

<b>AVVISO n.10757</b>	<b>18 Luglio 2006</b>	<b>SeDeX – PLAIN VANILLA</b>
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Mittente del comunicato : Borsa Italiana  
Societa' oggetto dell'Avviso : UNICREDITO ITALIANO  
Oggetto : Inizio negoziazione Covered Warrant Plain Vanilla "Unicredito Italiano" emessi nell'ambito di un Programma

***Testo del comunicato***

Si veda allegato.

***Disposizioni della Borsa***

Strumenti finanziari: **“Covered Warrant su azioni italiane ed estere con scadenza 01.12.2006 e 02.03.2007”**

Emittente: **Unicredito Italiano S.p.A.**

Rating Emittente:	Società di Rating	Long Term	Data Report
	Moody's	A1	dic 2005
	Standard & Poor's	A+	13/03/2006
	Fitch	A+	01/12/2005

Oggetto: **INIZIO NEGOZIAZIONI IN BORSA**

Data di inizio negoziazioni: **20 luglio 2006**

Mercato di quotazione: Borsa - Comparto SEDEX, *“segmento covered warrant plain vanilla”*  
Borsa - Comparto TAH

Orari e modalità di negoziazione: Negoziazione continua e l'orario stabilito dagli artt. IA.5.1.6 e IA.6.1.9 delle Istruzioni

Operatore incaricato ad assolvere l'impegno di quotazione: UBM-UniCredit Banca Mobiliare S.p.A.  
Codice specialist: 1103

Modalità di liquidazione dei contratti: liquidazione a contante garantita il terzo giorno di borsa aperta successivo a quello di conclusione dei contratti.

### **CARATTERISTICHE SALIENTI DEI TITOLI OGGETTO DI QUOTAZIONE**

**“Covered Warrant su azioni italiane ed estere con scadenza 01.12.2006 e 02.03.2007”**

Quantitativo minimo di negoziazione di ciascuna serie: vedasi scheda riepilogativa delle caratteristiche dei covered warrant (colonna “Lotto Neg.”)

Controvalore minimo dei blocchi: 150.000 Euro

Impegno giornaliero ad esporre prezzi denaro e lettera per ciascuna serie: vedasi scheda riepilogativa delle caratteristiche dei covered warrant (colonna “N.Lotti M.M.”)

Tipo di liquidazione: monetaria

Modalità di esercizio: americano

## **DISPOSIZIONI DELLA BORSA ITALIANA**

Dal giorno 20 luglio 2006, i “Covered Warrant su azioni italiane ed estere con scadenza 01.12.2006 e 02.03.2007” verranno inseriti nel Listino Ufficiale, sezione Securitised Derivatives.

Allegati:

- Scheda riepilogativa delle caratteristiche dei covered warrant;
- Final Terms dei covered warrant;
- Nota di sintesi e Terms and Conditions dei covered warrant.

<i>Serie</i>	<i>Isin</i>	<i>Sigla</i>	<i>SIA</i>	<i>Descrizione</i>	<i>Sottostante</i>	<i>Facoltà</i>	<i>Strike</i>	<i>Scad.</i>	<i>Multiplo</i>	<i>Ammontare</i>	<i>Lotto Neg.</i>	<i>N.Lotti MM</i>
1	IT0004089584	UI0001	397473	UC AEM C1,85 MZ07	AEM	Call	1,85	02/03/2007	0,1	1000000	1000	150
2	IT0004089592	UI0002	397474	UC AEM C2,1 MZ07	AEM	Call	2,1	02/03/2007	0,1	1000000	1000	300
3	IT0004089600	UI0003	397475	UC AL P8 DC06	ALLEANZA	Put	8	01/12/2006	0,1	1000000	1000	200
4	IT0004089618	UI0004	397476	UC AL P7,5 MZ07	ALLEANZA	Put	7,5	02/03/2007	0,1	1000000	1000	200
5	IT0004089626	UI0005	397477	UC AL C8,5 MZ07	ALLEANZA	Call	8,5	02/03/2007	0,1	1000000	1000	30
6	IT0004089634	UI0006	397478	UC AL P8,5 MZ07	ALLEANZA	Put	8,5	02/03/2007	0,1	1000000	1000	100
7	IT0004089642	UI0007	397479	UC AL C9,5 MZ07	ALLEANZA	Call	9,5	02/03/2007	0,1	1000000	1000	50
8	IT0004089659	UI0008	397480	UC AL C10,5 MZ07	ALLEANZA	Call	10,5	02/03/2007	0,1	1000000	1000	100
9	IT0004089667	UI0009	397481	UC AGL C12,5 MZ07	AUTOGRILL	Call	12,5	02/03/2007	0,1	1000000	1000	30
10	IT0004089675	UI0010	397482	UC AGL C14 MZ07	AUTOGRILL	Call	14	02/03/2007	0,1	1000000	1000	100
11	IT0004089725	UI0015	397483	UC BIN P4 MZ07	BANCA INTESA	Put	4	02/03/2007	0,1	1000000	1000	150
12	IT0004089733	UI0016	397484	UC BIN C4,5 MZ07	BANCA INTESA	Call	4,5	02/03/2007	0,1	1000000	1000	50
13	IT0004089741	UI0017	397485	UC BIN P4,5 MZ07	BANCA INTESA	Put	4,5	02/03/2007	0,1	1000000	1000	100
14	IT0004089758	UI0018	397486	UC BIN C5 MZ07	BANCA INTESA	Call	5	02/03/2007	0,1	1000000	1000	100
15	IT0004089766	UI0019	397487	UC BIN C5,5 MZ07	BANCA INTESA	Call	5,5	02/03/2007	0,1	1000000	1000	200
16	IT0004089774	UI0020	397488	UC BPU P20 MZ07	B.POP.UNITE	Put	20	02/03/2007	0,1	1000000	1000	30

<i>Serie</i>	<i>Isin</i>	<i>Sigla</i>	<i>SIA</i>	<i>Descrizione</i>	<i>Sottostante</i>	<i>Facoltà</i>	<i>Strike</i>	<i>Scad.</i>	<i>Multiplo</i>	<i>Ammontare</i>	<i>Lotto Neg.</i>	<i>N.Lotti MM</i>
17	IT0004089782	UI0021	397489	UC BPU C20 MZ07	B.POP.UNITE	Call	20	02/03/2007	0,1	1000000	1000	20
18	IT0004089790	UI0022	397490	UC BPU C23 MZ07	B.POP.UNITE	Call	23	02/03/2007	0,1	1000000	1000	30
19	IT0004089808	UI0023	397491	UC BUL C9 MZ07	BULGARI	Call	9	02/03/2007	0,1	1000000	1000	30
20	IT0004089816	UI0024	397492	UC BUL C10,5 MZ07	BULGARI	Call	10,5	02/03/2007	0,1	1000000	1000	50
21	IT0004089824	UI0025	397493	UC CAP P6 DC06	CAPITALIA	Put	6	01/12/2006	0,1	1000000	1000	100
22	IT0004089832	UI0026	397494	UC CAP P5,5 MZ07	CAPITALIA	Put	5,5	02/03/2007	0,1	1000000	1000	100
23	IT0004089840	UI0027	397495	UC CAP C6,5 MZ07	CAPITALIA	Call	6,5	02/03/2007	0,1	1000000	1000	50
24	IT0004089857	UI0028	397496	UC CAP P6,5 MZ07	CAPITALIA	Put	6,5	02/03/2007	0,1	1000000	1000	50
25	IT0004089865	UI0029	397497	UC CAP C7,5 MZ07	CAPITALIA	Call	7,5	02/03/2007	0,1	1000000	1000	100
26	IT0004089873	UI0030	397498	UC CAP C8,5 MZ07	CAPITALIA	Call	8,5	02/03/2007	0,1	1000000	1000	150
27	IT0004089881	UI0031	397499	UC ENEL P7 MZ07	ENEL	Put	7	02/03/2007	0,1	1000000	1000	50
28	IT0004089899	UI0032	397500	UC ENEL C6 MZ07	ENEL	Call	6	02/03/2007	0,1	1000000	1000	30
29	IT0004089907	UI0033	397501	UC ENEL P6 MZ07	ENEL	Put	6	02/03/2007	0,1	1000000	1000	150
30	IT0004089915	UI0034	397502	UC ENEL C7 MZ07	ENEL	Call	7	02/03/2007	0,1	1000000	1000	100
31	IT0004089923	UI0035	397503	UC ENEL C8 MZ07	ENEL	Call	8	02/03/2007	0,1	1000000	1000	300
32	IT0004089931	UI0036	397504	UC ENI P20 MZ07	ENI	Put	20	02/03/2007	0,1	1000000	1000	50
33	IT0004089949	UI0037	397505	UC ENI P22 MZ07	ENI	Put	22	02/03/2007	0,1	1000000	1000	20

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34	IT0004089956	UI0038	397506	UC ENI C23 MZ07	ENI	Call	23	02/03/2007	0,1	1000000	1000	20
35	IT0004089964	UI0039	397507	UC ENI C25 MZ07	ENI	Call	25	02/03/2007	0,1	1000000	1000	30
36	IT0004089972	UI0040	397508	UC ENI C27 MZ07	ENI	Call	27	02/03/2007	0,1	1000000	1000	50
37	IT0004089980	UI0041	397509	UC FWB P33 DC06	FASTWEB	Put	33	01/12/2006	0,1	1000000	1000	10
38	IT0004089998	UI0042	397510	UC FWB C36 DC06	FASTWEB	Call	36	01/12/2006	0,1	1000000	1000	20
39	IT0004090004	UI0043	397511	UC FWB C35 MZ07	FASTWEB	Call	35	02/03/2007	0,1	1000000	1000	20
40	IT0004090012	UI0044	397512	UC FWB P32 MZ07	FASTWEB	Put	32	02/03/2007	0,1	1000000	1000	10
41	IT0004090020	UI0045	397513	UC FWB C40 MZ07	FASTWEB	Call	40	02/03/2007	0,1	1000000	1000	30
42	IT0004090038	UI0046	397514	UC F P8 MZ07	FIAT	Put	8	02/03/2007	0,1	1000000	1000	100
43	IT0004090046	UI0047	397515	UC F C9 MZ07	FIAT	Call	9	02/03/2007	0,1	1000000	1000	20
44	IT0004090053	UI0048	397516	UC F P9 MZ07	FIAT	Put	9	02/03/2007	0,1	1000000	1000	50
45	IT0004090061	UI0049	397517	UC F C10 MZ07	FIAT	Call	10	02/03/2007	0,1	1000000	1000	20
46	IT0004090079	UI0050	397518	UC F P10 MZ07	FIAT	Put	10	02/03/2007	0,1	1000000	1000	30
47	IT0004090087	UI0051	397519	UC F C11 MZ07	FIAT	Call	11	02/03/2007	0,1	1000000	1000	30
48	IT0004090095	UI0052	397520	UC F C12 MZ07	FIAT	Call	12	02/03/2007	0,1	1000000	1000	50
49	IT0004090103	UI0053	397521	UC F C13 MZ07	FIAT	Call	13	02/03/2007	0,1	1000000	1000	100
50	IT0004090111	UI0054	397522	UC G P25 MZ07	GENERALI	Put	25	02/03/2007	0,1	1000000	1000	30

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51	IT0004090129	UI0055	397523	UC G C27 MZ07	GENERALI	Call	27	02/03/2007	0,1	1000000	1000	10
52	IT0004090137	UI0056	397524	UC G P27 MZ07	GENERALI	Put	27	02/03/2007	0,1	1000000	1000	20
53	IT0004090145	UI0057	397525	UC G C29 MZ07	GENERALI	Call	29	02/03/2007	0,1	1000000	1000	20
54	IT0004090152	UI0058	397526	UC G C31 MZ07	GENERALI	Call	31	02/03/2007	0,1	1000000	1000	20
55	IT0004090160	UI0059	397527	UC LUX C21 MZ07	LUXOTTICA	Call	21	02/03/2007	0,1	1000000	1000	20
56	IT0004090178	UI0060	397528	UC LUX C24 MZ07	LUXOTTICA	Call	24	02/03/2007	0,1	1000000	1000	30
57	IT0004090186	UI0061	397529	UC MS P8,5 DC06	MEDIASET	Put	8,5	01/12/2006	0,1	1000000	1000	100
58	IT0004090194	UI0062	397530	UC MS P8 MZ07	MEDIASET	Put	8	02/03/2007	0,1	1000000	1000	100
59	IT0004090202	UI0063	397531	UC MS C9 MZ07	MEDIASET	Call	9	02/03/2007	0,1	1000000	1000	30
60	IT0004090210	UI0064	397532	UC MS P9 MZ07	MEDIASET	Put	9	02/03/2007	0,1	1000000	1000	50
61	IT0004090228	UI0065	397533	UC MS C10 MZ07	MEDIASET	Call	10	02/03/2007	0,1	1000000	1000	50
62	IT0004090236	UI0066	397534	UC MS C11 MZ07	MEDIASET	Call	11	02/03/2007	0,1	1000000	1000	100
63	IT0004090244	UI0067	397535	UC MB P14 DC06	MEDIOBANCA	Put	14	01/12/2006	0,1	1000000	1000	50
64	IT0004090251	UI0068	397536	UC MB P14 MZ07	MEDIOBANCA	Put	14	02/03/2007	0,1	1000000	1000	30
65	IT0004090269	UI0069	397537	UC MB C15,5 MZ07	MEDIOBANCA	Call	15,5	02/03/2007	0,1	1000000	1000	20
66	IT0004090277	UI0070	397538	UC MB C17 MZ07	MEDIOBANCA	Call	17	02/03/2007	0,1	1000000	1000	50
67	IT0004090285	UI0071	397539	UC MED P5 DC06	MEDIOLANUM	Put	5	01/12/2006	0,1	1000000	1000	150

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68	IT0004090293	UI0072	397540	UC MED P5 MZ07	MEDIOLANUM	Put	5	02/03/2007	0,1	1000000	1000	100	
69	IT0004090301	UI0073	397541	UC MED C5,75 MZ07	MEDIOLANUM	Call	5,75	02/03/2007	0,1	1000000	1000	100	
70	IT0004090319	UI0074	397542	UC MED P5,75 MZ07	MEDIOLANUM	Put	5,75	02/03/2007	0,1	1000000	1000	50	
71	IT0004090327	UI0075	397543	UC MED C6,25 MZ07	MEDIOLANUM	Call	6,25	02/03/2007	0,1	1000000	1000	100	
72	IT0004090335	UI0076	397544	UC MED C7 MZ07	MEDIOLANUM	Call	7	02/03/2007	0,1	1000000	1000	200	
73	IT0004090343	UI0077	397545	UC BMPS P4 MZ07	MONTEPASCHI	Put	4	02/03/2007	0,1	1000000	1000	200	
74	IT0004090350	UI0078	397546	UC BMPS C4,75 MZ07	MONTEPASCHI	Call	4,75	02/03/2007	0,1	1000000	1000	100	
75	IT0004090368	UI0079	397547	UC BMPS C5,75 MZ07	MONTEPASCHI	Call	5,75	02/03/2007	0,1	1000000	1000	200	
76	IT0004090376	UI0080	397548	UC RCS C4 MZ07	RCS MEDIAGROUP	Call	4	02/03/2007	0,1	1000000	1000	100	
77	IT0004090384	UI0081	397549	UC RCS C5 MZ07	RCS MEDIAGROUP	Call	5	02/03/2007	0,1	1000000	1000	300	
78	IT0004090392	UI0082	397550	UC SPM C18 MZ07	SAIPEM	Call	18	02/03/2007	0,1	1000000	1000	20	
79	IT0004090400	UI0083	397551	UC SPM C21 MZ07	SAIPEM	Call	21	02/03/2007	0,1	1000000	1000	20	
80	IT0004090418	UI0084	397552	UC SPI P12,5 MZ07	SAN PAOLO IMI	Put	12,5	02/03/2007	0,1	1000000	1000	50	
81	IT0004090426	UI0085	397553	UC SPI C13,5 MZ07	SAN PAOLO IMI	Call	13,5	02/03/2007	0,1	1000000	1000	20	
82	IT0004090434	UI0086	397554	UC SPI P13,5 MZ07	SAN PAOLO IMI	Put	13,5	02/03/2007	0,1	1000000	1000	30	
83	IT0004090442	UI0087	397555	UC SPI C14,5 MZ07	SAN PAOLO IMI	Call	14,5	02/03/2007	0,1	1000000	1000	30	



<i>Serie</i>	<i>Isin</i>	<i>Sigla</i>	<i>SIA</i>	<i>Descrizione</i>	<i>Sottostante</i>	<i>Facoltà</i>	<i>Strike</i>	<i>Scad.</i>	<i>Multiplo</i>	<i>Ammontare</i>	<i>Lotto Neg.</i>	<i>N.Lotti MM</i>
84	IT0004090459	UI0088	397556	UC SPI C15,5 MZ07	SAN PAOLO IMI	Call	15,5	02/03/2007	0,1	1000000	1000	50
85	IT0004090467	UI0089	397557	UC PG P0,33 MZ07	SEAT P.G.	Put	0,33	02/03/2007	0,1	1000000	1000	500
86	IT0004090475	UI0090	397558	UC PG C0,37 MZ07	SEAT P.G.	Call	0,37	02/03/2007	0,1	1000000	1000	500
87	IT0004090483	UI0091	397559	UC PG C0,45 MZ07	SEAT P.G.	Call	0,45	02/03/2007	0,1	1000000	1000	500
88	IT0004090491	UI0092	397560	UC SRG C3,5 MZ07	SNAM RETE GAS	Call	3,5	02/03/2007	0,1	1000000	1000	100
89	IT0004090509	UI0093	397561	UC SRG C4 MZ07	SNAM RETE GAS	Call	4	02/03/2007	0,1	1000000	1000	300
90	IT0004090517	UI0094	397562	UC TIT P1,8 MZ07	TELECOM ITALIA	Put	1,8	02/03/2007	0,1	1000000	1000	500
91	IT0004090525	UI0095	397563	UC TIT C2 MZ07	TELECOM ITALIA	Call	2	02/03/2007	0,1	1000000	1000	100
92	IT0004090533	UI0096	397564	UC TIT P2 MZ07	TELECOM ITALIA	Put	2	02/03/2007	0,1	1000000	1000	300
93	IT0004090541	UI0097	397565	UC TIT C2,2 MZ07	TELECOM ITALIA	Call	2,2	02/03/2007	0,1	1000000	1000	150
94	IT0004090558	UI0098	397566	UC TIT P2,2 MZ07	TELECOM ITALIA	Put	2,2	02/03/2007	0,1	1000000	1000	150
95	IT0004090566	UI0099	397567	UC TIT C2,4 MZ07	TELECOM ITALIA	Call	2,4	02/03/2007	0,1	1000000	1000	300
96	IT0004090574	UI0100	397568	UC TITR C2 MZ07	TELECOM ITALIA RISP.	Call	2	02/03/2007	0,1	1000000	1000	150
97	IT0004090582	UI0101	397569	UC TITR C2,2 MZ07	TELECOM ITALIA RISP.	Call	2,2	02/03/2007	0,1	1000000	1000	200
98	IT0004090590	UI0102	397570	UC TRN C2,1 MZ07	TERNA	Call	2,1	02/03/2007	0,1	1000000	1000	200
99	IT0004090608	UI0103	397571	UC TRN P2,1 MZ07	TERNA	Put	2,1	02/03/2007	0,1	1000000	1000	200

<i>Serie</i>	<i>Isin</i>	<i>Sigla</i>	<i>SIA</i>	<i>Descrizione</i>	<i>Sottostante</i>	<i>Facoltà</i>	<i>Strike</i>	<i>Scad.</i>	<i>Multiplo</i>	<i>Ammontare</i>	<i>Lotto Neg.</i>	<i>N.Lotti</i>	<i>MM</i>
100	IT0004090616	UI0104	397572	UC TRN C2,3 MZ07	TERNA	Call	2,3	02/03/2007	0,1	1000000	1000	500	
101	IT0004090624	UI0105	397573	UC TIS P2,5 DC06	TISCALI	Put	2,5	01/12/2006	0,1	1000000	1000	150	
102	IT0004090632	UI0106	397574	UC TIS P2 MZ07	TISCALI	Put	2	02/03/2007	0,1	1000000	1000	300	
103	IT0004090640	UI0107	397575	UC TIS C2,5 MZ07	TISCALI	Call	2,5	02/03/2007	0,1	1000000	1000	100	
104	IT0004090657	UI0108	397576	UC TIS P2,5 MZ07	TISCALI	Put	2,5	02/03/2007	0,1	1000000	1000	100	
105	IT0004090665	UI0109	397577	UC TIS C3 MZ07	TISCALI	Call	3	02/03/2007	0,1	1000000	1000	200	
106	IT0004090673	UI0110	397578	UC TIS C3,5 MZ07	TISCALI	Call	3,5	02/03/2007	0,1	1000000	1000	400	
107	IT0004090681	UI0111	397579	UC DEDTE C13 MZ07	DEUTSCHE TELEKOM	Call	13	02/03/2007	0,1	1000000	1000	30	
108	IT0004090699	UI0112	397580	UC DEDTE C14,5 MZ07	DEUTSCHE TELEKOM	Call	14,5	02/03/2007	0,1	1000000	1000	100	
109	IT0004090707	UI0113	397581	UC FINOK P14 MZ07	NOKIA	Put	14	02/03/2007	0,1	1000000	1000	50	
110	IT0004090715	UI0114	397582	UC FINOK C16 MZ07	NOKIA	Call	16	02/03/2007	0,1	1000000	1000	20	
111	IT0004090723	UI0115	397583	UC FINOK C19 MZ07	NOKIA	Call	19	02/03/2007	0,1	1000000	1000	50	
112	IT0004090731	UI0116	397584	UC STM P11 MZ07	STMICROELECTR ONICS	Put	11	02/03/2007	0,1	1000000	100	500	
113	IT0004090749	UI0117	397585	UC STM C12 MZ07	STMICROELECTR ONICS	Call	12	02/03/2007	0,1	1000000	100	150	
114	IT0004090756	UI0118	397586	UC STM P12 MZ07	STMICROELECTR ONICS	Put	12	02/03/2007	0,1	1000000	100	300	

<i>Serie</i>	<i>Isin</i>	<i>Sigla</i>	<i>SIA</i>	<i>Descrizione</i>	<i>Sottostante</i>	<i>Facoltà</i>	<i>Strike</i>	<i>Scad.</i>	<i>Multiplo</i>	<i>Ammontare</i>	<i>Lotto Neg.</i>	<i>N.Lotti MM</i>
115	IT0004090764	UI0119	397587	UC STM C13 MZ07	STMICROELECTR ONICS	Call	13	02/03/2007	0,1	1000000	100	200
116	IT0004090772	UI0120	397588	UC STM P13 MZ07	STMICROELECTR ONICS	Put	13	02/03/2007	0,1	1000000	100	200
117	IT0004090780	UI0121	397589	UC STM C14 MZ07	STMICROELECTR ONICS	Call	14	02/03/2007	0,1	1000000	100	300
118	IT0004090798	UI0122	397590	UC STM C15 MZ07	STMICROELECTR ONICS	Call	15	02/03/2007	0,1	1000000	100	500

**Final Terms**

**dated 06 July 2006**

**UNICREDITO ITALIANO S.p.A.**

(the "**Issuer**")

Issue of Euro 9,012,000 Warrants linked to Shares  
under its Warrant and Certificate Programme

This document constitutes the Final Terms relating to the issue of Securities described herein and final terms for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**).

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 28 November 2005 and the supplemental Prospectus dated 13 February 2006, the supplemental Prospectus dated 18 April 2006, the supplemental Prospectus dated 6 June 2006 and the supplemental Prospectus dated 14 July 2006 which together constitute a prospectus for the purposes of the Prospectus Directive. This Final Terms contain the final terms of the Securities described herein and must be read in conjunction with such Prospectus in order to obtain full information on the Issuer and the Securities themselves. Copies of such Prospectus are available free of charge to the public during normal business hours at the registered office of the Issuer and in an electronic form at [www.tradinglab.it](http://www.tradinglab.it) and the website of Borsa Italiana S.p.A at [www.borsaitalia.it](http://www.borsaitalia.it).

*Save as disclosed in "Offering and Sale", so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer.*

References herein to numbered Conditions are to the Terms and Condition of the Warrants and words and expressions defined in such terms and conditions shall bear the same meaning in these Final Terms, save as where otherwise expressly provided.

The Issuer (the **Responsible Person**) accepts responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of the Issuer, which has taken all reasonable care to ensure that such is the case, the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information.

## **PART A - CONTRACTUAL TERMS**

### **A.1 GENERAL PROVISIONS**

1. Issuer: UniCredito Italiano S.p.A.
2. Series Number: The series number of each Series of Warrants is as specified in Annex I.
3. Tranche: The Tranche of each Series of Warrants is specified in Annex I.
4. Denomination: Not Applicable
5. Consolidation: Not Applicable
6. Type of Securities:
  - (i) The Securities are Warrants.
  - (ii) The Securities are Share Warrants.
  - (iii) The Securities relate to shares (the **Shares**), as specified in Annex I. See also Annex II for a description of the Shares.
7. Form of Securities: No Warrants in definitive form will be issued in relation to any Series. No physical document of title will be issued to represent the Warrants of any Series. On issue, the Warrants of each Series will be registered in the books of Monte Titoli. The Warrants of each Series will be held in bearer form on behalf of the beneficial owners until redemption and cancellation thereof.
8. Status of the Securities: Direct, unsubordinated and unsecured.
9. Date Board approval for issuance of Securities obtained: Not Applicable
10. Admission to trading:
  - (i) Application has been made for the Warrants of each Series to be admitted to trading on the SeDeX of Borsa Italiana S.p.A.
  - (ii) UniCredit Banca Mobiliare S.p.A., via Tommaso Grossi 10, 20121 Milan (Italy), (the **Market Maker**) has undertaken to provide liquidity through bid and offer quotes in accordance with the market making rules of Borsa Italiana S.p.A., where the Warrants of each Series are expected to be listed. The obligations of the Market Maker are regulated by the Regulation on regulated markets, and relevant Instructions, of Borsa Italiana S.p.A..
11. Averaging: Not Applicable
12. Number of Securities being issued: See Annex I in relation to each Series of Warrants.
13. Issue Price: The indicative issue price per Warrant in relation to each Series is the one specified as such in Annex I.
14. Issue Date: 20 July 2006

15. Exchange Business Day: As set out in Condition 3
16. Business Day Centre(s): Milan
17. Valuation Date(s): The date, as determined by the Calculation Agent, is:
- (a) in the case of Automatic Exercise:
- with respect to Shares specified in Annex I – Table A, the Business Day immediately preceding the Maturity Date of the Warrants (as defined in Annex I);
  - with respect to Shares specified in Annex I – Table B, the Maturity Date (as defined in Annex I), except for Stmicroelectronics;
  - with respect to the Stmicroelectronics Share, the Business Day immediately preceding the Maturity Date of the Warrants (as defined in Annex I);
- (b) in the case of exercise of the Warrant during the Exercise Period, the relevant Effective Exercise Date (as defined in Annex III).
18. Settlement: Settlement will be by way of cash payment.

Subject as set out in the Conditions (as supplemented and/or amended by these Final Terms), on the Settlement Date, the Issuer will pay the amount to which the Holder is entitled, in the Settlement Currency, in relation to each Series of Warrants (the **Cash Settlement Amount**).

In relation to each Series of Warrants, the Cash Settlement Amount shall be determined by the Calculation Agent at the Valuation Date as follows:

1. if such Warrants are Call Warrants, Holders will receive in relation to each Warrant, an amount in EUR calculated in accordance with the following formula:

$$\text{Cash Settlement Amount} = (\text{Settlement Price} - \text{Exercise Price}) * \text{Parity}$$

Where:

**Parity** means the amount indicated as such in Annex I in relation to each Series of Warrants and shall only be used in connection with the calculation of the Cash Settlement Amount pursuant this paragraph 18.

2. if such Warrants are Put Warrants, Holders will receive in relation to each Warrant, an amount in EUR calculated in accordance with the following formula:

$$\text{Cash Settlement Amount} = (\text{Exercise Price} - \text{Settlement Price}) * \text{Parity}$$

The Cash Settlement Amount will be rounded to the nearest four decimal places in the relevant Settlement Currency, 0.00005 being

rounded upwards.

19. Issuer's option to vary settlement: Not Applicable
20. Exchange Rate: Not Applicable
21. Settlement Currency: The settlement currency for the payment of the Cash Settlement Amount is EUR.
22. Principal Agent: UniCredito Italiano S.p.A.
23. Calculation Agent: UniCredit Banca Mobiliare S.p.A.
24. Exchange(s): The Exchange is:
- with respect to Shares specified in Annex I – Table A, Borsa Italiana S.p.A.;
  - with respect to the Deutsche Telekom Share, Xetra;
  - with respect to the Nokia Share, Helsinki Stock Exchange;
  - with respect to the Stmicroelectronics Share, Euronext Paris.
25. Exchange(s) and Index Sponsor: Not Applicable
26. Related Exchange(s): The Related Exchange is:
- with respect to Shares specified in Annex I – Table A, IDEM of Borsa Italiana S.p.A.;
  - with respect to the Deutsche Telekom Share and the Nokia Share, Eurex Exchange;
  - with respect to the Stmicroelectronics Share, Euronext Liffe.
27. Multiplier: Not Applicable
28. Nominal Amount: Not Applicable
29. Relevant Asset(s): Not Applicable
30. Entitlement: Not Applicable
31. Settlement Price: The Settlement Price of the Shares, as determined by the Calculation Agent, is:
- with respect to Shares specified in Annex I – Table A, the reference price calculated by the relevant Exchange on the Valuation Date and published on Reuters respectively at AEMI.MI (Aem), ALZI.MI (Alleanza), AGL.MI (Autogrill), BIN.MI (Banca Intesa), BPUN.MI (Banche Pop. Unite), BULG.MI (Bulgari), CPTA.MI (Capitalia), ENEI.MI (Enel),

ENI.MI (Eni), FWB.MI (Fastweb), FIA.MI (Fiat), GASI.MI (Generali), LUX.MI (Luxottica), MS.MI (Mediaset), MDBI.MI (Mediobanca), MED.MI (Mediolanum), BMPS.MI (Montepaschi), RCSM.MI (RCS Mediagroup), SPMI.MI (Saipem), SPI.MI (San Paolo IMI), PG.MI (Seat P.G.), SRG.MI (Snam Rete Gas), TLIT.MI (Telecom Italia), TLITn.MI (Telecom Italia Risp.), TRN.MI (Terna), and TIS.MI (Tiscali).

- with respect to the Deutsche Telekom Share and the Nokia Share, the official opening price calculated by the relevant Exchange on the Valuation Date and published on Reuters respectively at DTEGn.DE and NOK1V.H;
- with respect to the Stmicroelectronics Share, the official closing price calculated by the relevant Exchange on the Valuation Date and published on Reuters at STM.PA.

32. Disrupted Day: If the Valuation Date is a Disrupted Day, the first succeeding Scheduled Trading Day that is not a Disrupted Day is deemed to be the Valuation Date, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case:
- (i) that eight Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and
  - (ii) the Calculation Agent shall calculate the Settlement Price in its good faith and absolute discretion, by taking into account the market conditions, a price of the Shares estimated on the basis of last announced prices of the Shares and such other conditions or factors that the Calculation Agent reasonably considers to be relevant.
33. Redemption of underlying of Debt Securities: Not Applicable
34. Relevant Time: The Relevant Time for the calculation of the Settlement Price of the Shares is:
- with respect to Shares specified in Annex I – Table A, the time specified on the Valuation Date by the relevant Exchange for the purpose of calculating the reference price;
  - with respect to the Deutsche Telekom Share and the Nokia Share, the scheduled opening time specified on the Valuation Date by the relevant Exchange.
  - with respect to the Stmicroelectronics Share, the scheduled closing time specified on the Valuation Date by the relevant Exchange.
35. Currency: Not Applicable



- |     |                                                                        |                                                                                                                                                                           |
|-----|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 36. | Additional Disruption Events:                                          | Not Applicable                                                                                                                                                            |
| 37. | Failure to Deliver due to Illiquidity:                                 | Not Applicable                                                                                                                                                            |
| 38. | Special conditions or other modifications to the Terms and Conditions: | See Annex III in relation to each Series of Warrants with respect to the exercise of such Warrants and the provisions of Conditions 4 and 5 shall be amended accordingly. |

Condition 13 (“Substitution of Issuer”) shall not apply and shall be replaced by the following:

- (1) “The Issuer shall be entitled at any time, without the consent of the Holder, to substitute any company within the UniCredit Group, being UniCredito Italiano S.p.A. and its consolidated subsidiaries, in place of the Issuer (the **New Issuer**) with respect to all obligations under or in connection with the Warrants, provided that:
  - (i) the New Issuer assumes all obligations of the Issuer in relation to the Holders under or in connection with the Warrants;
  - (ii) the New Issuer has obtained all necessary authorisations, if any, by the competent authorities, under which the New Issuer may perform all obligations arising under or in connection with the Warrants and transfer payments to the Paying Agent; and
  - (iii) the Issuer unconditionally and irrevocably guarantees the obligations of the New Issuer, except in the case where the Issuer is UniCredit Banca Mobiliare S.p.A. and the New Issuer is UniCredito Italiano S.p.A. in which case such guarantee is not required.
- (2) In case of any such substitution of the Issuer, any reference in these Conditions to the Issuer shall be construed as a reference to the New Issuer.
- (3) The substitution of the Issuer shall be final, binding and conclusive on the Holders and will be notified to the Holders without undue delay in accordance with Condition 10.
- (4) In connection with such right of substitution the Issuer shall not be obliged to have regard to the consequences of the exercise of such right for individual Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and no Holder shall be entitled to claim from the Issuer or New Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such Holder.”

The third paragraph of Condition 7 (“Illegality”) shall not apply and shall be replaced by the following:

"If the Issuer cancels the Warrants then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be the fair market value of a Warrant or Unit, as the case may be, notwithstanding such illegality, plus, if already paid by or on behalf of the Holder, the Exercise Price, 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 Holders in accordance with Condition 10."

Condition 15 (B) (2) (b) (ii) shall be replaced by the following:

"in the case of Share Warrants relating to a Basket of Shares cancel part of the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled in part the portion (the Cancelled Amount) of each Warrant or if Units are specified in the applicable Final Terms each Unit representing the affected Share(s) shall be cancelled and the Issuer will (i) pay to each Holder in respect of each Warrant or Units, as the case may be, held by him an amount equal to the fair market value of the Cancelled Amount, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, all as determined by the Calculation Agent in its sole and absolute discretion; and (ii) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such cancellation in part. For the avoidance of doubt the remaining part of each Warrant or Unit, as the case may be, after such cancellation and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10. For the avoidance of doubt, the remaining part of each Warrant or Unit, as the case may be, after such cancellation and adjustment shall remain outstanding with full force and effect; or".

Condition 15 (B) (2) (b) (iii) shall be replaced by the following:

“cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be,

held by him which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10; or”.

- |     |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 39. | Listing:                                                   | Application has been made for each Series of Warrants to be listed on the SeDeX of Borsa Italiana S.p.A.                                                                                                                                                                                                                                                                                                       |
| 40. | Additional Selling Restrictions:                           | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                 |
| 41. | Syndication:                                               | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                 |
| 42. | Additional or Alternative Clearing System:                 | All the transactions of each Series of Warrants negotiated on the SeDeX of Borsa Italiana S.p.A. will be settled in Monte Titoli.                                                                                                                                                                                                                                                                              |
| 43. | Notice provisions (other than as set out in Condition 10): | All notices to the Holders shall be valid if published by Borsa Italiana S.p.A.. All notices to the Holders shall also be valid if published by the Calculation Agent on the website <a href="http://www.tradinglab.it">www.tradinglab.it</a> , in which case the notices will be considered valid from the date of publication and, in case of multiple publications, from the date of the first publication. |
| 44. | Governing law of the Securities:                           | Italian law                                                                                                                                                                                                                                                                                                                                                                                                    |

**A.2 PROVISIONS RELATING TO WARRANTS**

- |     |                          |                                                                                                                                                                                                                                                               |
|-----|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 45. | Type of Warrants:        | <ul style="list-style-type: none"> <li>(i) The Warrants are American Style Warrants.</li> <li>(ii) The Warrants are Call Warrants and Put Warrants. See Annex I in relation to each Series of Warrants.</li> <li>(iii) Automatic Exercise applies.</li> </ul> |
| 46. | Units:                   | Warrants must be exercised in Units. See Annex I in relation to each Series of Warrants.                                                                                                                                                                      |
| 47. | Issue price per Unit:    | See Annex I in relation to each Series of Warrants.                                                                                                                                                                                                           |
| 48. | Exercise Price:          | See Annex I in relation to each Series of Warrants.                                                                                                                                                                                                           |
| 49. | Exercise Date:           | Not Applicable                                                                                                                                                                                                                                                |
| 50. | Exercise Period:         | The exercise period in respect of the Warrants is from and including the Issue Date to and including one Exercise Business Day immediately preceding the Maturity Date (10.00 a.m. Milan Time).                                                               |
| 51. | Settlement Date:         | The fifth Business Day following the Valuation Date.                                                                                                                                                                                                          |
| 52. | Minimum Exercise Number: | 1 Unit                                                                                                                                                                                                                                                        |
| 53. | Maximum Exercise Number: | Not Applicable                                                                                                                                                                                                                                                |

## **PART B - OTHER INFORMATION**

### **B.1 DISTRIBUTION:**

54. If syndicated, names and addresses of Managers and underwriting commitments: Not Applicable
55. Date of [Subscription] Agreement: Not Applicable
56. Stabilising Manager (if any): Not Applicable
57. If non-syndicated, name and address of Manager: The Warrants of each Series shall be available for trading on Borsa Italiana S.p.A. once the Warrants have been admitted to trading by such exchange.
58. Total commission and concession: Not Applicable
59. Condition of the offer: Not Applicable

### **B.2 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES:**

60. (i) Reasons for the offer: See “*Use of Proceeds*” in the Prospectus.
61. (ii) Estimated net proceeds: Not Applicable
62. (iii) Estimated total expenses: Not Applicable

### **B.3 OPERATIONAL INFORMATION:**

63. ISIN Code: See Annex I in relation to each Series of Warrants. Each Series of Warrants is also identified by the ET Code, as specified in Annex I.
64. Common Code: Not Applicable
65. Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s): The Warrants are held through Monte Titoli in dematerialised form pursuant to Italian Legislative Decree no.213 of 24 June 1998, as subsequently amended and integrated. The Warrants of each Series will at all times be in book-entry form and title to Warrants will be evidenced by book entry in accordance with the provisions of the Italian Legislative Decree no. 213 of 24 June 1998, as subsequently amended and integrated. No physical document of title will be issued in respect of any Series of Warrants.
66. Delivery: Delivery free of payment. The Warrants of each Series shall, in the first instance, be credited to the account of the Issuer with Monte Titoli. Payment is not made in favour of the Issuer contemporaneously

with the crediting of Warrants to its account with Monte Titoli.

67. Names and addresses of additional Agent(s) (if any):

UniCredit Banca Mobiliare S.p.A., Via Tommaso Grossi, 10, 20121, Milan, Italy, acting as paying agent.

**B.4 LISTING AND ADMISSION TO TRADING APPLICATION:**

These Final Terms comprise the final terms required to list the issue of each Series of Warrants described herein pursuant to the Warrant and Certificate Programme.

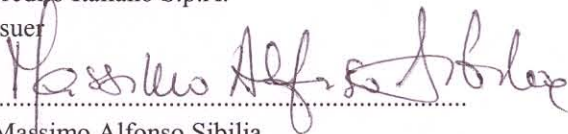
**B.5 RESPONSIBILITY:**

68. Responsibility Statement:

The Issuer accepts responsibility for the information contained in these Final Terms subject as provided below. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in the Prospectus, as amended and/or supplemented by these Final Terms in relation to the Warrants, is (subject as provided below) true and accurate in all material aspects and, in the context of the issue of each Series of Warrants, there are no other material facts the omission of which would make any statement in such information misleading.

The information included in the Annex II (**Information about the Shares**) consists of extracts from or summaries of information that is publicly available on the relevant websites of the issuers of the Shares (as indicated in Annex II) and is not necessary the latest information available. The Issuer accepts responsibility for accurately extracting and summarising the Information about the Share. No further or other responsibility (express or implied) in respect of the Information about the Share is accepted by the Issuer.

UniCredito Italiano S.p.A.  
As Issuer

By:   
.....  
Massimo Alfonso Sibilia

By:   
.....  
Maurizio Giuseppe Bossi



I.63	63	1	MEDIOBANCA	1000000	01/12/2006	EUR 0.0587	0.1	Put	1000	EUR 58.7	EUR 14	IT0004090244	UI0067
I.64	64	1	MEDIOBANCA	1000000	02/03/2007	EUR 0.0909	0.1	Put	1000	EUR 90.9	EUR 14	IT0004090251	UI0068
I.65	65	1	MEDIOBANCA	1000000	02/03/2007	EUR 0.1365	0.1	Call	1000	EUR 136.5	EUR 15.5	IT0004090269	UI0069
I.66	66	1	MEDIOBANCA	1000000	02/03/2007	EUR 0.0803	0.1	Call	1000	EUR 80.3	EUR 17	IT0004090277	UI0070
I.67	67	1	MEDIOLANUM	1000000	01/12/2006	EUR 0.0188	0.1	Put	1000	EUR 18.8	EUR 5	IT0004090285	UI0071
I.68	68	1	MEDIOLANUM	1000000	02/03/2007	EUR 0.03	0.1	Put	1000	EUR 30	EUR 5	IT0004090293	UI0072
I.69	69	1	MEDIOLANUM	1000000	02/03/2007	EUR 0.0446	0.1	Call	1000	EUR 44.6	EUR 5.75	IT0004090301	UI0073
I.70	70	1	MEDIOLANUM	1000000	02/03/2007	EUR 0.0646	0.1	Put	1000	EUR 64.6	EUR 5.75	IT0004090319	UI0074
I.71	71	1	MEDIOLANUM	1000000	02/03/2007	EUR 0.0275	0.1	Call	1000	EUR 27.5	EUR 6.25	IT0004090327	UI0075
I.72	72	1	MEDIOLANUM	1000000	02/03/2007	EUR 0.0129	0.1	Call	1000	EUR 12.9	EUR 7	IT0004090335	UI0076
I.73	73	1	MONTEPASCHI	1000000	02/03/2007	EUR 0.0163	0.1	Put	1000	EUR 16.3	EUR 4	IT0004090343	UI0077
I.74	74	1	MONTEPASCHI	1000000	02/03/2007	EUR 0.0461	0.1	Call	1000	EUR 46.1	EUR 4.75	IT0004090350	UI0078
I.75	75	1	MONTEPASCHI	1000000	02/03/2007	EUR 0.0149	0.1	Call	1000	EUR 14.9	EUR 5.75	IT0004090368	UI0079
I.76	76	1	RCS MEDIAGROUP	1000000	02/03/2007	EUR 0.0428	0.1	Call	1000	EUR 42.8	EUR 4	IT0004090376	UI0080
I.77	77	1	RCS MEDIAGROUP	1000000	02/03/2007	EUR 0.0122	0.1	Call	1000	EUR 12.2	EUR 5	IT0004090384	UI0081
I.78	78	1	SAIPEM	1000000	02/03/2007	EUR 0.234	0.1	Call	1000	EUR 234	EUR 18	IT0004090392	UI0082
I.79	79	1	SAIPEM	1000000	02/03/2007	EUR 0.1322	0.1	Call	1000	EUR 132.2	EUR 21	IT0004090400	UI0083
I.80	80	1	SAN PAOLO IMI	1000000	02/03/2007	EUR 0.051	0.1	Put	1000	EUR 51	EUR 12.5	IT0004090418	UI0084
I.81	81	1	SAN PAOLO IMI	1000000	02/03/2007	EUR 0.1593	0.1	Call	1000	EUR 159.3	EUR 13.5	IT0004090426	UI0085
I.82	82	1	SAN PAOLO IMI	1000000	02/03/2007	EUR 0.0847	0.1	Put	1000	EUR 84.7	EUR 13.5	IT0004090434	UI0086
I.83	83	1	SAN PAOLO IMI	1000000	02/03/2007	EUR 0.1073	0.1	Call	1000	EUR 107.3	EUR 14.5	IT0004090442	UI0087
I.84	84	1	SAN PAOLO IMI	1000000	02/03/2007	EUR 0.0688	0.1	Call	1000	EUR 68.8	EUR 15.5	IT0004090459	UI0088
I.85	85	1	SEAT P.G.	1000000	02/03/2007	EUR 0.002	0.1	Put	1000	EUR 2	EUR 0.33	IT0004090467	UI0089
I.86	86	1	SEAT P.G.	1000000	02/03/2007	EUR 0.0044	0.1	Call	1000	EUR 4.4	EUR 0.37	IT0004090475	UI0090
I.87	87	1	SEAT P.G.	1000000	02/03/2007	EUR 0.0017	0.1	Call	1000	EUR 1.7	EUR 0.45	IT0004090483	UI0091
I.88	88	1	SNAM RETE GAS	1000000	02/03/2007	EUR 0.0275	0.1	Call	1000	EUR 27.5	EUR 3.5	IT0004090491	UI0092
I.89	89	1	SNAM RETE GAS	1000000	02/03/2007	EUR 0.0091	0.1	Call	1000	EUR 9.1	EUR 4	IT0004090509	UI0093
I.90	90	1	TELECOM ITALIA	1000000	02/03/2007	EUR 0.0047	0.1	Put	1000	EUR 4.7	EUR 1.8	IT0004090517	UI0094
I.91	91	1	TELECOM ITALIA	1000000	02/03/2007	EUR 0.0322	0.1	Call	1000	EUR 32.2	EUR 2	IT0004090525	UI0095
I.92	92	1	TELECOM ITALIA	1000000	02/03/2007	EUR 0.0097	0.1	Put	1000	EUR 9.7	EUR 2	IT0004090533	UI0096
I.93	93	1	TELECOM ITALIA	1000000	02/03/2007	EUR 0.0205	0.1	Call	1000	EUR 20.5	EUR 2.2	IT0004090541	UI0097
I.94	94	1	TELECOM ITALIA	1000000	02/03/2007	EUR 0.0179	0.1	Put	1000	EUR 17.9	EUR 2.2	IT0004090558	UI0098
I.95	95	1	TELECOM ITALIA	1000000	02/03/2007	EUR 0.0121	0.1	Call	1000	EUR 12.1	EUR 2.4	IT0004090566	UI0099
I.96	96	1	TELECOM ITALIA RISP.	1000000	02/03/2007	EUR 0.0215	0.1	Call	1000	EUR 21.5	EUR 2	IT0004090574	UI0100
I.97	97	1	TELECOM ITALIA RISP.	1000000	02/03/2007	EUR 0.0127	0.1	Call	1000	EUR 12.7	EUR 2.2	IT0004090582	UI0101
I.98	98	1	TERNA	1000000	02/03/2007	EUR 0.0132	0.1	Call	1000	EUR 13.2	EUR 2.1	IT0004090590	UI0102
I.99	99	1	TERNA	1000000	02/03/2007	EUR 0.0153	0.1	Put	1000	EUR 15.3	EUR 2.1	IT0004090608	UI0103
I.100	100	1	TERNA	1000000	02/03/2007	EUR 0.0061	0.1	Call	1000	EUR 6.1	EUR 2.3	IT0004090616	UI0104
I.101	101	1	TISCALI	1000000	01/12/2006	EUR 0.0247	0.1	Put	1000	EUR 24.7	EUR 2.5	IT0004090624	UI0105
I.102	102	1	TISCALI	1000000	02/03/2007	EUR 0.0111	0.1	Put	1000	EUR 11.1	EUR 2	IT0004090632	UI0106
I.103	103	1	TISCALI	1000000	02/03/2007	EUR 0.0332	0.1	Call	1000	EUR 33.2	EUR 2.5	IT0004090640	UI0107
I.104	104	1	TISCALI	1000000	02/03/2007	EUR 0.0317	0.1	Put	1000	EUR 31.7	EUR 2.5	IT0004090657	UI0108
I.105	105	1	TISCALI	1000000	02/03/2007	EUR 0.0165	0.1	Call	1000	EUR 16.5	EUR 3	IT0004090665	UI0109
I.106	106	1	TISCALI	1000000	02/03/2007	EUR 0.0079	0.1	Call	1000	EUR 7.9	EUR 3.5	IT0004090673	UI0110

TABLE B

Series Number UCI	Serie s Number	Tranc he	Shares	Number of Securities being issued	Maturity Date	Issue Price	Parity	Call/P ut	Unit	Issue price per Unit	Exercise Price	ISIN Code	ET Code
I.107	107	1	DEUTSCHE TELEKOM	1000000	02/03/2007	EUR 0.0962	0.1	Call	1000	EUR 96.2	EUR 13	IT0004090681	UI0111
I.108	108	1	DEUTSCHE TELEKOM	1000000	02/03/2007	EUR 0.0459	0.1	Call	1000	EUR 45.9	EUR 14.5	IT0004090699	UI0112
I.109	109	1	NOKIA	1000000	02/03/2007	EUR 0.0802	0.1	Put	1000	EUR 80.2	EUR 14	IT0004090707	UI0113
I.110	110	1	NOKIA	1000000	02/03/2007	EUR 0.1725	0.1	Call	1000	EUR 172.5	EUR 16	IT0004090715	UI0114
I.111	111	1	NOKIA	1000000	02/03/2007	EUR 0.0677	0.1	Call	1000	EUR 67.7	EUR 19	IT0004090723	UI0115
I.112	112	1	STMICROELECTRONICS	1000000	02/03/2007	EUR 0.0581	0.1	Put	100	EUR 58.1	EUR 11	IT0004090731	UI0116
I.113	113	1	STMICROELECTRONICS	1000000	02/03/2007	EUR 0.177	0.1	Call	100	EUR 17.7	EUR 12	IT0004090749	UI0117
I.114	114	1	STMICROELECTRONICS	1000000	02/03/2007	EUR 0.0933	0.1	Put	100	EUR 9.33	EUR 12	IT0004090756	UI0118
I.115	115	1	STMICROELECTRONICS	1000000	02/03/2007	EUR 0.1255	0.1	Call	100	EUR 12.55	EUR 13	IT0004090764	UI0119
I.116	116	1	STMICROELECTRONICS	1000000	02/03/2007	EUR 0.141	0.1	Put	100	EUR 14.1	EUR 13	IT0004090772	UI0120
I.117	117	1	STMICROELECTRONICS	1000000	02/03/2007	EUR 0.0859	0.1	Call	100	EUR 8.59	EUR 14	IT0004090780	UI0121
I.118	118	1	STMICROELECTRONICS	1000000	02/03/2007	EUR 0.0572	0.1	Call	100	EUR 5.72	EUR 15	IT0004090798	UI0122



## Annex II

### Information about the Shares

ISSUER	SHARE	ISIN
<b>Aem S.p.A.</b> - C.so di Porta Vittoria 4, 20122 Milano	Aem	IT0001233417
<b>Alleanza Assicurazioni S.p.A.</b> - Viale L. Sturzo 35, 20154 Milano	Alleanza	IT0000078193
<b>Autogrill S.p.A.</b> - via L. Giulietti 9, 28100 Novara	Autogrill	IT0001137345
<b>Banca Intesa S.p.A.</b> - P.za P. Ferrari 10, 20121 Milano	Banca Intesa	IT0000072618
<b>Banche Popolari Unite</b> - P.za V. Veneto 8, Bergamo	B. Pop. Unite	IT0003487029
<b>Bulgari S.p.A.</b> - via Lungotevere Marzio 11, Roma	Bulgari	IT0001119087
<b>Capitalia S.p.A.</b> - via M. Minghetti 17, Roma	Capitalia	IT0003121495
<b>Enel S.p.A.</b> - v.le Regina Margherita 137, Roma	Enel	IT0003128367
<b>Eni S.p.A.</b> - P.le Mattei 1, 00144 Roma	Eni	IT0003132476
<b>Fastweb S.p.A.</b> - via Caracciolo 51, 20155 Milano	Fastweb	IT0001423562
<b>Fiat S.p.A.</b> - via Nizza 250, 10126 Torino	Fiat	IT0001976403
<b>Generali</b> - P.za Duca degli Abruzzi 2, Trieste	Generali	IT0000062072
<b>Luxottica S.p.A.</b> - via C. Cantù 2, 20123 Milano	Luxottica	IT0001479374
<b>Mediaset S.p.A.</b> - via Paleocapa 3, Milano	Mediaset	IT0001063210
<b>Mediobanca S.p.A.</b> - Piazzetta Enrico Cuccia 1, 20121 Milano	Mediobanca	IT0000062957
<b>Mediolanum S.p.A.</b> - Palazzo Meucci, via F. Sforza, Basiglio (Milano 3)	Mediolanum	IT0001279501
<b>Monte dei Paschi di Siena</b> - P.za Salimbeni 3, Siena	Montepaschi	IT0001334587
<b>RCS Mediagroup</b> - via A. Rizzoli 2, Milano	RCS Mediagroup	IT0003039010
<b>Saipem S.p.A.</b> - Via Martiri di Cefalonia, 67, 20097 San Donato Milanese (Milano)	Saipem	IT0000068525
<b>San Paolo Imi S.p.A.</b> - P.za S. Carlo 156, 10121 Torino	San Paolo	IT0001269361
<b>Seat P.G. S.p.A.</b> - Via Grosio 10/8 Milano	Seat P. G.	IT0003479638
<b>Snam Rete Gas S.p.A.</b> - Piazza Santa Barbara n. 7, 20097 San Donato Milanese (Milano)	Snam Rete Gas	IT0003153415
<b>Telecom Italia S.p.A.</b> - Piazza degli Affari n. 2, 20123 Milano	Telecom Italia	IT0003497168
	Telecom Italia Risp.	IT0003497176
<b>Terna S.p.A.</b> - via Arno 64, Roma	Terna	IT0003242622
<b>Tiscali S.p.A.</b> - S.S. 195 Km 2.300, 09122 Cagliari	Tiscali	IT0001453924
<b>Deutsche Telekom AG</b> - Friedrich Ebert Allee 140, 53113 Bonn (Germany)	Deutsche Telekom	DE0005557508
<b>Nokia</b> - Keilalahdentie 2-4, P.O. Box 226, FIN-00045 Finland	Nokia	FI0009000681
<b>Stmicroelectronics</b> - WTC Schiphol Airport, Schiphol Boulevard 265, 1118 BH Schiphol Airport Amsterdam, The Netherlands	Stmicroelectronics	NL0000226223

Each Share underlying the Warrant is listed on the main international Stock Exchanges. The relevant issuers of the Shares are subject to disclosure requirements to both the competent local authorities and the investors.

The prices, historical trend and volatility of all Shares are available at [www.tradinglab.it](http://www.tradinglab.it). The current prices of all Shares are also published daily on “Il Sole 24 Ore”, on [www.tradinglab.it](http://www.tradinglab.it) and may be requested on any Business Day by calling 800.01.11.22 (call free).

Further information on the Shares are also available on the website of Aem S.p.A ([www.aem.it](http://www.aem.it)), Alleanza Assicurazioni S.p.A. ([www.alleanzaassicurazioni.it](http://www.alleanzaassicurazioni.it)), Autogrill ([www.autogrill.com](http://www.autogrill.com)), Banca Intesa ([www.bancaintesa.it](http://www.bancaintesa.it)), Banche Pop. Unite ([www.bpubanca.it](http://www.bpubanca.it)), Bulgari S.p.A. ([www.bulgari.com](http://www.bulgari.com)), Capitalia ([www.capitalia.it](http://www.capitalia.it)), Enel ([www.enel.it](http://www.enel.it)), Eni ([www.eni.it](http://www.eni.it)), Fastweb ([www.fastweb.it](http://www.fastweb.it)), Fiat S.p.A. ([www.fiatgroup.com](http://www.fiatgroup.com)), Generali ([www.generali.it](http://www.generali.it)), Luxottica ([www.luxottica.it](http://www.luxottica.it)), Mediaset S.p.A. ([www.mediaset.it](http://www.mediaset.it)), Mediobanca S.p.A. ([www.mediobanca.it](http://www.mediobanca.it)), Mediolanum ([www.mediolanum.it](http://www.mediolanum.it)), Monte dei Paschi di Siena ([www.mps.it](http://www.mps.it)), RCS Mediagroup S.p.A. ([www.rcsmediagroup.it](http://www.rcsmediagroup.it)), Saipem S.p.A. ([www.saipem.it](http://www.saipem.it)), San Paolo IMI ([www.sanpaolo.com](http://www.sanpaolo.com)), Seat P.G. ([www.seat.it](http://www.seat.it)), Snam Rete Gas ([www.snamretegas.it](http://www.snamretegas.it)), Telecom Italia S.p.A. and Telecom Italia Risparmio ([www.telecomitalia.it](http://www.telecomitalia.it)), Terna ([www.terna.it](http://www.terna.it)), Tiscali S.p.A. ([www.tiscali.it](http://www.tiscali.it)), Deutsche Telekom AG ([www.telekom.de](http://www.telekom.de)), Nokia ([www.nokia.com](http://www.nokia.com)) and Stmicroelectronics ([www.st.com](http://www.st.com)).



## **Annex III**

### **Special conditions**

For the purpose of paragraphs 18 and 45(iii) of these Final Terms, the exercise of each Series of Warrants is automatic on the Maturity Date. Any Cash Settlement Amount shall be credited, within five Business Days following the Valuation Date, through the Calculation Agent, to the account of the relevant intermediary in Monte Titoli.

The Calculation Agent and the Issuer shall not apply any charge for the automatic exercise of the Warrants. Other taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties which may arise in connection with the automatic exercise of the Warrants are in charge of the Holder.

#### **(A) Renoucement Right**

The Holder has the right to renounce to the exercise of the relevant Warrants held by it (subject as set out below). In this case a duly completed renoucement notice (a **Renoucement Notice**) must be delivered by facsimile to the Calculation Agent prior to 10.00 a.m. Milan time on the Maturity Date (with respect to Warrants linked to Shares specified in Annex I – Table A) or on the first Business Day following the Maturity Date (with respect to Warrants linked to Shares specified in Annex I – Table B), at the facsimile number set out in the form of Renoucement Notice attached as Annex IV to these Final Terms.

The Holder must deliver the completed Renoucement Notice to his/her intermediary who will be in charge of sending it by facsimile to the Calculation Agent.

The Calculation Agent and the Issuer shall not apply any charge for the renoucement to the exercise of the Warrants.

Other taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties which may arise in connection with the renoucement of any Warrants duties are in charge of the Holder.

In the event that a Holder does not perform its obligations and so deliver, where applicable, a duly completed Renoucement Notice in accordance with the provisions hereof, such Warrants shall be exercised automatically and shall be repaid in the manner set out herein, and the Issuer's obligations in respect of such Warrants shall be discharged and no further liability in respect thereof shall attach to the Issuer.

The number of Warrants specified in the Renoucement Notice must be a multiple of a Unit, otherwise such number of Warrants so specified shall be rounded down to the preceding multiple of Units and the Renoucement Notice shall not be considered valid in respect of the Warrants exceeding such rounded number of Warrants.

The minimum number of Warrants specified in the Renoucement Notice must be equal to one Unit, otherwise the Renoucement Notice shall not be considered valid.

The Calculation Agent will, in its sole and absolute discretion, determine whether the above conditions are satisfactorily met and its determination will be final, conclusive and binding on the Issuer and on the Holders.

The Renouncement Notice is irrevocable.

**(B) Exercise Right**

The Holder also has the right to exercise the relevant Warrants prior to the Maturity Date. In this case a duly completed voluntary exercise notice (a **Voluntary Exercise Notice**) must be delivered by facsimile to the Calculation Agent prior to 10.00 a.m. Milan time on any Exercise Business Day during the Exercise Period (the **Effective Exercise Date**) at the facsimile number set out in the form of Voluntary Exercise Notice attached as Annex V to these Final Terms. The Holder must deliver the completed Voluntary Exercise Notice to its intermediary who will be in charge of transmitting such notice it by facsimile to the Calculation Agent.

If the Voluntary Exercise Notice is delivered after 10.00 a.m. on any Exercise Business Day during the Exercise Period, such Voluntary Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Effective Exercise Date.

The Warrants specified in the Voluntary Exercise Notice shall be deemed to be validly exercised on the Effective Exercise Date only if, prior to 17.00 p.m. Milan Time of that Effective Exercise Date:

- (a) the Warrants specified in the Voluntary Exercise Notice have been credited to the account of 2S Banca, being account nr. 63307 held with Monte Titoli. For this purpose, the Holder must instruct his/her intermediary who will be in charge of requesting the transfer of the Warrants specified accordingly; or
- (b) the intermediary has transmitted to the Calculation Agent a confirmation from Monte Titoli declaring that the Warrants specified in the Voluntary Exercise Notice have been transferred to the account of 2S Banca, being account nr. 63307 held with Monte Titoli.

In the event that a Holder does not perform its obligations and so deliver, where applicable, a duly completed Voluntary Exercise Notice in accordance with the provisions hereof, the Voluntary Exercise Notice shall be null and void and the Warrants shall be deemed to be automatically exercised at the Maturity Date (unless previously validly exercised).

If such Voluntary Exercise Notice is subsequently corrected to the satisfaction of the Calculation Agent, it shall be deemed to be a new Voluntary Exercise Notice submitted at the same time such corrected notice is delivered to the Calculation Agent.

Subject as set out above, delivery of a Voluntary Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Warrants specified.

The Calculation Agent and the Issuer shall not apply any charge for the voluntary exercise of the Warrants.

Other taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the voluntary exercise of any Warrants duties are in charge of the Holder.

The number of Warrants specified in the Voluntary Exercise Notice must be a multiple of a Unit, otherwise such number of Warrants so specified shall be rounded down to the preceding multiple of Units and the Voluntary Exercise Notice shall not be considered valid in respect of the Warrants exceeding such rounded number of Warrants.

The minimum number of Warrants specified in the Voluntary Exercise Notice must be equal to one Unit, otherwise the Voluntary Exercise Notice shall not be considered valid.

The Calculation Agent will, in its sole and absolute discretion, determine whether the above conditions are satisfactorily met and its determination will be final, conclusive and binding on the Issuer and on the Holders.

The Voluntary Exercise Notice is irrevocable.

## **Annex IV**

### **Renouncement Notice**

#### **DICHIARAZIONE DI RINUNCIA ALL'ESERCIZIO (FACSIMILE) (da compilare su carta intestata)**

A: UniCredit Banca Mobiliare S.p.A.  
Fax 02/8862.2666  
Tel 02/8862.2746 - 02/8862.2736

Covered warrant su ..... scad. .... emessi da UniCredito Italiano S.p.A.  
L'intermediario

\_\_\_\_\_

che detiene in custodia i covered warrant per conto della propria clientela

con la presente comunica la volontà di rinuncia all'esercizio dei diritti garantiti dal covered warrant  
come da indicazione contenuta nel Regolamento dei covered warrant.

Codice ISIN dei covered warrant per i quali rinuncia all'esercizio:

\_\_\_\_\_

Numero di covered warrant per i quali rinuncia all'esercizio:

\_\_\_\_\_

Il sottoscritto è consapevole che la dichiarazione di rinuncia all'esercizio non è valida qualora non siano rispettati i requisiti indicati nel Regolamento dei covered warrant. Questo vale anche qualora la dichiarazione non dovesse essere consegnata in tempo utile a UniCredit Banca Mobiliare S.p.A.

\_\_\_\_\_

Luogo Data

\_\_\_\_\_

Firma (firme) del legale rappresentante dell'intermediario

## Annex V

### Voluntary Exercise Notice

#### DICHIARAZIONE DI ESERCIZIO (FACSIMILE) (da compilare su carta intestata)

A: UniCredit Banca Mobiliare S.p.A.  
Fax 02/8862.2666  
Tel 02/8862.2746 - 02/8862.2736

covered warrant su ..... scad. .... emessi da UniCredito Italiano S.p.A.

L'intermediario

\_\_\_\_\_

che detiene in custodia i covered warrant per conto della propria clientela con la presente esercita in modo irrevocabile i diritti garantiti dal covered warrant come da indicazione contenuta nel Regolamento dei covered warrant.

Codice ISIN dei covered warrant da esercitare:

\_\_\_\_\_

Numero di covered warrant da esercitare:

\_\_\_\_\_

i covered warrant da esercitare sono stati trasferiti sul conto N. 63307 di 2S Banca presso Monte Titoli S.p.A.;

A - ordina irrevocabilmente a UniCredit Banca Mobiliare S.p.A. di trasmettere l'importo della differenza al seguente conto in Euro intestato a:

\_\_\_\_\_

Titolare del conto

\_\_\_\_\_

numero c/c

\_\_\_\_\_

presso Istituto Bancario – ABI + CAB

B - ordina irrevocabilmente a UniCredit Banca Mobiliare S.p.A. di accreditare l'importo in Euro della differenza tramite stanza di compensazione giornaliera:

\_\_\_\_\_

intestazione beneficiario

\_\_\_\_\_

codice SIA

Il sottoscritto è consapevole che:

1. con la presente Dichiarazione di Esercizio esercita in modo irrevocabile i covered warrant con le caratteristiche precedentemente descritte che detiene in custodia per conto della propria clientela secondo le modalità previste nel Regolamento dei covered warrant;
2. nel momento in cui la Dichiarazione di Esercizio è ricevuta dall'Agente di Calcolo, non sarà possibile, per nessuna ragione, richiederne l'annullamento;
3. è esclusa la revoca della Dichiarazione di Esercizio;
4. deve adempiere ai seguenti obblighi: a) far pervenire la presente Dichiarazione di Esercizio entro le ore 10.00 (ora di Milano) del giorno in cui intende esercitare i covered warrant; b) provvedere al trasferimento dei covered warrant in relazione ai quali è inviata la presente Dichiarazione di Esercizio entro le ore 17.00 (ora di Milano) del giorno della richiesta di esercizio sul conto di 2S Banca, presso Monte Titoli S.p.A., n. 63307; c) trasferire i covered warrant in modo da rendere possibile una chiara correlazione alla Dichiarazione D'esercizio.

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Luogo

Data

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Firma (firme) del legale rappresentante dell'intermediario

## NOTA DI SINTESI

La presente Nota di Sintesi deve essere letta come introduzione al Prospetto e qualsiasi decisione di investire nei Titoli deve essere presa tenendo in considerazione il Prospetto nel suo complesso, del quale sono parte integrante anche i documenti inseriti tramite riferimento. A seguito dell'attuazione delle relative disposizioni della Direttiva Prospetti in ognuno degli Stati Membri dell'Area Economica Europea, nessuna responsabilità civile potrà essere attribuita alla Persona Responsabile in uno qualsiasi di tali Stati Membri in relazione alla presente Nota di Sintesi, ivi compresa qualsiasi traduzione, salvo risulti fuorviante, imprecisa o contraddittoria rispetto ad altre parti del Prospetto. Qualora venga intrapresa un'azione legale in merito alle informazioni contenute nel Prospetto di fronte alle corti di giustizia di uno degli Stati dell'Area Economica Europea in cui viene intentata tale azione, il ricorrente, prima dell'inizio del procedimento giudiziario, potrebbe dover sostenere i costi della traduzione del Prospetto.

*Alcuni dei termini contenuti nella seguente Nota di Sintesi saranno definiti nei restanti documenti che compongono il Prospetto. I termini e le locuzioni riportati nella presente Nota di Sintesi assumeranno il medesimo significato con cui sono intesi nelle "Condizioni dei Warrant" e "Condizioni dei Certificates" nonché nelle restanti sezioni del Prospetto.*

### Informazioni relative all'Emittente

<b>Emittenti</b>	UniCredito Italiano S.p.A. ("UniCredito")  UniCredit Banca Mobiliare S.p.A. ("UBM")
<b>Descrizione di UniCredito:</b>	UniCredito, fondata a Genova con scrittura privata datata 28 aprile 1870 e con durata fino al 31 dicembre 2050, è stata costituita come società per azioni iscritta al Registro delle Imprese di Genova, codice fiscale e partita IVA 00348170101. La sede legale di UniCredito è sita in Via Dante 1, 16121 Genova, mentre la Direzione Centrale è in Piazza Cordusio, n. 1, 20121 Milano, telefono n. + 39.02.88628136.
<b>Descrizione di UBM:</b>	UBM è stata costituita come società per azioni (o S.p.A.) il 14 luglio 1999 ai sensi della legislazione italiana. La sede legale di UBM, il cui numero di iscrizione al Registro delle Imprese è 12874220150, è sita in Via Tommaso Grossi 10, 20121 Milano, Italia.
<b>Licenza Bancaria:</b>	Ai sensi della legislazione italiana, entrambi gli Emittenti detengono una licenza bancaria, concessa dalla Banca d'Italia, che li autorizza all'esercizio in Italia di tutte le attività bancarie consentite.
<b>Attività di UniCredito:</b>	UniCredito, una società costituita ai sensi della legislazione italiana, è la capogruppo del Gruppo Bancario UniCredito Italiano, un gruppo che fornisce una serie completa di servizi finanziari, operante nei settori dell'attività bancaria, finanziaria e delle attività collegate in Italia e in otto paesi dell'Europa Orientale e Centrale (il <b>Gruppo</b> ).
<b>Attività di UBM:</b>	UBM, leader nei mercati dei capitali in Italia, propone servizi finanziari interbancari a investitori istituzionali e agli intermediari distributori.
<b>Capitalizzazione di UniCredito:</b>	I dati consolidati relativi alla capitalizzazione e all'indebitamento del Gruppo al 31 marzo 2005 sono stati estratti dalla relazione trimestrale

consolidata (non assoggettata a revisione contabile) del Gruppo al 31 marzo 2005 e sono riportati a pagina 133.

**Capitalizzazione di UBM:** I dati consolidati relativi alla capitalizzazione e all'indebitamento di UBM al 31 dicembre 2004 sono stati estratti dal bilancio consolidato (assoggettato a revisione contabile) al 31 dicembre 2004 e sono riportati a pagina 148.

**Informazioni sul Management di UniCredito:** Il Consiglio d'Amministrazione di UniCredito è responsabile della gestione ordinaria e straordinaria di UniCredito e del Gruppo. Il Consiglio d'Amministrazione ha la facoltà di delegare i propri poteri a uno o più amministratori delegati e di nominare un comitato esecutivo stabilendone ambiti e poteri.

**Informazioni sul Management di UBM:** La gestione di UBM è affidata al Consiglio d'Amministrazione. Tutti gli amministratori hanno il proprio ufficio presso la sede di Via Tommaso Grossi 10, 20121 Milano, Italia.

#### **Informazioni relative al Programma**

**Descrizione:** Programma di emissione di warrants e certificates.

**Coordinatore:** UBM

**Principal Agent:** Kredietbank S.A. Luxembourgeoise.

**Metodo di emissione:** Su base sindacata o non sindacata. I titoli saranno emessi in Serie a cui corrispondono una o più date di emissione. Ogni Serie può essere emessa in Tranche (ognuna una **Tranche**) nella stessa data di emissione o in data differente.

**Prezzo di emissione:** I Titoli saranno emessi al prezzo stabilito dal relativo Emittente e dal Manager in base alle condizioni di mercato prevalenti. I Titoli potranno essere emessi ad un prezzo di emissione pari al valore nominale o al disaggio o all'aggio ad esso relativi.

**Forma dei Titoli:** A meno che nelle Condizioni definitive sia indicato che il sistema di compensazione è Monte Titoli o venga specificato che è previsto un sistema di compensazione che non è Clearstream né Luxembourg, Euroclear o Monte Titoli, ogni emissione di Warrants sarà rappresentata da un Global Warrant ed ogni emissione di Certificates sarà rappresentata da un Global Certificate. Non verrà emesso alcun Warrant o Certificates in forma materializzata.

**Tipo di Titoli:** Gli Emittenti hanno la facoltà di emettere di volta in volta Titoli di qualsiasi tipo, tra cui citiamo, a mero titolo esemplificativo, i Titoli su indici, su azioni, di debito, su valute o materie prime. I Titoli rappresentano una forma di strumento finanziario derivato, il cui valore deriva dagli strumenti sottostanti.

**Sistemi di compensazione:** Monte Titoli, Clearstream, Luxembourg, Euroclear e altri sistemi di compensazione come concordato con gli Emittenti e il Manager.

**Valute:** Euro, dollari statunitensi o altra valuta o valute, nell'osservanza delle



disposizioni giuridiche e/o regolamentari e/o imposte dalla Banca centrale applicabili in questo caso.

- Scadenze:** La data di scadenza dei Titoli sarà concordata dagli Emittenti e dal Manager, in osservanza dei limiti minimi e massimi stabiliti dalle relative norme, regolamenti e direttive.
- Denominazione:** I Titoli (se del caso) saranno emessi al valore nominale di volta in volta eventualmente stabilito o consentito dalle normative vigenti in materia o dalle direttive applicabili alla valuta di riferimento.
- Periodi e tassi di interesse:** I periodi e il tasso di interesse (se del caso) o il suo metodo di calcolo possono cambiare di volta in volta oppure rimanere costanti per ogni Serie. Tutte le informazioni a questo proposito sono riportate nelle relative Condizioni definitive.
- Rimborso:** Le Condizioni definitive applicabili specificheranno le condizioni di rimborso e di liquidazione dei Titoli.
- Status dei Titoli:** I Titoli costituiranno obbligazioni dirette, non subordinate e non garantite dagli Emittenti.
- Regime fiscale:** Tutti i pagamenti effettuati dagli Emittenti saranno soggetti a eventuali imposte, dazi, trattenute o altri oneri che potrebbe essere loro richiesto di effettuare, corrispondere, trattenere o dedurre. Si veda anche "Fattori di Rischio – *Direttiva UE sul Risparmio*" e "*Regime fiscale*" di seguito.
- Quotazione:** È stata avanzata al CSSF la richiesta di approvazione del presente documento sotto forma di due prospetti base. È stata altresì inoltrata richiesta alla Borsa valori di Lussemburgo perché i titoli rientranti nel Programma siano ammessi alla negoziazione sul mercato regolamentato della Borsa valori di Lussemburgo e ivi quotati.
- I Titoli possono anche essere quotati o ammessi alla negoziazione, a seconda del caso, su altre o anche su altre borse valori o mercati o possono non essere quotati.
- Restrizioni alla Vendita:** Esistono restrizioni all'offerta, alla vendita e al trasferimento di Titoli. Si veda a tal proposito la sezione "*Offerta e Vendita*".
- Legge che governa i Titoli:** I Titoli sono governati dalla Legge italiana e dalla Legge inglese come specificato nelle Condizioni definitive applicabili.
- Fattori di Rischio:** Esistono alcuni fattori che potrebbero incidere sulla capacità da parte dell'Emittente di adempiere ai propri obblighi in relazione ai Titoli oggetto del programma.
- Il 12 giugno 2005, UniCredito e HVB (come qui di seguito definito) hanno deciso di concludere un accordo di fusione nel quale si delineavano i termini di tale operazione che interessava HVB e il Gruppo. Qualora venisse attuata, tale fusione potrebbe avere ripercussioni negative sulle attività del Gruppo ed i relativi risultati. Tali ripercussioni negative potrebbero dipendere da: (i) la capacità di UniCredito di prevedere le proprie esigenze di capitale nonché di

soddisfare i propri obblighi di capitale e stimare i coefficienti Tier I e di capitale totale che dipendono da una serie di supposizioni (tra le quali il numero e il collocamento delle azioni proposte sul mercato in base alle offerte, le negoziazioni e le condizioni di mercato relative alle transazioni di raccolta dei capitali previste da UniCredito allo scopo di finanziare le offerte) che possono non rivelarsi corrette e le divergenze rispetto a tali supposizioni potrebbero portare a risultati di capitale che si discostano sensibilmente dalle attese di UniCredito; e da (ii) il fatto che la proposta acquisizione di HVB richiede l'integrazione e l'unione di management, strategie, procedure, prodotti e servizi, basi clienti e reti di distribuzione diversi allo scopo di delineare una struttura aziendale e di attività del gruppo di recente ampliamento e non si può avere la garanzia che il Gruppo sia in grado di assimilare la struttura, il management e la base clienti di HVB.

Inoltre, durante il 2004 e i primi sei mesi del 2005, UniCredito ha concluso o negoziato numerosi accordi di acquisizione, ivi comprese importanti acquisizioni in Italia e nei paesi dell'Europa allargata e l'integrazione di tali acquisizioni presenta ed implica per il futuro sfide di integrazione, in particolare laddove i sistemi contabili e di informazione sulla gestione differiscono sensibilmente da quelli utilizzati altrove nel Gruppo. Sono significativi anche i rischi connessi alla conduzione di attività nell'Europa allargata: la natura di tali rischi differisce notevolmente da un paese all'altro, ma in generale si tratta di condizioni economiche, di scambio e di mercati borsistici egualmente caratterizzati da volatilità così come, in molti casi, di infrastrutture politiche, finanziarie e giuridiche meno sviluppate.

I risultati del Gruppo sono influenzati dalle condizioni economiche, finanziarie e commerciali generali. Durante i periodi di recessione, può verificarsi una riduzione della richiesta di prodotti di finanziamento e un maggior numero di clienti del Gruppo potrebbe non riuscire ad adempiere ai propri impegni correlati al finanziamento o ad obblighi di altra natura. Gli aumenti dei tassi di interesse potrebbero altresì influenzare la richiesta di mutui e di altri prodotti di finanziamento. Anche le fluttuazioni dei tassi di interesse in Europa e su altri mercati in cui il Gruppo opera ne influenza la performance.

Ai sensi del Regolamento dell'Unione Europea CE 1606/2002, tutte le società quotate in borsa all'interno dell'Unione Europea, compresa UniCredito, sono tenute a redigere i propri bilanci in conformità ai principi IFRS (come di seguito definito), a partire dall'esercizio che si conclude il 31 dicembre 2005. UniCredito non può escludere l'eventualità che il passaggio agli IFRS possa avere un impatto notevole su determinate voci di bilancio e rendere estremamente difficile procedere ad un confronto con il bilancio attuale.

I Titoli.

I Portatori dei Titoli emessi nell'ambito del Programma sono esposti a numerosi rischi connessi ai Titoli, per esempio ai rischi legati alla struttura di un particolare Titolo, al tasso di interesse, di cambio, al valore tempo e ai rischi politici così come ai rischi di mercato legati all'investimento in una determinata base di riferimento.

Per una descrizione più dettagliata dei fattori di rischio, si suggerisce

di consultare le pagine 13 - 22 del presente Prospetto.

**Rappresentazione  
Portatori di Titoli:**

**dei** Sono previste delle modalità con cui i Portatori di Titoli possano essere rappresentati in conformità alla Condizione 9(D).

## TERMS AND CONDITIONS OF THE WARRANTS

*The following is the text of the Terms and Conditions of the Warrants which, unless Monte Titoli or an alternative clearing system other than Euroclear, Clearstream Luxembourg or Monte Titoli is specified as the relevant clearing system in the applicable Final Terms, will be attached to each Global Warrant (as defined below). The applicable Final Terms in relation to any issue of Warrants may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Warrants. The applicable Final Terms (or the relevant provisions thereof) will be attached to each Global Warrant, unless the applicable Final Terms specify that Monte Titoli is the relevant clearing system or specify that a clearing system other than Clearstream, Luxembourg, Euroclear or Monte Titoli is applicable. References in the Conditions to "Securities" are to the Securities of one Series only, not to all Securities that may be issued under the Programme.*

The Warrants will be issued in series (each a **Series**). The Warrants of each Series being intended to be interchangeable with all other Warrants of that Series. Series means a Tranche or Tranches of Warrants which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates and Issue Prices and a Series may comprise Warrants in more than one denomination. Each Series may be issued in Tranches (each a **Tranche**) on the same or different issue dates, the terms of which are identical in all respects (including as to listing) save that a Tranche may comprise Warrants in more than one denomination. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price and nominal amount (where applicable) of the Tranche, will be identical to the terms of other Tranches of the same Series, including as to listing) will be set out in the applicable Final Terms.

Unless the applicable Final Terms specify that Monte Titoli is the relevant clearing system or specify that a clearing system other than Clearstream, Luxembourg, Euroclear or Monte Titoli is applicable, the series of Warrants described in the applicable Final Terms (in so far as it relates to such series of Warrants) (such Warrants being hereinafter referred to as the **Warrants** which expression, unless the context otherwise requires, shall include the Global Warrants (as defined below) are constituted by a global warrants (the **Global Warrants**) and are issued by the Issuer specified in the applicable Final Terms and references to the **Issuer** shall be construed accordingly. If applicable, the Warrants are issued pursuant to an Agency Agreement dated 28 November 2005 (the **Agency Agreement**) between UniCredito Italiano S.p.A., UniCredit Banca Mobiliare S.p.A. and Kredietbank S.A. Luxembourgise as principal agent (the **Principal Agent**, which expression shall include any successor principal agent and, together with any additional agents, the **Agents** UniCredit Banca Mobiliare S.p.A. shall undertake the duties of calculation agent (the **Calculation Agent**) in respect of the Warrants as set out below and in the applicable Final Terms unless another entity is so specified as calculation agent in the applicable Final Terms. The expression Calculation Agent shall, in relation to the relevant Warrants, include such other specified calculation agent.

Unless the applicable Final Terms specify that Monte Titoli is the relevant clearing system or specify that a clearing system other than Clearstream, Luxembourg, Euroclear or Monte Titoli is applicable, the applicable Final Terms for the Warrants is attached to the Global Warrant. No Warrants in definitive form will be issued. Unless the applicable Final Terms specify that Monte Titoli is the relevant clearing system or specify that a clearing system other than Clearstream, Luxembourg, Euroclear or Monte Titoli is applicable, the Global Warrant has been deposited with the Common Depository common to Clearstream, Luxembourg and Euroclear. If Monte Titoli is specified in the applicable Final Terms as the relevant clearing system, no physical document of title will be issued to represent the Warrants. On issue, the Warrants have been or will be registered in the books of Monte Titoli. The

issue of any Warrants may be cancelled at any time until the Warrants are registered in the books of Monte Titoli.

**The applicable Final Terms for the Warrants supplement these Terms and Conditions and may specify or set out in full other terms and conditions which shall, to the extent so specified or set out or to the extent inconsistent with these Terms and Conditions, supplement, replace or modify these Terms and Conditions for the purposes of the Warrants.**

References herein to the "applicable Final Terms" are to the Final Terms (in the case of any further warrants issued pursuant to Condition 12 and forming a single series with the Warrants) relating to the Warrants.

Copies of the Agency Agreement (which contains the form of the Final Terms) and the applicable Final Terms may be obtained from the specified office of the Principal Agent, save that if the Warrants are unlisted, the applicable Final Terms will only be obtainable by a Holder and such Holder must produce evidence satisfactory to the Principal Agent as to 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 Terms and Conditions unless the context otherwise requires or unless otherwise stated.

The Holders (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 Warrants) and the applicable Final Terms, which are binding on them.

## **1. Type, Title and Transfer**

### **(A) Type**

The Warrants may be Index Warrants, Share Warrants, Debt Warrants, Currency Warrants, Commodity Warrants or any other or further type of warrants as is specified in the applicable Final Terms. Certain terms which will, unless otherwise varied in the applicable Final Terms, apply to Index Warrants, Share Warrants, Debt Warrants, Currency Warrants or Commodity Warrants are set out in Condition 15.

The applicable Final Terms will indicate whether the Warrants are American style Warrants (the **American Style Warrants**) or European style Warrants (the **European Style Warrants**) or such other type as may be specified in the applicable Final Terms, whether automatic exercise (the **Automatic Exercise**) applies to the Warrants, whether settlement shall be by way of cash payment (the **Cash Settled Warrants**) or physical delivery (the **Physical Delivery Warrants**), whether the Warrants are call Warrants (the **Call Warrants**) or put Warrants (the **Put Warrants**), or such other type as may be specified in the applicable Final Terms, whether the Warrants may only be exercised in Units and whether averaging (the **Averaging**) will apply to the Warrants. If Units are specified in the applicable Final Terms, Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect. If Averaging is specified as applying in the applicable Final Terms the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in Condition 3 below) applies.

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

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

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

Cash Settled Warrants may provide for one or more Exercise Date(s) and may provide for the Holders to receive a specific amount calculated as specified in the applicable Final Terms on each such Exercise Date, all as specified in the applicable Final Terms. In such an event, the Warrants shall remain outstanding until their Settlement Date.

(B) *Title to Warrants*

Each person who is for the time being shown in the records of Clearstream, Luxembourg or of Euroclear as the holder of a particular amount of Warrants (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the amount of Warrants 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 and the Principal Agent as the holder of such amount of Warrants for all purposes (and the expressions **Holder** and **Holder of Warrants** and related expressions shall be construed accordingly). Warrants which are represented by a Global Warrant will be transferable only in accordance with the rules and procedures for the time being of Clearstream, Luxembourg and/or Euroclear, as the case may be.

(C) *Transfers of Warrants*

All transactions (including transfers of Warrants) in the open market or otherwise must be effected through an account at Clearstream, Luxembourg or Euroclear subject to and in accordance with the rules and procedures for the time being of Clearstream, Luxembourg or of Euroclear, as the case may be. Title will pass upon registration of the transfer in the books of either Clearstream, Luxembourg or Euroclear, as the case may be. Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 5.

Any reference herein to Clearstream, Luxembourg and/or Euroclear shall, whenever the context so permits, be deemed to include a reference to Monte Titoli or any additional or alternative clearing system approved by the Issuer and the Principal Agent from time to time and notified to the Holders in accordance with Condition 10.

2. **Status of the Warrants**

The Warrants constituted direct, unsubordinated and unsecured obligations of the Issuer and rank equally among themselves and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (except as prescribed by law).

3. **Definitions**

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

**"Actual Exercise Date"** means the Exercise Date (in the case of European Style Warrants) or, subject to Condition 6(A)(ii), the date during the Exercise Period on which the Warrant is actually or is deemed exercised or, if Automatic Exercise is specified as applying in the applicable Final Terms, is automatically exercised (in the case of American Style Warrants, as more fully set out in Condition 4(A)(i));

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

**"Averaging Date"** means, in respect of an Actual Exercise Date, each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) if **"Omission"** is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur in respect of such Actual Exercise Date, then the provisions of the definition of Valuation Date will apply for purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that Actual Exercise Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if **"Postponement"** is specified as applying in the applicable Final Terms, then the provisions of the definition of Valuation Date will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if **"Modified Postponement"** is specified as applying in the applicable Final Terms then:
  - (i) where the Warrants are Index Warrants relating to a single Index or Share Warrants relating to a single Share, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of such Actual Exercise Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with subparagraph (a)(ii) of the definition of Valuation Date below;
  - (ii) where the Warrants are Index Warrants relating to a Basket of Indices or Warrants relating to a Basket of Shares, the Averaging Date for each Index Share not affected by the occurrence of a Disrupted Day shall be the designated Averaging Date (the **Scheduled Averaging Date**) and the Date for an Index or Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such

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Share. If the first succeeding Valid Date in relation to such Index or Share not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of Averaging Date or Disrupted Day, would have been the final Averaging respect of such Actual Exercise Date, then (A) that eighth Scheduled Day shall be deemed the Averaging Date (irrespective of whether that Scheduled Trading Day is already an Averaging Date) in respect of such or Share, and (B) the Calculation Agent shall determine the relevant level, or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) the definition of Valuation Date below; and

(iii) where the Warrants are Debt Warrants, Currency Warrants or Commodity Warrants, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms,

for the purposes of these Terms and Conditions, "**Valid Date**" means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in relation to the Actual Exercise Date does not or is not deemed to occur;

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

"**Cash Settlement Amount**" means, in relation to Cash Settled Warrants, the amount to which the Holder is entitled in the Settlement Currency in relation to each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to Condition 4;

"**Disrupted Day**" means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

"**Entitlement**" means, in relation to a Physical Delivery Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Settlement Date in respect of each such Warrant or Unit, as the case may be, following payment of the Exercise Price (and any other sums payable) rounded down as provided in Condition 4(C)(i), as determined by the Calculation Agent including any documents evidencing such Entitlement;

"**Exchange**" means:

(a) in respect of Index Warrants and in relation to an Index each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in 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/commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); and



- (b) in respect of Share Warrants 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 any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time;

**"Exercise Business Day"** means:

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

**"Related Exchange"** means, in respect of Index Warrants and in relation to an Index or in respect of Share Warrants and in relation to a Share, each exchange or quotation system specified as such for 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 Related Exchange), provided that where **"All Exchanges"** is specified as the Related Exchange in the applicable Final Terms, **"Related Exchange"** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index or such Share;

**"Relevant Assets"** means, in respect of Physical Delivery Warrants, the relevant asset to which the Warrants relate;

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

**"Scheduled Trading Day"** means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions;

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

**"Settlement Date"** means:

- (a) in relation to Cash Settled Warrants:
  - in relation to each Actual Exercise Date, (i) where Averaging is not specified in the applicable Final Terms, the third Business Day following the Valuation Date provided that if the Warrants are Index Warrants relating to a Basket of Indices,

Share Warrants relating to a Basket of Shares, Debt Warrants relating to a Basket of Debt Securities or Commodity Warrants relating to a Basket of Commodities and the occurrence of a Disrupted Day has resulted in a Valuation Date for one or more Indices, Shares, Debt Securities or Commodities, as the case may be, being adjusted as set out in the definition of Valuation Date below, the Settlement Date shall be the third Business Day next following the last occurring Valuation Date in relation to any Index, Share, Debt Security or Commodity, as the case may be, or (ii) where Averaging is specified in the applicable Final Terms, the third Business Day following the last occurring Averaging Date provided that where the Warrants are Index Warrants relating to a Basket of Indices, Share Warrants relating to a Basket of Shares, Debt Warrants relating to a basket of Debt Securities or Commodity Warrants relating to a Basket of Commodities and the occurrence of a Disrupted Day has resulted in an Averaging Date for one or more Indices, Shares, Debt Securities or Commodities, as the case may be, being adjusted as set out in the definition of Averaging Date above, the Settlement Date shall be the third Business Day next following the last occurring Averaging Date in relation to any Index, Share, Debt Security or Commodity, as the case may be, or such other date as is specified in the applicable Supplement; and

(b) in relation to Physical Delivery Warrants:

the date specified as such in the applicable Final Terms;

**"Settlement Price"** means, in relation to each Cash Settled Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be:

(a) in respect of Index Warrants, subject to Condition 15(A) and as referred to in Valuation Date below or Averaging Date above, as the case may be:

(i) in the case of Index Warrants relating to a Basket of Indices, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the sum of the values calculated for each Index as the official closing level for each Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, without regard to any subsequently published correction, multiplied by the relevant Multiplier; and

(ii) in the case of Index Warrants relating to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the official closing level of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, without regard to any subsequently published correction;

(b) in respect of Share Warrants, subject to Condition 15(B) and as referred to in Valuation Date below or Averaging Date above, as the case may be:

- (i) in the case of Share Warrants relating to a Basket of Shares, an amount equal to the sum of the values calculated for each Share at the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share (as defined in Condition 15(B)) on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, without regard to any subsequently published correction (or if in the opinion of the Calculation Agent, any such official closing price or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the relevant Share whose official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the relevant Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Multiplier, each such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts to be the Settlement Price, all as determined by or on behalf of the Calculation Agent; and
  
- (ii) in the case of Share Warrants relating to a single Share, an amount equal to the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share (as defined in Condition 15(B)) on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, without regard to any subsequent published correction (or if, in the opinion of the Calculation Agent, any such official closing price or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the

arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;

- (c) in respect of Debt Warrants, subject as referred to in Valuation Date below or Averaging Date above:
  - (i) in the case of Debt Warrants relating to a Basket of Debt Securities, an amount equal to the sum of the values calculated for each Debt Security at the bid price for such Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of such Debt Security, multiplied by the relevant Multiplier;
  - (ii) in the case of Debt Warrants relating to a single Debt Security, an amount equal to the bid price for the Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of the Debt Security;
- (d) in respect of Currency Warrants:
  - (i) in the case of Currency Warrants relating to a Basket of Subject Currencies, an amount equal to the sum of the values calculated for each Subject Currency at the spot rate of exchange appearing on the Relevant Screen Page at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places, with 0.00005 being rounded upwards) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation

Agent) on a foreign exchange market (as selected by the Calculation Agent), multiplied by the relevant Multiplier; and

(ii) in the case of Currency Warrants relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units, or part units, of the Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places, with 0.00005 being rounded upwards) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent);

(e) in respect of Commodity Warrants, the provisions relating to the calculation of the Settlement Price will be set out in the applicable Final Terms.

**"Valuation Date"** means the first Scheduled Trading Day following the Actual Exercise Date of the relevant Warrant unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(a) where the Warrants are Index Warrants relating to a single Index, Share Warrants relating to a single Share, Debt Warrants relating to a single Debt Security or Commodity Warrants relating to a single Commodity, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:

(i) in the case of Index Warrants, by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (subject to Condition 15(A)(2)) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day); or

(ii) in the case of Share Warrants, Debt Warrants or Commodity Warrants, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on that eighth Scheduled Trading Day; or

(b) where the Warrants are Index Warrants relating to a Basket of Indices, Share Warrants relating to a Basket of Shares, Debt Warrants relating to a Basket of Debt

Securities or Commodity Warrants relating to a Basket of Commodities, the Valuation Date for each Index, Share, Debt Security or Commodity, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, Debt Security or Commodity affected, as the case may be, (each an **Affected Item**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, and, in the case of a Share, Debt Security or Commodity a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

- (i) in the case of an Index, the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day); or
- (ii) in the case of a Share, Debt Security or Commodity, its good faith estimate of the value for the Affected Item as of the Valuation Time on that eighth Scheduled Trading Day,

and otherwise in accordance with the above provisions; and

**"Valuation Time"** means the Relevant Time specified in the applicable Final Terms or, in the case of Index Warrants or Share Warrants, if no Relevant Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to each Index or Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

#### **4. Exercise Rights**

Unless the applicable Final Terms specify that Monte Titoli is the relevant clearing system or specify that a clearing system other than Clearstream, Luxembourg, Euroclear or Monte Titoli is applicable (in which cases the relevant provisions on the exercise of the Warrants will be set out therein), the provision of this Condition 4 shall apply.

##### **(A) Exercise Period**

##### **(i) American Style Warrants**

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

If Automatic Exercise is not specified as applying in the applicable Final Terms, any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 5, at or prior to 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the last Exercise Business Day of the Exercise Period (the **Expiration Date**), shall become void.

If Automatic Exercise is specified as applying in the applicable Final Terms any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the Expiration Date shall be automatically exercised on the Expiration Date and the provisions of Condition 5(F) shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m., Luxembourg or Brussels time (as appropriate), to Clearstream, Luxembourg or Euroclear, as the case may be, and the copy thereof so received by the Principal Agent or, if Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 10.00 a.m., Luxembourg or Brussels time (as appropriate) on the Expiration Date, the Expiration Date, is referred to herein as the "**Actual Exercise Date**". If any Exercise Notice is received by Clearstream, Luxembourg or Euroclear, as the case may be, or if the copy thereof is received by the Principal Agent, in each case, after 10.00 a.m., Luxembourg or Brussels time (as appropriate), on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 5 at or prior to 10.00 a.m. Luxembourg or Brussels time (as appropriate) on the Expiration Date shall (i) if Automatic Exercise is not specified as applying in the applicable Final Terms, become void or (ii), if Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

(ii) **European Style Warrants**

European Style Warrants are only exercisable on the Exercise Date.

If Automatic Exercise is not specified as applying in the applicable Final Terms, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 10.00 a.m., Luxembourg or Brussels time (as appropriate) on the Actual Exercise Date, shall become void.

If Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 5, at or prior to 10.00 a.m., Luxembourg or Brussels time (as appropriate) on the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 5(F) shall apply.

(B) **Cash Settlement**

If the Warrants are Cash Settled Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit entitles its Holder, upon due exercise and subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to:

- (i) where Averaging is not specified in the applicable Final Terms:

- (a) if such Warrants are Call Warrants,  
  
(Settlement Price less Exercise Price) multiplied by, in the case of Debt Warrants only, the Nominal Amount;
  - (b) if such Warrants are Put Warrants,  
  
(Exercise Price less Settlement Price) multiplied by, in the case of Debt Warrants only, the Nominal Amount; and
  - (c) if such Warrants are not Call Warrants nor Put Warrants, settlement will be as specified in the applicable Final Terms;
- (ii) where Averaging is specified in the applicable Final Terms:
- (a) if such Warrants are Call Warrants,  
  
(the arithmetic mean of the Settlement Prices for all the Averaging Dates less Exercise Price) multiplied by, in the case of Debt Warrants only, the Nominal Amount;
  - (b) if such Warrants are Put Warrants,  
  
(Exercise Price less the arithmetic mean of the Settlement Prices for all the Averaging Dates) multiplied by, in the case of Debt Warrants only, the Nominal Amount; and
  - (c) if such Warrants are not Call Warrants nor Put Warrants, settlement will be as specified in the applicable Final Terms.

Any amount determined pursuant to the above, if not an amount in the Settlement Currency, will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places in the relevant Settlement Currency, 0.005 being rounded upwards, with Warrants exercised at the same time by the same Holder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants or Units, as the case may be.

(C) *Physical Settlement*

(i) Exercise Rights in relation to Physical Delivery Warrants

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its Holder, upon due exercise and subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

Warrants or Units, as the case may be, exercised at the same time by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Warrants or Units, as the case may be, provided that the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset or each



of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine.

Following exercise of a Share Warrant which is a Physical Delivery Warrant, all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Exercise Notice as referred to in Condition 5(A)(2)(vi).

(ii) Settlement Disruption

If, following the exercise of Physical Delivery Warrants, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Settlement Date, then such Settlement Date for such Warrants shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Settlement Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date. In the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement. For so long as delivery of the Entitlement is not practicable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the third Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Warrant or Unit, as the case may be, in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

**"Disruption Cash Settlement Price"** means, in respect of any relevant Warrant or Unit, as the case may be, the fair market value of such Warrant or Unit, as the case may be (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion, plus, if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion); and

**"Settlement Disruption Event"** means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which the Issuer cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

(iii) Failure to Deliver due to Illiquidity

If "Failure to Deliver due to illiquidity" is specified as applicable in the applicable Final Terms and, following the exercise of Physical Delivery Warrants, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the **Affected Relevant Assets**) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a **Failure to Deliver**), then

- (a) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Settlement Date in accordance with Condition 4(C)(i) and the Calculation Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Holder in respect of that partial settlement; and
- (b) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Warrant or Unit, as the case may be, by payment to the relevant Holder of the Failure to Deliver Settlement Price (as defined below) on the third Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that the provisions of this Condition 4(C)(iii) apply.

For the purposes hereof:

**"Failure to Deliver Settlement Price"** means, in respect of any relevant Warrant or Unit, as the case may be, the fair market value of such Warrant or Unit, as the case may be (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion, plus, if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).

(D) *Issuer's Option to Vary Settlement*

If the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Warrants, upon a valid exercise of Warrants in accordance with these Terms and Conditions, the Issuer may at its sole and unfettered discretion in respect of each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, elect not to pay the relevant Holders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but, in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Holders, as the case may be. Notification of such election will be given to Holders no later than 10.00 a.m. (London time) on the second Business Day following the Actual Exercise Date.

(E) *General*

In relation to any Warrants where Automatic Exercise is specified as applying in the applicable Final Terms, the expressions "exercise", "due exercise" and related expressions shall be construed to apply to any such Warrants which are automatically exercised in accordance with the above provisions.

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

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

All references in this Condition to "Luxembourg or Brussels time" shall, where Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

**5. Exercise Procedure**

Unless the applicable Final Terms specify that Monte Titoli is the relevant clearing system or specify that a clearing system other than Clearstream, Luxembourg, Euroclear or Monte Titoli is applicable (in which cases the relevant provisions on the exercise of the Warrants will be set out therein), the provision of this Condition 5 shall apply.

(A) *Exercise Notice*

Subject as provided in condition 4(A)(i), Warrants may only be exercised by the delivery, or the sending by tested telex (confirmed in writing), of a duly completed exercise notice (an **Exercise Notice**) in the form set out in the Agency Agreement (copies of which form may be obtained from Clearstream, Luxembourg, Euroclear and the Principal Agent) to Clearstream, Luxembourg or Euroclear, as the case may be, with a copy to the Principal Agent in accordance with the provisions set out in Condition 4 and this Condition.

(1) In the case of Cash Settled Warrants, the Exercise Notice shall:

- (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (ii) specify the number of the Holder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be debited with the Warrants being exercised;
- (iii) irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on or before the Settlement Date the Holder's account with the Warrants being exercised;
- (iv) specify the number of the Holder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;

- (v) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants (the **Exercise Expenses**) and an authority to Clearstream, Luxembourg or Euroclear to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder and/or to debit a specified account of the Holder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Exercise Expenses;
- (vi) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and
- (vii) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

(2) In the case of Physical Delivery Warrants, the Exercise Notice shall:

- (i) specify the series number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;
- (ii) specify the number of the Holder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be debited with the Warrants being exercised;
- (iii) irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on or before the Settlement Date the Holder's account with the Warrants being exercised;
- (iv) irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on the Actual Exercise Date a specified account of the Holder with Clearstream, Luxembourg or Euroclear, as the case may be, with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be, (together with any other amounts payable);
- (v) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise of such Warrants and/or the delivery or transfer of the Entitlement pursuant to the terms of such Warrants (the Exercise Expenses) and an authority to Clearstream, Luxembourg or Euroclear to debit a specified account of the Holder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Exercise Expenses;
- (vi) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the

name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and the number of the Holder's account with Euroclear or Clearstream, Luxembourg, as the case may be, to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Cash Settlement Price, as applicable;

- (vii) in the case of Currency Warrants only, specify the number of the Holder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be credited with the amount due upon exercise of the Warrants;
- (viii) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in the Exercise Notice), the Warrant is not being exercised within the United States or on behalf of a U.S. person and no cash has been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any exercise thereof; and
- (ix) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

- (3) If Condition 4(D) applies, the form of Exercise Notice required to be delivered will be different from that set out above and reasonably selected, from time to time, by the Issuer. Copies of such Exercise Notice may be obtained from Clearstream, Luxembourg, Euroclear and the Principal Agent during normal office hours.

(B) *Verification of the Holder*

Unless otherwise specified in the applicable Final Terms, upon receipt of an Exercise Notice, Clearstream, Luxembourg or Euroclear, as the case may be, shall verify that the person exercising the Warrants is the Holder thereof according to the books of Clearstream, Luxembourg or Euroclear, as the case may be. Subject thereto, Clearstream, Luxembourg or Euroclear, as the case may be, will confirm to the Principal Agent the series number and number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Principal Agent will inform the Issuer thereof. Clearstream, Luxembourg or Euroclear, as the case may be, will on or before the Settlement Date debit the account of the relevant Holder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Global Warrant, the Common Depository will, on the instructions of, and on behalf of, the Principal Agent, note such exercise on the Schedule to the Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

(C) *Settlement*

- (i) Cash Settled Warrants

The Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the Holder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Exercise Expenses.

(ii) Physical Delivery Warrants

Subject to payment of the aggregate Exercise Prices and payment of any Exercise Expenses with regard to the relevant Warrants or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice. Subject as provided in Condition 4(C), the Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

(D) *Determinations*

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by Clearstream, Luxembourg or Euroclear, as the case may be, in consultation with the Principal Agent, and shall be conclusive and binding on the Issuer, the Principal Agent and the relevant Holder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Agent immediately after being delivered or sent to Clearstream, Luxembourg or Euroclear, as the case may be, as provided in paragraph (A) above, shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of Clearstream, Luxembourg or Euroclear, as the case may be, in consultation with the Principal Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction was delivered to Clearstream, Luxembourg or Euroclear, as the case may be, and the Principal Agent.

If Automatic Exercise is not specified as applying in the applicable Final Terms, any Warrant with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 4(A)(i), in the case of American Style Warrants, or Condition 4(A)(ii), in the case of European Style Warrants, shall become void.

Clearstream, Luxembourg or Euroclear, as the case may be, shall use its best efforts promptly to notify the Holder submitting an Exercise Notice if, in consultation with the Principal Agent, it has determined that such Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Principal Agent, Clearstream, Luxembourg or Euroclear shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

(E) *Delivery of an Exercise Notice*

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Holder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Holder may not transfer such Warrants.

(F) *Automatic Exercise*

This paragraph only applies if Automatic Exercise is specified as applying in the applicable Final Terms and Warrants are automatically exercised as provided in Condition 4(A)(i) or Condition 4(A)(ii).

Unless otherwise specified in the applicable Final Terms, in order to receive the Cash Settlement Amount, if the Warrants are Cash Settled Warrants, or the Entitlement, if the Warrants are Physical Delivery Warrants, in respect of a Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be, the relevant Holder must deliver or send by tested telex (confirmed in writing) a duly completed Exercise Notice to Clearstream, Luxembourg or Euroclear, as the case may be, with a copy to the Principal Agent on any Business Day until not later than 10.00 a.m., Luxembourg or Brussels time (as appropriate), on the day (the **Cut-off Date**) falling 180 days after (i) the Expiration Date, in the case of American Style Warrants or (ii) the Actual Exercise Date, in the case of European Style Warrants. The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Condition 5(A)(1), Condition 5(A)(2) or Condition 5(A)(3), as applicable. The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-off Date on which an Exercise Notice is delivered to Clearstream, Luxembourg or Euroclear, as the case may be, and a copy thereof delivered to the Principal Agent is referred to in this Condition 5(F) as the "**Exercise Notice Delivery Date**", provided that, if the Exercise Notice is received by Clearstream, Luxembourg or Euroclear, as the case may be, or if the copy thereof is received by the Principal Agent, in each case, after 10.00 a.m., Luxembourg or Brussels time (as appropriate), on any Business Day, such Exercise Notice shall be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Exercise Notice Delivery Date.

Subject to the relevant Holder performing its obligations in respect of the relevant Warrant or Unit, as the case may be, in accordance with these Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall be (i) in the case of Cash Settled Warrants, the third Business Day following the Exercise Notice Delivery Date and (ii) in the case of Physical Delivery Warrants and subject to Condition 5(C)(ii), the third Settlement Business Day following the Exercise Notice Delivery Date. In the event that a Holder does not so deliver an Exercise Notice in accordance with this Condition 5(F) prior to 10.00 a.m., Luxembourg or Brussels time (as appropriate), on the Cut-off Date, the Issuer's obligations in respect of such Warrants shall be discharged and no further liability in respect thereof shall attach to the Issuer.

Unless otherwise specified in the applicable Final Terms, if Monte Titoli is specified in the applicable Final Terms as the relevant clearing system, any Cash Settlement Amount shall be automatically credited to the bank account notified by the Holder to the bank with which the Warrants have been deposited.

(G) *Exercise Risk*

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer and the Principal 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 and the Principal Agent shall under any circumstances be liable for any acts or defaults of Clearstream, Luxembourg or Euroclear in relation to the performance of its duties in relation to the Warrants.

**6. Minimum and Maximum Number of Warrants Exercisable**

(A) *American Style Warrants*

This paragraph (A) applies only to American Style Warrants.

- (i) The number of Warrants exercisable by any Holder on any Actual Exercise Date or, in the case of Automatic Exercise, the number of Warrants held by any Holder on any Actual Exercise Date, in each case, as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.
- (ii) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Holder or a group of Holders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the **Quota**), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Holder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

(B) *European Style Warrants*

This paragraph (B) applies only to European Style Warrants.

The number of Warrants exercisable by any Holder on the Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

**7. Illegality**

If the Issuer determines that the performance of its obligations under the Warrants has become illegal in whole or in part for any reason, the Issuer may cancel the Warrants by giving notice to Holders in accordance with Condition 10.

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

If the Issuer cancels the Warrants then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by such Holder, which amount shall be the fair market value of a Warrant or Unit, as the case may be, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if already paid by or on behalf of the Holder, the Exercise Price, 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 Holders in accordance with Condition 10.

**8. Purchases**

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

**9. Agents, Determinations, Meetings Provisions and Modifications**

(A) *Principal Agent*

The specified office of the Principal Agent is as set out at the end of this Prospectus.

The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Agent and to appoint further or additional Agents, provided that no termination of appointment of the Principal Agent shall become effective until a replacement Principal Agent shall have been appointed and provided that, so long as any of the Warrants are listed on a stock exchange, there shall be a Principal Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange. Notice of any termination of appointment and of any changes in the specified office of an Agent will be given to Holders in accordance with Condition 10. In acting under the Agency Agreement, an 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 Holders and any determinations and calculations made in respect of the Warrants by an Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Holders.

(B) *Calculation Agent*

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

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 Terms and Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Holders.

(D) *Meetings of Holders*

Meetings of the Holders will be convened from time to time to consider any matter affecting the interests of the Holders, including the sanctioning by Extraordinary Resolution (as defined below) of a modification of the Terms and Conditions or the Agency Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to Holders. Such a meeting may be convened by the Issuer, or Holders holding not less than 5 per cent. (by number) of the Warrants for the time being remaining unexercised. The quorum at a

meeting of the Holders (except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 20 per cent. (by number) of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Holders whatever the number of Warrants so held or represented. The quorum at a meeting of Holders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. (by number) of the Warrants for the time being remaining unexercised or at any adjourned meeting two or more persons being holding or representing not less than 10 per cent. (by number) of the Warrants for the time being remaining unexercised. A resolution will be an extraordinary resolution (the **Extraordinary Resolution**) when it has been passed at a duly convened meeting by not less than three fourths of the votes cast by Holders at such meeting as, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting, save for those Warrants remaining unexercised but for which an Exercise Notice shall have been received as described in Condition 4 and Condition 5 prior to the date of the meeting. Warrants which have not been exercised but in respect of which an Exercise Notice has been received as described in Condition 4 and Condition 5 will not confer the right to attend or vote at, or join in convening, or be counted in the quorum for, any meeting of the Holders. Resolutions can be passed in writing if passed unanimously.

(E) *Modifications*

The Issuer may modify these Terms and Conditions and/or the Agency Agreement without the consent of the Holders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Holders or such modification is of a formal, minor or technical nature or to correct a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein. Notice of any such modification will be given to the Holders in accordance with Condition 10 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

**10. Notices**

All notices to Holders shall be valid (i) if delivered and so long as the Warrants are held by a Common Depository on behalf of Clearstream, Luxembourg and Euroclear, to Clearstream, Luxembourg and Euroclear for communication by them to the Holders, (ii) if and so long as the Warrants are listed on a stock exchange, in accordance with the rules and regulations of the relevant stock exchange and (iii) as otherwise specified in the applicable Final Terms. If the Warrants are listed on the Luxembourg Stock Exchange, and so long as publication in a daily newspaper with general circulation in Luxembourg is required by the rules of the Luxembourg Stock Exchange, notices shall be published in the *d'Wort* or the *Tageblatt*. Any such notice shall be deemed to have been given on the second Business Day following such delivery or, if earlier, the date of such publication or, if published more than once, on the date of the first such publication.

**11. Expenses and Taxation**

- (A) A Holder of Warrants must pay all Exercise Expenses relating to such Warrants 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 Warrant 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.

**12. Further Issues**

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

**13. Substitution of Issuer**

(A) The Issuer, shall be entitled at any time, without the consent of the Holders, to substitute any subsidiary or holding company of the Issuer or any subsidiary of any such holding company (the **New Issuer**) in place of the Issuer, as obligor in respect of the Warrants, provided that the New Issuer shall assume all obligations of the Issuer in relation to the Holders under or in relation to the Warrants. In the event of any such substitution, any reference in these Conditions to the Issuer shall be construed as a reference to the New Issuer and a supplement to this Prospectus (the **Supplement**) will be prepared and submitted to the Luxembourg Stock Exchange. Such substitution shall be promptly notified to the Holders in accordance with Condition 10. In connection with such right of substitution the Issuer shall not be obliged to have regard to the consequences of the exercise of such right for individual Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and no Holder shall be entitled to claim from the Issuer or New Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such Holder.

(B) The Issuer shall be entitled at any time, without the consent of the Holders, to substitute any other entity (the **New Entity**) the identity of which shall be in the absolute discretion of the Issuer to act as issuer in respect of Warrants issued by it provided that the New Entity's long term unsecured, unsubordinated and unguaranteed debt obligations are rated at least the same as the current Issuer's long term rating at the date on which the substitution is to take effect or the New Entity has an equivalent long term rating from another internationally recognised rating agency. In the event of any such substitution, any reference in the Terms and Conditions to the Issuer shall be construed as a reference to the New Entity. Such substitution shall be promptly notified to the Holders in accordance with Condition 10. In connection with such right of substitution, the Issuer shall not be obliged to have regard to the consequences of the exercise of such right for individual Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and no Holder shall be entitled to claim from the Issuer or New Entity any indemnification or payment in respect of any tax or other consequence of any such substitution upon such Holder.

**14. Governing Law and Jurisdiction**

The Agency Agreement is governed by, and shall be construed in accordance with, English law. The Issuer irrevocably agrees for the exclusive benefit of each Holder that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and that accordingly any suit, action or proceeding (together in this Condition referred to as **Proceedings**) arising out of or in connection with the Agency Agreement may be brought in such courts.

If Italian law is specified as the governing law of the Warrants in the applicable Final Terms, the Warrants are governed by, and shall be construed in accordance with, Italian law and the Issuer irrevocably agrees for the exclusive benefit of each Holder that the courts of Milan are

to have jurisdiction to settle any disputes which may arise out of or in connection with the Warrants and that accordingly any Proceedings arising out of or in connection with the Warrants may be brought in such courts, or, where the Holder of the Warrants falls within the definition of "consumer" pursuant to article 1469 *bis* of the Italian Civil Code, in the courts where the Holder of the Warrants has his residence or domicile.

If English law is specified as the governing law of the Warrants in the applicable Final Terms, the Warrants are governed by, and shall be construed in accordance with, English law and the Issuer irrevocably agrees for the exclusive benefit of each Holder that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Warrants and that accordingly any Proceedings arising out of or in connection with the Warrants may be brought in such courts.

The Issuer agrees that process in connection with Proceedings in the courts of England will be validly served on it if served upon UniCredito Italiano S.p.A., London branch at its offices at 17 Moorgate, London EC2R 6RH, United Kingdom, or if different its principal office for the time being in London.

Nothing contained in this Condition shall limit the right of any Holder 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.

**15. Terms for Index Warrants, Share Warrants, Debt Warrants and Commodity Warrants**

(A) *Index Warrants*

For the purposes of this Condition 15:

"**Indices**" and "**Index**" mean, subject to adjustment in accordance with this Condition 15(A), the indices or index specified in the applicable Final Terms and related expressions shall be construed accordingly; and

"**Index Sponsor**" means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms.

(1) **Market Disruption**

"**Market Disruption Event**" means, in relation to Warrants relating to a single Index or Basket of Indices, in respect of an Index:

- (a) the occurrence or existence at any time during the one hour period that ends at the Valuation Time:
  - (i) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
    - (A) on any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index; or

- (B) in futures or options contracts relating to the relevant Index on any relevant Related Exchange;
- (ii) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, on any relevant Exchange(s) securities/commodities that comprise 20 per cent. or more of the level of the relevant Index, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

- (b) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a security/commodity included in the Index at any time, then the relevant percentage contribution of that security/commodity to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security/commodity and (ii) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day would have been an Averaging Date or a Valuation Date. A copy of such notice shall be sent to the Luxembourg Stock Exchange, if the Securities are listed in Luxembourg.

(2) **Adjustments to an Index**

- (a) Successor Index Sponsor Calculates and Reports an Index

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

- (b) Modification and Cessation of Calculation of an Index

If (i) on or prior to a Valuation Date or an Averaging Date the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or

commodities and other routine events) (an **Index Modification**), or permanently cancels a relevant Index and no Successor Index exists (an **Index Cancellation**), or (ii) on a Valuation Date or an Averaging Date the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an **Index Disruption** and, together with an Index Modification and an Index Calculation, each an **Index Adjustment Event**), then

- (i) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Warrants and, if so, shall calculate the relevant Settlement Price using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event; or
- (ii) cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

(c) Notice

The Calculation Agent shall, as soon as practicable, notify the Principal Agent of any determination made by it pursuant to paragraph (b) above and the action proposed to be taken in relation thereto and the Principal Agent shall make available for inspection by Holders copies of any such determinations. A copy of such notice shall be sent to the Luxembourg Stock Exchange, if the Securities are listed in Luxembourg.

(3) **Correction of an Index**

Unless otherwise specified in the applicable Final Terms, if the level of an Index published or announced on a given day and used or to be used by the Calculation Agent to calculate the value of the Index (the **Original Determination**) is subsequently corrected and the correction (the **Corrected Level**) published by the sponsor or the successor sponsor within 30 days of the original publication, then the Calculation Agent shall notify the Issuer of the Corrected Level as soon as reasonably practicable and shall, on the day of the publication of the Corrected Level (the **Correction Publication Date**), re-determine the value of the Index (the **Replacement Determination**) using the Corrected Level.

If the result of the Replacement Determination is different from the result of the Original Determination, to the extent that it determines to be necessary, the Calculation Agent may adjust any relevant terms accordingly.

A notice of the above correction will be published in order to inform the investors.

(B) *Share Warrants*

For the purposes of this Condition 15:

**"Basket Company"** means a company whose shares are included in the Basket of Shares and **"Basket Companies"** means all such companies;

**"Shares"** and **"Share"** mean, subject to adjustment in accordance with this Condition 15(B), in the case of an issue of Warrants relating to a Basket of Shares, each share and, in the case of an issue of Warrants relating to a single Share, the share, specified in the applicable Final Terms and related expressions shall be construed accordingly; and

**"Share Company"** means, in the case of an issue of Warrants relating to a single Share, the company that has issued such share.

(1) **Market Disruption**

**"Market Disruption Event"** means, in relation to Warrants relating to a single Share or a Basket of Shares, in respect of a Share:

- (a) the occurrence or existence any time during the one hour period that ends at the Valuation Time for such Share:
  - (i) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise:
    - (A) relating to the Share on the Exchange; or
    - (B) in futures or options contracts relating to the Share on any relevant Related Exchange; or
  - (ii) of any event (other than as described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions, in or obtain market values for, the Share on the Exchange or (B) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Share on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

- (b) the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date.

(2) **Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency**

(a) **"Potential Adjustment Event"** means any of the following:

a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;

a distribution, issue or dividend to existing holders of the relevant Shares of (a) such Shares or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;

an extraordinary dividend as determined by the Calculation Agent;

a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;

a repurchase by the Basket Company or Share Company, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile take-overs that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

Following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii)



determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

- (b) **"De-Listing"** means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on 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).

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

**"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.

**"Merger Event"** means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before (a) in the case of Cash Settled Warrants, the last occurring Valuation Date or

where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Warrant or (b) in the case of Physical Delivery Warrants, the relevant Settlement Date.

**"Nationalisation"** means that all the Shares or all or substantially all the assets of the Basket Company or Share Company, as the case may be, are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**"Tender Offer"** means a take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Basket Company or Share Company, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

If a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (iv) below:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may in the case of adjustments following a Merger Event or Tender Offer include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Warrants. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency made by any options exchange to options on the Shares traded on that options exchange; or
- (ii) in the case of Share Warrants relating to a Basket of Shares cancel part of the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled in part the portion (the **Cancelled Amount**) of each Warrant or if Units are specified in the applicable Final Terms each Unit representing the affected Share(s) shall be cancelled and the Issuer will (i) pay to each Holder in respect of each Warrant or Units, as the case may be, held by him an amount equal to the fair market value of the Cancelled Amount, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and (ii) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such

cancellation in part. For the avoidance of doubt the remaining part of each Warrant or Unit, as the case may be, after such cancellation and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10. For the avoidance of doubt, the remaining part of each Warrant or Unit, as the case may be, after such cancellation and adjustment shall remain outstanding with full force and effect; or

(iii) cancel the Warrants by giving notice to Holders in accordance with Condition 10. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10; or

(iv) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the **Options Exchange**), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

(c) Upon the occurrence of a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

(C) *Debt Warrants*

Market Disruption

"**Market Disruption Event**" shall mean the suspension of or limitation imposed on trading either on any exchange on which the Debt Securities or any of them (in the case of a basket of Debt Securities) are traded or on any exchange on which options contracts or futures contracts

with respect to the Debt Securities or any of them (in the case of a basket of Debt Securities) are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that a Market Disruption Event has occurred.

(D) *Commodity Warrants*

Market Disruption

**"Market Disruption Event"** shall mean the suspension of or limitation imposed on trading on either any exchange on which the commodity or any of the commodities (in the case of a basket of commodities) are traded or on any exchange on which options contracts or futures contracts with respect to the commodity or any of the commodities (in the case of a basket of commodities) are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that a Market Disruption Event has occurred.

(E) *Additional Disruption Events*

- (a) **"Additional Disruption Event"** means any of Change of Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing and/or Loss of Stock Borrow, in each case if specified in the applicable Final Terms.

**"Change in Law"** means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (i) it has become illegal to hold, acquire or dispose of any relevant Share (in the case of Share Warrants) or any relevant security/commodity comprised in an Index (in the case of Index Warrants) or (ii) it will incur a materially increased cost in performing its obligations in relation to the Warrants (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates).

**"Hedging Disruption"** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Warrants, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**"Hedging Shares"** means the number of Shares (in the case of Share Warrants) or securities/commodities comprised in an Index (in the case of Index Warrants) that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Warrants.

**"Increased Cost of Hedging"** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems

necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Warrants, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

**"Increased Cost of Stock Borrow"** means that the Issuer and/or any of its Affiliates would incur a rate to borrow any Share (in the case of Share Warrants) or any security/commodity comprised in an Index (in the case of Index Warrants) that is greater than the Initial Stock Loan Rate.

**"Initial Stock Loan Rate"** means, in respect of a Share (in the case of Share Warrants) or a security/commodity comprised in an Index (in the case of Index Warrants), the initial stock loan rate specified in relation to such Share, security or commodity in the applicable Final Terms.

**"Insolvency Filing"** means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing.

**"Loss of Stock Borrow"** means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Share (in the case of Share Warrants) or any securities/commodities comprised in an Index (in the case of Index Warrants) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

**"Maximum Stock Loan Rate"** means, in respect of a Share (in the case of Share Warrants) or a security/commodity comprised in an Index (in the case of Index Warrants), the Maximum Stock Loan Rate specified in the applicable Final Terms.

- (b) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or
  - (ii) cancel the Warrants by giving notice to Holders in accordance with Condition 10. A copy of such notice shall be sent to the Luxembourg Stock Exchange. If the Warrants are so cancelled the Issuer will pay an amount to each Holder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be the fair market value of a Warrant or a Unit, as the case may be, taking into account the Additional Disruption Event less the cost to the Issuer and/or its Affiliates of unwinding any underlying

related hedging arrangements plus, if already paid, the Exercise Price, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

- (c) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

#### 16. Adjustments for European Monetary Union

The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with Condition 10:

- (i) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Warrants shall be re-denominated in Euro;

The election will have effect as follows:

- (A) where the Settlement Currency of the Warrants 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 Issuer may decide, after consultation with the Calculation Agent, and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the Warrants will be made solely in Euro as though references in the Warrants to the Settlement Currency were to Euro;
  - (B) where the Exchange Rate and/or any other terms of these Terms and Conditions 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 Terms and Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted from or, as the case may be into, Euro at the Established Rate; and
  - (C) such other changes shall be made to these Terms and Conditions as the Issuer may decide, after consultation with the Calculation Agent 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 Settlement Price and/or the Exercise Price and/or any other terms of these Terms and Conditions and/or the Final Terms as the Calculation Agent, in its sole 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 Settlement Price and/or the Exercise Price and/or such other terms of these Terms and Conditions.

Notwithstanding the foregoing, none of the Issuer, the Calculation Agent and the Principal Agent shall be liable to any Holder 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 Holders 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 109I (4) of the Treaty;

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

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

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

**17. Contracts (Rights of Third Parties) Act 1999**

If English law is specified as the governing law of the Warrants in the applicable Final Terms, the Warrants do not confer on a third party any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Warrants but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

**18. Severability**

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

**19. Prescription**

Claims against the Issuer for payment of any amounts due and payable in respect of the Warrants shall be prescribed and become void unless made within five years from the Settlement Date, if any.