
- (c) any modification of the Securities or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of law.

Any such modification shall be binding on the Securityholders and any such modification shall be notified to the Securityholders in accordance with Condition 7 as soon as practicable thereafter.

7. Notices

All notices to Securityholders shall be valid if (i) until such time as any Definitive Securities are issued, the notice is delivered to Euroclear and/or Clearstream, Luxembourg, for communication by them to the Securityholders; (ii) if and so long as the Securities are admitted to trading on the Irish Stock Exchange's regulated market and listed on the Official List of the Irish Stock Exchange, the notice is published in accordance with the rules and regulations of the Irish Stock Exchange (which shall include publication on the website of the Irish Stock Exchange (www.ise.ie)) and (iii) if and so long as the Securities are admitted to trading on stock exchanges other than the Irish Stock Exchange, the notices are duly published in a manner which complies with the rules of any such other stock exchange (or any other relevant authority) on which the Securities are for the time being listed or by which they have been admitted to trading. If Definitive Securities are issued, notices to Securityholders will be deemed validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the *Financial Times*. Any such notice shall be deemed to have been given on the date of delivery to Euroclear and/or Clearstream, Luxembourg or the date of publication, as the case may be, or, if published more than once, on the date of the first publication.

8. Expenses and Taxation

- (A) A holder of Securities must pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, sale commissions, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise and settlement of such Securities pursuant to the terms of such Securities (**Expenses**) relating to such Securities as provided above.
- (B) The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Security by any person and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.
- (C) A holder of Securities must provide the Issuer with sufficient information and all reasonable assistance necessary (and pay all costs associated with), compliance by the Issuer with Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, (**Code**) or otherwise imposed pursuant to Section 1471 through 1474 of the Code or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

9. Further Issues

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

10. Substitution of the Issuer

(A) *Substitution of Issuer*

Unless otherwise indicated in the relevant Final Terms, the Issuer (or any previously substituted company from time to time) shall, without the consent of the Securityholders, be entitled at any time to substitute for the Issuer any other company (the **Substitute**) as principal debtor in respect of all obligations arising from or in connection with the Securities provided that (i) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent valid, legally binding and enforceable obligations of the Substitute have been taken, fulfilled and done and are in full force and effect; (ii) the Substitute shall have assumed all obligations arising from or in connection with the Securities and shall have become a party to the Agency Agreement, with any consequential amendments; (iii) the obligations of the Substitute in respect of the Securities shall be unconditionally and irrevocably guaranteed by the Issuer; (iv) each stock exchange or listing authority on which the Securities are listed shall have confirmed that following the proposed substitution of the Substitute the Securities would continue to be listed on such stock exchange; and (v) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Securityholders in accordance with Condition 7.

(B) *Modification of Conditions as a result of Substitution of Issuer*

After any substitution or change of branch pursuant to Condition 10(A) above, the Conditions will be modified in all consequential respects including, but not limited to, replacement of references to the Republic of Italy in the Conditions where applicable, by references to the country of incorporation, domicile and/or residence for tax purposes of the Substitute or the new branch, as the case may be. Such modifications shall be notified to Securityholders in accordance with Condition 7.

11. Governing Law and Jurisdiction

The Securities, the Global Security and the Agency Agreement (and any non-contractual obligations arising out of or in connection with the Securities, the Global Security and the Agency Agreement) are governed by and shall be construed in accordance with English law.

In relation to any legal action or proceedings arising out of or in connection with the Securities and the Global Security (including any legal action or proceedings relating to any non-contractual obligations arising out of or in connection with the Securities, the Global Security and the Agency Agreement) (**Proceedings**), the Issuer irrevocably submits to the jurisdiction of the courts of England and hereby waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are for the benefit of each of the Securityholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

The Issuer hereby appoints Banca IMI S.p.A., London Branch at its office for the time being in London, as its agent for service of process and undertakes that, in the event of Banca IMI S.p.A., London Branch ceasing so to act, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve process in any other manner permitted by law.

12. Terms of the Securities

12(1) Market Disruption Event

12(1)(A) Market Disruption Event in relation to Index Securities

Definitions

“Index Constituent” means any security or other asset constituting an Index; and

“Related Exchange” means, in relation to an Index, any regulated market where the options or futures contracts on such Index are traded, as determined by the Calculation Agent.

Market Disruption Events occurring during the Early Redemption Valuation Period, on a Valuation Date or during an Exchange Business Day within the Barrier Determination Period

For the purposes of this 12(1)(A), Market Disruption Events occurring on a Valuation Date means:

- (i) any suspension of, or relevant limitation imposed on (a) any transaction on the relevant Reference Source or (b) trading of a concrete amount of Index Constituents traded on the relevant Reference Sources;
- (ii) any suspension of, or relevant limitation imposed on, trading of futures or options contracts relating to the Index on a Related Exchange;
- (iii) any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to affect transactions (a) in relation to or to obtaining market values for, the Index on the relevant Reference Source, or (b) in or obtaining market values for, options contracts or futures contracts on or relating to such Index on any relevant Related Exchange;
- (iv) the opening on any Exchange Business Day of the relevant Reference Source or any Related Exchange(s) prior to its scheduled opening time unless such earlier opening time is announced by such Reference Source(s) or Related Exchange(s) at least one hour prior to the earlier of (a) the actual opening time for the regular trading session on such Reference Source(s) or Related Exchange(s) on such Exchange Business Day and (b) the submission deadline (if applicable) for orders to be entered into with the Reference Source or Related Exchange system for execution on such Exchange Business Day; and
- (v) the closure on any Exchange Business Day of the relevant Reference Source or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Reference Source(s) or Related Exchange(s) at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Reference Source(s) or Related Exchange(s) on such Exchange Business Day and (b) the submission deadline (if applicable) for orders to be entered into with the Reference Source or Related Exchange system for execution on such Exchange Business Day.

If the Calculation Agent determines that a Market Disruption Event has occurred pursuant to (i), (ii), (iii), (iv) and (v) above:

during an Early Redemption Valuation Period, the Exchange Business Day of the Early Redemption Valuation Period on which the Market Disruption Event has occurred is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

Such Exchange Business Day of the Early Redemption Valuation Period may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Index, the official closing level of the Index or (ii) in the case of Certificates relating to a Basket of Indices, the official closing level of each Basket Constituent, in either case in accordance with the fair market value of the Index affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such index.

on a Valuation Date, such Valuation Date is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

The Valuation Date may be postponed for up to eight Exchange Business Days from the Valuation Date originally expected.

If, on the eighth Exchange Business Day from the Valuation Date originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially

reasonable manner, will determine (i) in the case of Certificates relating to a single Index, the official closing level of the Index for the purposes of determining the Final Reference Value (as in the case of (a), (b) or (c) of the relevant definition in Condition 3) or (ii) in the case of Certificates relating to a Basket of Indices, the official closing level of the Basket Constituent, for the purposes of the determining the Final Reference Value of the Basket (as in the case of (a), (b) or (c) of the relevant definition in Condition 3), in either case in accordance with the fair market value of the Index affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such index.

during an Exchange Business Day within the Barrier Determination Period, such Exchange Business Day is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

Such Exchange Business Day of the Early Redemption Valuation Period may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Index, the official closing level of the Index or (ii) in the case of Certificates relating to a Basket of Indices, the official closing level of each Basket Constituent, in either case in accordance with the fair market value of the Index affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such index.

If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

Market Disruption Events occurring on a Determination Date

For the purposes of this 12(1)(A), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (i), (ii), (iii), (iv) and (v) above in 12(1)(A) on a Determination Date.

In such case:

- (i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Certificates, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;
- (ii) if the Determination Date is in advance, following or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If the Market Disruption Event is also continuing on the Determination Date, the Calculation Agent, acting in good faith, will determine: (i) in the case of Certificates relating to a single Index, the official closing level of the Index for the purposes of determining the Initial Reference Value (as in the case of (a), (b) or (c) of the relevant definition in Condition 3) or (ii) in the case of Certificates relating to a Basket of Indices, the official closing level of the Basket Constituent, for the purposes of determining the Initial Reference Value of the Basket (as in the case (a), (b) or (c) of the relevant definition in Condition 3), in either case (x) on the basis of the Market Value of the Index affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such index or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

- (iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the index level is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Certificates, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Investors will be notified of the occurrence of any events pursuant to (i), (ii) and (iii), by way of a notice published on the Issuer's website www.bancaimi.com.

12(1)(B) Market Disruption Event in relation to Share Securities

Definitions

"Related Exchange" means, in relation to a Share, any regulated market where the options or futures contracts on such Share are traded, as determined by the Calculation Agent.

Market Disruption Events occurring during the Early Redemption Valuation Period on a Valuation Date or during an Exchange Business Day within the Barrier Determination Period

For the purposes of this 12(1)(B), Market Disruption Events occurring on a Valuation Date means:

- (i) any suspension of or relevant limitation imposed (a) on any transaction on the relevant Reference Source or (b) on trading of the Share traded on the relevant Reference Source;
- (ii) any suspension of or relevant limitation imposed on trading of futures or options contracts relating to a Share on a Related Exchange;
- (iii) any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to affect transactions in relation to or to obtaining market values for the Share on the relevant Reference Source or (ii) to affect transactions in or obtaining market values for options contracts or futures contracts on or relating to such Share on any relevant Related Exchange;
- (iv) the opening on any Exchange Business Day of the relevant Reference Source or any Related Exchange(s) prior to its scheduled opening time unless such earlier opening time is announced by such Reference Source(s) or Related Exchange(s) at least one hour prior to the earlier of (a) the actual opening time for the regular trading session on such Reference Source(s) or Related Exchange(s) on such Exchange Business Day and (b) the submission deadline (if applicable) for orders to be entered into with the Reference Source or Related Exchange system for execution on such Exchange Business Day; and
- (v) the closure on any Exchange Business Day of the relevant Reference Source or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Reference Source(s) or Related Exchange(s) at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Reference Source(s) or Related Exchange(s) on such Exchange Business Day and (b) the submission deadline (if applicable) for orders to be entered into with the Reference Source or Related Exchange system for execution on such Exchange Business Day.

If the Calculation Agent determines a Market Disruption Event has occurred pursuant to 12(1)(B) (i), (ii), (iii), (iv) and (v) above:

during an Early Redemption Valuation Period, the Exchange Business Day of the Early Redemption Valuation Period on which the Market Disruption Event has occurred is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

Such Exchange Business Day of the Early Redemption Valuation Period may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Share, the official closing price of the Share or (ii) in the case of Certificates relating to a Basket of Shares, the official closing price of each Basket Constituent, in either case in accordance with the fair market value of the Share affected by the Market Disruption Event, using the quoted prices from the period before

the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such share.

on a Valuation Date, such Valuation Date is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

The Valuation Date may be postponed for up to eight Exchange Business Days from the Valuation Date originally expected.

If, on the eighth Exchange Business Day from the Valuation Date originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Share, the official closing level of the Share for the purposes of the determining the Final Reference Value (as in the case (a), (b) or (c) of the relevant definition in Condition 3) or (ii) in the case of Certificates relating to a Basket of Shares, the official closing price of the Basket Constituent, for the purposes of determining of the Final Reference Value of the Share (as in the case (a), (b) or (c) of the relevant definition in Condition 3), in either case in accordance with the fair market value of the Share affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such share.

during an Exchange Business Day within the Barrier Determination Period, such Exchange Business Day is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

Such Exchange Business Day of the Early Redemption Valuation Period may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Share, the official closing price of the Share, or (ii) in the case of Certificates relating to a Basket of Shares, the official closing price of each Basket Constituent, in either case in accordance with the fair market value of the Share affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such share.

If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

Market Disruption Events occurring on a Determination Date

For the purposes of this 12(1)(B), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (i), (ii), (iii), (iv) and (v) above in 12(1)(B) on a Determination Date.

In such case:

- (i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Certificates, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;
- (ii) if the Determination Date is in advance, following or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If, on the Determination Date the Market Disruption Event is also continuing, the Calculation Agent, acting in good faith, will determine: (i) in the case of Certificates relating to a single Share, the official closing price of the Share for the purposes of determining the Initial Reference Value (as in the case of (a), (b) or (c) of the relevant definition in Condition 3) or (ii) in the case of Certificates relating to a Basket of Shares, the official closing price of the

Basket Constituent, for the purposes of determining the Initial Reference Value of the Basket(as in the case of (a), (b) or (c) of the relevant definition in Condition 3), in either case (x) on the basis of the Market Value of the Share affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Share, or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

- (iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the Share level is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Certificates, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Investors will be notified of the occurrence of any event pursuant to (i), (ii) and (iii) of this 12(1)(B), by way of a notice published on the Issuer's web site www.bancaimi.com.

12(1)(C) Market Disruption Event in relation to Commodity Securities

Definitions

"Other Exchange" means, with respect to a Commodity, each exchange, trading system or quotation system other than the Reference Source on which such Commodity is listed, traded or quoted;

"Related Exchange" means, in relation to a Commodity, any regulated market where the options or futures contracts on such Commodity are traded, as determined by the Calculation Agent;

"Relevant Time" means, with respect to any Commodity, the relevant time by reference to which the Calculation Agent determines the price or value of such Commodity for the purposes of determining the Reference Value; and

"Relevant Country" means, each of:

- (i) any country (or any political or regulatory authority thereof) in which a Reference Currency or the Settlement Currency is the legal tender or currency; and
- (ii) any country (or any political or regulatory authority thereof) with which a Commodity, or the Reference Source, has a material connection and, in determining what is material the Calculation Agent may, without limitation, refer to such factor(s) as it may deem appropriate,

all as determined by the Calculation Agent.

Capitalised terms which are not defined in this 12(1)(C) shall have the same meaning as of Condition 3.

Market Disruption Events occurring during the Early Redemption Valuation Period on a Valuation Date or during an Exchange Business Day within the Barrier Determination Period

For the purposes of this 12(1)(C), Market Disruption Events occurring on a Valuation Date means:

- (i) the occurrence or existence on any Final Valuation Day at the Relevant Time for such commodity or at any time during the one hour period that ends at the Relevant Time for such Commodity:
 - (A) of any suspension of or limitation imposed on trading (whether by reason of movements in price exceeding limits permitted by the relevant Reference Source or any Related Exchange or otherwise):
 - (a) in all contracts on a Reference Source; or
 - (b) in options contracts or futures contracts on a Related Exchange relating to a Commodity; or
 - (B) of any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to affect transactions in relation to or to obtaining market values for the relevant Commodity on the relevant Reference Source, or to affect transactions in or obtain market values for options contracts or futures contracts on the Related Exchange relating to such Commodity;

or

- (ii) the closure on any Exchange Business Day of the Reference Source or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Reference Source or such Related Exchange, as the case may be, at least one hour prior to (a) the actual closing time for the regular trading session on such Reference Source or such Related Exchange on such Exchange Business Day or, if earlier, (b) the submission deadline (if applicable) for orders to be entered into the Reference Source or such Related Exchange system for execution at the Relevant Time on such Exchange Business Day. A "**Scheduled Closing Time**" is the scheduled weekday closing time of the relevant Reference Source or Related Exchange, without regard to after hours or any other trading outside of the regular trading session hours; or,
- (iii) a general moratorium is declared in respect of banking activities in any Relevant Country;

or, if the Reference Source is located in an Emerging Market Country:

- (iv) if the Reference Currency is different from the Settlement Currency, the occurrence at any time of an event which the Calculation Agent determines would have the effect of preventing, restricting or delaying the Issuer from:
 - (A) converting the Reference Currency into the Settlement Currency through customary legal channels or transferring within or from any Relevant Country either currency, due to the imposition by such Relevant Country of any controls restricting or prohibiting such conversion or transfer;
 - (B) converting the Reference Currency into the Settlement Currency at a rate at least as favourable as the rate for domestic institutions located in any Relevant Country;
 - (C) delivering the Reference Currency or the Settlement Currency from accounts inside any Relevant Country to accounts outside such Relevant Country; or
 - (D) transferring the Reference Currency or the Settlement Currency between accounts inside any Relevant Country or to a party that is a non-resident of such Relevant Country; or
- (v) a Relevant Country (a) imposes any controls or announces its intention to impose any controls or (b)(i) implements or announces its intention to implement or (ii) changes or announces its intention to change the interpretation or administration of any laws or regulations, in each case which the Calculation Agent determines is likely to affect the Issuer's ability to acquire, hold, transfer or realise such Commodity or otherwise to affect transactions in relation to such Commodity.

If the Calculation Agent determines that a Market Disruption Event has occurred pursuant to 12(1)(C) (i), (ii), (iii), (iv) and (v) above:

during an Early Redemption Valuation Period, the Exchange Business Day of the Early Redemption Valuation Period on which the Market Disruption Event has occurred is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

Such Exchange Business Day of the Early Redemption Valuation Period may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Commodity, the Reference Value of the Commodity or (ii) in the case of Certificates relating to a Basket of Commodities, the Reference Value of each Basket Constituent, in either case in accordance with the fair market value of the Commodity affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Commodity.

on a Valuation Date, such Valuation Date is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

The Valuation Date may be postponed for up to eight Exchange Business Days from the Valuation Date originally expected.

If, on the eighth Exchange Business Day from the Valuation Date originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Commodity, the Reference Value of the Commodity for the purposes of determining the Final Reference Value (as in the case of (a), (b) or (c) of the relevant definition in Condition 3), or (ii) in the case of Certificates relating to a Basket of Commodities, the Reference Value of the Basket Constituent, for the purposes of determining the Final Reference Value of the Basket (as in the case of (a), (b) or (c) of the relevant definition in Condition 3), in either case in accordance with the fair market value of the Commodity affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Commodity.

during an Exchange Business Day within the Barrier Determination Period, such Exchange Business Day is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

Such Exchange Business Day of the Early Redemption Valuation Period may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Commodity, the Reference Value of the Commodity or (ii) in the case of Certificates relating to a Basket of Commodities, the Reference Value of each Basket Constituent, in either case in accordance with the fair market value of the Commodity affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Commodity.

If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

Market Disruption Events occurring on a Determination Date

For the purposes of this 12(1)(C), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (i), (ii), (iii), (iv) and (v) above in 12(1)(C) on a Determination Date.

In such case:

- (i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Certificates, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;
- (ii) if the Determination Date is in advance, following or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If the Market Disruption Event is also continuing on the Determination Date, the Calculation Agent, acting in good faith, will determine: (i) in the case of Certificates relating to a single Commodity, the Reference Value of the Commodity for the purposes of determining the Initial Reference Value (as in the case of (a), (b) or (c) of the relevant definition in Condition 3), or

(ii) in the case of Certificates relating to a Basket of Commodities, the Reference Value of the Basket Constituent, for the purposes of determining the Initial Reference Value of the Basket (as in the case of (a), (b) or (c) of the relevant definition in Condition 3), in either case (x) on the basis of the Market Value of the Commodity affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Commodity, or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

- (iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the commodity level is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Certificates, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Investors will be notified of the occurrence of any event pursuant to (i), (ii) and (iii) of this 12(1)(C), by way of a notice published on the Issuer's web site www.bancaimi.com.

12(1)(D) Market Disruption Event in relation to Commodity Futures Contract Securities

Market Disruption Events occurring during the Early Redemption Valuation Period on a Valuation Date or during an Exchange Business Day within the Barrier Determination Period

For the purposes of this 12(1)(D), Market Disruption Events occurring on a Valuation Date means:

- (i) any disruption or any temporary or permanent discontinuance of the Reference Source,
- (ii) any failure by the Reference Source to publish any relevant price of the Future contract,
- (iii) any suspension or limitation imposed on trading in the Future contract or in any other future or option contracts on the relevant exchanges;
- (iv) any discontinuance of trading in Future contracts,
- (v) the unavailability of the Reference Value,
- (vi) any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to affect transactions in relation to or obtain market values for the Future contract;

If the Calculation Agent determines a Market Disruption Event has occurred pursuant to 12(1)(D) (i), (ii), (iii), (iv), (v) and (vi) above:

during an Early Redemption Valuation Period, the Exchange Business Day of the Early Redemption Valuation Period on which the Market Disruption Event has occurred is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

Such Exchange Business Day of the Early Redemption Valuation Period may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Future on Commodities, the Reference Value of the Future on Commodities, or (ii) in the case of Certificates relating to a Basket of Futures on Commodities, the Reference Value of each Basket Constituent, in either case in accordance with the fair market value of the Future on Commodities affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Future on Commodities.

on a Valuation Date, such Valuation Date is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

The Valuation Date may be postponed for up to eight Exchange Business Days from the Valuation Date originally expected.

If, on the eighth Exchange Business Day from the Valuation Date originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Future on Commodities, the Reference Value of the Future on Commodities for the purposes of determining the Final Reference Value (as in the case of (a), (b) or (c) of the relevant definition in Condition 3), or (ii) in the case of Certificates relating to a Basket of Futures on Commodities, the Reference Value of the Basket Constituent, for the purposes of determining the Final Reference Value of the Basket (as in the case of (a), (b) or (c) of the relevant definition in Condition 3), in either case in accordance with the fair market value of the Future on Commodities affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Future on Commodities.

during an Exchange Business Day within the Barrier Determination Period, such Exchange Business Day is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

Such Exchange Business Day of the Early Redemption Valuation Period may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Future on Commodities, the Reference Value of the Future on Commodities or (ii) in the case of Certificates relating to a Basket of Futures on Commodities, the Reference Value of each Basket Constituent, in either case in accordance with the fair market value of the Future on Commodities affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Future on Commodities.

If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

Market Disruption Events occurring on a Determination Date

For the purposes of this 12(1)(D), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (i), (ii), (iii), (iv), (v) and (vi) above in 12(1)(D) on a Determination Date.

In such case:

- (i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Certificates, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;
- (ii) if the Determination Date is in advance, following or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If the Market Disruption Event is also continuing on the Determination Date, the Calculation Agent, acting in good faith, will determine: (i) in the case of Certificates relating to a single Future on Commodities, the Reference Value of the Future on Commodities for the purposes of determining the Initial Reference Value (as in the case of (a), (b) or (c) of the relevant definition in Condition 3) or (ii) in the case of Certificates relating to a Basket of Futures on Commodities, the Reference Value of the Basket Constituent, for the purposes of determining the Initial Reference Value of the Basket (as in the case of (a), (b) or (c) of the relevant definition in Condition 3), in either case (x) on the basis of the Market Value of the Future on

Commodities affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Future on Commodities, or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

- (iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the Future on Commodities level is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Certificates, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Investors will be notified of the occurrence of any event pursuant to (i), (ii) and (iii) of this 12(1)(D), by way of a notice published on the Issuer's web site www.bancaimi.com.

12(1)(E) Market Disruption Event in relation to Exchange Rate Securities

Definitions

"Other Exchange" means, with respect to an Exchange Rate, each exchange, trading system or quotation system other than the Reference Source on which the relevant Exchange Rate is listed, traded or quoted;

"Reference Currency" means, with respect to an Exchange Rate, each currency specified in such an Exchange Rate;

"Related Exchange" means, with respect to an Exchange Rate, any exchange, trading system or quotation system on which options contracts or futures contracts on the relevant Exchange Rate are traded as determined by the Calculation Agent;

"Relevant Time" means, with respect to any Exchange Rate, the relevant time by reference to which the Calculation Agent determines the price or value of such Exchange Rate for the purposes of determining the Reference Value;

"Relevant Country" means, with respect to each Exchange Rate, each of:

- (i) any country (or any political or regulatory authority thereof) in which a Reference Currency for the Exchange Rate or the Settlement Currency is the legal tender or currency; and
- (ii) any country (or any political or regulatory authority thereof) in which a Reference Currency for the Exchange Rate or the Reference Source has a material connection and, in determining what is material the Calculation Agent may, without limitation, refer to such factor(s) as it may deem appropriate;

all as determined by the Calculation Agent;

"First Currency" means the currency appearing in the first position in an Exchange Rate; and

"Second Currency" means the currency appearing in the second position in an Exchange Rate.

Market Disruption Events occurring during the Early Redemption Valuation Period on a Valuation Date or during an Exchange Business Day within the Barrier Determination Period

For the purposes of this 12(1)(E), Market Disruption Events occurring on a Valuation Date means:

- (1) *where the Reference Source for any Exchange Rate is an exchange, a trading system or a quotation system as determined by the Calculation Agent,*
 - A the occurrence or existence on any Exchange Business Day at the Relevant Time for the Exchange Rate or at any time during the one hour period that ends at the Relevant Time for such Exchange Rate:
 - (a) of any suspension of or limitation imposed on trading (whether by reason of movements in price exceeding the limits permitted by the relevant Reference Source or any Related Exchange or otherwise):
 - (i) of a Second Currency, for its conversion into the relevant First Currency, on the Reference Source or any Other Exchange; or

- (ii) in options contracts or futures contracts relating to a Second Currency, for its conversion into the relevant First Currency, on any Related Exchange; or
 - (b) of any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to affect transactions in relation to or to obtaining market values for a Second Currency, for its conversion into the relevant First Currency, on the relevant Reference Source or affecting transactions in or obtain market values for options contracts or futures contracts on or relating to such Second Currency, for its conversion into the First Currency, on any Related Exchange;
 - B the closure on any Exchange Business Day of the Reference Source or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Reference Source or such Related Exchange, as the case may be, at least one hour prior to (a) the actual closing time for the regular trading session on such Reference Source or such Related Exchange on such Exchange Business Day or, if earlier, (b) the submission deadline (if applicable) for orders to be entered into with the Reference Source or such Related Exchange system for execution at the Relevant Time on such Exchange Business Day. A "**Scheduled Closing Time**" is the scheduled weekday closing time of the relevant Reference Source or Related Exchange, without regard to after hours or any other trading outside of the regular trading session hours; or
 - C a general moratorium is declared in respect of banking activities in any Relevant Country;
- (2) *If the Reference Source for any Exchange Rate is not an exchange or trading system or a quotation system as determined by the Calculation Agent:*
- A it is not possible, for reasons beyond the reasonable control of the Calculation Agent, to determine the price or value (or an element of such price or value) of a Second Currency in the relevant First Currency by reference to the Reference Source in the manner specified in the definition of "Reference Value" or otherwise according to the rules or normal or accepted procedures for the determination of such price or value (whether due to non-publication of such price or value or otherwise); or
 - B any event set out in Condition 3 above in relation to such Exchange Rate.

If the Calculation Agent determines a Market Disruption Event has occurred pursuant to 12(1)(E) (1) and (2) above:

during an Early Redemption Valuation Period, the Exchange Business Day of the Early Redemption Valuation Period on which the Market Disruption Event has occurred is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

Such Exchange Business Day of the Early Redemption Valuation Period may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Exchange Rate, the Reference Value of the Exchange Rate or (ii) in the case of Certificates relating to a Basket of Exchange Rates, the Reference Value of each Basket Constituent, in either case in accordance with the fair market value of the Exchange Rate affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Exchange Rate.

on a Valuation Date, such Valuation Date is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

The Valuation Date may be postponed for up to eight Exchange Business Days from the Valuation Date originally expected.

If, on the eighth Exchange Business Day from the Valuation Date originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Exchange Rate, the

Reference Value of the Exchange Rate for the purposes of determining the Final Reference Value (as in the case of (a), (b) or (c) of the relevant definition in Condition 3) or (ii) in the case of Certificates relating to a Basket of Exchange Rates, the Reference Value of the Basket Constituent, for the purposes of determining the Final Reference Value of the Basket (as in the case of (a), (b) or (c) of the relevant definition in Condition 3), in either case in accordance with the fair market value of the Exchange Rate affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Exchange Rate.

during an Exchange Business Day within the Barrier Determination Period, such Exchange Business Day is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

Such Exchange Business Day of the Early Redemption Valuation Period may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Exchange Rate, the Reference Value of the Exchange Rate or (ii) in the case of Certificates relating to a Basket of Exchange Rates, the Reference Value of each Basket Constituent, in either case in accordance with the fair market value of the Exchange Rate affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Exchange Rate.

If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

Market Disruption Events occurring on a Determination Date

For the purposes of this 12(1)(E), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (1) and (2) above in 12(1)(E) on a Determination Date.

In such case:

- (i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Certificates, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;
- (ii) if the Determination Date is in advance, or following, or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If also on the Determination Date the Market Disruption Event is continuing, the Calculation Agent, acting in good faith, will determine: (i) in the case of Certificates relating to a single Exchange Rate, the Reference Value of the Exchange Rate for the purposes of the determining the Initial Reference Value (as in the case of (a), (b) or (c) of the relevant definition in Condition 3), or (ii) in the case of Certificates relating to a Basket of Exchange Rates, the Reference Value of the Basket Constituent, for the purposes of the determining the Initial Reference Value of the Basket (as in the case of (a), (b) or (c) of the relevant definition in Condition 3), in either case (x) on the basis of the Market Value of the Exchange Rate affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Exchange Rate, or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

- (iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the Exchange Rate level is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Certificates, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Investors will be notified of the occurrence of any event pursuant to (i), (ii) and (iii) of this 12(1)(E), by way of a notice published on the Issuer's web site www.bancaimi.com.

12(1)(F) Market Disruption Event in relation to Fund Securities

Market Disruption Events occurring during the Early Redemption Valuation Period on a Valuation Date or during an Exchange Business Day within the Barrier Determination Period

For the purposes of this 12(1)(F), Market Disruption Events occurring on a Valuation Date means:

- (i) the failure to publish or determine (a) the net asset value of the Fund or (b) if applicable, the closing auction price relating to each Exchange Traded Fund, provided that if such failure is an Adjustment Event pursuant to the following 12(2), such event will be considered an Adjustment Event and not a Market Disruption Event;
- (ii) the failure to open for trading and the permanent discontinuance of trading in the Fund, provided that if such discontinuance is an Adjustment Event relating to the Fund pursuant to the following 12(2), such event will be considered an Adjustment Event and not a Market Disruption Event (in the case of an Exchange Traded Fund);
- (iii) any substantial limitation on trading in the Fund on the relevant exchanges (in the case of Exchange Traded Fund);
- (iv) any other event similar to the events set out above which makes it impossible or impracticable for the Calculation Agent to perform its duties pursuant to the Certificates.

If the Calculation Agent determines a Market Disruption Event has occurred pursuant to 12(1)(F) (i), (ii), (iii) and (iv) above:

during an Early Redemption Valuation Period, the Exchange Business Day of the Early Redemption Valuation Period on which the Market Disruption Event has occurred is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

Such Exchange Business Day of the Early Redemption Valuation Period may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Fund, the Reference Value of the Fund, or (ii) in the case of Certificates relating to a Basket of Funds, the Reference Value of each Basket Constituent, in either case in accordance with the fair market value of the Fund affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Fund.

on a Valuation Date, such Valuation Date is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

The Valuation Date may be postponed for up to eight Exchange Business Days from the Valuation Date originally expected.

If, on the eighth Exchange Business Day from the Valuation Date originally expected the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Fund, the Reference Value of the Fund for the purposes of the determining the Final Reference Value (as in the case of (a), (b) or (c) of the relevant definition in Condition 3) or (ii) in the case of Certificates relating to a Basket

of Funds, the Reference Value of the Basket Constituent, for the purposes of the determining the Final Reference Value of the Basket (as in the case of (a), (b) or (c) of the relevant definition in Condition 3), in either case in accordance with the fair market value of the Fund affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Fund.

during an Exchange Business Day within the Barrier Determination Period, such Exchange Business Day is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

Such Exchange Business Day of the Early Redemption Valuation Period may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Fund, the Reference Value of the Fund or (ii) in the case of Certificates relating to a Basket of Funds, the Reference Value of each Basket Constituent, in either case in accordance with the fair market value of the Fund affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Fund.

If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

Market Disruption Events occurring on a Determination Date

For the purposes of this 12(1)(F), Market Disruption Events occurring on a Determination Date means the occurrence of a Market Disruption Event pursuant to (i) (ii), (iii) and (iv) above in 12(1)(F) on a Determination Date.

In such case:

- (i) if the Determination Date is in advance of the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the Exchange Business Days following the Determination Date originally expected until the Issue Date (excluded), the Issuer reserves the right for any reason to cancel the issuance of the Certificates, and the offer pursuant to the relevant Final Terms shall be deemed cancelled;
- (ii) if the Determination Date is in advance, following or on the Issue Date, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected.

If, on the Determination Date the Market Disruption Event is also continuing, the Calculation Agent, acting in good faith, will determine: (i) in the case of Certificates relating to a single Fund, the Reference Value of the Fund for the purposes of determining the Initial Reference Value (as in the case of (a), (b) or (c) of the relevant definition in Condition 3) or (ii) in the case of Certificates relating to a Basket of Funds, the Reference Value of the Basket Constituent, for the purposes of determining the Initial Reference Value of the Basket (as in the case of (a), (b) or (c) of the relevant definition in Condition 3), in either case (x) on the basis of the Market Value of the Fund affected by the Market Disruption determined using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Fund, or (y) pursuant to the reasonable market practice.

If the determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days; and

- (iii) if, on a Determination Date before the Issue Date, the Calculation Agent determines that the Fund level is equal to or greater than the Maximum Level set out in the relevant Final Terms, then the Issuer reserves the right for any reason to cancel the issuance of the Certificates, and the offer pursuant to the relevant Final Terms shall be deemed cancelled.

Investors will be notified of the occurrence of any event pursuant to (i), (ii) and (iii) of this 12(1)(F), by way of a notice published on the Issuer's web site www.bancaimi.com.

12(1)(G)Market Disruption Event in relation to Interest Rate Securities

Market Disruption Events occurring during the Early Redemption Valuation Period on a Valuation Date or during an Exchange Business Day within the Barrier Determination Period

For the purposes of this 12(1)(G), Market Disruption Events occurring on a Valuation Date means:

- (i) the permanent discontinuance or the failure to publish, determine, substitute the Interest Rate, provided that if such failure is an Adjustment Event pursuant to the following 12(2), such event will be considered an Adjustment Event and not a Market Disruption Event; and
- (ii) any other event similar to the events set out above which makes it impossible or impracticable for the Calculation Agent to perform its duties pursuant to the Certificates.

If the Calculation Agent determines a Market Disruption Event has occurred pursuant to 12(1)(G) (i) and (ii) above:

during an Early Redemption Valuation Period, the Exchange Business Day of the Early Redemption Valuation Period on which the Market Disruption Event has occurred is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

Such Exchange Business Day of the Early Redemption Valuation Period may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Interest Rate, the Reference Value of the Interest Rate or (ii) in the case of Certificates relating to a Basket of Interest Rates, the Reference Value of each Basket Constituent, in either case in accordance with the fair market value of the Interest Rate affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Interest Rate.

on a Valuation Date, such Valuation Date is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

The Valuation Date may be postponed for up to eight Exchange Business Days from the Valuation Date originally expected.

If, on the eighth Exchange Business Day from the Valuation Date originally expected the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Interest Rate, the Reference Value of the Interest Rate for the purposes of determining the Final Reference Value (as in the case of (a), (b) or (c) of the relevant definition in Condition 3), or (ii) in the case of Certificates relating to a Basket of Interest Rates, the Reference Value of the Basket Constituent, for the purposes of determining the Final Reference Value of the Basket (as in the case of (a), (b) or (c) of the relevant definition in Condition 3), in either case in accordance with the fair market value of the Interest Rate affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Interest Rate.

during an Exchange Business Day within the Barrier Determination Period, such Exchange Business Day is postponed to the next following Exchange Business Day on which the Market Disruption Event ceases.

Such Exchange Business Day of the Early Redemption Valuation Period may be postponed for up to eight Exchange Business Days from the Exchange Business Day originally expected.

If, on the eighth Exchange Business Day from the Exchange Business Day originally expected, the Market Disruption Event is continuing, the Calculation Agent, acting in good faith and in a commercially reasonable manner, will determine (i) in the case of Certificates relating to a single Interest Rate, the Reference Value of the Interest Rate, or (ii) in the case of Certificates relating to a Basket of Interest Rates, the Reference Value of each Basket Constituent, in either case in accordance with the fair market value of the Interest Rate affected by the Market Disruption Event, using the quoted prices from the period before the Disrupted Day and taking into consideration the impact of the Market Disruption Event on the value of such Interest Rate.

If the valuation/determination has been carried out in more than one Exchange Business Day and the disruption occurred in connection with just one of such days, the postponement will be carried out also in connection with the remaining Exchange Business Days.

Market Disruption Events occurring on a Determination Date

For the purposes of this 12(1)(G), Market Disruption Event occurring on a Determination Date means:

- (i) the occurrence of a Market Disruption Event pursuant to (i) and (ii) above in 12(1)(G) on a Determination Date. In such case, Determination Date shall mean the first Exchange Business Day on which the Market Disruption Event ceases immediately following the Determination Date originally expected. However, where a Market Disruption Event is continuing on all the five Exchange Business Days following the Determination Date originally expected, the Issuer reserves the right for any reason to cancel the issuance of the Certificates, and the offer pursuant to the relevant Final Terms shall be deemed cancelled. Investors will be notified of the occurrence of such event by way of a notice published on the Issuer's web site www.bancaimi.com, and
- (ii) if, on a Determination Date, the Calculation Agent determines that the Interest Rate level is equal to or greater than the Maximum Level set out in the relevant Final Terms. In such case, the Issuer reserves the right for any reason to cancel the issuance of the Certificates, and the offer pursuant to the relevant Final Terms shall be deemed cancelled. Investors will be notified of the occurrence of such event by way of a notice published on the Issuer's web site www.bancaimi.com.

12(1)(H) Market Disruption Events in relation to Combined Securities

For the purposes of this 12(1)(H) Market Disruption Event occurring respectively during the Early Redemption Valuation Period, on a Valuation Date, on an Exchange Business Day within the Barrier Determination Period or on a Determination Date, shall have the same meaning of the foregoing Market Disruption Events and will be considered in accordance with the underlyings which are relevant for each specific issue.

12(2) Adjustment Events relating to the Underlying and correction provisions in relation to the Certificates

If the Underlying is affected by an Adjustment Event, the Issuer will intervene in order to procure that the economic value of the Certificates following an Adjustment Event is equal, as far as possible, to the economic value of the Certificates before the occurrence of the Adjustment Event.

If an Adjustment Event has occurred and its negative effects cannot be corrected, the Issuer may redeem the Certificates early by paying an amount calculated on the basis of the market value of the Certificates, as determined by the Calculation Agent, acting in good faith and in a commercially reasonable manner. The payment will be made in accordance with the method of calculation notified to the investor on the Issuer's website.

12(2)(A) Adjustment Events in relation to Index Securities

For the purposes of this 12(2)(A), "Adjustment Event" means, in relation to an Index, the occurrence of one or more of the following events:

(a) *Calculation of the Index by a Successor Sponsor.*

If the Index Sponsor is replaced by a Successor Sponsor, the Index so calculated and announced by such Successor Sponsor will continue to be deemed as the single Underlying or the Basket Constituent.

(b) *Modification of the method of calculation of the Index or substitution with a Successor Index.*

If an Index Sponsor (or a Successor Sponsor, where applicable) substantially modifies the method of calculation of the Index or replaces the Index with a Successor Index, the Issuer may take one of the following actions which will be notified to the investor by way of a notice on its website:

- (i) the Index Sponsor (or the Successor Sponsor, where applicable) may modify or replace the method of calculation by using the same or a substantially similar formula in the calculation of the Index, so as to maintain continuity in the values of the Index before and after such amendment or replacement (using a connection coefficient) and the Certificates will not be affected by any correction and will have the modified Index (or the Successor Index, as the case may be) as the Underlying;
- (ii) the Index Sponsor (or the Successor Sponsor, where applicable) may modify or replace the method of calculation resulting in a substantial difference between the Index value (as single the Underlying or Basket Constituent) before and after such amendment or replacement, the Issuer may correct the Multiplier, using an adjustment coefficient as determined by the Index Sponsor, the Successor Sponsor or, failing this, by the Issuer. In the case of a Basket, such amendment or replacement (also following the correction of the Multiplier) will not affect the weighting of the Index as a Basket Constituent;
- (iii) if the Issuer, in relation to the procedure for the amendment or replacement and in relation to the modified Index or Successor Index, does not consider appropriate the method of calculation in (i) and (ii) for the purposes of the [first paragraph of this § 6], the Issuer may redeem the Certificates early under payment of an amount calculated on the basis of the market value of the Certificates.

(c) *Cancellation or disruption of the Underlying Index (or the Index as Basket Constituent).*

If the Index Sponsor (or the Successor Sponsor, where applicable) (i) permanently cancels that Index or (ii) fails to calculate and announce that Index, the Issuer may replace the Index with another similar Index and, in the case of a Basket, with the same weighting of the Index which is a Basket Constituent. In accordance with the index types, the features that the Issuer will consider for the purposes of the replacement are the following:

- 1 in the case of share indices:
 - (i) the connection with the same geographical area;
 - (ii) the connection with the same sector; and
 - (iii) the method of calculation of the Index;
- 2 in the case of currency indices, a similar composition of the Index in relation to currency classes and such currency classes may include:
 - (i) U.S. dollar;
 - (ii) Euro;
 - (iii) emerging market countries;
 - (iv) Asian currencies; and
 - (v) high-yield currencies (for example, New Zealand dollar);
- 3. in the case of bond indices:
 - (i) the rating;
 - (ii) the type of issuer (sovereign or not sovereign);
 - (iii) the connection with the same geographical area;
 - (iv) the connection with the same sector;
 - (v) the life of the bond composing the index; and
 - (vi) the type of yield of the bond composing the index (fixed-rate or floating-rate);
- 4. in the case of commodity indices:
 - (i) the composition of the Index; and

- (ii) the method of calculation of the Index;
 - 5. in the case of futures indices:
 - (i) the composition of the Index; and
 - (ii) the connection with the same sector;
 - 6. in the case of fund indices:
 - (i) the connection with a monetary area;
 - (ii) the connection with the same geographical area;
 - (iii) the connection with the same sector; and
 - (iv) the method of calculation of the Index.
 - 7. in the case of inflation indices, the method of calculation of the Index and if the successor index cannot be determined pursuant to such parameter, the Calculation Agent will inquire five leading independent dealers to establish which index shall be the successor index.
 - 8. in the case of volatility indices and interest rate indices, the composition of the Index.
- If it is not possible to replace such Index, the Issuer may redeem the Certificates early pursuant to the method set out above.
- (d) *Any other event affecting the economic value and, consequently, the market price of the Index.*

12(2)(B) Adjustment Events in relation to Share Securities

For the purposes of this 12(2)(B), "**Adjustment Event**" means, in relation to a Share, one or more of the following events:

- (a) share splits and consolidations;
- (b) the increase of corporate capital transactions **on a free basis** and the increase of corporate capital transactions by way of issuance of new shares of the same class as those underlying the Certificate;
- (c) the increase of corporate capital transactions by way of issuance of (i) new shares of a class different from those underlying the Certificate, (ii) shares with Warrant, (iii) convertible bonds and (iv) convertible bonds with Warrant;
- (d) merger and de-merger transactions¹;
- (e) payment of an extraordinary dividend or a spin-off;
- (f) any other event affecting the economic value and, consequently, the market price of the Share and/or the rights of the Shareholders.

The Issuer determines the method of correction so that the economic value of the Certificates after the correction is equal, as far as possible, to the economic value of the Certificates before the Adjustment Event has occurred.

In relation to a Basket, the correction is made so as to immunise the Basket performance on an Adjustment Event occurring, and as a consequence the performance of the Certificate will be neutralised in relation to the Adjustment Event. In the case of:

- (i) a merger between two companies issuing Shares which are both Basket Constituents (and the shares of the company that arises from the merger remain listed), such Shares will be replaced within the Basket with the only Share of the company that arises from the merger and that Share will have a weighting equal to the sum of the weightings of the two Shares;
- (ii) a takeover, by way of tender offer, of the company issuing the Share which is a Basket Constituent, the price of such Share within the Basket is crystallised until the expiry date of the Certificate and will remain equal to the value of the Share at the beginning of the tender offer;

¹ For the purposes of a correction in relation to a de-merger, reference should be made to the listed share of the company that arises from the de-merger transaction.

- (iii) a default of a company issuing a Share which is a Basket Constituent (and the consequent delisting of such Share), the price of such Share will be equal to zero until the expiry date of the Certificate; and
- (iv) a payment of an extraordinary dividend or a spin-off in relation to a Share which is a Basket Constituent, the Initial Reference Value of the Underlying will be corrected so the performance of the Share within the relevant Basket is held constant.

The correction, in relation to a single Adjustment Event, which may affect the Initial Reference Value of the Underlying and/or the Multiplier and/or the Share and/or other terms related to the Certificates, is made according to the following criteria:

- (i) where an option contract is traded on the Share affected by the Adjustment Event on a Related Exchange, reference will be made to the criteria used by the Related Exchange to make the relevant corrections, possibly modified to consider the existing differences between the contractual features of the Certificates and the option contracts;
- (ii) where there are no option contracts on the Share traded on a Regulated Exchange or in relation to which the Issuer does not consider that the method of correction is appropriate for the adjustment of the Certificates, the terms and conditions of the Certificates will be adjusted by the Issuer pursuant to international market practice.

In relation to such adjustments, Certificateholders will be notified by the Issuer by way of a notice on the Issuer's website.

If an Adjustment Event has occurred, whose effects may not be neutralised by way of appropriate corrections to the Initial Reference Value and/or the Multiplier and/or the Share and/or other terms related to the Certificates, the Issuer has the right but not the obligation to redeem the Certificates early, paying to each Certificateholder, in respect of each Certificate, a cash amount calculated pursuant to the market value of the Certificates, as determined by the Calculation Agent acting in good faith and considering the quoted prices of the Underlying during the eight days before the adjustment date, thereby discharging its contractual obligations pursuant to the Certificates.

12(2)(C) Adjustment Events in relation to Commodity Securities

For the purposes of this 12(2)(C), "**Adjustment Event**" means, in relation to a Commodity, one or more of the following events:

- (a) the Commodity traded on the Reference Source is a different quality or another composition (for example, in a different degree of purity);
- (b) any other event or measure as a result of which the Commodity, as traded on the Reference Source, is changed or altered;
- (c) options contracts or futures contracts on or relating to the Commodity as traded on any Related Exchange are altered in the manner described under (a) and (b) above; and
- (d) any other event affecting the economic value and, consequently, the market price of the Commodity,

and whether or not any event or measure is an Adjustment Event shall be conclusively determined by the Calculation Agent.

The Calculation Agent may have the option, but not the obligation, to determine the appropriate adjustment to the relevant Commodity by reference to the adjustment in respect of such Adjustment Event made by a Related Exchange to options contracts or futures contracts.

12(2)(D) Adjustment Events in relation to Future on Commodities Securities.

For the purposes of this 12(2)(D), "**Adjustment Event**" means, Future on Commodities, one or more of the following events:

- (a) *Calculation of the Future on Commodities by a third party*

If the price of the Future on Commodities starts to be calculated and published by an entity other than the Reference Source (the "**Other Entity**"), the Underlying of the Certificates will remain as the Future on Commodities selected as such, as calculated by the Other Entity.

The Certificateholders will be notified of the identity of the Other Entity, the terms of the calculation and the publication of the Future on Commodities as calculated by the Other Entity, within eight Business Day after the appointment of such Other Entity, by way of a notice on the Issuer's website.

(b) *Modification of the features of the Future on Commodities*

If the Reference Source or the Other Entity substantially modifies the features of the Future on Commodities, including, without limitation, the formula or the method of calculation of the Reference Value, the content, composition or constitution of the underlying Commodity or replaces the Futures on Commodities with a new asset, the following may occur:

- (i) if the Reference Source (or the Other Entity, where applicable) modifies or replaces so as to maintain continuity in the values of the Future on Commodities before and after such amendment or replacement (using a connection coefficient), the Certificates will not be affected by any correction and will have the modified Future on Commodities as the Underlying;
- (ii) if the Reference Source (or the Other Entity, where applicable) makes the modification or replacement resulting in a substantial difference in the value of the Future on Commodities' before and after such modification or replacement, the Calculation Agent will correct the Multiplier (and/or the Initial Reference Value of the Underlying and/or other terms related to the Certificates), so that the economic value of the Future on Commodities is maintained constant, using an adjustment coefficient as calculated by the Reference Source of the Future on Commodities or, failing this, as deemed appropriate by the Calculation Agent, acting in its reasonable discretion and in good faith, also considering the market practice. In the case of a Basket of Futures on Commodities, such modification or replacement will not affect the weighting of the Future on Commodities as a Basket Constituent; and
- (iii) if the Calculation Agent determines that the effects of the modification or replacement cannot be deleted by way of the procedure set out in (ii) above, the Issuer will be entitled to perform its obligations pursuant to the Certificates in accordance with the following paragraph.

(c) *Cessation of the calculation of the Future on Commodities*

If the Reference Source or the Other Entity cease to calculate or publish the Future on Commodities without calculating or publishing a new Future on Commodities, the Issuer may perform its obligations pursuant to the Certificates paying to the Certificateholders an amount representing the market value of the Certificates.

(d) *Any other event affecting the economic value and, consequently, the market price of the Future on Commodities.*

The Certificateholders will be notified of the market value of the Certificates and the relevant method of payment, by way of a notice on the Issuer's website.

12(2)(E) Adjustment Events in relation to Exchange Rate Securities

For the purposes of this 12(2)(E), "**Adjustment Event**" means, in relation to an Exchange Rate, the one or more of the following events:

(a) *Adjustments*

If a Second Currency is in the country (or countries) or jurisdiction (or jurisdictions) maintaining the authority, institution or other body which issues such Reference Currency, replaced in its function as legal tender by another currency or merged with another currency to become a common currency (such replacement or merged currency the "**New Reference Currency**") and the provisions of the following paragraph "Early Termination Event" do not apply, such Second Currency shall, within the Exchange Rate, be replaced by the New Reference Currency (such exchange rate the "**New Rate of Exchange**"), provided that the New Exchange Rate shall be calculated on the basis of the number of units of the New Reference Currency determined by the conversion of the number of units of the Second Currency used for the determination of the previous Exchange Rate into the New Reference Currency using the exchange rate applicable to such conversion, all of which is determined by the Calculation Agent; and

(b) *Early Termination Events*

- (i) If a Reference Currency ceases, for any reason, to be legal tender in the country (or countries) or jurisdiction (or jurisdictions), maintaining the authority, institution or other body which issues

such Reference Currency, and the provisions of the previous paragraph ""Adjustments" do not apply, or if an adjustment in accordance with the previous paragraph is, as determined by the Calculation Agent, for any reason not possible or not reasonably practical; or

- (ii) where the Reference Source for any Exchange Rate is an exchange, trading system or quotation system, if the Reference Source announces that pursuant to the rules of such Reference Source, the exchange rate between the relevant First Currency and Second Currency ceases (or will cease) to be listed, traded or publicly quoted on the Reference Source for any reason and is not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Calculation Agent ("**Cessation of Trading**"),

the Issuer will cancel the Certificates by giving notice to the Certificateholders through the Issuer's website. The Issuer may discharge its obligations pursuant to the Certificates paying an amount to each Certificateholder in respect of each Certificate held by such Certificateholder which amount shall be the fair market value of the Certificate.

The Certificateholders will be notified of the market value of the Certificates and the relevant method of payment, by way of a notice on the Issuer's website.

12(2)(F) Adjustment Events in relation to Fund Securities

Terms

"Merger Date" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Delisting" means, in respect of any relevant Shares, that the Exchange has announced that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

"Merger Event" means any (i) reclassification or change of such Fund that results in a transfer of or an irrevocable commitment to transfer all of the outstanding shares of the Fund to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Fund with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Fund is the continuing entity and which does not result in a reclassification or change of all of the outstanding Shares), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Fund that results in a transfer of or an irrevocable commitment to transfer all such shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Fund with or into another entity in which the Fund is the continuing entity and which does not result in a reclassification or change of all the outstanding shares of the Fund but results in the outstanding shares of the Fund (other than Fund shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is before the Determination Date.

"Insolvency" means that, by reason of voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Fund, (i) all of the shares of that Fund are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the shares of that Fund become legally prohibited from transferring them.

"Volatility" means, in relation to a certain period of time and on each Determination Date, the annualised standard deviation in the monthly percentage change of the net asset value of the Fund or the New Fund, as calculated and published by the relevant Management Company, Fund Manager or by an external provider on each Exchange Business Day during the certain time period before such Determination Date, expressed as a percentage, as determined by the Calculation Agent.

Adjustment Events and replacement of the Fund or redemption of the Certificates

For the purposes of this 12(2)(F), "**Adjustment Event**" means, in relation to a Fund, one or more of the following events:

- (a) Merger Event;
- (b) Insolvency;
- (c) Delisting;
- (d) Substitution Event (as defined below); or
- (e) any other event affecting the economic value and, consequently, the market price of the Fund.

Following the occurrence of an Adjustment Event pursuant to (a), (b), (c), (d) or (e) above in relation to a Fund (the "**Affected Fund**"), the Calculation Agent may:

- (1) acting in a commercially reasonable manner, identify a new fund (the "**New Fund**") with which to substitute the Affected Fund, with effect from the date determined by the Calculation Agent (the "**Substitution Date**"); or
- (2) if it is not possible to substitute the Affected Fund, procure that the Issuer redeems the Certificates through a notice published on its website. In this case, the Issuer will pay to the Certificateholders the market value of the Certificates, as determined by the Calculation Agent.

If the Calculation Agent decides to identify a New Fund, the Calculation Agent will determine its relevant currency, and will determine that it will have a performance and a quality similar to the Affected Fund as well as investment policies similar to those of the Affected Fund.

Following the identification of the New Fund by the Calculation Agent, Certificateholders will be notified by the Calculation Agent by way of a notice on the Issuer's website.

Following the identification of the New Fund by the Calculation Agent, the New Fund will replace the Affected Fund with effect from the relevant Substitution Date, and the Calculation Agent will make the corrections which will be appropriate in its opinion, acting in a commercially reasonable manner, to any variable, method of calculation or evaluation or other relevant parameter pursuant to the Certificates, in order to affect such substitution.

For the purposes of this provision, "**Substitution Event**" means each of the following events, as determined by the Calculation Agent (provided that the Calculation Agent does not assume any obligation to monitor the potential occurrence of a Substitution Event):

- (i) the main investment goal of a Fund is modified pursuant to the rules of such Fund so as to avoid an exclusive reference to the *benchmark* identified in its certificate of incorporation or in its prospectus at the Issue Date or, in the case of a New Fund, at the Substitution Date;
- (ii) the currency of a Fund is modified pursuant to the rules of such Fund in a way that the net asset value of the Fund is no longer calculated in the same Currency as it was calculated at the Issue Date (or, in the case of New Fund, at the Substitution Date);
- (iii) the relevant Management Company or the relevant Fund Manager fails, for reasons other than technical or operative reasons, to publish the net asset value of the Fund for eight Exchange Business Days, and such failure results from a decision to liquidate or dissolve the Fund;
- (iv) the assets of the Fund or of the relevant Management Company are subject to control by any governmental, legal or regulatory authority for unlawful conduct, violation of laws or regulations or other similar reasons;
- (v) there is an obligation, as determined by the Calculation Agent, to redeem, or a suspension or limitation on trading in the Fund (including the duty to notify in advance the redemption or subscription of the shares of the Fund), where, in such cases, the suspension or limitation is, in the opinion of the Calculation Agent, of substantial importance;
- (vi) the yearly Volatility of the Fund or the New Fund exceeds the percentage allowed by any applicable laws or rules as set out in the certificate of incorporation or the prospectus of the Fund or the New Fund, during a one-month period;

- (vii) the payment of a subscription fee for the purchase of the shares of the Fund or the New Fund or of a redemption fee for the sale of the shares of the Fund or the New Fund is required;
- (viii) there are changes in the taxation or regulation applicable to the custody, purchase or sale of the shares of the Fund or the New Fund; and
- (ix) the redemption of some or all the shares of the Fund or the New Fund is imposed by the Management Company or is due to another reason.

12(2)(G) Adjustment Events in relation to Interest Rate Securities

For the purposes of this 12(2)(G), "**Adjustment Event**" means, in relation to an Interest Rate, the one or more of the following events:

- (i) the Interest Rate is no longer calculated by the relevant Entity in charge for the calculation, but by another entity which has replaced the Entity in charge of the calculation. In such case, the Settlement Amount will be determined according to the Reference Value of the Interest Rate as determined and published by the new entity, and each reference to the Entity in charge for the calculation shall be deemed as a reference, where applicable, to the new entity; and
- (i) the Interest Rate is cancelled or replaced, and, in the reasonable opinion of the Issuer, it is not possible to determine a new Interest Rate. In such case, the Issuer and an expert appointed by the Issuer will continue to calculate and publish the Interest Rate pursuant to the previous system and to the last level calculated.

12(2)(H) Adjustment Events in relation to Combined Securities

For the purposes of this 12(2)(H), "**Adjustment Event**" means the occurrence of one or more of the events set out above in relation to the other types of Security, in accordance with the specific underlying assets which are relevant from time to time in relation to each issue.

13. Adjustments for European Monetary Union

The Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with Condition 7:

- (i) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Securities shall be redenominated in euro;

The election will have effect as follows:

- (A) where the Settlement Currency of the Securities is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Calculation Agent may decide and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the Securities will be made solely in euro as though references in the Securities to the Settlement Currency were to euro;
- (B) where the Exchange Rate and/or any other terms of these Conditions (as amended or supplemented in the applicable Final Terms) are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the **Original Currency**) of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted for or, as the case may be into, euro at the Established Rate; and
- (C) such other changes shall be made to these Conditions (as amended or supplemented in the applicable Final Terms) as the Issuer may decide, in its sole and absolute

discretion to conform them to conventions then applicable to instruments expressed in euro; and/or

- (ii) require that the Calculation Agent make such adjustments to the Multiplier and/or the Exercise Price and/or the Settlement Price and/or any other terms of these Conditions and/or the applicable Final Terms as the Calculation Agent, in its sole and absolute discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Multiplier and/or the Exercise Price and/or the Settlement Price and/or such other terms of these Conditions and/or the applicable Final Terms).

Notwithstanding the foregoing, none of the Issuer, any of its Affiliates, the Calculation Agent or any of the Security Agents shall be liable to any Securityholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

In this Condition, the following expressions have the following meanings:

Adjustment Date means a date specified by the Issuer in the notice given to the Securityholders pursuant to this Condition which falls on or after the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

Established Rate means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to first sentence of Article 109(1) of the Treaty;

euro means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

National Currency Unit means the unit of the currency of a country, as those units are defined on the date on which the country of the Original Currency first participates in European Economic and Monetary Union; and

Treaty means the treaty establishing the European Community, as amended.

14. Contracts (Rights of Third Parties) Act 1999

Subject as provided in the Agency Agreement, the Securities do not confer on any third party any rights under the Contracts (Rights of Third Parties) Act 1999 (the **Act**) to enforce any term of the Securities, but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

15. Exercise of Certificates

(A) Exercise Date

Each Certificate shall be automatically exercised on the Exercise Date, unless an Early Redemption Event occurred (if applicable and as specified in the relevant Final Terms).

In respect of Certificates listed on stock exchanges other than the Irish Stock Exchange, prior to the Renouncement Notice Cut-off Time indicated in the relevant Final Terms, the Securityholder may renounce any Automatic Exercise of such Certificate by the delivery or sending by authenticated swift message (confirmed in writing) of a duly completed Renouncement Notice to the relevant Clearing System, with a copy to the Principal Security Agent and the Issuer, in compliance with the laws and regulation, including the regulations of such other stock exchange, applicable from time to time. If a duly completed Renouncement Notice is delivered or sent in compliance with the above, the relevant Security Holder will not be entitled to receive any amounts payable by the Issuer in respect of the

relevant Certificates listed on other exchanges and the Issuer shall have no further liabilities in respect of such amounts.

Once delivered a Renouncement Notice shall be irrevocable. Any determination as to whether a Renouncement Notice is duly completed and in proper form shall be made by the relevant Clearing System in consultation with the Principal Security Agent and shall be conclusive and binding on the Issuer, the Security Agents, the Calculation Agent and the relevant Securityholder. Subject as set out below, any Renouncement Notice so determined to be incomplete or not in proper form or which is not duly delivered shall be null and void. If such Renouncement Notice is subsequently corrected to the satisfaction of the relevant Clearing System, in consultation with the Issuer and the Principal Security Agent, it shall be deemed to be a new Renouncement Notice submitted at the time such correction was delivered to the relevant Clearing System and copied to the Issuer and the Principal Security Agent.

(B) *Cash Settlement*

The Certificates (**Cash Settled Certificates**) are Cash Settled Securities, each such Certificate entitles its holder to receive from the Issuer on the Settlement Date the Cash Settlement Amount, less any Expenses not already paid.

16. Settlement

(A) *Cash Settled Certificates*

Subject as provided in this Condition 16, the Issuer shall pay or cause to be paid the relevant amount(s) (if any) for each Certificate by credit or transfer to the Securityholder's account with Euroclear or Clearstream, Luxembourg, as the case may be, for value on the Settlement Date, less any Expenses not already paid, such payment to be made in accordance with the rules of Euroclear or Clearstream, Luxembourg, as the case may be.

The Issuer's obligations will be discharged by payment to, or to the order of, Euroclear or Clearstream, Luxembourg (as the case may be) of the amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular amount of the Certificates must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each such payment.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to FATCA.

(B) *Settlement provisions for Definitive Certificates*

In the event that any Definitive Certificates have been issued prior to the Exercise Date, the Issuer shall, on or prior to the Exercise Date, notify Securityholders in accordance with Condition 7 of the procedure to be followed in order to receive any Cash Settlement Amount that may be payable upon exercise of the Certificates.

(C) *Exercise Risk*

Exercise of the Certificates is subject to all applicable laws, regulations and practices in force on the Exercise Date and none of the Issuer, any of its Affiliates, the Security Agents and the Calculation Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, any of its Affiliates, the Security Agents and the Calculation Agent shall under any circumstances be liable for any acts or defaults of Euroclear or Clearstream, Luxembourg in relation to the performance of their duties in relation to the Certificates.

17. Pay-out provisions

DIGITAL AMOUNT(S)

A possible feature of the Certificates is the Digital Event that will occur, in the relevant Digital Valuation Period(s), if the value of the Underlying is lower, equal to or higher than (as indicated in the relevant Final Terms) the Digital Level.

If the Digital Event occurs, the investor will receive one or more Digital Amount(s) as specified in the relevant Final Terms. Such amounts may be fixed, increasing, decreasing or variable in relation to the relevant Digital Valuation Period as specified in the applicable Final Terms. The investors will be notified of the Digital Event through a notice published on the website of the Issuer www.bancaimi.com.

One of the following Determination Methods of the Digital Event will be specified in the applicable Final Terms:

- a) Single Level Option, if a single Digital Level has been provided for all the Digital Valuation Periods. Such Digital Level may be an increasing, decreasing or variable value in relation to each applicable Digital Valuation Period;
- b) Multiple Level Option, if several Digital Levels in relation to the relevant Digital Valuation Period have been provided. In this case, in relation to each Digital Valuation Period, the relevant Final Terms will indicate the value of the "First Digital Level", the "Second Digital Level" and so on.

In particular, if the value of the Underlying, in the relevant Digital Valuation Period, is lower, equal to or higher (as indicated in the relevant Final Terms) than the Digital Levels, the investor will receive the relevant Digital Amount (indicated as "Digital Amount in relation to the First Digital Level", "Digital Amount in relation to the Second Digital Level" and so on); or

- c) Cliquet Feature, if the Digital Level is represented as a percentage of the Reference Value of the Underlying determined during the relevant Digital Valuation Period. In this case, the Digital Level will be updated by the Calculation Agent from time to time, and the Calculation Agent will determine the Reference Value of the Underlying: (i) in relation to the relevant Digital Valuation Period or (ii) when the Digital Event has occurred in the relevant Digital Valuation Period. The investors will be informed of Digital Event's occurrence through a notice published on the website of the Issuer www.bancaimi.com.

For the calculation of the Digital Amount in relation to the Spread Certificates, reference will be made to the Spread that is the difference between the performances of two financial activities (two shares or two indexes, etc.). Therefore, the Digital Level will be a percentage predetermined in the relevant Final Terms. In such case, the Digital Event will occur only if the Spread between Performance A and Performance B is lower, equal to or higher than the Digital Level (as indicated in the relevant Final Terms).

Specific calculation procedures in relation to the Digital Amounts

Specific calculation procedures in relation to the Digital Amount payable during the life of the Certificates may be provided jointly or separately in the relevant Series:

Consolidation Effect

The Certificates, if so specified by the Issuer in the relevant Final Terms, may provide an automatic activation option of the Digital Amounts eventually payable during the life of the Certificates.

In particular, if several Digital Valuation Periods have been provided and the value of the Underlying is lower, equal to or higher than the Consolidation Level (as indicated in the relevant Final Terms, a value indicated as a percentage of the Initial Reference Value, in addition to the Digital Level) in a Consolidation Valuation Period, the Digital Level will automatically occur without further determinations for all Digital Valuation Periods following such Consolidation Valuation Period.

Therefore, the investor will benefit from the payment of all the amounts provided in relation to the Digital Valuation Periods following the Consolidation Valuation Period in which the Underlying has reached or exceeds the Consolidation Level.

If the value of the Underlying is lower, equal to or higher (as indicated in the relevant Final Terms) than the Consolidation Level, the Securityholders will be notified through a notice published on the website of the Issuer www.bancaimi.com.

For the calculation of the Digital Amount in relation to the Spread Certificates, reference will be made to the Spread that is the difference between the performances of two financial activities (two shares or two indexes, etc.). Therefore, the Consolidation Level will be a percentage predetermined in the relevant Final Terms. In this case, the conditions provided by the Consolidation Effect will occur only when the Spread between the performance of the Underlying A and the Underlying B is lower, equal to or higher (as indicated in the relevant Final Terms) than the Consolidation Level.

Memory Effect

The Certificates, if so specified in the relevant Final Terms, may provide an option that takes into account the unpaid Digital Amounts during the life of the Certificates in the event that a Digital Event has not occurred.

In particular, if several Digital Valuation Periods have been provided and the value of the Underlying is lower, equal to or higher than the so-called Memory Level (as indicated in the relevant Final Terms, that is a value indicated as a percentage of the Initial Reference Value, in addition to the Digital Level) in a Memory Valuation Period, the investor will receive the previously unpaid Digital Amount (or the Digital Amounts) in the event that a Digital Event has not occurred.

If the value of the Underlying is lower, equal to or higher (as indicated in the relevant Final Terms) than the Memory Level, the Securityholders will be notified through a notice published on the website of the Issuer www.bancaimi.com.

, For the calculation of the Digital Amount in relation to the Spread Certificates, reference will be made to the so-called Spread that is the difference between the performances of two financial activities (two shares or two indexes, etc.). Therefore, the Memory Level will be a percentage predetermined in the relevant Final Terms. In such case, the conditions provided by the Memory Effect will occur only when the Spread between the performance of the Underlying A and the Underlying B is lower, equal to or higher than the Memory Level (as indicated in the relevant Final Terms).

Deactivation of the Digital Amount(s)

If so specified in the relevant Final Terms, the Certificates may provide a so-called "Knock-out" feature, which is a deactivation option of the Digital Amounts eventually payable during the life of the Certificates. In particular, if the value of the Underlying (or the Spread in event of Spread Certificates), during a Knock-out Valuation Period, is lower, equal to or higher (as indicated in relevant Final Terms) than the relevant Knock-out Level (such event a "**Knock-out Event**"), the investor may not benefit from the payment of any Digital Amount during the Digital Valuation Periods following the Knock-out Valuation Period in which the Knock-out Event has occurred.

The Knock-out Level will be indicated in the relevant Final Terms as a percentage of the Initial Reference Value (or as an independent percentage value in relation to the Spread Certificates) in addition to the Digital Level. The investors will be notified in the event of a Knock-out Event through a notice published on the website of the Issuer www.bancaimi.com.

Path Dependency Effect

If so specified in the relevant Final Terms, the Path Dependency Effect may be applicable. In this case, the Digital Amount may increase in relation to each Digital Valuation Period. Such increase will depend on a Digital Event(s) in the previous Digital Valuation Period(s) occurring. In particular, the increase will be calculated as the product of (i) a further amount linked to the Digital Amount and indicated as the Path Dependency Amount in the applicable Final Terms and (ii) a number which will be determined in relation to each Digital Valuation Period and which is equal to the number of the Digital Event(s) which have occurred from the first Digital Valuation Period (included) until the Digital Valuation Period on which such Digital Amount is calculated.

EARLY REDEMPTION AMOUNT

The Certificates, if so specified by the Issuer in the relevant Final Terms, may provide the possibility of an automatic early redemption if an Early Redemption Event has occurred. In particular, if the value of the Underlying (or of the Spread in the case of Spread Certificates) with reference to an Early Redemption Valuation Period is lower, equal to or higher than Early Redemption Level (as indicated in the relevant Final Terms, the certificate will be automatically redeemed and the Securityholder will receive on the Early Payment Date the payment of the Early Redemption Amount.

The Early Redemption Level will be indicated in the relevant Final Terms as a percentage of the Initial Reference Value (or as an independent percentage value in the case of Spread Certificates).

If several Early Redemption Amounts are provided, the Final Terms will indicate the value or the relevant calculation methods in the relation to the "Early Redemption Amount in relation to the First Early Redemption Period", the "Early Redemption Amount in relation to the Second Early Redemption Period" and so on.

Furthermore, in the event of Certificates with the Best Of Feature or Worst Of Feature, the Issuer will indicate in the relevant Final Terms whether an Early Redemption Event has occurred in relation to one or more Underlying(s), in which case the Final Terms will indicate one or more Early Redemption Levels for each Underlying.

PLUS AMOUNT(S)

If so specified in the relevant Final Terms, the Certificates may provide the unconditional payment of the Plus Amount(s), allowing the investor, during the life of the Certificates or at the Exercise Date, to receive an additional amount which is not linked to the performance of the Underlying. The payment of such Plus Amount(s) does not affect the provisions for the calculation of the Digital Amount(s) provided by the relevant Final Terms.

INTERNAL RETURN AMOUNT(S)

The Final Terms may also specify Internal Return Amount(s) as applicable. In this case, the Internal Return Amount will be linked to the performance of the Underlying and calculated according to the following formula:

$$Issue\ Price \times Max \left\{ 0; \left[\left(\sqrt[t]{\frac{FRV_t}{IRV}} \right) - 1 \right] \right\}$$

Where:

"FRV" means the Final Reference Value,

"IRV" means the Initial Reference Value, and

"t" means the relevant Annual Valuation Date.

On the basis of such formula, the Internal Return Amount is calculated on the performance of the Underlying which is annualised in relation to each Annual Valuation Date. Otherwise,

if the relevant Final Terms provide an IRA Cap:

$$Issue\ Price \times Min \left\{ IRA\ CAP_t; Max \left\{ 0; \left[\left(\sqrt[t]{\frac{FRV_t}{IRV}} \right) - 1 \right] \right\} \right\}$$

Where:

"**FRV**" means the Final Reference Value,

"**IRV**" means the Initial Reference Value,

"**IRA Cap**" means the value specified as a percentage in the relevant Final Terms, and

"**t**" means the relevant Annual Valuation Date.

In this case, the Internal Return Amount is calculated on the performance of the Underlying which is annualised in relation to each Annual Valuation Date, but it will be subject to a maximum amount represented by the IRA Cap.

CASH SETTLEMENT AMOUNT

CALCULATION METHOD IN THE CASE OF POSITIVE AND NEGATIVE PERFORMANCE OF THE UNDERLYING – (NO BARRIER LEVEL APPLICABLE)

The Securityholder will receive on the Settlement Date for each Minimum Exercise Amount the payment of the Cash Settlement Amount (if positive).

In the event of Non Quanto Certificates, if the Underlying Reference Currency is different from the Settlement Currency, the Cash Settlement Amount will be exchanged into the Settlement Currency at the applicable Exchange Rate.

At the Exercise Date the following scenarios may occur in relation to the structure and the pay-out provided by the Issuer in the relevant Final Terms:

A. STANDARD CERTIFICATES

(Initial Percentage x Initial Reference Value x Multiplier) x Minimum Exercise Amount

In relation to such type, the investor will receive on the Settlement Date an amount linked to a percentage of the Initial Reference Value that will be specified in the applicable Final Terms.

B. MAX CERTIFICATES

(a) MAX LONG CERTIFICATES

{Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value))] x Multiplier} x Minimum Exercise Amount

In relation to such type, the investor will receive in any case at least a percentage of the invested capital set out by the Issuer in the relevant Final Terms with the possibility of receiving a higher amount participating to the increasing performance of the Underlying depending on the Participation Factor.

If the relevant Final Terms provide a Cap Level:

{Min [Cap Level; Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value))] x Multiplier} x Minimum Exercise Amount

In such case, the amount that the investor will receive on the Settlement Date may be equal to or higher than the percentage of the Initial Reference Value multiplied by the multiplier determined by the Issuer in the relevant Final Terms. In any case, such Cash Settlement Amount will not exceed the Cap Level multiplied by the multiplier.

(b) MAX SHORT CERTIFICATES

{Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Initial Reference Value – Final Reference Value))] x Multiplier} x Exercise Minimum Amount

In relation to such type, the Securityholder will receive in any case at least a percentage of the invested capital set out by the Issuer in the relevant Final Terms with the possibility of receiving a higher amount participating to the negative (decreasing) performance of the Underlying depending on the Participation Factor.

If the relevant Final Terms provide a Cap Level:

{Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Initial Reference Value – Max [Cap Level; Final Reference Value]))] x Multiplier} x Minimum Exercise Amount

In relation to such type, the investor will receive in any case at least a percentage of the invested capital set out by the Issuer in the relevant Final Terms with the possibility of receiving a higher amount participating to the negative (decreasing) performance of the Underlying depending on the Participation Factor. In any case, the Cash Settlement Amount will not exceed the Cap Level multiplied by the multiplier.

C. SPREAD CERTIFICATES

(a) TYPE A SPREAD CERTIFICATES

$$\left[\frac{(\text{Initial Percentage} \times \text{IRV}_A \times \text{Multiplier}_A) + (\text{Initial Percentage} \times \text{IRV}_B \times \text{Multiplier}_B)}{2} \right] \times \text{MEA}$$

Where:

"Initial Percentage" means the percentage specified in the applicable Final Terms,

"IRV_A" means the Initial Reference Value of the Underlying A ,

"Multiplier_A" means the Multiplier of the Underlying A,

"IRV_B" means the Initial Reference Value of the Underlying B,

"Multiplier_B" means the Multiplier of the Underlying B, and

"MEA" means the Minimum Exercise Amount.

In relation to such type, the investor will receive an amount **linked to the average between:** (i) a percentage of the Initial Reference Value of the Underlying A specified in the applicable Final Terms and (ii) a percentage of the Initial Reference Value of the Underlying B specified in the applicable Final Terms multiplied by the relevant multipliers.

(b) TYPE B SPREAD CERTIFICATES

$$\left[\frac{(\text{Initial Percentage} \times \text{IRV}_A \times \text{Multiplier}_A) + (\text{Initial Percentage} \times \text{IRV}_B \times \text{Multiplier}_B)}{2} \right] \times [1 + (\text{Participation Factor} \times \text{Max}(0; \text{Spread}))] \times \text{MEA}$$

Where:

"Initial Percentage" means a percentage specified in the applicable Final Terms,

"IRV_A" means the Initial Reference Value of the Underlying A,

"**Multiplier_A**" means the Multiplier of the Underlying A,

"**IRV_B**" means the Initial Reference Value of the Underlying B,

"**Multiplier_B**" means the Multiplier of the Underlying B,

"**Participation Factor**" means a percentage set out in the relevant Final Terms,

"**Spread**" means the differential registered between the performance of the Underlying A and the Performance of the Underlying B, and

"**MEA**" means the Minimum Exercise Amount.

In relation to such type, the investor will receive (1) an amount linked to the average between (i) a percentage of the Initial Reference Value of the Underlying A that will be specified in the applicable Final Terms and (ii) a percentage of the Initial Reference Value of the Underlying B that will be specified in the applicable Final Terms multiplied by the relevant multipliers and eventually (2) an amount linked to the Spread (if positive) depending on the Participation Factor.

If the relevant Final Terms provide a Cap Level (only in relation to Type B Spread Certificates):

$$\left[\frac{(\text{Initial Percentage} \times \text{IRV}_A \times \text{Multiplier}_A) + (\text{Initial Percentage} \times \text{IRV}_B \times \text{Multiplier}_B)}{2} \right] \times [1 + \text{Min} [\text{Cap Level}; (\text{Participation Factor} \times \text{Max} (0; \text{Spread}))]] \times \text{MEA}$$

Where:

"**Initial Percentage**" means a percentage specified in the applicable Final Terms,

"**IRV_A**" means the Initial Reference Value of the Underlying A,

"**Multiplier_A**" means the Multiplier of the Underlying A,

"**IRV_B**" means the Initial Reference Value of the Underlying B,

"**Multiplier_B**" means the Multiplier of the Underlying B,

"**Cap Level**" means a percentage set out in the relevant Final Terms,

"**Participation Factor**" means a percentage set out in the relevant Final Terms,

"**Spread**" means the differential registered between the performance of the Underlying A and the Performance of the Underlying B, and

"**MEA**" means the Minimum Exercise Amount.

In relation to such type, the investor will receive (1) an amount linked to the average between (i) a percentage of the Initial Reference Value of the Underlying A that will be specified in the applicable Final Terms and (ii) a percentage of the Initial Reference Value of the Underlying B that will be specified in the applicable Final Terms multiplied by the relevant multipliers and eventually (2) an amount linked to the spread, if positive, depending on the Participation Factor that, in any case, will not be higher than the Cap Level.

D. SWITCH CERTIFICATES

In relation to such type, the formula for the calculation of the Cash Settlement Amount will depend on whether a Digital Event has occurred. If a Digital Event has occurred, the calculation procedure of the Cash Settlement Amount will be the same as the Standard Certificates; otherwise, if a Digital Event has not occurred, the method of calculation of the Settlement Amount will be the same to the Max Long Certificates or the Max Short Certificates pursuant to the Final Terms. In particular:

(1) **If the Digital Event has occurred during the life of the Certificates**

(Initial Percentage x Initial Reference Value x Multiplier) x Minimum Exercise Amount

In such scenario, the investor will receive at the maturity an amount linked to a percentage of the Initial Reference Value that will be specified in the applicable Final Terms. Consequentially, at least the payment of a percentage of the invested capital as specified in the Final Terms will be granted.

(2) **If the Digital Event has not occurred during the life of the Certificates**

- (a) *{Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value))] x Multiplier} x Minimum Exercise Amount*

In relation to such scenario, the investor will receive in any case at least a percentage of the invested capital set out by the Issuer in the relevant Final Terms, with the opportunity to receiving a higher amount participating to the increasing performance of the Underlying depending on the Participation Factor.

If the relevant Final Terms provide a Cap Level:

{Min [Cap Level; Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value))] x Multiplier} x Minimum Exercise Amount

In such case, the amount that the investor will receive at the maturity will be equal to or higher than the percentage of the Initial Reference Value multiplied by the multiplier set out by the Issuer in the relevant Final Terms but in any case will not exceed the Cap Level multiplied by the multiplier.

or, alternatively,

- (b) *{Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Initial Reference Value – Final Reference Value))] x Multiplier} x Minimum Exercise Amount*

In relation to such type, the investor will receive in any case at least a percentage of the invested capital set out by the Issuer in the relevant Final Terms, with the possibility of receiving a higher amount participating to the negative (decreasing) performance of the Underlying depending on the Participation Factor.

If the relevant Final Terms provide a Cap Level:

{Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Initial Reference Value – Max [Cap Level; Final Reference Value])] x Multiplier} x Minimum Exercise Amount

In relation to such type, the investor will receive in any case at least a percentage of the invested capital set out by the Issuer in the relevant Final Terms, with the possibility of receiving a higher amount participating to the negative (decreasing) performance of the Underlying depending on the Participation Factor but in any case will not exceed the Cap Level multiplied by the multiplier.

E. GROWTH & INCOME CERTIFICATES

{Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value – Digital Sum / Multiplier))] x Multiplier} x Minimum Exercise Amount

In relation to such type, the investor will receive on the Settlement Date the capital invested plus an amount (if any) depending on the Participation Factor equal to the difference between: (i) the amount deriving from the positive performance of the Underlying and (ii) the sum of the Digital Amounts paid during the life of the Certificates the "**Digital Sum**"). Such further amount, where negative, in any case will not interfere with the invested capital that will be paid back at the maturity.

If the relevant Final Terms provide a Cap Level:

{Min [Cap Level; Max [Initial Percentage x Initial Reference Value; (Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value – Digital Sum / Multiplier))]] x Multiplier} x Minimum Exercise Amount;

In relation to such type, the investor will receive at the maturity the capital invested plus an amount (if any) depending on the Participation Factor equal to the difference between: (i) the amount deriving from the positive performance of the Underlying and (ii) the Digital Sum. Such further amount, where negative, in any case will not interfere with the invested capital that will be paid back on the Settlement Date. The total amount that the investor will receive on the Settlement Date will be in any case subject to a maximum level equal to the Cap Level multiplied by the Multiplier.

F. TWIN WIN CERTIFICATES

a. If the Final Reference Value is higher than, or equal to, the Initial Reference Value:

{[Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value)] x Multiplier} x Minimum Exercise Amount

In relation to such type, the investor will receive on the Settlement Date the capital invested plus an amount equal to the positive performance of the Underlying multiplied by the Participation Factor. Such formula will be applicable regardless whether a Barrier Event has occurred, provided that on the Valuation Date the Final Reference Value is higher than, or equal to, the Initial Reference Value.

If the relevant Final Terms provide a Cap Level:

{Min [(Initial Reference Value + Participation Factor x (Final Reference Value – Initial Reference Value)); Cap Level] x Multiplier} x Minimum Exercise Amount

In relation to such type, the investor will receive on the Settlement Date the capital invested plus an amount equal to the positive performance of the Underlying multiplied by the Participation Factor. Such formula will be applicable regardless of the occurrence of the Barrier Event, provided that on the Valuation Date the Final Reference Value is higher than, or equal to, the Initial Reference Value. The total amount that the investor will receive on the Settlement Date will be in any case subject to a maximum level equal to the Cap Level multiplied by the Multiplier.

b. If the Final Reference Value is lower than the Initial Reference Value (and the Barrier Event, if applicable, has not occurred):

{[Initial Reference Value + Down Participation Factor x (Initial Reference Value – Final Reference Value)] x Multiplier} x Minimum Exercise Amount

In relation to such type, the investor will receive on the Settlement Date the capital invested plus an amount equal to the negative performance of the Underlying multiplied by the Down Participation Factor. Therefore, the Twin Win Certificates will enable the investor to also profit from a negative performance of the Underlying, as shown in this scenario.

CALCULATION METHOD IN THE CASE OF NEGATIVE² PERFORMANCE OF THE UNDERLYING – WITH A BARRIER LEVEL (BARRIER CERTIFICATES)

(1) BARRIER LEVEL IN THE CASE OF STANDARD CERTIFICATES, MAX LONG CERTIFICATES, SWITCH CERTIFICATES, TWIN WIN CERTIFICATES AND GROWTH & INCOME CERTIFICATES

In the case of Standard Certificates, Max Long Certificates, Switch Certificates, Growth & Income Certificates and Twin Win Certificates, if **a Barrier Level is provided in the applicable Final Terms and a Barrier Event has occurred**, the Cash Settlement Amount will be calculated in accordance with the following formula:

(i) WITHOUT PROTECTION LEVEL, AIR BAG FACTOR OR SIGMA AMOUNT

(Final Reference Value x Multiplier) x Minimum Exercise Amount

In such case, the investor will receive on the Settlement Date an amount linked to the performance of the Underlying (i.e. the investment in the Certificate is a direct investment in the Underlying) and therefore may be exposed to the total or partial loss of the capital invested.

(ii) WITH A PROTECTION LEVEL (PROTECTED CERTIFICATES)

{[Max (Final Reference Value; Protection Level)] x Multiplier} x Minimum Exercise Amount

In such case, the protection of the capital invested will depend on the percentage of the Initial Reference Value that will be set out by the Issuer as Protection Level.

(iii) IN ABSENCE OF A PROTECTION LEVEL AND WITH THE AIR BAG FACTOR (AIR BAG CERTIFICATES)

[(Final Reference Value x Air Bag Factor) x Multiplier] x Minimum Exercise Amount

In such case, the investor will receive at the maturity an amount which is not directly proportionate to the performance of the Underlying due to the Air Bag Factor. Consequentially, the investment loss is lower than the loss of the value of the Underlying. Such reduction of the loss decreases with the reduction of the Final Reference Value until the Final Reference Value is equal to zero.

(iv) IN ABSENCE OF A PROTECTION LEVEL AND WITH THE SIGMA AMOUNT (SIGMA CERTIFICATES)

[(Final Reference Value x Multiplier) x Minimum Exercise Amount] + Sigma Amount x Minimum Exercise Amount

In such case, whatever the performance linked to the Final Reference Value is, the investor will receive at least an amount equal to the Sigma Amount.

(2) BARRIER LEVEL IN THE CASE OF SPREAD CERTIFICATES

In relation to the Spread Certificates, if **a Barrier Level has been provided (indicated as a percentage value) and a Barrier Event has occurred**, the Cash Settlement Amount will be calculated pursuant to the following formula:

(i) WITH THE LIMITED LOSS PERCENTAGE

²

In case of Max Short Certificates with Barrier Level, the performance of the Underlying will be positive for the purposes of the Barrier Event.

$$\left\{ \left[\frac{(Initial\ Percentage \times IRV_A \times Multiplier_A) + (Initial\ Percentage \times IRV_B \times Multiplier_B)}{2} \right] \times (1 + Limited\ Loss\ Percentage) \right\} \times MEA$$

Where:

"**Initial Percentage**" means a percentage specified in the applicable Final Terms,

"**IRV_A**" means the Initial Reference Value of the Underlying A,

"**Multiplier_A**" means the Multiplier of the Underlying A,

"**IRV_B**" means the Initial Reference Value of the Underlying B,

"**Multiplier_B**" means the Multiplier of the Underlying B,

"**Limited Loss Percentage**" means a negative percentage set out in the Final Terms upon which will depend the amount that the investor will receive on the Settlement Date, and

"**MEA**" means the Minimum Exercise Amount.

In this scenario, the amount that the investor will receive on the Settlement Date will depend on the Limited Loss Percentage set out in the relevant Final Terms by the Issuer;

(ii) **WITHOUT THE LIMITED LOSS PERCENTAGE AND WITH THE SPREAD PROTECTION**

$$\left\{ \left[\frac{(Initial\ Percentage \times IRV_A \times Multiplier_A) + (Initial\ Percentage \times IRV_B \times Multiplier_B)}{2} \right] \times (1 + \text{Max}(\text{Spread Protection}; \text{Spread})) \right\} \times MEA$$

Where:

"**Initial Percentage**" means a percentage specified in the applicable Final Terms,

"**IRV_A**" means the Initial Reference Value of the Underlying A,

"**Multiplier_A**" means the Multiplier of the Underlying A,

"**IRV_B**" means the Initial Reference Value of the Underlying B,

"**Multiplier_B**" means the Multiplier of the Underlying B,

"**Spread**" means the differential registered between the performance of the Underlying A and the performance of the Underlying B,

"**Spread Protection**" means a percentage specified in the applicable Final Terms, and

"**MEA**" means the Minimum Exercise Amount.

In such case, the protection of the capital invested will depend on the percentage set out by the Issuer in the applicable Final Terms as the Protection Spread.

(iii) **WITHOUT THE LIMITED LOSS PERCENTAGE OR THE SPREAD PROTECTION**

The Cash Settlement Amount will be calculated pursuant to one of the following formulas and in accordance with the relevant Final Terms:

a. *Amount linked to the Spread*

$$\left\{ \left[\frac{(Initial\ Percentage \times IRV_A \times Multiplier_A) + (Initial\ Percentage \times IRV_B \times Multiplier_B)}{2} \right] \times (1 + Spread) \right\} \times MEA$$

Where:

"**Initial Percentage**" means a percentage specified in the applicable Final Terms,

"**IRV_A**" means the Initial Reference Value of the Underlying A,

"**Multiplier_A**" means the Multiplier of the Underlying A,

"**IRV_B**" means the Initial Reference Value of the Underlying B,

"**Multiplier_B**" means the Multiplier of the Underlying B,

"**Spread**" means the differential registered between the performance of the Underlying A and the performance of the Underlying B, and

"**MEA**" means the Minimum Exercise Amount.

In such case, the investor will receive on the Settlement Date an amount directly linked to the Spread (the differential registered between the performance of the Underlying A and the performance of the Underlying B) and therefore the investor may be exposed to the total or partial loss of the capital invested; or

b. Amount linked to the performance of the Underlying A

Final Reference Value_A x Multiplier_A x Minimum Exercise Amount

In this case the investor will receive on the Settlement Date an amount linked to the performance of the Underlying A (i.e. the investment in the Certificate is a direct investment in the Underlying A) and therefore the investor may be exposed to the total or partial loss of the capital invested; or

c. Amount linked to the performance of the Underlying B

Final Reference Value_B x Multiplier_B x Minimum Exercise Amount

In such case, the investor will receive on the Settlement Date an amount linked to the performance of the Underlying B (i.e. the investment in the Certificate is a direct investment in the Underlying B) and therefore the investor may be exposed to the total or partial loss of the capital invested.

(3) **BARRIER LEVEL IN THE CASE OF MAX SHORT CERTIFICATES**

In relation to the Max Short Certificates, if **a Barrier Level has been provided (indicated as a percentage value) and a Barrier Event has occurred**, the Cash Settlement Amount will be calculated pursuant to the following formulas:

(i) WITH THE SHORT PROTECTION (PROTECTED CERTIFICATES)

Max {Short Protection; [Initial Reference Value + (Initial Reference Value - Final Reference Value)] x Multiplier} x Minimum Exercise Amount

In such case, the protection of the capital invested will depend on the amount that will be set out by the Issuer as the Short Protection.

(ii) WITHOUT THE SHORT PROTECTION

Max {0; [Initial Reference Value + (Initial Reference Value - Final Reference Value)] x Multiplier} x Minimum Exercise Amount

In such case, the investor will receive on the Settlement Date an amount which is inversely proportional to the performance of the Underlying (i.e. in a short position in respect of the Underlying) and therefore may be exposed to the total or partial loss of the capital invested.