



AVVISO n.6346	02 Maggio 2006	SeDeX – PLAIN VANILLA
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Mittente del comunicato : Borsa Italiana
Societa' oggetto : UNICREDITO ITALIANO
dell'Avviso
Oggetto : Inizio negoziazione Covered Warrant Plain
Vanilla "Unicredito Italiano" emessi
nell'ambito di un Programma

<i>Testo del comunicato</i>

Si veda allegato.

<i>Disposizioni della Borsa</i>
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Strumenti finanziari:	A) “Covered Warrant su materie prime con scadenza 15.09.2006 e 15.12.2006” B) “Covered Warrant su titoli governativi con scadenza 07.09.2006”		
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:	4 maggio 2006		
Mercato di quotazione:	Borsa - Comparto SEDEX, “ <i>segmento covered warrant plain vanilla</i> ” 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

- A) “Covered Warrant su materie prime con scadenza 15.09.2006 e 15.12.2006”**
B) “Covered Warrant su titoli governativi con scadenza 07.09.2006”

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:	europeo

DISPOSIZIONI DELLA BORSA ITALIANA

Dal giorno 4 maggio 2006, i “Covered Warrant su materie prime con scadenza 15.09.2006 e 15.12.2006” e i “Covered Warrant su titoli governativi con scadenza 07.09.2006” verranno inseriti nel Listino Ufficiale, sezione Securitised Derivatives.

Allegati:

- Schede riepilogative 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	IT0004025737	U02573	388957	UC ARGENT P11 ST06	ARGENTO	Put	11	15/09/2006	0,1	1000000	100	2000
2	IT0004025745	U02574	388965	UC ARGENT P11,5 ST06	ARGENTO	Put	11,5	15/09/2006	0,1	1000000	100	1500
3	IT0004025752	U02575	389021	UC ARGENT C12 ST06	ARGENTO	Call	12	15/09/2006	0,1	1000000	100	100
4	IT0004025760	U02576	389022	UC ARGENT P12 ST06	ARGENTO	Put	12	15/09/2006	0,1	1000000	100	800
5	IT0004025778	U02577	389023	UC ARGENT C12,5 ST06	ARGENTO	Call	12,5	15/09/2006	0,1	1000000	100	150
6	IT0004025786	U02578	389024	UC ARGENT C13 ST06	ARGENTO	Call	13	15/09/2006	0,1	1000000	100	150
7	IT0004025794	U02579	389025	UC ARGENT P10 DC06	ARGENTO	Put	10	15/12/2006	0,1	1000000	100	1500
8	IT0004025802	U02580	389026	UC ARGENT P11 DC06	ARGENTO	Put	11	15/12/2006	0,1	1000000	100	800
9	IT0004025810	U02581	389027	UC ARGENT C12 DC06	ARGENTO	Call	12	15/12/2006	0,1	1000000	100	100
10	IT0004025828	U02582	389028	UC ARGENT P12 DC06	ARGENTO	Put	12	15/12/2006	0,1	1000000	100	500
11	IT0004025836	U02583	389029	UC ARGENT C13 DC06	ARGENTO	Call	13	15/12/2006	0,1	1000000	100	150
12	IT0004025844	U02584	389030	UC ARGENT C14 DC06	ARGENTO	Call	14	15/12/2006	0,1	1000000	100	150
13	IT0004025851	U02585	389031	UC ORO P550 ST06	ORO	Put	550	15/09/2006	0,01	1000000	100	500
14	IT0004025869	U02586	389032	UC ORO P575 ST06	ORO	Put	575	15/09/2006	0,01	1000000	100	300
15	IT0004025877	U02587	389033	UC ORO C600 ST06	ORO	Call	600	15/09/2006	0,01	1000000	100	50
16	IT0004025885	U02588	389034	UC ORO P600 ST06	ORO	Put	600	15/09/2006	0,01	1000000	100	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 MM</i>
17	IT0004025893	U02589	389035	UC ORO C625 ST06	ORO	Call	625	15/09/2006	0,01	1000000	100	100
18	IT0004025901	U02590	389036	UC ORO C650 ST06	ORO	Call	650	15/09/2006	0,01	1000000	100	100
19	IT0004025919	U02591	389037	UC ORO P500 DC06	ORO	Put	500	15/12/2006	0,01	1000000	100	800
20	IT0004025927	U02592	389038	UC ORO P550 DC06	ORO	Put	550	15/12/2006	0,01	1000000	100	300
21	IT0004025935	U02593	389039	UC ORO C600 DC06	ORO	Call	600	15/12/2006	0,01	1000000	100	50
22	IT0004025943	U02594	389040	UC ORO P600 DC06	ORO	Put	600	15/12/2006	0,01	1000000	100	150
23	IT0004025950	U02595	389041	UC ORO C650 DC06	ORO	Call	650	15/12/2006	0,01	1000000	100	100
24	IT0004025968	U02596	389042	UC ORO C700 DC06	ORO	Call	700	15/12/2006	0,01	1000000	100	100

<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	IT0004025976	U02597	389043	UC FBNDI6 P112 ST06	BUND FUTURE SETTEMBRE 06	Put	112	07/09/2006	0,1	1000000	100	50
2	IT0004025984	U02598	389044	UC FBNDI6 C117 ST06	BUND FUTURE SETTEMBRE 06	Call	117	07/09/2006	0,1	1000000	100	30
3	IT0004025992	U02599	389045	UC FBNDI6 P115 ST06	BUND FUTURE SETTEMBRE 06	Put	115	07/09/2006	0,1	1000000	100	30
4	IT0004026008	U02600	389046	UC FBNDI6 C120 ST06	BUND FUTURE SETTEMBRE 06	Call	120	07/09/2006	0,1	1000000	100	30

Final Terms

dated 20 April 2006

UNICREDITO ITALIANO S.p.A.

(the "**Issuer**")

Issue of Euro 5,169,300 Warrants linked to Commodities
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, the supplemental Prospectus dated 13 February 2006 and the supplemental Prospectus dated 18 April 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 and the website of Borsa Italiana S.p.A at 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 this Final Terms, save as where otherwise expressly provided.

The Issuer (the **Responsible Person**) accepts responsibility for the information contained in this 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 this 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

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| 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: | <ul style="list-style-type: none">(i) The Securities are Warrants(ii) The Securities are Commodities Securities.(iii) The Securities relate to Commodities (the Commodities), as specified in Annex I. See also Annex II for a description of the Commodities. |
| 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: | <ul style="list-style-type: none">(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 issue price per Warrant in relation to each Series is the one specified as such in Annex I. |
| 14. | Issue Date: | 4 May 2006 |

15. Exchange Business Day: Not Applicable

16. Business Day Centre(s): Milan

17. Valuation Date(s): The Maturity Date, as defined in Annex I.

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 Warrant (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:

$$\text{Cash Settlement Amount} = [(\text{Settlement Price} - \text{Exercise Price}) * \text{Parity}] / \text{Exchange Rate}$$

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:

$$\text{Cash Settlement Amount} = [(\text{Exercise Price} - \text{Settlement Price}) * \text{Parity}] / \text{Exchange Rate}$$

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: The applicable rate of exchange for conversion of any amount into the Settlement Currency for the purposes of determining the Cash Settlement Amount is the European Central Bank Settlement Spot Rates, fixing of the exchange rate of the USD against the EUR at 14:15 CET on the Valuation Date, as published on the Reuters page ECB37.

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):	Not Applicable
25.	Exchange(s) and Index Sponsor:	Not Applicable
26.	Related Exchange(s):	Not Applicable
27.	Multiplier:	Not Applicable
28.	Nominal Amount:	Not Applicable
29.	Relevant Asset(s):	Not Applicable
30.	Entitlement:	Not Applicable
31.	Settlement Price:	<p>The Settlement Price of the Commodities, as determined by the Calculation Agent, is:</p> <p>(a) with respect to the Gold Commodity (as defined in Annex II), an amount in USD equal to the <i>London a.m. fixing price</i> for one troy ounce of Gold, as calculated by the London Bullion Market Association on the Valuation Date and published on Reuters at: “GOFO” (Gold);</p> <p>(b) with respect to the Silver Commodity (as defined in Annex II), and an amount in USD equal to the <i>London daily fixing price</i> for one troy ounce of Silver, as calculated by the London Bullion Market Association on the Valuation Date and published on Reuters at: “SIFO” (Silver).</p>
32.	Disrupted Day:	If the Valuation Date is a Disrupted Day, the Settlement Price of the Commodities will be calculated by the Calculation Agent in its good faith and absolute discretion, by taking into account the market conditions, a price of the Commodities estimated on the basis of last announced prices of the Commodities 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:	<p>The Relevant Time for the calculation of the Settlement Price of the Commodities on the Valuation Date is:</p> <p>(a) with respect to the Gold Commodity, the 10.30 a.m. GMT for one troy ounce of Gold; and</p> <p>(b) with respect to the Silver Commodity, the 12.00 a.m. GMT for one troy ounce of Silver.</p>
35.	Currency:	Not Applicable

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| 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.”

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| 39. | Listing: | Application has been made for each Series of Warrants to be listed on the SeDeX of Borsa Italiana S.p.A. |
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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 www.tradinglab.it , 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:	<p>(i) The Warrants are European Style Warrants.</p> <p>(ii) The Warrants are Call Warrants and Put Warrants. See Annex I in relation to each Series of Warrants.</p> <p>(iii) Automatic Exercise applies.</p>
46.	Units:	Warrants must be exercised in Units. Each Unit consists of 100 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:	The Maturity Date. See Annex I in relation to each Series of Warrants. If the Maturity Date is not an Exercise Business Day, the Maturity Date shall be the immediately succeeding Exercise Business Day.
50.	Exercise Period:	Not Applicable
51.	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 “ <i>Use of Proceeds</i> ” 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:

This 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.

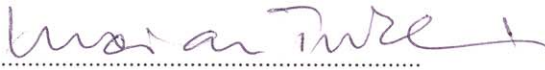
B.5 RESPONSIBILITY:

68.	Responsibility Statement:	The Issuer accepts responsibility for the information contained in this 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
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that such is the case), the information contained in the Prospectus, as amended and/or supplemented by this 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 Commodities**) consists of extracts from or summaries of information that is publicly available on the London Bullion Market Association website at www.lbma.org.uk and on Reuters and is not necessary the latest information available. The Issuer accepts responsibility for accurately extracting and summarising the Information about the Commodities. No further or other responsibility (express or implied) in respect of the Information about the Commodities is accepted by the Issuer.

UniCredito Italiano S.p.A.
As Issuer

By: 
.....
Luciano Tuzzi


By:
Luigi Parrilla

Annex I

Specific Provisions

Series Number UCI	Series Number	Tranche	Commodity	Number of securities being issued	Issue Price	Parity	Call/Put	Issue Price per Unit	Exercise Price	Maturity Date	ISIN Code	ET Code
L1	1	1	ARGENTO	1000000	EUR 0.0159	0.1	Put	EUR 1.59	11	15.09.2006	IT0004025737	U02573
L2	2	1	ARGENTO	1000000	EUR 0.0233	0.1	Put	EUR 2.33	11.5	15.09.2006	IT0004025745	U02574
L3	3	1	ARGENTO	1000000	EUR 0.2542	0.1	Call	EUR 25.42	12	15.09.2006	IT0004025752	U02575
L4	4	1	ARGENTO	1000000	EUR 0.0328	0.1	Put	EUR 3.28	12	15.09.2006	IT0004025760	U02576
L5	5	1	ARGENTO	1000000	EUR 0.2262	0.1	Call	EUR 22.62	12.5	15.09.2006	IT0004025778	U02577
L6	6	1	ARGENTO	1000000	EUR 0.1999	0.1	Call	EUR 19.99	13	15.09.2006	IT0004025786	U02578
L7	7	1	ARGENTO	1000000	EUR 0.0176	0.1	Put	EUR 1.76	10	15.12.2006	IT0004025794	U02579
L8	8	1	ARGENTO	1000000	EUR 0.0333	0.1	Put	EUR 3.33	11	15.12.2006	IT0004025802	U02580
L9	9	1	ARGENTO	1000000	EUR 0.2822	0.1	Call	EUR 28.22	12	15.12.2006	IT0004025810	U02581
L10	10	1	ARGENTO	1000000	EUR 0.0559	0.1	Put	EUR 5.59	12	15.12.2006	IT0004025828	U02582
L11	11	1	ARGENTO	1000000	EUR 0.2338	0.1	Call	EUR 23.38	13	15.12.2006	IT0004025836	U02583
L12	12	1	ARGENTO	1000000	EUR 0.1924	0.1	Call	EUR 19.24	14	15.12.2006	IT0004025844	U02584
L13	13	1	ORO	1000000	EUR 0.0522	0.01	Put	EUR 5.22	550	15.09.2006	IT0004025851	U02585
L14	14	1	ORO	1000000	EUR 0.0912	0.01	Put	EUR 9.12	575	15.09.2006	IT0004025869	U02586
L15	15	1	ORO	1000000	EUR 0.6001	0.01	Call	EUR 60.01	600	15.09.2006	IT0004025877	U02587
L16	16	1	ORO	1000000	EUR 0.1465	0.01	Put	EUR 14.65	600	15.09.2006	IT0004025885	U02588
L17	17	1	ORO	1000000	EUR 0.477	0.01	Call	EUR 47.7	625	15.09.2006	IT0004025893	U02589
L18	18	1	ORO	1000000	EUR 0.3716	0.01	Call	EUR 37.16	650	15.09.2006	IT0004025901	U02590
L19	19	1	ORO	1000000	EUR 0.0331	0.01	Put	EUR 3.31	500	15.12.2006	IT0004025919	U02591
L20	20	1	ORO	1000000	EUR 0.0928	0.01	Put	EUR 9.28	550	15.12.2006	IT0004025927	U02592
L21	21	1	ORO	1000000	EUR 0.7146	0.01	Call	EUR 71.46	600	15.12.2006	IT0004025935	U02593
L22	22	1	ORO	1000000	EUR 0.2031	0.01	Put	EUR 20.31	600	15.12.2006	IT0004025943	U02594
L23	23	1	ORO	1000000	EUR 0.4924	0.01	Call	EUR 49.24	650	15.12.2006	IT0004025950	U02595
L24	24	1	ORO	1000000	EUR 0.3272	0.01	Call	EUR 32.72	700	15.12.2006	IT0004025968	U02596

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Annex II

Information about the Commodities

1. GOLD

1.1. General Description of the underlying

The commodity underlying the Warrants may be the London Good Delivery Gold Bullion (the **Gold Commodity**), as specified in Annex I. The price of the Gold Commodity is quoted in USD per fine troy ounce (31.1035 grams) and is available on Reuters page at [GOFO]: the price is fixed twice a day at 10:30 a.m. and 3:00 p.m. by the London Bullion Market Association. The London Bullion Market Association is the OTC market where the Gold Commodity is listed.

1.2 Historical Commodity Price (based on a.m price fixing)

Year	High (USD)	Low (USD)
2001	292.85	256.7
2002	348.5	277.8
2003	417.25	319.75
2004	455.75	373.5
2005	537.5	411.5
January 2006	569.8	520.75
February 2006	571.85	540.50
March 2006	584.00	545.25

The price of the Gold Commodity on 19 April 2006 was USD 623.75.

Source: www.lbma.org.uk and Reuters

1.3 Further Information

The prices, historical trend and volatility of the Gold Commodity are available at www.tradinglab.it. The current prices of the Gold Commodity are also published daily on “Il Sole 24 Ore”, on www.tradinglab.it and may be requested on any Business Day by calling 800.01.11.22 (call free).

Further information on the Gold Commodity may be obtained from the London Bullion Market Association at the address and website specified below:

The London Bullion Market Association
14 Basinghall Street
London EC2V 5BQ
Telephone: +44 (0)20 7796 3067
Fax: +44 (0)20 7796 2112
Website: www.lbma.org.uk

2. SILVER

2.1 General Description of the underlying

The commodity underlying the Warrants may be the Spot Silver Bullion (the **Silver Commodity**), as specified in Annex I. The price of the Silver Commodity is quoted in USD per fine troy ounce (31.1035 grams) and is available on Reuters page at: [SIFO]: the price is fixed daily at 12 noon by the London Bullion Market Association. The London Bullion Market Association is the OTC market where the Silver Commodity is listed.

2.2 Historical Commodity Price

Year	High (USD)	Low (USD)
2001	4.8200	4.0650
2002	5.0975	4.2350
2003	5.9650	4.3700
2004	8.2900	5.4950
2005	9.2250	6.3900
January 2006	9.9100	8.8300
February 2006	9.8200	9.2000
March 2006	11.7550	9.7875

The price of the Silver Commodity on 19 April 2006 was USD 14.27.

Source: www.lbma.org.uk and Reuters

2.3 Further Information

The prices, historical trend and volatility of the Silver Commodity are available at www.tradinglab.it. The current prices of the Silver Commodity are also published daily on “Il Sole 24 Ore”, on www.tradinglab.it and may be requested on any Business Day by calling 800.01.11.22 (call free).

Further information on the Silver Commodity may be obtained from the London Bullion Market Association at the address and website specified below:

The London Bullion Market Association
14 Basinghall Street
London EC2V 5BQ
Telephone: +44 (0)20 7796 3067
Fax: +44 (0)20 7796 2112
Website: www.lbma.org.uk

Annex III

Special conditions

Method of exercise of the Warrants

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.

Each 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 renouncement notice (a **Renouncement Notice**) must be delivered by facsimile to the Calculation Agent prior to 10.00 a.m. Milan time on the first Business Day following the Maturity Date, at the facsimile number set out in the form of Renouncement Notice attached as Annex IV to these Final Terms. The Holder must deliver the completed Renouncement Notice to his/her intermediary who will be in charge of transmitting such notice by facsimile to the Calculation Agent.

The Calculation Agent and the Issuer shall not apply any charge for the renouncement 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 renouncement 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 Renouncement Form 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 Renouncement 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 Renouncement 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 Renouncement Notice must be equal to one Unit, otherwise the Renouncement 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.

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

Final Terms

dated 20 April 2006

UNICREDITO ITALIANO S.p.A.

(the "**Issuer**")

Issue of Euro 3,515,400 Warrants linked to Government Bond Bund Future September 2006
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, the supplemental Prospectus dated 13 February 2006 and the supplemental Prospectus dated 18 April 2006, which together constitute a prospectus for the purposes of the Prospectus Directive. These 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 and the website of Borsa Italiana S.p.A at 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: | <ul style="list-style-type: none">(i) The Securities are Warrants.(ii) The Securities are Warrants linked to Government Bond Bund Future.(iii) The Securities relate to Government Bond Bund Future due September 2006 (the Bund Future September 2006), as described in Annex II. |
| 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: | <ul style="list-style-type: none">(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 issue price per Warrant in relation to each Series is the one |

specified as such in Annex I.

14. Issue Date: 4 May 2006
15. Exchange Business Day Not Applicable
16. Business Day Centre(s): Milan
17. Valuation Date(s): The Maturity Date, as defined in Annex I.
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 (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):	Not Applicable
25.	Exchange(s) and Index Sponsor:	Not Applicable
26.	Related Exchange(s):	Not Applicable
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 Bund Future September 2006, as determined by the Calculation Agent, is the "final settlement price" of the Bund Future September 2006, as identified and calculated by the Eurex Exchange on the Valuation Date, on www.eurexchange.com , and published on Reuters at FGBL.
32.	Disrupted Day:	<p>If the Valuation Date is a Disrupted Day, the Settlement Price of the Bund Future September 2006 will be calculated by the Eurex Exchange on such date and in such manner according to its applicable regulations.</p> <p>For the purpose of the definition of Disrupted Day under Condition 3, Market Disruption Event shall mean the suspension of or limitation imposed on trading either on any exchange on which the Bund Future September 2006 or any of them (in case of a basket of the Bund Future September 2006) are traded or on any exchange on which options contracts or futures contracts with respect to the Bund Future September 2006 or any of them (in case of a basket of the Bund Future September 2006) are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.</p>
33.	Redemption of underlying of Debt Securities:	Not Applicable
34.	Relevant Time:	The Relevant Time is the time specified by the Eurex Exchange at www.eurexchange.com , on the Valuation Date, for the purpose of calculating the Settlement Price of the Bund Future September 2006.
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.”

- | | | |
|-----|----------|--|
| 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 the 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 www.tradinglab.it , 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:	<p>(i) The Warrants are European Style Warrants.</p> <p>(ii) The Warrants are Call Warrants and Put Warrants. See Annex I in relation to each Series of Warrants.</p> <p>(iii) Automatic Exercise applies.</p>
46.	Units:	Warrants must be exercised in Units. Each Unit consists of 100 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:	The Maturity Date. See Annex I in relation to each Series of Warrants. If the Maturity Date is not an Exercise Business Day, the Maturity Date shall be the immediately succeeding Exercise Business Day.
50.	Exercise Period:	Not Applicable
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 “ <i>Use of Proceeds</i> ” 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 Bund Future September 2006**) consists of extracts from or summaries of information that is publicly available on the website of Eurex Exchange at www.eurexchange.com and on Reuters on FGBL and is not necessary the latest information available. The Issuer accepts responsibility for accurately extracting and summarising the Information about the Bund Future September 2006. No further or other responsibility (express or implied) in respect of the Information about the Bund Future September 2006 is accepted by the Issuer.

UniCredito Italiano S.p.A.
As Issuer

By: 
.....
Luciano Tuzzi


By:
Luigi Parrilla

Annex I

Specific Provisions

Series Number UCI	Series Number	Tranche	Number of Securities being issued	Issue Price	Parity	Call/Put	Issue price per Unit	Exercise Price	Maturity Date	ISIN Code	ET Code
I.25	1	1	1000000	EUR 0.7739	0.1	Put	EUR 77.39	EUR 112	07.09.2006	IT0004025976	U02597
I.26	2	1	1000000	EUR 0.9733	0.1	Call	EUR 97.33	EUR 117	07.09.2006	IT0004025984	U02598
I.27	3	1	1000000	EUR 0.9211	0.1	Put	EUR 92.11	EUR 115	07.09.2006	IT0004025992	U02599
I.28	4	1	1000000	EUR 0.8471	0.1	Call	EUR 84.71	EUR 120	07.09.2006	IT0004026008	U02600

Annex II

Information about the Bund Future September 2006

1. General Description

The Bund Future September 2006 is a derivative future contract, with termination date as at September 2006, linked to the performance of 8,5-10,5 years German Government Bond with an annual fixed coupon equal to 6%.

The Bund Future September 2006 is quoted on the Eurex Exchange, which is the world's leading futures and options exchange and features open, equal, and low-cost electronic access worldwide. In particular, Eurex Exchange operates in three trading phases: (i) the pre-trading phase (07:30 – 08:00), which is the initiating phase, where users may make inquiries or enter, change or delete orders and quotes in preparation for trading; (ii) the main trading phase (08:00 – 22:00), where orders and quotes are matched and transactions are being immediately confirmed online; and (iii) the post-trading phase (22:00 – 22:30), where trading ends and all inquiry functions are available and market, limit or stop trades for the next day may be entered. All clearing functions are available during each trading phase, except the position transfer function, which is only available during the pre- and post-trading phase.

2. Historical Price of the Bund Future September 2006

Month	High (EUR)	Low (EUR)
September 2005	124.35	122.74
October 2005	122.88	120.46
November 2005	121.12	118.97
December 2005	121.33	119.76
January 2006	121.82	119.25
February 2006	120.2	118.95
March 2006	119.55	117.3

The price of the Bund Future September 2006 on 19 April 2006 was EUR 115.79.

Source: www.eurexchange.com and Reuters

3. Further Information

The prices, historical trend and volatility of the Bund Future September 2006 are available at www.tradinglab.it. The current prices of the Bund Future September 2006 are also published daily on “Il Sole 24 Ore”, on www.tradinglab.it and may be requested on any Business Day by calling 800.01.11.22 (call free).

Further information on the Bund Future September 2006 may be obtained from the website of Eurex Exchange at <http://www.eurexchange.com/index.html>.

Annex III

Special conditions

Method of exercise of the Warrants

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.

Each 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 renouncement notice (a Renouncement Notice) must be delivered by facsimile to the Calculation Agent prior to 10.00 a.m. Milan time on the first Business Day following the Maturity Date, at the facsimile number set out in the form of Renouncement Notice attached as Annex IV to these Final Terms. The Holder must deliver the completed Renouncement Notice to his/her intermediary who will be in charge of transmitting such notice by facsimile to the Calculation Agent.

The Calculation Agent and the Issuer shall not apply any charge for the renouncement 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 renouncement 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 Renouncement Form 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 Renouncement 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 Renouncement 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 Renouncement Notice must be equal to one Unit, otherwise the Renouncement 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.

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

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

Emittenti	UniCredito Italiano S.p.A. ("UniCredito") UniCredit Banca Mobiliare S.p.A. ("UBM")
Descrizione di UniCredito:	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.
Descrizione di UBM:	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.
Licenza Bancaria:	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.
Attività di UniCredito:	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 Gruppo).
Attività di UBM:	UBM, leader nei mercati dei capitali in Italia, propone servizi finanziari interbancari a investitori istituzionali e agli intermediari distributori.
Capitalizzazione di UniCredito:	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 – <i>Direttiva UE sul Risparmio</i> " e " <i>Regime fiscale</i> " di seguito.
Quotazione:	<p>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.</p> <p>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.</p>
Restrizioni alla Vendita:	Esistono restrizioni all'offerta, alla vendita e al trasferimento di Titoli. Si veda a tal proposito la sezione " <i>Offerta e Vendita</i> ".
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:	<p>Esistono alcuni fattori che potrebbero incidere sulla capacità da parte dell'Emittente di adempiere ai propri obblighi in relazione ai Titoli oggetto del programma.</p> <p>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</p>

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 Depositary 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 be the first succeeding Valid Date (as defined below) in relation to such

Share
or
originally
Averaging
shall

Index or
has

another
Date in
Trading
eighth
Index
price
of

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 Depositary 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 Depositary 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.