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| AVVISO n.16118 | 08 Novembre 2006 | SeDeX – LEV. CERTIFICATES |
|-----------------------|-------------------------|--------------------------------------|

Mittente del comunicato : Borsa Italiana
Societa' oggetto : UNICREDITO ITALIANO
dell'Avviso
Oggetto : Inizio negoziazione leverage certificates
"Unicredito Italiano" emessi nell'ambito di un
programma

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| <i>Testo del comunicato</i> |
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Si veda allegato.

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| <i>Disposizioni della Borsa</i> |
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| Strumenti finanziari: | “Turbo e Short Certificates su indici azionari con scadenza 16.03.2007” | | |
| Emittente: | UniCredito Italiano S.p.A. | | |
| Rating Emittente: | Società di Rating | Long Term | Data Report |
| | Moody's | A1 | dic 2005 |
| | Standard & Poor's | A+ | 13/03/2006 |
| | Fitch | A+ | 01/12/2005 |
| Oggetto: | INIZIO NEGOZIAZIONI IN BORSA | | |
| Data di inizio negoziazioni: | 9 novembre 2006 | | |
| Mercato di quotazione: | Borsa - Comparto SEDEX, <i>“segmento leverage certificates”</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

Turbo Certificates su indici azionari

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|--|---|
| Certificates in negoziazione: | tutte le serie ad esclusione della serie n. 8 |
| Quantitativo minimo di negoziazione di ciascuna serie: | vedasi scheda riepilogativa delle caratteristiche dei certificates (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 certificates (colonna “N.Lotti M.M.”) |
| Tipo di liquidazione: | monetaria |
| Modalità di esercizio: | europeo |

Short Certificates su indici azionari

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|--|---|
| Certificates in negoziazione: | tutte le serie |
| Quantitativo minimo di negoziazione di ciascuna serie: | vedasi scheda riepilogativa delle caratteristiche dei certificates (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 certificates (colonna “N.Lotti M.M.”) |
| Tipo di liquidazione: | monetaria |
| Modalità di esercizio: | europeo |

DISPOSIZIONI DELLA BORSA ITALIANA

Dal giorno 9 novembre 2006 tutte le serie ad esclusione della serie n. 8 dei Turbo Certificates su indici azionari e tutte le serie degli Short Certificates su indici azionari, verranno inserite nel Listino Ufficiale, sezione Securitised Derivatives.

Allegati:

- Schede riepilogative delle caratteristiche dei certificates;
- Final Terms dei certificates;
- Nota di Sintesi e Terms and Conditions dei certificates.

| <i>Serie</i> | <i>Isin</i> | <i>Sigla</i> | <i>SIA</i> | <i>Descrizione</i> | <i>Sottostante</i> | <i>Tipo</i> | <i>Strike</i> | <i>Scad.</i> | <i>Multi.</i> | <i>Ammontare</i> | <i>Lotto Neg.</i> | <i>NLottiMM</i> | <i>Note</i> | <i>StopLoss</i> |
|--------------|--------------|--------------|------------|----------------------|--------------------|-------------|---------------|--------------|---------------|------------------|-------------------|-----------------|-------------|-----------------|
| 1 | IT0004127269 | UI0643 | 409930 | UC DAX TB5400 MZ07 | DAX | Bull | 5400 | 16/03/2007 | 0,001 | 1000000 | 100 | 30 | Turbo | 5562 |
| 2 | IT0004127277 | UI0644 | 409931 | UC DAX TB5500 MZ07 | DAX | Bull | 5500 | 16/03/2007 | 0,001 | 1000000 | 100 | 30 | Turbo | 5665 |
| 3 | IT0004127285 | UI0645 | 409932 | UC DAX TB5600 MZ07 | DAX | Bull | 5600 | 16/03/2007 | 0,001 | 1000000 | 100 | 50 | Turbo | 5768 |
| 4 | IT0004127293 | UI0646 | 409933 | UC DAX TB5700 MZ07 | DAX | Bull | 5700 | 16/03/2007 | 0,001 | 1000000 | 100 | 50 | Turbo | 5871 |
| 5 | IT0004127343 | UI0651 | 409934 | UC SPMIB TB36000MZ07 | S&P/MIB | Bull | 36000 | 16/03/2007 | 0,0001 | 1000000 | 100 | 100 | Turbo | 37080 |
| 6 | IT0004127350 | UI0652 | 409935 | UC SPMIB TB37000MZ07 | S&P/MIB | Bull | 37000 | 16/03/2007 | 0,0001 | 1000000 | 100 | 100 | Turbo | 38110 |
| 7 | IT0004127368 | UI0653 | 409936 | UC SPMIB TB38000MZ07 | S&P/MIB | Bull | 38000 | 16/03/2007 | 0,0001 | 1000000 | 100 | 150 | Turbo | 39140 |

| <i>Serie</i> | <i>Isin</i> | <i>Sigla</i> | <i>SIA</i> | <i>Descrizione</i> | <i>Sottostante</i> | <i>Tipo</i> | <i>Strike</i> | <i>Scad.</i> | <i>Multi.</i> | <i>Ammontare</i> | <i>Lotto Neg.</i> | <i>NLottiMM</i> | <i>Note</i> | <i>StopLoss</i> |
|--------------|--------------|--------------|------------|----------------------|--------------------|-------------|---------------|--------------|---------------|------------------|-------------------|-----------------|-------------|-----------------|
| 1 | IT0004127301 | UI0647 | 409922 | UC DAX SH6700 MZ07 | DAX | Bear | 6700 | 16/03/2007 | 0,001 | 1000000 | 100 | 100 | Short | 6499 |
| 2 | IT0004127319 | UI0648 | 409923 | UC DAX SH6800 MZ07 | DAX | Bear | 6800 | 16/03/2007 | 0,001 | 1000000 | 100 | 50 | Short | 6596 |
| 3 | IT0004127327 | UI0649 | 409924 | UC DAX SH6900 MZ07 | DAX | Bear | 6900 | 16/03/2007 | 0,001 | 1000000 | 100 | 50 | Short | 6693 |
| 4 | IT0004127335 | UI0650 | 409925 | UC DAX SH7000 MZ07 | DAX | Bear | 7000 | 16/03/2007 | 0,001 | 1000000 | 100 | 50 | Short | 6790 |
| 5 | IT0004127384 | UI0655 | 409926 | UC SPMIB SH43000MZ07 | S&P/MIB | Bear | 43000 | 16/03/2007 | 0,0001 | 1000000 | 100 | 100 | Short | 41710 |
| 6 | IT0004127392 | UI0656 | 409927 | UC SPMIB SH44000MZ07 | S&P/MIB | Bear | 44000 | 16/03/2007 | 0,0001 | 1000000 | 100 | 100 | Short | 42680 |
| 7 | IT0004127400 | UI0657 | 409928 | UC SPMIB SH45000MZ07 | S&P/MIB | Bear | 45000 | 16/03/2007 | 0,0001 | 1000000 | 100 | 50 | Short | 43650 |
| 8 | IT0004127418 | UI0658 | 409929 | UC SPMIB SH46000MZ07 | S&P/MIB | Bear | 46000 | 16/03/2007 | 0,0001 | 1000000 | 100 | 50 | Short | 44620 |

Final Terms

Dated 26 October 2006

UNICREDITO ITALIANO S.p.A.

(the "**Issuer**")

Issue of Euro 4,292,937 Turbo Certificates linked to Indices
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, the supplemental Prospectus dated 18 April 2006 and the supplemental Prospectus dated 06 June 2006, the supplemental Prospectus dated 14 July 2006, the supplemental Prospectus dated 18 August 2006 and the supplemental Prospectus dated 27 October 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 Certificates 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 Certificates is as specified in Annex I. |
| 3. Tranche: | The Tranche of each Series of Certificates 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 Certificates.(ii) The Securities are Index Certificates.(iii) The Securities relate to indices (the Index or the Indices), as specified in Annex I. See also Annex II for a description of the Indices. |
| 7. Form of Securities: | No Certificates in definitive form will be issued in relation to any Series. No physical document of title will be issued to represent the Certificates of any Series. On issue, the Certificates of each Series will be registered in the books of Monte Titoli. The Certificates 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: | <p>Application has been made for the Certificates of each Series to be admitted to trading on the SeDeX of Borsa Italiana S.p.A.</p> <p>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 Certificates 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..</p> |
| 11. Averaging: | Not Applicable |
| 12. Number of Securities being issued: | See Annex I in relation to each Series of Certificates. |
| 13. Issue Price: | The indicative issue price per Certificates in relation to each Series is the one specified as such in Annex I. |
| 14. Issue Date: | 9 November 2006 |

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| 15. Exchange Business Day | As set out in Condition 3 |
| 16. Business Day Centre(s): | Milan |
| 17. Valuation Date(s): | <p>The date, as determined by the Calculation Agent is:</p> <ul style="list-style-type: none"> (a) in case a Stop Loss Event occurs during the Observation Period, the Stop Loss Day; (b) in case a Stop Loss Event has never occurred during the Observation Period, the Maturity Date of the Certificates (as defined in Annex I). <p>Stop Loss Event means an event, during the Observation Period, that results in:</p> <ul style="list-style-type: none"> - with respect to the DAX Index, the intraday auction price of the DAX Index (released at 13.00) being equal or lower than the Stop Loss; - with respect to the S&P/MIB Index, the opening or closing price of the S&P/MIB Index being equal or lower than the Stop Loss. <p>Stop Loss Day means the first day of the Observation Period in which a Stop Loss Event occurs.</p> <p>Observation Period means every Business Day (which is not a Disrupted Day) from and including the Issue Date to and including the earlier of one Business Day immediately preceding the Maturity Date and the Stop Loss Day.</p> <p>Stop Loss means the level indicated as such in Annex I in relation to each Series.</p> |
| 18. Settlement: | Settlement will be by way of cash payment. |
| 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: | <p>The relevant Exchange is:</p> <ul style="list-style-type: none"> - with respect to the DAX Index, Xetra; - with respect to the S&P/MIB Index, Borsa Italiana S.p.A.. |

The relevant Index Sponsor is:

- with respect to the DAX Index, Deutsche Börse AG (www.deutsche-boerse.com);
- with respect to the S&P/MIB Index, Standard and Poor's Corp. (www.standardandpoors.com).

26. Related Exchange(s):

The Related Exchange is:

- with respect to the DAX Index, EUREX Frankfurt AG Deutsche Börse AG (www.eurexchange.com);
- with respect to the S&P/MIB Index, IDEM of Borsa Italiana S.p.A. (www.borsaitalia.it).

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, as determined by the Calculation Agent, is:

- with respect to the DAX Index, the intraday auction price of the Index (released at 13.00), as established by the relevant Related Exchange on the Valuation Date at www.eurexchange.com;
- with respect to the S&P/MIB Index, the official opening price of the Index, as established by the relevant Related Exchange on the Valuation Date at www.borsaitalia.it;

In case of delisting of the relevant options contracts related to each Index listed on the relevant Related Exchange, at any time between the Issue Date and the Maturity Date (both included) of any Series of Certificates, the Settlement Price will be an official price of the Index calculated by the relevant Index Sponsor on the Valuation Date. The Calculation Agent will notify the Holders of the Settlement Price of the Index used for the purpose of calculating the Cash Settlement Amount.

32. Disrupted Day:

In relation to each Series of Warrants, if the Valuation Date is a Disrupted Day, the Settlement Price of the relevant Index will be the one established for the same purpose by the relevant Related Exchange on such date and in such manner according to its applicable regulations.

If the relevant Related Exchange does not establish the Settlement Price of the relevant Index within eight Scheduled Trading Days immediately following the Valuation Date:

- (i) that eight Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and
- (ii) the Calculation Agent shall calculate the Settlement Price in its good faith and absolute discretion, by taking into account the market conditions, a price of the Index estimated on the basis of last announced prices of the components 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: In relation to each Series of Certificates, the Relevant Time for the calculation of the Settlement Price of the relevant Index is the relevant scheduled time specified by the relevant Related Exchange on the Valuation Date.

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 Certificates with respect to the exercise of such Certificates 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 Certificates, provided that:

(i) the New Issuer assumes all obligations of the Issuer in relation to the Holders under or in connection with the Certificates;

(ii) the New Issuer has obtained all necessary authorizations, if any, by the competent authorities, under which the New Issuer may perform all obligations arising under or in connection with the Certificates and transfer payments to the Paying Agent; and

(iii) the Issuer unconditionally and irrevocably guarantees the obligations of the New Issuer, except in the case where the Issuer is UniCredit Banca Mobiliare S.p.A. and the New Issuer is UniCredito Italiano S.p.A. in which case such

guarantee is not required.

- (2) In case of any such substitution of the Issuer, any reference in these Conditions to the Issuer shall be construed as a reference to the New Issuer.
- (3) The substitution of the Issuer shall be final, binding and conclusive on the Holders and will be notified to the Holders without undue delay in accordance with Condition 10.
- (4) In connection with such right of substitution the Issuer shall not be obliged to have regard to the consequences of the exercise of such right for individual Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and no Holder shall be entitled to claim from the Issuer or New Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such Holder."

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

"If the Issuer redeems the Certificates early then the Issuer will, if and to the extent permitted by applicable law, pay to each Holder in respect of each Certificate held by such Holder an amount equal to the fair market value of a Certificate, notwithstanding such illegality, as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10."

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

"on giving notice to Holders in accordance with Condition 10, the Issuer shall redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Index Adjustment Event, 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."

The following paragraph shall be added to Condition 15(A)(2)(b) (Modification and Cancellation of an Index) and numerated as (iii):

"the Calculation Agent shall determine whether such Index Modification has a diluting or concentrative effect on the value of the Index and, if so, will (i) make the corresponding adjustment, if any, to any one or more of 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 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 Index Adjustment Event made by an options exchange to options

on the Index traded on that options exchange; or”

39. Listing: Application has been made for each Series of Certificates to be listed on the SeDeX of Borsa Italiana S.p.A.
40. Additional Selling Restrictions: Not Applicable
41. Syndication: Not Applicable
42. Additional or Alternative Clearing System: All the transactions of each Series of Certificates 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 published by the Calculation Agent on the website www.tradinglab.it. In the case the notices have been published both by Borsa Italiana S.p.A. and the Calculation Agent, such notices will be considered valid from the date of publication of Borsa Italiana S.p.A..
44. Governing law of the Securities: Italian law

A.2 PROVISIONS RELATING TO CERTIFICATES

45. Redemption Date: The Redemption Date in relation to each Series of Certificates is the fifth Business Day after the Valuation Date.
- The exercise of the Certificates of each Series is automatic at the Maturity Date of the Certificates (as defined in Annex I).
- The Holder has the right to renounce to the exercise of the Certificates according to the procedures set out in Annex III.
- Condition 5 shall apply as so amended.
46. Cash Settlement Amount: Subject as set out in the Conditions (as supplemented and/or amended by these Final Terms), the Issuer will pay the Cash Settlement Amount to the Holders on the Redemption Date.

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

1. if a Stop Loss Event has never occurred during the Observation Period, Holders will receive in relation to each Certificate amount in EUR calculated in accordance with the following formula:

$$\text{Cash Settlement Amount} = (\text{Settlement Price} - \text{Strike}) \times \text{Parity}$$

where:

Strike means the value indicated as such in Annex I in relation to each Series.

Parity means the value indicated as such in Annex I in

relation to each Series and shall only be used in connection with the calculation of the Cash Settlement Amount pursuant to this paragraph 46.

2. If a Stop Loss Event has occurred during the Observation Period, Holders will receive in relation to each Certificate an amount in EUR calculated in accordance with the following formula:

$$\text{Cash Settlement Amount} = \{ \text{Max}[\text{Stop Loss Price} - \text{Strike}; 0] + \text{Interest} \} \times \text{Parity}$$

Where:

Stop Loss Price means the lowest value of the Index on the Valuation Date.

Interest means the value calculated, by the Calculation Agent, in accordance with the following formula:

$$\text{Interest} = \text{Strike} - \text{Strike} \times e^{[-r \times (T-t)]}$$

where

e means the Nepero number (2,7183);

T means the Maturity Date;

t means the Stop Loss Day, such that $T > t$;

r means the risk-free interest rate calculated by the Calculation Agent using the interpolation between the two EURIBOR rates (as published on the Reuters page EURIBOR) with the lowest and highest duration respectively in relation to the Maturity Date of the Certificates.

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

| | |
|--|----------------|
| 47. Settlement Business Day: | Not Applicable |
| 48. Notional Amount of each Certificate: | Not Applicable |
| 49. Interest Payment Dates: | Not Applicable |
| 50. Interest Rate: | Not Applicable |
| 51. Interest Rate Day Count Fraction: | Not Applicable |

PART B - OTHER INFORMATION

B.1 DISTRIBUTION:

| | |
|--|---|
| 52. If syndicated, names and addresses of Managers and underwriting commitments: | Not Applicable |
| 53. Date of [Subscription] Agreement: | Not Applicable |
| 54. Stabilising Manager (if any): | Not Applicable |
| 55. If non-syndicated, name and address of | The Certificates of each Series shall be available for trading on Borsa |

Manager: Italiana S.p.A. once the Certificates have been admitted to trading by such exchange.

56. Total commission and concession: Not Applicable

57. Condition of the offer: Not Applicable

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

58. (i) Reasons for the offer: See “*Use of Proceeds*” in the Prospectus.

59. (ii) Estimated net proceeds: Not Applicable

60. (iii) Estimated total expenses: Not Applicable

B.3 OPERATIONAL INFORMATION:

61. ISIN Code: See Annex I in relation to each Series of Certificates. Each Series of Certificates is also identified by the ET Code, as specified in Annex I.

62. Common Code: Not Applicable

63. Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s): The Certificates 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 Certificates of each Series will at all times be in book-entry form and title to Certificates 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 Certificates.

64. Delivery: Delivery free of payment. The Certificates 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 Certificates to its account with Monte Titoli.

65. 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 Certificates described herein pursuant to the Warrant and Certificate Programme.

B.5 RESPONSIBILITY:

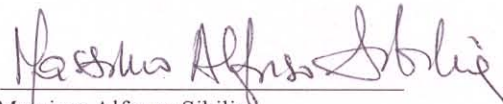
66. Responsibility Statement: The Issuer accepts responsibility for the information contained in these Final Terms subject as provided below. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in the Prospectus, as amended and/or supplemented by these Final Terms in relation to the Certificates, is (subject as provided below) true and accurate in all

material aspects and, in the context of the issue of each Series of Certificates, 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 Indices**) consists of extracts from or summaries of information that is publicly available on the relevant websites of the Index Sponsor and is not necessary the latest information available. The Issuer accepts responsibility for accurately extracting and summarising the Information about the Indices. No further or other responsibility (express or implied) in respect of the Information about the Indices is accepted by the Issuer.

UniCredito Italiano S.p.A.

As Issuer

By: 
Massimo Alfonso Sibilio

By: 
Maurizio Giuseppe Bossi

Annex I

Specific Provision

| Series Number UCI | Series Number | Tranche | Indices | Number of Securities being issued | Issue Price | Maturity Date | Stop Loss | Strike | Parity | ISIN Code | ET Code | Minimum Exercise Number |
|-------------------|---------------|---------|---------|-----------------------------------|-------------|---------------|-----------|-----------|--------|--------------|---------|-------------------------|
| I.50 | 1 | 1 | DAX | 1000000 | EUR 0.9554 | 16.03.2007 | EUR 5562 | EUR 5400 | 0.001 | IT0004127269 | UI0643 | 100 |
| I.51 | 2 | 1 | DAX | 1000000 | EUR 0.8539 | 16.03.2007 | EUR 5665 | EUR 5500 | 0.001 | IT0004127277 | UI0644 | 100 |
| I.52 | 3 | 1 | DAX | 1000000 | EUR 0.7523 | 16.03.2007 | EUR 5768 | EUR 5600 | 0.001 | IT0004127285 | UI0645 | 100 |
| I.53 | 4 | 1 | DAX | 1000000 | EUR 0.6508 | 16.03.2007 | EUR 5871 | EUR 5700 | 0.001 | IT0004127293 | UI0646 | 100 |
| I.54 | 5 | 1 | S&P/MIB | 1000000 | EUR 0.4219 | 16.03.2007 | EUR 37080 | EUR 36000 | 0.0001 | IT0004127343 | UI0651 | 100 |
| I.55 | 6 | 1 | S&P/MIB | 1000000 | EUR 0.3207 | 16.03.2007 | EUR 38110 | EUR 37000 | 0.0001 | IT0004127350 | UI0652 | 100 |
| I.56 | 7 | 1 | S&P/MIB | 1000000 | EUR 0.2196 | 16.03.2007 | EUR 39140 | EUR 38000 | 0.0001 | IT0004127368 | UI0653 | 100 |
| I.57 | 8 | 1 | S&P/MIB | 1000000 | EUR 0.1183 | 16.03.2007 | EUR 40170 | EUR 39000 | 0.0001 | IT0004127376 | UI0654 | 100 |

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Annex II

Information about the Indices

1. DAX Index

1.1 Composition

The composition of the Index is available on the website www.deutsche-boerse.com.

As of 26 October 2006 the basket of shares composing the Index is the following:

| Company Name | RIC Reuters |
|---------------------|--------------------|
| ALTANA | ALTG.DE |
| Allianz | ALVG.DE |
| BASF AG | BASF.DE |
| BMW | BMWG.DE |
| Bayer AG | BAYG.DE |
| Commerzbank | CBKG.DE |
| Continental AG | CONG.DE |
| DaimlerChrysler | DCXGn.DE |
| Deutsche Bank | DBGn.DE |
| Deutsche Borse | DB1Gn.DE |
| Deutsche Post | DPWGn.DE |
| Deutsche Postbnk | DPBGn.DE |
| Deutsche Telekom | DTEGn.DE |
| E.ON | EONG.DE |
| Fresenius Medi | FMEG.DE |
| Henkel KGaA | HNKG_p.DE |
| Hypo RI Estate | HRXG.DE |
| Infineon Technol | IFXGn.DE |
| Linde AG | LING.DE |
| Lufthansa | LHAG.DE |
| MAN | MANG.DE |
| Metro AG | MEOG.DE |
| Munich Re | MUVGn.DE |
| RWE | RWEG.DE |
| SAP AG | SAPG.DE |
| Siemens AG | SIEGn.DE |
| TUI AG | TUIGn.DE |
| ThyssenKrupp | TKAG.DE |
| Volkswagen | VOWG.DE |
| adidas | ADSG.DE |

1.2 Product information

The DAX® reflects the German blue chip segment comprising the largest and most actively traded German companies that are listed at the Frankfurt Stock Exchange (FWB®). Its 30 component issues have been admitted to the Prime Standard Segment. The DAX® was conceived as the successor to the 'Börsen-Zeitung Index', with a historical time series dating back until 1959.

1.3 Price dissemination

The Index is calculated by Deutsche Boerse AG on any Business Day and the values are published on the Deutsche Boerse's website (www.deutsche-boerse.com), on the main info-provider systems such as

Reuters (at the page: .GDAXI), on the most accredited financial newspapers (IISole24Ore, MF) and on the Calculation Agent website www.tradinglab.com and may be requested on any Business Day by calling: 800.01.11.22 (call free).

Historical prices and volatility of the Index will be available on the website www.tradinglab.com in connection with each Security issued under these Final Terms.

1.4 Disclaimer

This financial instrument is neither sponsored nor promoted, distributed or in any other manner supported by Deutsche Börse AG (the "Licensor"). The Licensor does not give any explicit or implicit warranty or representation, neither regarding the results deriving from the use of the Index and/or the Index Trademark nor regarding the Index value at a certain point in time or on a certain date nor in any other respect. The Index is calculated and published by the Licensor. Nevertheless, as far as admissible under statutory law the Licensor will not be liable vis-à-vis third parties for potential errors in the Index. Moreover, there is no obligation for the Licensor vis-à-vis third parties, including investors, to point out potential errors in the Index.

Neither the publication of the Index by the Licensor nor the granting of a license regarding the Index as well as the Index Trademark for the utilization in connection with the financial instrument or other securities or financial products, which derived from the Index, represents a recommendation by the Licensor for a capital investment or contains in any manner a warranty or opinion by the Licensor with respect to the attractiveness on an investment in this product.

In its capacity as sole owner of all rights to the Index and the Index Trademark the Licensor has solely licensed to the issuer of the financial instrument the utilization of the Index and the Index Trademark as well as any reference to the Index and the Index Trademark in connection with the financial instrument.

2. S&P/MIB Index

2.1 Composition

The composition of the Index is available on the website www.standardandpoors.com.

As of 26 October 2006 the basket of shares composing the Index is the following:

| ISIN | Stock Name | Stock Ticker |
|--------------|-------------------------------------|--------------|
| IT0001233417 | AEM SPA | AEM |
| IT0003918577 | Alitalia | AZA |
| IT0000078193 | Alleanza Assicurazioni | AL |
| IT0000062072 | Assicurazioni Generali SpA | G |
| IT0001137345 | Autogrill SpA | AGL |
| IT0003506190 | Autostrade SpA | AUTO |
| IT0000072618 | Banca Intesa Spa | BIN |
| IT0001334587 | Banca Monte dei Paschi di Siena SpA | BMPS |
| IT0000064482 | Banca Popolare di Milano Scrl | PMI |
| IT0000064300 | Banca Popolare Italiana | BPI |
| IT0003487029 | Banche Popolari Unite Scrl | BPU |
| IT0003262513 | Banco Popolare di Verona e Novara | BPVN |
| IT0001119087 | Bulgari SpA | BUL |
| IT0003121495 | Capitalia SpA | CAP |
| IT0003128367 | Enel SpA | ENEL |
| IT0003132476 | ENI SpA | ENI |
| IT0001423562 | Fastweb | FWB |
| IT0001976403 | FIAT Spa | F |
| IT0003856405 | Finmeccanica SpA | FNC |
| IT0001463071 | Fondiaria SAI | FSA |
| IT0001398541 | Gruppo Editoriale L'Espresso SpA | ES |
| IT0001465159 | Italcementi SpA | IT |

| | | |
|--------------|---------------------------------|-----|
| IT0003990402 | Lottomatica SpA | LTO |
| IT0001479374 | Luxottica SPA | LUX |
| IT0001063210 | Mediaset SpA | MS |
| IT0000062957 | Mediobanca SpA | MB |
| IT0001279501 | Mediolanum SpA | MED |
| IT0001469383 | Mondadori (Arnoldo) Editore SpA | MN |
| IT0003826473 | Parmalat SpA | PLT |
| IT0000072725 | Pirelli & C. SPA | PC |
| IT0000068525 | Saipem SPA | SPM |
| IT0001269361 | San Paolo-IMI SpA | SPI |
| IT0003479638 | Seat Pagine Gialle SPA | PG |
| IT0003153415 | Snam Rete Gas | SRG |
| NL0000226223 | ST Microelectronics NV (Italy) | STM |
| IT0003497168 | Telecom Italia SPA | TIT |
| LU0156801721 | Tenaris | TEN |
| IT0003242622 | Terna SPA | TRN |
| IT0000064854 | UniCredito Italiano SpA | UC |
| IT0001074571 | Unipol – Ordinary Shares | UNI |

2.2 Product information

The S&P/MIB, developed by Standard & Poor's and Borsa Italiana, is the benchmark index for the Italian equity markets. Capturing approximately 80% of the domestic market capitalisation and free float, the index is comprised of highly liquid, leading companies across leading economic sectors in Italy.

The index constituent count is currently 40 stocks. The number of S&P/MIB constituents is not fixed.

The S&P/MIB Index Committee, composed of members from Borsa Italiana and Standard & Poor's, is responsible for selecting the constituent companies and monitoring the ongoing composition of the index.

Companies themselves play no role in the selection process and are not consulted regarding their inclusion in any index. The S&P/MIB Index Committee reserves the right to change the number of constituents in the S&P/MIB Index after due analysis and consideration and with ample notice to the market.

2.3 Price dissemination

The Index is calculated by Standard and Poor's Corp. on any Business Day and the values are published on the Standard and Poor's website (www.standardandpoors.com), on the main info-provider systems such as Reuters (at the page: .SPMIB), on the most accredited financial newspapers (IlSole24Ore, MF) and on the Calculation Agent website www.tradinglab.com and may be requested on any Business Day by calling: 800.01.11.22 (call free).

Historical prices and volatility of the Index will be available on the website www.tradinglab.com in connection with each Security issued under these Final Terms.

2.4 Disclaimer

The Product is not sponsored, endorsed, sold or promoted by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P®") or Borsa Italiana S.p.A. ("BI"). S&P and BI make no representation, condition or warranty, express or implied, to the owners of the Product or any member of the public regarding the advisability of investing in securities generally or in the Product particularly or the ability of the S&P/MIB to track general stock market performance. S&P's only relationship to Licensee is the licensing of certain trademarks and trade names of S&P and the BI and/or of the S&P/MIB which is determined, composed and calculated by S&P without regard to Licensee or the Product. S&P and BI have no obligation to take the needs of Licensee or the owners of the Product

into consideration in determining, composing or calculating the S&P/MIB. S&P and BIt are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Product to be issued or in the determination or calculation of the equation by which the Product is to be converted into cash. S&P and BIt have no obligation or liability in connection with the administration, marketing or trading of the Product.

S&P AND BIt SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE S&P INDEXES FROM SOURCES THAT S&P CONSIDERS RELIABLE, BUT S&P AND BIt ACCEPT NO RESPONSIBILITY FOR, AND SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS THEREIN. S&P AND BIt DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P INDEXES OR ANY DATA INCLUDED THEREIN. S&P AND BIt MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM THE USE OF THE S&P INDEXES OR ANY DATA INCLUDED THEREIN. S&P AND BIt MAKE NO EXPRESS OR IMPLIED WARRANTIES AND EXPRESSLY DISCLAIM ALL CONDITIONS AND WARRANTIES IMPLIED BY STATUTE, GENERAL LAW OR CUSTOM WITH RESPECT TO THE S&P INDEXES OR ANY DATA INCLUDED THEREIN EXCEPT ANY IMPLIED CONDITION OR WARRANTY THE EXCLUSION OF WHICH WOULD CONTRAVENE ANY STATUTE OR CAUSE ANY PART OF THIS SECTION TO BE VOID.

Annex III

Special conditions

Method of exercise of the Certificates

For the purpose of paragraphs 45 and 46 of these Final Terms, the exercise of each Series of Certificates is automatic at the Maturity Date. Any Cash Settlement Amount shall be credited, on the Redemption 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 Certificates. 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 Certificates are in charge of the Holder.

Each Holder has the right to renounce to the exercise of the relevant Certificates 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, 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 sending it 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 Certificates.

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 Certificates 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 Notice in accordance with the provisions hereof, such Certificates shall be exercised automatically and shall be repaid in the manner set out herein, and the Issuer's obligations in respect of such Certificates shall be discharged and no further liability in respect thereof shall attach to the Issuer.

The number of Certificates specified in the Renouncement Notice must be a multiple of the Minimum Exercise Number (as defined in Annex I), otherwise such number of Certificates so specified shall be rounded down to the preceding multiple of the Minimum Exercise Number (as defined in Annex I) and the Renouncement Notice shall not be considered valid in respect of the Certificates exceeding such rounded number of Certificates.

The minimum number of Certificates specified in the Renouncement Notice must be equal to the Minimum Exercise Number (as defined in Annex I), 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

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

che detiene in custodia i certificates per conto della propria clientela

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

Codice ISIN dei certificates per i quali rinuncia all'esercizio a scadenza:

Numero di certificates per i quali rinuncia all'esercizio a scadenza:

Il sottoscritto è consapevole che la dichiarazione di rinuncia all'esercizio a scadenza non è valida qualora non siano rispettati i requisiti indicati nel Regolamento dei certificates. 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 26 October 2006

UNICREDITO ITALIANO S.p.A.

(the "**Issuer**")

Issue of Euro 4,515,829 Short Certificates linked to Indices
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, the supplemental Prospectus dated 18 April 2006, the supplemental Prospectus dated 06 June 2006, the supplemental Prospectus dated 14 July 2006, the supplemental Prospectus dated 18 August 2006 and the supplemental Prospectus dated 27 October 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 Certificates 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 Certificates is as specified in Annex I. |
| 3. Tranche: | The Tranche of each Series of Certificates 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 Certificates.(ii) The Securities are Index Certificates.(iii) The Securities relate to indices (the Index or the Indices), as specified in Annex I. See also Annex II for a description of the Indices. |
| 7. Form of Securities: | No Certificates in definitive form will be issued in relation to any Series. No physical document of title will be issued to represent the Certificates of any Series. On issue, the Certificates of each Series will be registered in the books of Monte Titoli. The Certificates 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: | <p>Application has been made for the Certificates of each Series to be admitted to trading on the SeDeX of Borsa Italiana S.p.A.</p> <p>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 Certificates 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..</p> |
| 11. Averaging: | Not Applicable |
| 12. Number of Securities being issued: | See Annex I in relation to each Series of Certificates. |
| 13. Issue Price: | The indicative issue price per Certificates in relation to each Series is the one specified as such in Annex I. |
| 14. Issue Date: | 9 November 2006 |

| | |
|---|---|
| 15. Exchange Business Day | As set out in Condition 3 |
| 16. Business Day Centre(s): | Milan |
| 17. Valuation Date(s): | <p>The date, as determined by the Calculation Agent is:</p> <ul style="list-style-type: none"> (a) in case a Stop Loss Event occurs during the Observation Period, the Stop Loss Day; (b) in case a Stop Loss Event has never occurred during the Observation Period, the Maturity Date of the Certificates (as defined in Annex I). <p>Stop Loss Event means an event, during the Observation Period, that results in:</p> <ul style="list-style-type: none"> - with respect to the DAX Index, the intraday auction price of the DAX Index (released at 13.00) being equal or lower than the Stop Loss; - with respect to the S&P/MIB Index, the opening or closing price of the S&P/MIB Index being equal or higher than the Stop Loss. <p>Stop Loss Day means the first day of the Observation Period in which a Stop Loss Event occurs.</p> <p>Observation Period means every Business Day (which is not a Disrupted Day) from and including the Issue Date to and including the earlier of one Business Day immediately preceding the Maturity Date and the Stop Loss Day.</p> <p>Stop Loss means the level indicated as such in Annex I in relation to each Series.</p> |
| 18. Settlement: | Settlement will be by way of cash payment. |
| 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: | <p>The relevant Exchange is:</p> <ul style="list-style-type: none"> - with respect to the DAX Index, Xetra.; - with respect to the S&P/MIB Index, Borsa Italiana S.p.A. <p>The relevant Index Sponsor is:</p> |

- with respect to the DAX Index, Deutsche Börse AG (www.deutsche-boerse.com);
- with respect to the S&P/MIB Index, Standard and Poor's Corp. (www.standardandpoors.com).

26. Related Exchange(s):

The Related Exchange is:

- with respect to the DAX Index, the EUREX Frankfurt AG (www.eurexchange.com);
- with respect to the S&P/MIB Index, IDEM of Borsa Italiana S.p.A. (www.borsaitalia.it).

27. Multiplier:

Not Applicable

28. Nominal Amount:

Not Applicable

29. Relevant Asset(s):

Not Applicable

30. Entitlement:

Not Applicable

31. Settlement Price:

In relation to each Series of Certificates, the Settlement Price of the relevant Index, as determined by the Calculation Agent, is:

- with respect to the DAX Index, the intraday auction price of the Index (released at 13.00), as established by the relevant Related Exchange on the Valuation Date at www.eurexchange.com;
- with respect to the S&P/MIB Index, the official opening price of the Index, as established by the relevant Related Exchange on the Valuation Date at www.borsaitalia.it.

In case of delisting of the relevant options contracts related to each Index listed on the relevant Related Exchange, at any time between the Issue Date and the Maturity Date (both included) of any Series of Certificates, the Settlement Price will be an official price of the Index calculated by the relevant Index Sponsor on the Valuation Date. The Calculation Agent will notify the Holders of the Settlement Price of the Index used for the purpose of calculating the Cash Settlement Amount.

32. Disrupted Day:

In relation to each Series of Certificates, if the Valuation Date is a Disrupted Day, the Settlement Price of the relevant Index will be the one established for the same purpose by the relevant Related Exchange on such date and in such manner according to its applicable regulations.

If the relevant Related Exchange does not establish the Settlement Price of the relevant Index within eight Scheduled Trading Days immediately following the Valuation Date:

- (i) that eight Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; and
- (ii) the Calculation Agent shall calculate the Settlement Price in its good faith and absolute discretion, by taking into account the market conditions, a price of the Index estimated on the basis of last announced prices of the components 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: In relation to each Series of Certificates, the Relevant Time for the calculation of the Settlement Price of the relevant Index is the relevant scheduled time specified by the relevant Related Exchange on the Valuation Date.

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 Certificates with respect to the exercise of such Certificates 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 Certificates, provided that:
 - (i) the New Issuer assumes all obligations of the Issuer in relation to the Holders under or in connection with the Certificates;
 - (ii) the New Issuer has obtained all necessary authorizations, if any, by the competent authorities, under which the New Issuer may perform all obligations arising under or in connection with the Certificates and transfer payments to the Paying Agent; and
 - (iii) the Issuer unconditionally and irrevocably guarantees the obligations of the New Issuer, except in the case where the Issuer is UniCredit Banca Mobiliare S.p.A. and the New Issuer is UniCredito Italiano S.p.A. in which case such guarantee is not required.

- (2) In case of any such substitution of the Issuer, any reference in these Conditions to the Issuer shall be construed as a reference to the New Issuer.
- (3) The substitution of the Issuer shall be final, binding and conclusive on the Holders and will be notified to the Holders without undue delay in accordance with Condition 10.
- (4) In connection with such right of substitution the Issuer shall not be obliged to have regard to the consequences of the exercise of such right for individual Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and no Holder shall be entitled to claim from the Issuer or New Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such Holder."

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

"If the Issuer redeems the Certificates early then the Issuer will, if and to the extent permitted by applicable law, pay to each Holder in respect of each Certificate held by such Holder an amount equal to the fair market value of a Certificate, notwithstanding such illegality, as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10."

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

"on giving notice to Holders in accordance with Condition 10, the Issuer shall redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Index Adjustment Event, 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."

The following paragraph shall be added to Condition 15(A)(2)(b) (Modification and Cancellation of an Index) and numerated as (iii):

"the Calculation Agent shall determine whether such Index Modification has a diluting or concentrative effect on the value of the Index and, if so, will (i) make the corresponding adjustment, if any, to any one or more of 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 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 Index Adjustment Event made by an options exchange to options on the Index traded on that options exchange; or"

| | |
|--|--|
| 39. Listing: | Application has been made for each Series of Certificates to be listed on the SeDeX of Borsa Italiana S.p.A. |
| 40. Additional Selling Restrictions: | Not Applicable |
| 41. Syndication: | Not Applicable |
| 42. Additional or Alternative Clearing System: | All the transactions of each Series of Certificates 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 published by the Calculation Agent on the website www.tradinglab.it . In the case the notices have been published both by Borsa Italiana S.p.A. and the Calculation Agent, such notices will be considered valid from the date of publication of Borsa Italiana S.p.A.. |
| 44. Governing law of the Securities: | Italian law |

A.2 PROVISIONS RELATING TO CERTIFICATES

| | |
|-----------------------------|---|
| 45. Redemption Date: | <p>The Redemption Date in relation to each Series of Certificates is the fifth Business Day after the Valuation Date.</p> <p>The exercise of the Certificates of each Series is automatic at the Maturity Date of the Certificates (as defined in Annex I).</p> <p>The Holder has the right to renounce to the exercise of the Certificates according to the procedures set out in Annex III.</p> <p>Condition 5 shall apply as so amended.</p> |
| 46. Cash Settlement Amount: | <p>Subject as set out in the Conditions (as supplemented and/or amended by these Final Terms), the Issuer will pay the Cash Settlement Amount to the Holders on the Redemption Date.</p> |

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

1. if a Stop Loss Event has never occurred during the Observation Period, Holders will receive in relation to each Certificate an amount in EUR calculated in accordance with the following formula:

$$\text{Cash Settlement Amount} = (\text{Strike} - \text{Settlement Price}) \times \text{Parity}$$

Where:

Strike means the value indicated as such in Annex I in relation to each Series.

Parity means the value indicated as such in Annex I in relation to each Series and shall only be used in connection

with the calculation of the Cash Settlement Amount pursuant to this paragraph 46.

2. If a Stop Loss Event has occurred during the Observation Period, Holders will receive in relation to each Certificate an amount in EUR calculated in accordance with the following formula:

$$\text{Cash Settlement Amount} = \{ \text{Max}[(\text{Strike} - \text{Stop Loss Price}); 0] + [\text{Expected dividend}]^* \} \times \text{Parity}$$

Where:

Stop Loss Price means the highest value of the Index on the Valuation Date.

Expected Dividend means, in relation to each Series of Certificates, the sum of the expected dividend amount excluding any dividends paid prior to or on the Stop Loss Day converted into EUR at the Exchange Rate of the relevant Index from the Stop Loss Day to the Maturity Date. The Calculation Agent shall determine the expected dividend amount by taking into account the amount of dividends and the date of the payment of dividends as duly authorised by meeting of the shareholders of the companies comprising the relevant Index and published on Reuters, Bloomberg and any other information distributor of national and international status.

Prior to the date of a meeting of the shareholders or other corporate authorisation of any company comprised the relevant Index, the Calculation Agent shall have regard to the following information:

- with respect to the amount of dividends: the amount of proposed dividends as announced by such companies to their shareholders by means of notices published by Borsa Italiana S.p.A.. In the absence of some official notices, the amount of dividends published by the information provider JCF Group, provided that if the information in relation to such dividend published by JCF Group is materially inconsistent with data published by other information providers, the Calculation Agent will determine the dividend amount based on other available market information selected at its discretion;
- with respect to the date of payment of dividends: the proposed date of payment of dividends as announced by such companies to their shareholders by means of notices published by Borsa Italiana S.p.A.. In the absence of some official notices, the latest dividend date of such companies. If any companies comprising the relevant Index have not previously distributed or declared the distribution of a dividend, the Calculation Agent shall estimate the expected dividend date based on available market information selected at its discretion.

The expected dividend amount varies during the lifetime of each Series of Certificate. The extraordinary dividends do not take part to the amount of the expected dividends. In the case of extraordinary dividends, the relevant Index Sponsor shall adjust the Index in order to cancel their effect.

The Cash Settlement Amount will be rounded to the nearest four decimal places in the relevant Settlement Currency, 0.00005 being rounded upwards.
[(*) if applicable]

| | |
|--|----------------|
| 47. Settlement Business Day: | Not Applicable |
| 48. Notional Amount of each Certificate: | Not Applicable |
| 49. Interest Payment Dates: | Not Applicable |
| 50. Interest Rate: | Not Applicable |
| 51. Interest Rate Day Count Fraction: | Not Applicable |

PART B - OTHER INFORMATION

B.1 DISTRIBUTION:

| | |
|--|---|
| 52. If syndicated, names and addresses of Managers and underwriting commitments: | Not Applicable |
| 53. Date of [Subscription] Agreement: | Not Applicable |
| 54. Stabilising Manager (if any): | Not Applicable |
| 55. If non-syndicated, name and address of Manager: | The Certificates of each Series shall be available for trading on Borsa Italiana S.p.A. once the Certificates have been admitted to trading by such exchange. |
| 56. Total commission and concession: | Not Applicable |
| 57. Condition of the offer: | Not Applicable |

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

| | |
|-------------------------------------|---|
| 58. (i) Reasons for the offer: | See “ <i>Use of Proceeds</i> ” in the Prospectus. |
| 59. (ii) Estimated net proceeds: | Not Applicable |
| 60. (iii) Estimated total expenses: | Not Applicable |

B.3 OPERATIONAL INFORMATION:

| | |
|----------------|---|
| 61. ISIN Code: | See Annex I in relation to each Series of Certificates. Each Series of Certificates is also identified by the ET Code, as specified in Annex I. |
|----------------|---|

62. Common Code: Not Applicable
63. Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s): The Certificates 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 Certificates of each Series will at all times be in book-entry form and title to Certificates 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 Certificates.
64. Delivery: Delivery free of payment. The Certificates 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 Certificates to its account with Monte Titoli.
65. 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 Certificates described herein pursuant to the Warrant and Certificate Programme.

B.5 RESPONSIBILITY:

66. 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 Certificates, is (subject as provided below) true and accurate in all material aspects and, in the context of the issue of each Series of Certificates, 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 Indices**) consists of extracts from or summaries of information that is publicly available on the relevant websites of the Index Sponsor and is not necessary the latest information available. The Issuer accepts responsibility for accurately extracting and summarising the Information about the Indices. No further or other responsibility (express or implied) in respect of the Information about the Indices is accepted by the Issuer.


UniCredito Italiano S.p.A.

As Issuer

By:


Massimo Alfonso Sibilia

By:


Maurizio Giuseppe Bossi

Annex I

Specific Provision

| Series Number UCI | Series Number | Tranche | Indices | Number of Securities being issued | Issue Price | Maturity Date | Stop Loss | Strike | Parity | ISIN Code | ET Code | Minimum Exercise Number |
|----------------------|---------------|---------|---------|--------------------------------------|-------------|---------------|-----------|-----------|--------|--------------|---------|-------------------------|
| I.58 | 1 | 1 | DAX | 1000000 | EUR 0.4437 | 16.03.2007 | EUR 6499 | EUR 6700 | 0.001 | IT0004127301 | UI0647 | 100 |
| I.59 | 2 | 1 | DAX | 1000000 | EUR 0.5467 | 16.03.2007 | EUR 6596 | EUR 6800 | 0.001 | IT0004127319 | UI0648 | 100 |
| I.60 | 3 | 1 | DAX | 1000000 | EUR 0.6497 | 16.03.2007 | EUR 6693 | EUR 6900 | 0.001 | IT0004127327 | UI0649 | 100 |
| I.61 | 4 | 1 | DAX | 1000000 | EUR 0.7527 | 16.03.2007 | EUR 6790 | EUR 7000 | 0.001 | IT0004127335 | UI0650 | 100 |
| I.62 | 5 | 1 | S&P/MIB | 1000000 | EUR 0.3763 | 16.03.2007 | EUR 41710 | EUR 43000 | 0.0001 | IT0004127384 | UI0655 | 100 |
| I.63 | 6 | 1 | S&P/MIB | 1000000 | EUR 0.4792 | 16.03.2007 | EUR 42680 | EUR 44000 | 0.0001 | IT0004127392 | UI0656 | 100 |
| I.64 | 7 | 1 | S&P/MIB | 1000000 | EUR 0.5823 | 16.03.2007 | EUR 43650 | EUR 45000 | 0.0001 | IT0004127400 | UI0657 | 100 |
| I.65 | 8 | 1 | S&P/MIB | 1000000 | EUR 0.6853 | 16.03.2007 | EUR 44620 | EUR 46000 | 0.0001 | IT0004127418 | UI0658 | 100 |

FDT

Annex II

Information about the Indices

1. DAX Index

1.1 Composition

The composition of the Index is available on the website www.deutsche-boerse.com.

As of 26 October 2006 the basket of shares composing the Index is the following:

| Company Name | RIC Reuters |
|------------------|-------------|
| ALTANA | ALTG.DE |
| Allianz | ALVG.DE |
| BASF AG | BASF.DE |
| BMW | BMWG.DE |
| Bayer AG | BAYG.DE |
| Commerzbank | CBKG.DE |
| Continental AG | CONG.DE |
| DaimlerChrysler | DCXGn.DE |
| Deutsche Bank | DBGn.DE |
| Deutsche Borse | DB1Gn.DE |
| Deutsche Post | DPWGn.DE |
| Deutsche Postbnk | DPBGn.DE |
| Deutsche Telekom | DTEGn.DE |
| E.ON | EONG.DE |
| Fresenius Medi | FMEG.DE |
| Henkel KGaA | HNKG_p.DE |
| Hypo RI Estate | HRXG.DE |
| Infineon Technol | IFXGn.DE |
| Linde AG | LING.DE |
| Lufthansa | LHAG.DE |
| MAN | MANG.DE |
| Metro AG | MEOG.DE |
| Munich Re | MUVGn.DE |
| RWE | RWEG.DE |
| SAP AG | SAPG.DE |
| Siemens AG | SIEGn.DE |
| TUI AG | TUIGn.DE |
| ThyssenKrupp | TKAG.DE |
| Volkswagen | VOWG.DE |
| adidas | ADSG.DE |

1.2 Product information

The DAX® reflects the German blue chip segment comprising the largest and most actively traded German companies that are listed at the Frankfurt Stock Exchange (FWB®). Its 30 component issues have been admitted to the Prime Standard Segment. The DAX® was conceived as the successor to the 'Börsen-Zeitung Index', with a historical time series dating back until 1959.

1.3 Price dissemination

The Index is calculated by Deutsche Boerse AG on any Business Day and the values are published on the Deutsche Boerse's website (www.deutsche-boerse.com), on the main info-provider systems such as

Reuters (at the page: .GDAXI), on the most accredited financial newspapers (IISole24Ore, MF) and on the Calculation Agent website www.tradinglab.com and may be requested on any Business Day by calling: 800.01.11.22 (call free).

Historical prices and volatility of the Index will be available on the website www.tradinglab.com in connection with each Security issued under these Final Terms.

1.4 Disclaimer

This financial instrument is neither sponsored nor promoted, distributed or in any other manner supported by Deutsche Börse AG (the "Licensor"). The Licensor does not give any explicit or implicit warranty or representation, neither regarding the results deriving from the use of the Index and/or the Index Trademark nor regarding the Index value at a certain point in time or on a certain date nor in any other respect. The Index is calculated and published by the Licensor. Nevertheless, as far as admissible under statutory law the Licensor will not be liable vis-à-vis third parties for potential errors in the Index. Moreover, there is no obligation for the Licensor vis-à-vis third parties, including investors, to point out potential errors in the Index.

Neither the publication of the Index by the Licensor nor the granting of a license regarding the Index as well as the Index Trademark for the utilization in connection with the financial instrument or other securities or financial products, which derived from the Index, represents a recommendation by the Licensor for a capital investment or contains in any manner a warranty or opinion by the Licensor with respect to the attractiveness on an investment in this product.

In its capacity as sole owner of all rights to the Index and the Index Trademark the Licensor has solely licensed to the issuer of the financial instrument the utilization of the Index and the Index Trademark as well as any reference to the Index and the Index Trademark in connection with the financial instrument.

2. S&P/MIB Index

2.1 Composition

The composition of the Index is available on the website www.standardandpoors.com.

As of 26 October 2006 the basket of shares composing the Index is the following:

| ISIN | Stock Name | Stock Ticker |
|--------------|-------------------------------------|--------------|
| IT0001233417 | AEM SPA | AEM |
| IT0003918577 | Alitalia | AZA |
| IT0000078193 | Alleanza Assicurazioni | AL |
| IT0000062072 | Assicurazioni Generali SpA | G |
| IT0001137345 | Autogrill SpA | AGL |
| IT0003506190 | Autostrade SpA | AUTO |
| IT0000072618 | Banca Intesa Spa | BIN |
| IT0001334587 | Banca Monte dei Paschi di Siena SpA | BMPS |
| IT0000064482 | Banca Popolare di Milano Scrl | PMI |
| IT0000064300 | Banca Popolare Italiana | BPI |
| IT0003487029 | Banche Popolari Unite Scrl | BPU |
| IT0003262513 | Banco Popolare di Verona e Novara | BPVN |
| IT0001119087 | Bulgari SpA | BUL |
| IT0003121495 | Capitalia SpA | CAP |
| IT0003128367 | Enel SpA | ENEL |
| IT0003132476 | ENI SpA | ENI |
| IT0001423562 | Fastweb | FWB |
| IT0001976403 | FIAT Spa | F |
| IT0003856405 | Finmeccanica SpA | FNC |
| IT0001463071 | Fondiaria SAI | FSA |
| IT0001398541 | Gruppo Editoriale L'Espresso SpA | ES |
| IT0001465159 | Italcementi SpA | IT |

| | | |
|--------------|---------------------------------|-----|
| IT0003990402 | Lottomatica SpA | LTO |
| IT0001479374 | Luxottica SPA | LUX |
| IT0001063210 | Mediaset SpA | MS |
| IT0000062957 | Mediobanca SpA | MB |
| IT0001279501 | Mediolanum SpA | MED |
| IT0001469383 | Mondadori (Arnoldo) Editore SpA | MN |
| IT0003826473 | Parmalat SpA | PLT |
| IT0000072725 | Pirelli & C. SPA | PC |
| IT0000068525 | Saipem SPA | SPM |
| IT0001269361 | San Paolo-IMI SpA | SPI |
| IT0003479638 | Seat Pagine Gialle SPA | PG |
| IT0003153415 | Snam Rete Gas | SRG |
| NL0000226223 | ST Microelectronics NV (Italy) | STM |
| IT0003497168 | Telecom Italia SPA | TIT |
| LU0156801721 | Tenaris | TEN |
| IT0003242622 | Terna SPA | TRN |
| IT0000064854 | UniCredito Italiano SpA | UC |
| IT0001074571 | Unipol – Ordinary Shares | UNI |

2.2 Product information

The S&P/MIB, developed by Standard & Poor's and Borsa Italiana, is the benchmark index for the Italian equity markets. Capturing approximately 80% of the domestic market capitalisation and free float, the index is comprised of highly liquid, leading companies across leading economic sectors in Italy.

The index constituent count is currently 40 stocks. The number of S&P/MIB constituents is not fixed.

The S&P/MIB Index Committee, composed of members from Borsa Italiana and Standard & Poor's, is responsible for selecting the constituent companies and monitoring the ongoing composition of the index.

Companies themselves play no role in the selection process and are not consulted regarding their inclusion in any index. The S&P/MIB Index Committee reserves the right to change the number of constituents in the S&P/MIB Index after due analysis and consideration and with ample notice to the market.

2.3 Price dissemination

The Index is calculated by Standard and Poor's Corp. on any Business Day and the values are published on the Standard and Poor's website (www.standardandpoors.com), on the main info-provider systems such as Reuters (at the page: .SPMIB), on the most accredited financial newspapers (IlSole24Ore, MF) and on the Calculation Agent website www.tradinglab.com and may be requested on any Business Day by calling: 800.01.11.22 (call free).

Historical prices and volatility of the Index will be available on the website www.tradinglab.com in connection with each Security issued under these Final Terms.

2.4 Disclaimer

The Product is not sponsored, endorsed, sold or promoted by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P®") or Borsa Italiana S.p.A. ("BI"). S&P and BI make no representation, condition or warranty, express or implied, to the owners of the Product or any member of the public regarding the advisability of investing in securities generally or in the Product particularly or the ability of the S&P/MIB to track general stock market performance. S&P's only relationship to Licensee is the licensing of certain trademarks and trade names of S&P and the BI and/or of the S&P/MIB which is determined, composed and calculated by S&P without regard to Licensee or the Product. S&P and BI have no obligation to take the needs of Licensee or the owners of the Product into consideration in determining, composing or calculating the S&P/MIB. S&P and BI are not

responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Product to be issued or in the determination or calculation of the equation by which the Product is to be converted into cash. S&P and BIt have no obligation or liability in connection with the administration, marketing or trading of the Product.

S&P AND BIt SHALL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE S&P INDEXES FROM SOURCES THAT S&P CONSIDERS RELIABLE, BUT S&P AND BIt ACCEPT NO RESPONSIBILITY FOR, AND SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS THEREIN. S&P AND BIt DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P INDEXES OR ANY DATA INCLUDED THEREIN. S&P AND BIt MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED BY ANY PERSON OR ENTITY FROM THE USE OF THE S&P INDEXES OR ANY DATA INCLUDED THEREIN. S&P AND BIt MAKE NO EXPRESS OR IMPLIED WARRANTIES AND EXPRESSLY DISCLAIM ALL CONDITIONS AND WARRANTIES IMPLIED BY STATUTE, GENERAL LAW OR CUSTOM WITH RESPECT TO THE S&P INDEXES OR ANY DATA INCLUDED THEREIN EXCEPT ANY IMPLIED CONDITION OR WARRANTY THE EXCLUSION OF WHICH WOULD CONTRAVENE ANY STATUTE OR CAUSE ANY PART OF THIS SECTION TO BE VOID.

Annex III

Special conditions

Method of exercise of the Certificates

For the purpose of paragraphs 45 and 46 of these Final Terms, the exercise of each Series of Certificates is automatic at the Maturity Date. Any Cash Settlement Amount shall be credited, on the Redemption 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 Certificates. 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 Certificates are in charge of the Holder.

Each Holder has the right to renounce to the exercise of the relevant Certificates 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 sending it 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 Certificates.

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 Certificates 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 Notice in accordance with the provisions hereof, such Certificates shall be exercised automatically and shall be repaid in the manner set out herein, and the Issuer's obligations in respect of such Certificates shall be discharged and no further liability in respect thereof shall attach to the Issuer.

The number of Certificates specified in the Renouncement Notice must be a multiple of the Minimum Exercise Number (as defined in Annex I), otherwise such number of Certificates so specified shall be rounded down to the preceding multiple of the Minimum Exercise Number (as defined in Annex I) and the Renouncement Notice shall not be considered valid in respect of the Certificates exceeding such rounded number of Certificates.

The minimum number of Certificates specified in the Renouncement Notice must be equal to the Minimum Exercise Number (as defined in Annex I), 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

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

che detiene in custodia i certificates per conto della propria clientela

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

Codice ISIN dei certificates per i quali rinuncia all'esercizio a scadenza:

Numero di certificates per i quali rinuncia all'esercizio a scadenza:

Il sottoscritto è consapevole che la dichiarazione di rinuncia all'esercizio a scadenza non è valida qualora non siano rispettati i requisiti indicati nel Regolamento dei certificates. 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 CERTIFICATES

The following is the text of the Terms and Conditions of the Certificates which, 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, will be attached to each Global Certificate (as defined below). The applicable Final Terms in relation to any issue of Certificates 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 Certificates. The applicable Final Terms (or the relevant provisions thereof) will be attached to each Global Certificate, 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 Certificates will be issued in series (each a **Series**). The Certificates of each Series being intended to be interchangeable with all other Certificates of that Series. Series means a Tranche or Tranches of Certificates 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, Interest Payments Dates and/or and Issue Prices and a Series may comprise Certificates 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 Certificates 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, first payment of interest and nominal amount of the Tranche (where applicable), 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 Certificates described in the applicable Final Terms (in so far as it relates to such series of Certificates) (such Certificates being hereinafter referred to as the **Certificates**) are constituted by a global certificate (the **Global Certificate**) and are issued by the Issuer as specified in the applicable Final Terms and references to the Issuer shall be construed accordingly. If applicable, the Certificates are issued pursuant to an Agency Agreement dated 28 November 2005 (the **Agency Agreement**) between each of the Issuers, Kredietbank S.A. Luxembourggeoise 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 Certificates 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 Certificates, 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 Certificates is attached to the Global Certificates. No Certificates 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 Certificates 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 Certificates. On

issue, the Certificates have been or will be registered in the books of Monte Titoli. The issue of any Certificates may be cancelled at any time until the Certificates are registered in the books of Monte Titoli.

The applicable Final Terms for the Certificates 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 Certificates.

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

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 Certificates 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 Certificates) and the applicable Final Terms, which are binding on them.

1. Type, Title and Transfer

(A) Type

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

The applicable Final Terms will indicate whether settlement shall be by way of cash payment (**Cash Settled Certificates**) or physical delivery (**Physical Delivery Certificates**) and whether Averaging (**Averaging**) will apply to the Certificates. 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. If so specified in the applicable Final Terms, interest shall be payable in respect of the Certificates.

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

Certificates 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 Certificates where the Holder has elected for cash payment will be Cash Settled Certificates and those Certificates where the Holder has elected for physical delivery will be Physical Delivery Certificates. 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.

(B) *Title to Certificates*

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 Certificates (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Principal Agent as the holder of such amount of Certificates for all purposes (and the expressions **Holder** and **Holder of Certificates** and related expressions shall be construed accordingly). Certificates which are represented by a Global Certificate 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 Certificates*

All transactions (including transfers of Certificates) 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.

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 Certificates**

The Certificates 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:

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 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, 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 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 Certificates are Index Certificates relating to a single Index or Share Certificates 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, 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 sub-paragraph (a)(ii) of the definition of "Valuation Date" below;
 - (ii) where the Certificates are Index Certificates relating to a Basket of Indices or Share Certificates relating to a Basket of Shares, the Averaging Date for each Index or Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the **Scheduled Averaging Date**) and the Averaging Date for an Index or Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index or Share. If the first succeeding Valid Date in relation to such Index or Share 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, then (A) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of such Index or Share, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of "Valuation Date" below; and

- (iii) where the Certificates are Debt Certificates, Currency Certificates or Commodity Certificates, 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 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 a day on which 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 Certificates, the amount to which the Holder is entitled in the Settlement Currency in relation to each such Certificate, as determined by the Calculation Agent pursuant to the provisions set out in the applicable Final Terms;

"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 Certificate, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Holder is entitled to receive on the Redemption Date in respect of each such Certificate following payment of any sums payable (including Expenses as defined in Condition 12(A)) rounded down as provided in Condition 6(B)(3), as determined by the Calculation Agent including any documents evidencing such Entitlement;

"Exchange" means:

- (a) in respect of Index Certificates 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 Certificates 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;

"Related Exchange" means, in respect of Index Certificates and in relation to an Index or in respect of Share Certificates 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 Certificates, the relevant assets to which the Certificates relates;

"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 Price" means, in relation to each Cash Settled Certificate:

- (a) in respect of Index Certificates, 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 Certificates relating to a Basket of Indices, an amount (which shall be deemed to be a monetary amount in the Index Currency) 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 Certificates relating to a single Index, an amount (which shall be deemed to be a monetary amount in the Index Currency) 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 Certificates, 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 Certificates 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 Certificates 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 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 Certificates, subject as referred to in "Valuation Date" below or "Averaging Date" above:
 - (i) in the case of Debt Certificates 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 notional amount of such Debt Security, multiplied by the relevant Multiplier;
 - (ii) in the case of Debt Certificates 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 notional amount of the Debt Security;
- (d) in respect of Currency Certificates:
 - (i) in the case of Currency Certificates 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 Certificates 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 Certificates, the provisions relating to the calculation of the Settlement Price will be set out in the applicable Final Terms.

"Valuation Date" means the Valuation Date specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day 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 Certificates are Index Certificates relating to a single Index, Share Certificates relating to a single Share, Debt Certificates relating to a single Debt Security or Commodity Certificates 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:
- (x) in the case of Index Certificates, 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

- (y) in the case of Share Certificates, Debt Certificates or Commodity Certificates, 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 Certificates are Index Certificates relating to a Basket of Indices, Share Certificates relating to a Basket of Shares, Debt Certificates relating to a Basket of Debt Securities or Commodity Certificates 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:
 - (x) 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
 - (y) 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 Certificates or Share Certificates, 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. Interest

(A) *Interest Amount*

If so specified in the applicable Final Terms, each Certificate pays interest from and including the Issue Date at the Interest Rate payable in arrear on each Interest Payment Date.

The amount of interest payable in respect of each Certificate on each Interest Payment Date will amount to the Interest Amount for the Interest Period ending on (but excluding) such Interest Payment Date.

If interest is required to be calculated for a period ending other than on (but excluding) an Interest Payment Date, it will be calculated on the basis of the number of days from and including the most recent Interest Payment Date (or, if none, the Issue Date) to but excluding the relevant payment date and the Interest Rate Day Count Fraction.

(B) *Accrual of Interest*

Each Certificate will cease to accrue interest from and including its due date for redemption unless payment of the amount and/or delivery of any Entitlement due on redemption is improperly withheld or refused or unless default is otherwise made in respect of the payment or delivery in which case interest shall continue to accrue from the date such amount or delivery of such Entitlement was due until such amount or delivery of such Entitlement is paid or delivered, as the case may be. For the avoidance of doubt, no interest on the Certificates shall accrue beyond the Redemption Date in the event that delivery of any Entitlement is postponed due to the occurrence of a Settlement Disruption Event.

(C) *Definitions*

"30/360 (Floating)" or **"360/360"** or **"Bond Basis"** means the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 months each comprising 30 days each (unless (A) the last day of the Interest Period is the 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a month comprising 30 days or (B) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a month comprising 30 days).

"30E/360" or **"Eurobond Basis"** means the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 months each comprising 30 days without regard to the date of the first day or last day of the Interest Period, unless in the case of an Interest Period ending on the Redemption Date, the Redemption Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a month comprising 30 days).

"Actual/360" means the actual number of days in the Interest Period divided by 360.

"Actual/365" or **"Actual/Actual (ISDA)"** means the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366; and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365).

"Actual/365 (Fixed)" means the actual number of days in the Interest Period divided by 365.

"Interest Amount" means, in respect of each Interest Period and each Certificate, an amount calculated by the Calculation Agent as follows:

Notional Amount per Certificate x Interest Rate x Interest Rate Day Count Fraction.

"Interest Period" means the period commencing on (and including) the Issue Date to (but excluding) the first Interest Payment Date and each period commencing on (and including) an Interest Payment Date to (but excluding) the next following Interest Payment Date.

5. **Redemption of Certificates**

Subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Certificate will be redeemed by the Issuer:

- (i) in the case of a Cash Settled Certificate, by payment of the Cash Settlement Amount; or
- (ii) in the case of a Physical Delivery Certificate, subject as provided in Condition 6 below, by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, on the Redemption Date. If (i) the date for payment of any amount in respect of the Certificates is not a Business Day, the Holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Entitlement in respect of the Certificates is not a Settlement Business Day, the Holder thereof shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

6. **Payments and Physical Delivery**

(A) *Payments*

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 and, subject as provided below, the Issuer shall pay or cause to be paid the Cash Settlement Amount (if any) for each Certificate by credit or transfer to the Holder's account with Clearstream, Luxembourg or Euroclear, as the case may be, for value on the Redemption Date less any Expenses, such payment to be made in accordance with the rules of Clearstream, Luxembourg or Euroclear, as the case may be.

Where the Certificates pay interest, subject as provided below, the Issuer shall pay or cause to be paid the Interest Amount for each Certificate in respect of each Interest Payment Date by credit or transfer to the Holder's account with Clearstream, Luxembourg or Euroclear, as the case may be,

for value on the relevant Interest Payment Date, such payment to be made in accordance with the rules of Clearstream, Luxembourg or Euroclear, as the case may be.

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

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

(B) *Physical Delivery*

(1) Asset Transfer Notices

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 Certificates will be set out therein), in relation to Physical Delivery Certificates, in order to obtain delivery of the Entitlement(s) in respect of any Certificate, the relevant Holder must deliver to Clearstream, Luxembourg or Euroclear (as applicable), not later than 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the date (the **Cut-off Date**) falling three Business Days prior to the Redemption Date with a copy to the Principal Agent, a duly completed asset transfer notice (an **Asset Transfer Notice**) in the form set out in the Agency Agreement in accordance with the provisions set out in this Condition.

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified office of the Principal Agent.

An Asset Transfer Notice may only be delivered in such manner as is acceptable to Clearstream, Luxembourg or Euroclear, as the case may be, which is expected to be by authenticated SWIFT message or tested telex.

The Asset Transfer Notice shall:

- (a) specify the name, address and contact telephone number of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement;
- (b) specify the series number of the Certificates and the number of Certificates which are the subject of such notice;
- (c) specify the number of the Holder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be debited with such Certificates;
- (d) irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit the relevant Holder's account with the relevant Certificates;

- (e) include an undertaking to pay all Expenses and an authority to Clearstream, Luxembourg or Euroclear, as the case may be, debit a specified account of the Holder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Expenses;
- (f) 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 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;
- (g) in the case of Currency Certificates only, specify the number of the Holder's account to Clearstream, Luxembourg or Euroclear, as the case may be, to be credited with the amount due upon redemption of the Certificates; and
- (h) certify, *inter alia*, the beneficial owner of each Certificate is not a U.S. person (as defined in the Asset Transfer Notice), the Certificate is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or the account or benefit of, a U.S. person in connection with any redemption thereof; and
- (i) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Agency Agreement.

If Condition 6(C) applies, the form of Asset Transfer Notice required to be delivered will be different from that set out above. Copies of such Asset Transfer Notice may be obtained from Clearstream, Luxembourg, Euroclear and the Principal Agent.

(2) Verification of the Holder

Upon receipt of an Asset Transfer Notice, Clearstream, Luxembourg or Euroclear, as the case may be, shall verify that the person delivering the Asset Transfer Notice is the Holder of the Certificates described therein 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 Certificates the subject of such notice, the relevant account details and the details for the delivery of the Entitlement of each Certificate. 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 Delivery Date debit the account of the relevant Holder with the relevant Certificates.

(3) Determinations and Delivery

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by Clearstream, Luxembourg or Euroclear, as the case may be, in each case, 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 Asset Transfer 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 (1) above, shall be null and void.

If such Asset Transfer 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 Asset Transfer Notice submitted at the time such correction was delivered to Clearstream, Luxembourg or Euroclear, as the case may be, and the Principal Agent.

Clearstream, Luxembourg or Euroclear, as the case may be, shall use its best efforts promptly to notify the Holder submitting an Asset Transfer Notice if, in consultation with the Principal Agent, it has determined that such Asset Transfer 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.

No Asset Transfer Notice may be withdrawn after receipt thereof by Clearstream, Luxembourg, Euroclear or the Principal Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Holder may not transfer the Certificates which are the subject of such notice.

The Entitlement will be delivered at the risk of the relevant Holder, in the manner provided below on the Redemption Date (such date, subject to adjustment in accordance with this Condition, the **Delivery Date**), provided that the Asset Transfer Notice is duly delivered to Clearstream, Luxembourg, Euroclear, as the case may be, with a copy to the Principal Agent, as provided above on or prior to the Cut-Off Date.

If a Holder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered as soon as practicable after the Redemption Date (in which case, such date of delivery shall be the Delivery Date) at the risk of such Holder in the manner provided below. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the Redemption Date and no liability in respect thereof shall attach to the Issuer.

The Issuer shall at the risk of the relevant Holder, deliver or procure the delivery of the Entitlement for each Certificate, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Holder in the relevant Asset Transfer Notice. All Expenses arising from the delivery of the Entitlement in respect of such Certificates shall be for the account of the relevant Holder and no delivery of the Entitlement shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

(4) General

Certificates held by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates 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. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof.

Following the Delivery Date of a Share Certificate 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 Delivery 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 Asset Transfer Notice as referred to in Condition 6(B)(1)(f).

For such period of time after delivery of the Entitlement as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the securities comprising the Entitlement (the **Intervening Period**), none of the Issuer, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Holder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (iii) be under any liability to a Holder in respect of any loss or damage which such Holder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

(5) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Calculation Agent has determined is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on the Delivery Date, then the Delivery Date 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 Certificate by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Delivery 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 Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date. 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 Certificate 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 Certificate 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", in respect of any relevant Certificate, shall be the fair market value of such Certificate (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; 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.

(6) Failure to Deliver due to Illiquidity

If "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms and 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 Redemption Date in accordance with Condition 5; 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 Certificate 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 6(B)(5) apply.

For the purposes hereof:

"Failure to Deliver Settlement Price" in respect of any relevant Certificate shall be the fair market value of such Certificate (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.

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

If the applicable Final Terms indicates that the Issuer has an option to vary settlement in respect of the Certificates, the Issuer may at its sole and unfettered discretion in respect of each such Certificate, 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 Redemption Date to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Condition 10.

(D) *Rights of Holders and Calculations*

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

(E) *Prescription*

Claims against the Issuer for payment of principal or interest in respect of the Certificates shall become void unless made within five years from the Redemption Date and no claims shall be made after such date.

7. Illegality

If the Issuer determines that the performance of its obligations under the Certificates has become illegal in whole or in part for any reason, the Issuer may, on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates.

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 redeems the Certificates early then the Issuer will, if and to the extent permitted by applicable law, pay to each Holder in respect of each Certificate held by such Holder an amount equal to the fair market value of a Certificate, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements 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 Certificates at any price in the open market or by tender or private treaty. Any Certificates 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 reserve 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 Certificates are listed on a stock exchange, there shall be an 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 Certificates 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 Certificates, the Calculation Agent (whether it be UniCredit Banca Mobiliare S.p.A. or another entity) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the Certificates 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 5per cent. (by number) of the Certificates for the time being remaining outstanding. 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 Certificates for the time being remaining outstanding, or at any adjourned meeting two or more persons being or representing Holders whatever the number of Certificates 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 Certificates for the time being remaining outstanding or at any adjourned meeting two or more persons being holding or representing not less than 10 per cent. (by number) of the Certificates the time being remaining outstanding. 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. 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 Certificates 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 and (ii) if and so long as the Certificates 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 Certificates are listed on the Luxembourg Stock Exchange, and so long as the rules of the Luxembourg Stock Exchange so require, notices shall be published in a daily newspaper with general circulation in Luxembourg which is expected to be the *r 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 Certificates must pay all taxes, duties and/or expenses, including any applicable depositary charges, transaction charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the redemption of the Certificates and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of the Certificates (**Expenses**) relating to such Certificates 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 or enforcement of any Certificate 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 Certificates so as to be consolidated with and form a single series with the outstanding Certificates.

13. Substitution of the 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 Certificates, provided that the New Issuer shall assume all obligations of the Issuer in relation to the Holders under or in relation to the Certificates. 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 Certificates 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 Certificates in the applicable Final Terms, the Certificates 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 Certificates and that accordingly any Proceedings arising out of or in connection with the Certificates may be brought in such courts, or, where the Holder of the Certificates falls within the definition of "consumer" pursuant to article 1469 *bis* of the Italian Civil Code, in the courts where the Holder of the Certificates has his residence or domicile.

If English law is specified as the governing law of the Certificates in the applicable Final Terms, the Certificates 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

Certificates and that accordingly any Proceedings arising out of or in connection with the Certificates 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 UniCredit Banca Mobiliare S.p.A., London branch at its offices for the time being (being at the date hereof at Princess House, 95 Gresham Street, London EC2V 7PN, United Kingdom).

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 Certificates, Share Certificates, Debt Certificates and Commodity Certificates

(A) *Index Certificates*

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 Certificates 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.

- (2) 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

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 Certificates 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) on giving notice to Holders in accordance with Condition 10, the Issuer shall redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate 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 Certificates*

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 Certificates relating to a Basket of Shares, each share and, in the case of an issue of Certificates 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 Certificates relating to a single Share, the company that has issued such share.

(1) **Market Disruption**

"Market Disruption Event" means, in relation to Certificates 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 11 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:

- (i) 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;
- (ii) 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 the case may be, as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or Certificates 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;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
- (v) a repurchase by the Basket Company or its subsidiaries or Share Company or its subsidiaries, 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;
- (vi) 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 takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, Certificates, 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
- (vii) any other event that may have, 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 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 11, stating the adjustment to any Relevant Asset and/or the Entitlement 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) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the 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 Certificates, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Certificate or (b) in the case of Physical Delivery Certificates, the relevant Redemption 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 takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 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 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 Certificates. 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 Certificates relating to a Basket of Shares redeem the Certificates in part by giving notice to Holders in accordance with Condition 11. If the Certificates are so redeemed in part the portion (the **Redeemed Amount**) of each Certificate representing the affected Share(s) shall be redeemed and the Issuer will (i) pay to each Holder in respect of each Certificate held by him an amount equal to the fair market value of the Redeemed 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 Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such redemption in part. For the avoidance of doubt the remaining part of each Certificate 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;

- (iii) on giving notice to Holders in accordance with Condition 11, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate 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. 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 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 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 Certificates*

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

(D) *Commodity Certificates*

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 Issuer 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 (X) it has become illegal to hold, acquire or dispose of any relevant Share (in the case of Share Certificates) or any relevant security/commodity comprised in an Index (in the case of Index Certificates) or (Y) it will incur a materially increased cost in performing its obligations in relation to the Certificates (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 Certificates, 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 Certificates) or securities/commodities comprised in an Index (in the case of Index Certificates) that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Certificates.

"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 Certificates, 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 Certificates) or any security/commodity comprised in an Index (in the case of Index Certificates) that is greater than the Initial Stock Loan Rate.

"Initial Stock Loan Rate" means, in respect of a Share (in the case of Share Certificates) or a security/commodity comprised in an Index (in the case of Index Certificates), 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 Certificates) or any securities/commodities comprised in an Index (in the case of Index Certificates) 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 Certificates) or a security/commodity comprised in an Index (in the case of Index Certificates), 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 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) on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal

to the fair market value of a Certificate taking into account the Additional Disruption 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) 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 Certificates shall be redenominated in euro;

The election will have effect as follows:

- (A) where the Settlement Currency of the Certificates 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 Certificates will be made solely in euro as though references in the Certificates 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 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 such other terms of these Terms and Conditions.

Notwithstanding the foregoing, none of the Issuer, the Calculation Agent and the 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 109(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 Certificates in the applicable Final Terms, the Certificates do not confer on a third party any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Certificates 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.