

BASE PROSPECTUS



Finlombarda S.p.A.

with a sole shareholder

(incorporated with limited liability in the Republic of Italy)

€500,000,000

Euro Medium Term Note Programme

Under this €500,000,000 Euro Medium Term Note Programme (the **Programme**), Finlombarda S.p.A. with a sole shareholder (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

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

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

This Base Prospectus has been approved as a base prospectus by the Commission de Surveillance du Secteur Financier (the **CSSF**), as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of the Issuer or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer. Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU).

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the EEA). This Base Prospectus will expire on 23 November 2022. The obligation to

supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The requirement to publish a prospectus under the Prospectus Regulation only applies to Notes which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or (3)/2 of the Prospectus Regulation.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which will be filed with the CSSF.

Copies of Final Terms in relation to Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the Official List of the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction.

The Issuer has been assigned long-term foreign and local currency issuer default ratings (IDRs) of "BBB-" and a short-term foreign currency IDR of "F3" by Fitch Ratings Ireland Limited – *Sede Secondaria Italiana* (**Fitch**). The Programme has been rated "BBB-" by Fitch.

Fitch is established in the EEA and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by Fitch. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Amounts payable on Floating Rate Notes will be calculated by reference to one of EURIBOR, as specified in the relevant Final Terms. As at the date of this Base Prospectus, the European Money Markets Institute (as administrator of EURIBOR) is included in the ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation**).

Arranger

IMI – Intesa Sanpaolo

Dealer

IMI – Intesa Sanpaolo

The date of this Base Prospectus is 23 November 2021.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 8 of the Prospectus Regulation. When used in this Base Prospectus, Prospectus Regulation means Regulation (EU) 2017/1129 (the **Prospectus Regulation**).

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

In respect of information in this Base Prospectus that has been extracted from a third party, the Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated by reference and form part of this Base Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the CSSF.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

A determination will be made in relation to each issue about whether, for the purpose of the Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

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

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but

otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the EEA (including, without limitation, the Republic of Italy and France), the United Kingdom and Japan, see "*Subscription and Sale*".

In this Base Prospectus, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

Suitability of Investment

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal and tax advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal and

tax advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

Presentation of Financial Information

The consolidated financial information of the Issuer's group (the **Group**) as at and for the years ended 31 December 2020 and 31 December 2019 included in this Base Prospectus has been derived from the audited consolidated annual financial statements of the Issuer for the corresponding period. Such consolidated financial statements are incorporated by reference herein (see "*Documents Incorporated by Reference*") and have been prepared in accordance with the International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standard Board (**IASB**) and approved by the European Union. IFRS means all the revised international accounting standards (**IAS**) and all the interpretations of the International Financial Reporting Interpretations Committee (**IFRIC**), formerly known as the Standing Interpretations Committee (**SIC**).

The accounting principles applied in preparing the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2020 are the same as those used to prepare the audited consolidated annual financial statements of the Issuer as at and for the year ended 31 December 2019.

Such financial statements have been prepared to give a full and fair view of the Group, and they have not been prepared for the purpose of reporting separately on any entity of such Group.

Investors should refer to the consolidated financial statements which are incorporated by reference herein (see "*Documents Incorporated by Reference*") to inform themselves regarding the purposes, and the manner of preparation, of such consolidated financial statements.

Scope of consolidation

No changes have taken place in the consolidation scope for the years ended 31 December 2020 and 31 December 2019 compared to the corresponding period of the previous years.

Conventions

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in the section headed "*Terms and Conditions of the Notes*" or any other section of this Base Prospectus. In addition, the following terms as used in this Base Prospectus have the meanings defined below.

Presentation of Other Information

In this Base Prospectus:

- all references to **U.S. dollars**, **U.S.\$** and **\$** refer to United States dollars;
- all references to **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;
- certain figures have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them;

- certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Indebtedness limits

The issue of Notes by the Issuer shall comply with the applicable indebtedness limits provided for by the Italian legal framework in force from time to time.

As a financial intermediary enrolled with the register held by the Bank of Italy pursuant to Article 106 of the Italian Legislative Decree No. 385 of 1 September 1993, as amended from time to time, (**Consolidated Banking Act**), the Issuer shall comply with the following relevant indebtedness limits:

- double the sum of share capital, legal reserve and other available reserves, as resulting from the last approved annual financial statements, in the case of non-listed debt instruments;
- five times the sum of share capital, legal reserve and other available reserves, as resulting from the last approved annual financial statements, in the case of debt instruments listed on regulated markets or on multilateral trading facilities.

In calculating the above mentioned limits, the amounts relating to any guarantee provided by the Issuer in relation to notes or other debt instruments issued by other companies (including foreign ones) shall also be considered.

Forward-Looking Statements

This Base Prospectus may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "will", "would" or similar words. These statements, if any, are based on the Issuer's current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding the Issuer's strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. The Issuer does not undertake any obligation to publicly update or revise any forward-looking statements.

CONTENTS

Clause	Page
<i>Risk Factors</i>	10
<i>Overview of the Programme</i>	21
<i>Documents Incorporated by Reference</i>	26
<i>Form of the Notes</i>	28
<i>Applicable Final Terms</i>	30
<i>Terms and Conditions of the Notes</i>	43
<i>Use of Proceeds</i>	74
<i>Description of the Issuer</i>	75
<i>Taxation</i>	88
<i>Subscription and Sale</i>	97
<i>General Information</i>	102

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However stabilisation action may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate, and any of these risks could also have a negative effect on the ability of the Issuer to fulfil its obligations under the Notes. Furthermore, the order in which the risk factors are presented below is not intended to be indicative either of the relative likelihood that each risk will materialize or of the magnitude of their potential impact on the business, financial condition and results of operations of the Issuer.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prior to investing in the Notes, prospective investors should carefully consider the risk factors associated with any investment in the Notes, the business of the Issuer and the industry(ies) in which it operates and read the detailed information set out elsewhere in this Base Prospectus, including any document incorporated by reference, and reach their own views, based upon their own judgement and upon advice from such financial, legal, tax and other professional advisers as they deem necessary, prior to making any investment decisions.

Words and expressions defined in "Forms of the Notes" and "Terms and Conditions of the Notes" or elsewhere in this Base Prospectus have the same meaning in this section.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

Risks relating to the Issuer

1. Risk related to macro-economic conditions

Risks arising from the Italian sovereign debt crisis

The Issuer is affected by disruptions and volatility in the Italian financial market, including, in recent years, the sovereign debt crisis in Italy.

The sovereign debt crisis has raised concerns about the long-term sustainability of the European Monetary Union. Persistent market tensions might negatively affect the funding costs and the economic outlook of some euro member countries, including Italy. In particular, the Issuer's credit ratings are exposed to the risk of reductions in the sovereign credit rating of Italy. On the basis of the methodologies used by rating agencies, further downgrades of Italy's credit rating have had, and may continue to have, a "knock-on effect" on the credit rating of Italian issuers such as the Issuer, causing the credit rating of Notes issued under the Programme to be downgraded, with a consequent increase in funding costs.

In addition, market tension has had, and may continue to have, a material adverse impact on the Issuer's clients, with potentially negative implications for the Issuer's business, financial condition and profitability. Lingering market tensions may hamper the recovery of Italy and the tightening fiscal policy in said country could weigh on the disposable income of Italian households and on company profits, with further adverse consequences for the Issuer's business, financial position and results of operations.

Market risk

Market risk is the risk related to earnings, which arises primarily from adverse movements of market parameters including, but not limited to, interest rates, bond prices, security prices, derivatives prices, foreign exchange rates and credit spreads. Liquidity is also an important component of market risk, as in case of limited or no liquidity a transferable asset may not be negotiable at its estimated value.

The Issuer does not have a trading book but only a banking book composed of bonds held to maturity (HTC) or assets held for sale (HTCS). Issuer's revenues are dependent upon its ability to identify properly, and mark to market, changes in the value of financial instruments caused by changes in market prices or interest rates. The Issuer's financial results also depend upon how effectively it determines and assesses the cost of credit and manages its own credit risk and market risk concentration.

In some of the Issuer's businesses, protracted adverse market movements, particularly the decline of asset prices, can reduce market activity and market liquidity. These developments can lead to material losses if the Issuer cannot close out deteriorating positions in a timely way. The value of assets that are not traded on stock exchanges or other public trading markets may be calculated by the Issuer using models other than publicly quoted prices. Monitoring the deterioration of the prices of assets like these is difficult and failure to do so effectively could lead to unexpected losses. In addition, protracted or steep declines in the stock or bond markets in Italy and elsewhere may adversely affect the sales of securities carried out by the Issuer, as well as the Issuer's performance of financial assets.

2. Risk related to the business activity of the issuer

Geographical concentration of business and dependence from Region of Lombardy

The Issuer, as a fully owned subsidiary of the Region of Lombardy, has a strong presence in the Lombardy region where it plays an institutional role as "*in-house provider*" of the Region of Lombardy, being its main purpose to sustain and develop the business of *micro*, small and medium companies established in the region and/or operating within the public/private "Regional System", as defined in the Region of Lombardy Law No. 30 of 27 December 2006.

Accordingly, the Issuer's market is relatively limited and there is a risk of over-concentration in one single market (*i.e.* the Region of Lombardy). In addition, provided that the Issuer's loan portfolio is geographically narrow and is concentrated in industries that mirror the local economy, any downturn in economic conditions affecting the Issuer's local market and the main industries in that area may have a material adverse effect on the Issuer's financial conditions and profitability.

Risks relating to soundness of financial institutions

The Issuer is exposed to counterparties which operate in the financial services industry. This exposure can arise through trading, lending, deposit taking, clearance and settlement and many other activities and relationships. Many of these activities and relationships expose the Issuer to credit risk in the event of default of a counterparty or client.

Strategic risk

Strategic risk is the risk of a decline in profits or capital erosion which may be caused by changes in the operating environment, wrong management decisions, lack of implementation thereof or inability to adapt to a changing business environment. The Issuer is part of the "Regional System" set up by the Region of Lombardy Law No. 30 of 27 December 2006 that includes some instrumental companies which contribute to the achievement of government objectives of the Region of Lombardy.

Any change in the "Regional System", even if caused by political reasons, could result in a change in the operating environment that the Issuer may not be able to effectively handle.

Reputational risk

Reputational risk is the risk of impact on earnings or capital erosion decline due to a negative perception of the Issuer by customers, counterparties, shareholders, investors or supervisory authorities.

Due to its political nature, the Region of Lombardy, sole shareholder of the Issuer, pays particular attention to the reputational aspects and implements specific safeguards to prevent such risk directly imposing specific directives to their related entities.

Being aware of the reputational risks connected with the management of public funds and resources, the Issuer has identified organizational solutions and control measures to detect in a timely manner and to manage appropriately these kinds of risk. To this extent, the Issuer has also implemented an organization, management and control model pursuant to Italian Legislative Decree No. 231 of 8 June 2001 and has adopted a code of conduct, aimed at ensuring appropriate behaviours and conducts by all its staff and stakeholders. In addition, the Issuer, in compliance with applicable laws and regulations, has adopted a policy for the prevention of conflicts of interest and has appointed a Responsible for the Prevention of Corruption and Transparency.

Any relevant failure in avoiding reputational risks may cause adverse effects to the Issuer, having negative impacts on its revenues.

Risks connected with information technology

The Issuer's business relies upon integrated information technology systems, the correct functioning and reliability of such systems and on its ability to protect the network infrastructure, information technology equipment and customer information from losses caused by technical failure, human error, natural disaster, sabotage, power failures and other losses of function to such systems. The loss of information regarding customers, or other information central to the Issuer's business, such as credit risk control, or material interruption in the service could have a material adverse effect on its results of operations. In addition, upgrades to the information technology of the Issuer either required by law or necessitated by future business growth may require significant investments.

Historical Information

The historical, financial and other information set out in the sections headed "Description of the Issuer" and "Business of the Issuer", as well as in the financial statements of the Issuer incorporated by reference in this Base Prospectus, represents the historical experience of the Issuer. There can be no assurance that the future experience and performance of the Issuer will be similar to the past experience described in this Base Prospectus.

3. Financial risk

Risks relating to the economic and financial crisis

The earning capacity and the financial stability of the Issuer are affected by the global economic slowdown and economic crisis mainly caused by the uncertain macro-economic framework in relation to the outbreak of

COVID-19, by the dynamics of financial markets and, in particular, by the economic outlook of Italy (and by the creditworthiness of its sovereign debt), as well as that of the Eurozone as a whole. In this regard, trends in the followings factors are of particular significance to the Issuer: expectations and investor confidence; the level and volatility of interest rates in the short and long term; exchange rates; the liquidity of financial markets; the availability and cost of capital; the sustainability of sovereign debt; household incomes and consumer spending; level of unemployment, inflation and housing prices. Negative trends in relation to any of these factors, particularly in times of economic and financial crisis, may cause the Issuer to suffer losses, increases in funding costs and a diminution in the value of its assets, with a potential adverse effect on its liquidity, financial position and results of operations. In addition, as nearly all of the Issuer's business is concentrated in Italy, the financial performance of the Issuer is closely connected to the economic performance of the country, which in recent years has been poor.

Risks relating to large exposure

As at 31 December 2020, the loan portfolio is granular and mainly composed by loans to small and medium enterprises. As at 31 December 2020 – The Issuer's exposure to Milano *Serravalle - Milano Tangenziali S.p.A.* is equal to Euro 16 million, corresponding to 3.75% of the Issuer's total assets.

As at 31 December 2020, Issuers's financial activity is purely aimed at supporting companies based in Lombardy and its core activity largely concentrated in the manufacturing sector, which approximately 78% of outstanding loan portfolio. The remaining relevant exposures are concentrated in the following sectors: transport and warehousing (about 7%) and wholesale and retail trade (about 6%).

Credit risk

Credit risk is the risk of financial losses relating to the failure by a borrower, guarantor, counterparty to a professional transaction or issuer of a debt instrument to honour its contractual obligations, due to that party's insolvency or lack of willingness to pay, or to events or measures taken by the political or monetary authorities of a particular country. The latter risk is also referred to as "country risk".

The Issuer's business depends to a substantial degree on the creditworthiness of its customers. Notwithstanding the controls it carries out (including customer credit checks on a continuative basis), the Issuer faces normal lending risks and thus may not, for reasons beyond its control (such as fraudulent behaviours by customers) have access to all relevant information regarding any particular customer, their financial position or their ability to pay amounts owed or repay amounts borrowed. Any failure by customers to accurately report their financial and credit position or to comply with the terms of their agreements or other contractual provisions could have an adverse effect on the Issuer's business and financial results.

The risks arising from the impact of the economy and business climate on the credit quality of the Issuer's borrowers and counterparties can affect the overall credit quality and the recoverability of loans and amounts due from counterparties.

Risk relating to quality of loans

The results of the Issuer may be affected by economic and financial conditions, both locally in Italy and worldwide. During a recession period, there may be less demand for loan products and a greater number of the Issuer's customers may default on their loans or their obligations. Interest rates rises may also have an impact on the demand for loan products and fluctuations in interest rates in Italy and the Eurozone may affect the Issuer's performance. Credit quality is affected by the current weakness of the economy and a growing number of borrowers could struggle to repay loans. Non-performing loans as at 31 December 2020 were equal to Euro 1.26 million (gross Euro 7.16 million), representing a decrease with respect to Euro 1.38 million as at 31 December 2019.

Although the Issuer monitors credit quality and manages the specific risk of each counterparty and the overall risk of the respective loan portfolios, there can be no assurance that such monitoring and risk management will suffice to keep the Issuer's exposure to credit risk at acceptable levels. Any deterioration of the creditworthiness of significant individual customers or counterparties, or of the performance of loans and other receivables, as well as inaccurate assessments of creditworthiness or country risks may have a material adverse effect on the Issuer's business, financial condition and results of operations.

Currency risk

The Issuer has a residual currency risk arising from the positions taken on asset management products and does not have any indebtedness in foreign currencies. Where the managers of asset management products will not be able to manage the existing currency risk or the Issuer will have to take debt in foreign currencies, without being able to cover the exchange rate risk in an effective way, risks regarding the redemption of the Notes may arise.

Interest rate risk

Fluctuations in interest rates affect the Issuer's financial performance. The results of the Issuer's operations are affected by the management of interest rate sensitivity. A mismatch of interest-earning assets and interest-bearing liabilities in any given period, which tends to accompany changes in interest rates, may have a material effect on the Issuer's financial conditions. Rising interest rates in line with the yield curve can increase the Issuer's cost of funding at a higher rate than the yield on its assets, due (for instance) to a mismatch in the maturities of its assets and liabilities that are sensitive to interest rate changes or a mismatch in the degree of interest rate sensitivity of assets and liabilities with similar maturities. At the same time, decreasing interest rates can also reduce the yield on the Issuer's assets at a rate which may not correspond to the decrease in the cost of funding.

Liquidity risk

The Issuer's businesses are subject to liquidity risks which are inherent in its financial operations, and could affect the Issuer's ability to meet its financial obligations as they fall due or to fulfil commitments to lend. In order to ensure that the Issuer continues to meet its funding obligations and to maintain or grow its business generally, it relies on ongoing access to the wholesale lending markets and to credit lines provided by the European Investment Bank. The ability of the Issuer to access wholesale funding sources or to receive funds from the European Investment Bank on favourable economic terms is dependent on a variety of factors, some of which are outside of its control, such as liquidity constraints, general market conditions and confidence in the Italian financial system. Should the Issuer be unable to continue to source a sustainable funding profile, its ability to fund its financial obligations at a competitive cost, or at all, could be adversely affected.

However, the Company is adequately capitalised and complies with the minimum regulatory capital requirements required by supervisory regulations. As at 31 December 2020, the capital ratios are well above the minimum coefficients (CET1: 61.00%; Tier1: 61.00%; Total capital: 61.00%). For further details, please also refer to the section entitled "*Capital Adequacy*" in the "*Description of the Issuer*".

4. Risks related to the legal framework and legal proceedings

Risk of Changes in Regulation and Legislation

The Issuer operates in a highly regulated environment pursuant to regulations, directives and laws issued by the European Union, the Republic of Italy, European and Italian supervisory authorities, all of which impact on the Issuer's operations, cash flows, results and financial stability.

It is impossible to predict the effect that any future changes to European Union and Italian laws and regulations may have on the Issuer's business. There can be no assurance that the operations and the financial position of

the Issuer and its ability to meet its obligations under the Notes will not be affected by the introduction of new laws (including tax laws) and regulations or changes in the interpretation of existing laws and regulations.

Risk connected to legal proceedings

The Issuer may be involved in legal claims and procedures in the ordinary course of its business, including, without limitation, disputes and civil, administrative, tax and regulatory proceedings, as well as some criminal and arbitral proceedings. Despite the fact that, where appropriate, reserves have been set aside on the basis of prudential standards, a negative outcome which exceeds expectations for such proceedings may not be fully covered by such reserves, with consequent possible negative effects on the financial condition or profitability of the Issuer. Furthermore, adverse outcome might derive to the Issuer (and in turn to its ability to fulfil its obligations under the Notes) from any legal claims and procedures into which the Issuer might be involved in the future.

Operational risk

Operational risks are defined as the risk of sustaining losses as a result of the inadequacy or malfunctioning of the Issuer's internal processes, human resources or systems, or those caused by external events. This category does not include strategic risks or risks concerning the Issuer's image, but does include legal risks, *i.e.* risks deriving from breach of or non-compliance with legislation or regulations, or to the lack of transparency relative to the legal rights and obligations of the counterparties in a transaction. Among other things, these risks include exposure to fines or penalties in relation to actions taken by the supervisory bodies or in private transactions.

The Issuer, like all financial institutions, is exposed to many types of operational risk, including the risk of fraud by employees and outsiders, lack of compliance with legal provisions, risks connected to the management of public funds, unauthorised transactions by employees or operational errors, including errors resulting from faulty information technology or telecommunication systems. The Issuer's systems are designed to ensure that the operational risks associated with the Issuer's activities are appropriately monitored. The Issuer has a system of regulations, policies and procedures – periodically updated – to ensure operational continuity and qualitative appropriateness of the activities carried out in each organizational unit, including an agreement with the Region of Lombardy which sets forth the procedures for administrative, financial, operational and accountability controls concerning the management of public funds. Any failure or weakness in these systems, however, could adversely affect the Issuer's financial performance and business activities.

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

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes (but is not intended to be an exhaustive description):

Risks applicable to all Notes

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

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

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

In addition, with respect to Condition 6.4 (*Clean-Up Call*), there is no obligation under the Condition for the Issuer to inform investors if and when 20 per cent. or less of the initial aggregate principal amount of a particular Series of Notes remains outstanding, and the Issuer's right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of the Clean-Up Call, the Notes may have been trading significantly above their Clean-Up Call Redemption Amount (as specified in the applicable Final Terms), thus potentially resulting in a loss of capital invested.

If the Notes include a feature to convert the interest rate basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis may affect the secondary market in, and the market value of such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

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

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks", (including the euro interbank offered rate (**EURIBOR**)) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) 2016/1011 (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of

benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing the relevant benchmarks, in particular, if the methodology or other terms of the relevant benchmarks are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published consultations on EURIBOR fallback trigger events and fallback rates.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing or otherwise dependent (in whole or in part) upon, the relevant benchmarks.

The Terms and Conditions of Notes provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Rate determined by an Independent Adviser in consultation with the Issuer and that such Successor Rate or Alternative Rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. The IBA announcement and FCA announcement referred to above each constitutes such a Benchmark Event. This will have triggered certain of the fallback arrangements although, the consequences of such fallbacks being triggered may not be immediately effective under the Terms and Conditions.

In certain circumstances the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequence could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any

of the international or national reforms and the possible application of the benchmark replacement provisions of Notes in making any investment decision with respect to any Notes referencing a benchmark.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The conditions of the Notes contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider and vote upon matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The value of the Notes could be adversely affected by a change in applicable law or administrative practice.

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus, save that provisions convening meetings of Noteholders and the appointment of a Noteholders' Representative in respect of any Series of Notes are subject to compliance with mandatory provisions of Italian law. No assurance can be given as to the impact of any possible judicial decision or change to English law and/or Italian law (where applicable) or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such case, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed

secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

Delisting of the Notes

Application has been made for Notes issued under the Programme to be listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange and Notes issued under the Programme may also be admitted to trading, listing and/or quotation by any other listing authority, stock exchange or quotation system (each, a **listing**), as specified in the relevant Final Terms. Such Notes may subsequently be delisted despite the best efforts of the Issuer to maintain such listing and, although no assurance is made as to the liquidity of the Notes as a result of listing, any delisting of the Notes may have a material effect on a Noteholder's ability to resell the Notes on the secondary market.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The exercise of a put option by Noteholders following a Change of Control may adversely affect the Issuer's financial position

Upon the occurrence of certain change of control events relating to the Issuer, as set out in Condition 6.4 (*Redemption at the option of the Noteholders (Investor Put/Relevant Event Put)*), under certain circumstances the Noteholders will have the right to require the Issuer to redeem such Notes at their Optional Redemption Amount. However, it is possible that the Issuer will not have sufficient funds at the time of the change of control to make the required redemption of Notes. If there are not sufficient funds for the redemption, Noteholders may receive less than the Optional Redemption Amount of the Notes if they elect to exercise such right. Furthermore, if such provisions were exercised by the Noteholders, this might adversely affect the Issuer's financial position.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.

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

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (ESMA) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

Certain information with respect to the credit rating agencies is set out on the cover of this Base Prospectus.

As at the date of this Base Prospectus, the long-term foreign and local currency IDR is “BBB-” (positive outlook) and the short-term foreign-currency IDR is “F3” by Fitch.

The Issuer's future ability to access capital markets, other financing instruments and related costs may depend, *inter alia*, on the credit rating assigned to Finlombarda. Accordingly, a downgrade of Finlombarda's rating by Fitch may increase costs of funding and/or refinancing of debt or even jeopardise further issuances. The prices of the existing bonds may deteriorate following a downgrade. Furthermore, in light of the connection to the Region of Lombardy, it cannot be excluded that a downgrade of the Region of Lombardy's rating may impact on the Issuer's rating.

Potential conflicts of interest with the Calculation Agent

Potential conflicts of interest may exist between the Calculation Agent (if any) and Noteholders (including where a Dealer acts as a calculation agent), including with respect to certain determinations and judgments that such Calculation Agent may make pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplement to the Base Prospectus, if appropriate, or a drawdown prospectus or a new base prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) 2019/980 (the **Delegated Regulation**).

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Issuer:	Finlombarda S.p.A. with a sole shareholder
Issuer Legal Entity Identifier (LEI)	8156004644676C8E5236
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of particular Series of Notes and certain market risks. All of these are set out under " <i>Risk Factors</i> " below.
Description:	Euro Medium Term Note Programme
Arranger:	Intesa Sanpaolo S.p.A.
Dealers:	Intesa Sanpaolo S.p.A. and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> ") including the following restrictions applicable at the date of this Base Prospectus.

Notes having a maturity of less than one year

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (**FSMA**) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".

Issuing and Principal Paying Agent:	BNP Paribas Securities Services, Luxembourg Branch
Programme Size:	Up to €500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may from time to time increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in, subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer form as described in " <i>Form of the Notes</i> ".
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none"> (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating either the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., (ISDA) and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series) or the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (as published by ISDA as at the Issue Date of the first Tranche of the Notes of the relevant Series) as specified in the applicable Final Terms; or (b) on the basis of the reference rate set out in the applicable Final Terms. <p>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant</p>

Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Benchmark Discontinuation:

If a Benchmark Event occurs in relation to an Original Reference Rate when any rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.4(b) (*Successor Rate or Alternative Rate*)) and, in either case an Adjustment Spread if any (in accordance with Condition 4.4(c) (*Adjustment Spread*)) and any Benchmark Amendments (in accordance with Condition 4.4(d) (*Benchmark Amendments*)).

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions - Notes having a maturity of less than one year*" above.

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions - Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Relevant Event Put:	<p>The applicable Final Terms may provide that, upon the occurrence of a Put Event (as described below), Notes will be redeemable at the option of the Noteholders upon giving notice to the Issuer on a date or dates specified prior to their stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer and specified in the applicable Final Terms.</p> <p>A Put Event will be deemed to have occurred if a Change of Control (the Relevant Event, as described in Condition 6.4) occurs.</p>
Taxation:	<p>All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction, subject to certain exceptions as provided in Condition 7 (<i>Taxation</i>). In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 7 (<i>Taxation</i>), be required to pay additional amounts to cover the amounts so deducted.</p>
Negative Pledge:	<p>The terms of the Notes will contain a negative pledge provision as further described in Condition 3 (<i>Negative Pledge</i>).</p>
Cross Default:	<p>The terms of the Notes will contain a cross default provision as further described in Condition 9 (<i>Events of Default</i>).</p>
Status of the Notes:	<p>The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (<i>Negative Pledge</i>)) unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.</p>
Rating:	<p>The Programme has been rated “BBB-” by Fitch. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
Listing, Approval, Admission to trading to :	<p>Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange’s regulated market.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series.</p>

Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law:

The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law. Condition 15 (*Meetings of Noteholders, Modifications and Waivers*) and the provisions of the Agency Agreement concerning the meetings of Noteholders and the appointment of a Noteholders' Representative in respect of the Notes are subject to compliance with the laws of the Republic of Italy.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the EEA (including, without limitation, France, Belgium and the Republic of Italy), the United Kingdom, and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

United States Selling Restrictions:

Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the CSSF shall be incorporated by reference in, and form part of, this Base Prospectus:

- (a) the auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2020 of the Issuer, available at https://www.finlombarda.it/c/document_library/get_file?uuid=9e74c4c6-eeed-446b-a8a3-c3f8b7e29534&groupId=1004759, including the information set out at the following pages in particular:

Balance sheet	36
.....	
Income Statement	37
.....	
Statement of comprehensive income	38
.....	
Statement of changes in shareholders' equity	39
.....	
Cash flow statement	41
.....	
Cash flow statement	42
.....	
Explanatory Notes	
.....	
Independent auditor's report	165 of the pdf document
.....	

- (b) the auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2019 of the Issuer, available at https://www.finlombarda.it/c/document_library/get_file?uuid=1e27f1d9-b162-4157-95df-260a0b224290&groupId=1004759, including the information set out at the following pages in particular:

Balance sheet	32
.....	

Income Statement	33
.....	
Statement of comprehensive income	34
.....	
Statement of changes in shareholders' equity	35
.....	
Cash flow statement	37
.....	
Cash flow statement	38
.....	
Explanatory Notes	
.....	
Independent auditor's report	287 of the pdf document
.....	

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts no listed in the cross-reference list above) are either deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

This Base Prospectus will be published on the website of the Luxembourg Stock Exchange, www.bourse.lu. Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and have been published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note** and, together with a Temporary Global Note, each a **Global Note**) which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and
- (ii) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) for definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9 (*Events of Default*)) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous

period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes (other than Temporary Global Notes) and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Notes or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9 (*Events of Default*). In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then from 8.00 p.m. (London time) on such day holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 23 November 2021 and executed by the Issuer.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes which have a denomination of €100,000 (or its equivalent in any other currency) or more issued under the Programme.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of (EU) 2016/97 (the **Insurance Distribution Directive**) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]¹

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (UK). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA⁴². Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the UK PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]²

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)]**[MiFID II]**; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.

[UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a

¹ Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

² Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

distributor) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[Date]

Finlombarda S.p.A. with a sole shareholder

Legal Entity Identifier (LEI): 8156004644676C8E5236

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the €500,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 23 November 2021 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published on [issuer's /financial Intermediaries'/regulated market's/competent authority's] website.

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be €100,000 or its equivalent in any other currency.]

1.
 - (a) Series Number: []
 - (b) Tranche Number: []
 - (c) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a single Series with [*provide issue amount/ISIN/maturity date/issue date of earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 22 below, which is expected to occur on or about [date]][Not Applicable]
2. Specified Currency or Currencies: []
3. Aggregate Nominal Amount:
 - (a) Series: []

- (b) Tranche: []
4. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
5. (a) Specified Denominations: []
- (N.B. Notes must have a minimum denomination of EUR 100,000 (or equivalent))*
- (Note - where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*
- "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")*
- (b) Calculation Amount (in relation to calculation of interest in global form see Conditions): []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. (a) Issue Date: []
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
7. Maturity Date: *Specify date or for Floating rate notes - Interest Payment Date falling in or nearest to [specify month and year]]*
8. Interest Basis: [[] per cent. Fixed Rate]
[[EURIBOR] +/- [] per cent. Floating Rate]
[Zero Coupon]
(further particulars specified below)
9. Redemption[/Payment] Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [] per cent. of their nominal amount

10. Change of Interest Basis: [Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 13 and 14 below and identify there][Not Applicable]
11. Put/Call Options: [Investor Put]
[Change of Control Put]
[Issuer Call]
[Clean-Up Call]
[(further particulars specified below)]
[Not Applicable]
12. Date [Board] approval for issuance of Notes obtained: [] [and []], respectively]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [] in each year up to and including the Maturity Date
(Amend appropriately in the case of irregular coupons)
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[] in each year][Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)
14. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Specified Period(s)/Specified Interest Payment Dates: []

- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]]
- (c) Additional Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [] (the **Calculation Agent**)
- (f) Screen Rate Determination:
- Reference Rate: [[] month [EURIBOR]
 - Interest Determination Date(s): []

(in the case of euro EURIBOR): [the second day on which the TARGET2 System is open prior to the start of each Interest Period]
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (g) ISDA Determination: [Applicable/Not Applicable]

(If not applicable, delete the remaining items of this subparagraph)
- ISDA Definitions: [2006 ISDA Definitions]/[2021 ISDA Definitions]
 - Floating Rate Option: []

(Ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions))
 - Designated Maturity: []/[]

(A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate)
 - Reset Date: []

(In the case of EURIBOR based option, the first day of the Interest Period)

- (h) Linear Interpolation: [Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (i) Margin(s): [+/-] [] per cent. per annum
- (j) Minimum Rate of Interest: [] per cent. per annum
- (k) Maximum Rate of Interest: [] per cent. per annum
- (l) Day Count Fraction: [[Actual/Actual (ISDA)][Actual/Actual] Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] 30E/360 (ISDA)]
(See Condition 4 (Interest) for alternatives)
15. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

16. Notice periods for Condition 6.2 (Redemption and Purchase - Redemption for tax reasons): Minimum period: [] days
Maximum period: [] days
17. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount [[] per Calculation Amount]/[Make-whole Amount]

(if Make-Whole Amount is selected, include the following items of this subparagraph)
- Reference Bond: [Insert applicable Reference Bond]

- Reference Dealers: [Insert applicable Reference Dealers]
- Redemption Margin: [[] per cent/Not Applicable]

(c) If redeemable in part:

- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []

(d) Notice periods:

Minimum period: [] days
 Maximum period: [] days

(N.B. When setting notice periods, all the parties are advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent. All the parties are also advised that any issues that may cause eligibility issues should be brought to the clearing systems attention prior to issuance of the drawdown.)

18. Clean-Up Call (Condition 6.4): [Applicable/Not Applicable]

(a) Notice Periods:

Minimum period: [] days

Maximum period: [] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

b) Clean – Up Call Redemption Amount: [] per Calculation Amount

19. Investor Put: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Optional Redemption Date(s): []

(b) Optional Redemption Amount: [] per Calculation Amount

- (c) Notice periods: Minimum period: [] days
Maximum period: [] days
(N.B. When setting notice periods, all the parties is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent. All the parties are also advised that any issues that may cause eligibility issues should be brought to the clearing systems attention prior to issuance of the drawdown.)
19. Relevant Event Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- Optional Redemption Amount: [] per Calculation Amount
20. Final Redemption Amount: [] per Calculation Amount
21. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes:
- (a) Form: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes upon an Exchange Event]
(N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

- (b) [New Global Note: [Yes][No]]
23. Additional Financial Centre(s): [Not Applicable/*insert relevant financial centre*]
(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 14(c) relates)
24. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made. In such event, on and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of the Paying Agent in exchange for a further Coupon sheet. Each Talon shall be deemed to mature in the Interest Payment Date on which the final Coupon comprised in the relevant Coupon sheet matures.]/[No]

THIRD PARTY INFORMATION

[[*Relevant third party information related to the securities*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of Finlombarda S.p.A. with a sole shareholder:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and listing on the Official List of Luxembourg Stock Exchange with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and listing on the Official List of Luxembourg Stock Exchange with effect from [].]

[Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already committed to trading.)

- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

Ratings:

[Not Applicable]/[The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies) and associated defined terms*].

Each of [*defined terms*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such each of [*defined terms*] is included in the list of credit ratings agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with such Regulation.]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

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

[Need to include a description of any interest, including a conflicting interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save for the fees payable [of [*insert relevant fee disclosure*]] to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or lending and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business[, in particular, [the/certain of the Managers/Dealers], have granted loans to the Issuer and/or certain affiliates of the Issuer, as the case may be, and part of the proceeds from the issue of the Notes may be used by the Issuer to repay such loans"]/ [*Amend as appropriate if there are other interests*]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]

4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

(i) Reasons for the offer:

[See ["Use of Proceeds"] in the Base Prospectus/*Give Details*]

(See ["Use of Proceeds"] wording in the Base Prospectus –if reasons for offer different from what is disclosed in the Base Prospectus, give details)

(ii) Estimated net proceeds: []

5. YIELD (*Fixed Rate Notes only*)

Indication of yield: []

6. PERFORMANCE OF RATES (*Floating Rate Notes only*)

Details of performance of [EURIBOR/*replicate other as specified in the Conditions*] rates can be obtained [but not] free of charge from [Reuters/Bloomberg/ *give details of electronic means of obtaining the details of performance*].

7. OPERATIONAL INFORMATION

(i) ISIN: []

(ii) Common Code: []

(iii) CFI: [[See/[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

- (iv) FISN: [[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available
- (v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/*give name(s), number(s) and address(es)*]
- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): []
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /
- [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

8. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/*give names*]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (v) U.S. Selling Restrictions: [TEFRA D/TEFRA C/TEFRA not applicable]]

- (vi) Prohibition of Sales to EEA Retail Investors [Applicable/Not applicable]

(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the EEA, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)

- (vii) Prohibition of Sales to UK Retail investors: [Applicable/Not Applicable]

(If the Notes clearly do not constitute “packaged” products or the Notes do constitute “packaged” products and a key information document will be prepared in the UK, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no key information document will be prepared, “Applicable” should be specified.)

- (ix) Prohibition of Sales to Belgian Consumers:

[Applicable/Not Applicable]

(N.B. advice should be taken from Belgian counsel before disapplying this selling restriction)

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be attached into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes shall complete the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Finlombarda S.p.A. with a sole shareholder (the **Issuer**) pursuant to the Agency Agreement (as defined below).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (ii) any Global Note; and
- (iii) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 23 November 2021 and made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated

23 November 2021 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to any Paying Agents or the Issuer and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent or the Issuer, as the case may be). If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and copies thereof are available for viewing at the registered office of the Issuer and of the Agent and copies may be obtained from those offices.

The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer, and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes 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 Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the

bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. STATUS OF THE NOTES

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

3. NEGATIVE PLEDGE

3.1 So long as any of the Notes remains outstanding the Issuer will not, and the Issuer will procure that none of its Material Subsidiaries (as defined in Condition 9 (*Events of Default*)) will, create or have outstanding any mortgage, charge, lien, pledge, *garanzia reale* under Italian law or other security interest having a similar effect (each a **Security Interest**) upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer and/or any of its Material Subsidiaries to secure any Relevant Indebtedness (as defined below), except for Permitted Encumbrances (as defined in Condition 9.2(*Definitions*)) unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (as defined below) of the Noteholders.

3.2 Interpretation

For the purposes of these Conditions:

Extraordinary Resolution means: (i) a resolution passed at a meeting of the Noteholders duly convened in accordance with paragraph 8 of Schedule 5 of the Agency Agreement and otherwise held in accordance with mandatory provisions of Italian laws and the Issuer's By-Laws; or (ii) a resolution in writing signed by or on behalf of all of the Noteholders, which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders.

Relevant Indebtedness means: (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being or are capable of being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market and (ii) any guarantee or indemnity in respect of any such indebtedness.

4. INTEREST

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after the application of any Fixed Coupon Amount or Broken Amount to the Calculation Amount in the case of Fixed Rate Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

- (a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

- (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

4.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2 - (a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than TARGET2 System) specified in the applicable Final Terms;
- (b) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and
- (c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

- (i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the specified Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or the Calculation Agent, as applicable, under an interest rate swap transaction if the Agent or the Calculation Agent, as applicable, were acting as Calculation Agent (as defined in the ISDA

Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating (i) if “2006 ISDA Definitions” is specified in the applicable Final Terms, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (**ISDA**) and as amended and updated as at the Issue Date of the first Tranche of the Notes; or (ii) if “2021 ISDA Definitions” is specified in the applicable Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as published by ISDA as at the Issue Date of the first Tranche of the Notes (together, the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity, if applicable, is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (I) the offered quotation; or
- (II) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Relevant Financial Centre time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the specified Margin (if any), all as determined by the Agent or the Calculation Agent, as applicable. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of subclause (I) above, no offered quotation appears or, in the case of subclause (II) above, fewer than three offered quotations appear, in each case as at the Specified Time, the Issuer shall request each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth

decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of the Issuer) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Agent it is quoting to leading banks the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period). In the Conditions:

Reference Banks means in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer;

Relevant Screen Page shall have the meaning given to this term in the applicable Final Terms; and

Specified Time means 11.00 a.m. (Brussels time, in the case of a determination of EURIBOR) or as specified in the applicable Final Terms.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specify a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specify a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) **Determination of Rate of Interest and calculation of Interest Amounts**

The Agent or the Calculation Agent, as applicable, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, 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 (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

- (vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent or the Calculation Agent, as applicable, by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent or the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer, and such Independent Adviser acting in good faith and in a commercially reasonable manner as an expert, determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13 (*Notices*). For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 by the Agent or the Calculation Agent, as applicable, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent or the Calculation Agent, as applicable, in

connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

4.4 Benchmark Discontinuation

This Condition 4.4 is applicable to Notes only if the Floating Rate Note Provisions are specified in the applicable Final Terms as being applicable.

- (a) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4.4(b) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4.4(c) (*Adjustment Spread*)) and any Benchmark Amendments (in accordance with Condition 4.4(d) (*Benchmark Amendments*)) shall apply.

In making such determination, an Independent Adviser appointed pursuant to this Condition 4.4(a) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the Issuer. In the absence of bad faith, fraud and gross negligence, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, the Calculation Agent (if any is specified in the applicable Final Terms), the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 4.4.

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4.4(a) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this Condition 4.4(a) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4.4(a).

- (b) Successor Rate or Alternative Rate

If the Independent Adviser determines that:

there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4.4(c) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4.4); or

there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4.4(c) (*Adjustment Spread*)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4.4).

(c) Adjustment Spread

If the Independent Adviser determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

Notwithstanding any other provision of Condition 4 (*Interest*), if in the opinion of the Agent or the Calculation Agent, as applicable, there is any uncertainty between two or more alternative courses of action in making any determination or calculation under Condition 4 (*Interest*), the Agent or the Calculation Agent, as applicable, shall promptly notify the Issuer thereof and the Issuer shall direct the Agent or the Calculation Agent, as applicable, in writing as to which alternative course of action to adopt. If the Agent or the Calculation Agent, as applicable, is not promptly provided with such direction it shall notify the Issuer thereof and the Agent or the Calculation Agent, as applicable, shall be under no obligation to make such calculation or determination.

(d) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4.4 and the Independent Adviser determines (i) that amendments to these Conditions and the Agency Agreement, including but not limited to Relevant Screen Page, are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 13 (*Notices*), without any requirement for the consent or approval of Noteholders, vary these Conditions and the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4.5(d), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(e) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4.4 will be notified promptly (but in any event no later than the relevant Interest Determination Date) by the Issuer to the Agent or the Calculation Agent, as applicable, and each Paying Agent and, in accordance with Condition 13 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(f) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 4.4(a) (*Independent Adviser*) to Condition 4.4(d) (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in Condition 4.2(b)(ii) (*Screen Rate Determination for Floating rate Notes*) will continue to apply unless and until a Benchmark Event has occurred.

For the purposes of this Condition 4.4:

Adjustment Spread means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
- (b) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged); or
- (c) the Independent Adviser determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

Alternative Rate means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 4.4(b) (*Successor Rate or Alternative Rate*) is customary in market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes and with an interest period of a comparable duration to the relevant Interest Period;

Benchmark Amendments has the meaning given to it in Condition 4.4(d);

Benchmark Event means:

- (a) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (b) a public statement by the administrator of the Original Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (c) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will, by a

specified date within the following six months, be permanently or indefinitely discontinued; or

- (d) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used, either generally or in respect of the Notes, in each case within the following six months; or
- (e) a public statement by the supervisor of the administrator of the Original Reference Rate announcing that such Original Reference Rate is no longer representative or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes, in each case within the following six months; or
- (f) it has become unlawful for the Agents, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate.

provided that in the case of paragraphs (b) to (e) above, the Benchmark Event shall occur on:

- (A) in the case of (b) above, the date of the cessation of the publication of the Original Reference Rate;
- (B) in the case of (c) above, the discontinuation of the Original Reference Rate;
- (C) in the case of (d) above, the date on which the Original Reference Rate is prohibited from being used; or
- (D) in the case of (e) above, the date on which the Original Reference Rate is deemed no longer to be representative or become subject to restrictions or adverse consequences;

and not (in any such case) the date of the relevant public statement (unless the date of the relevant public statement coincides with the relevant date in (A), (B), (C) or (D) above, as applicable).

For the avoidance of doubt, the Agents shall not be obliged to monitor or inquire whether a Benchmark Event has occurred or have any liability in respect thereof.

Independent Adviser means an independent financial institution of international repute or an independent financial adviser with appropriate experience in the international debt capital markets appointed by the Issuer under Condition 4.4(a) (*Independent Adviser*);

Original Reference Rate means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable):

- (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (C) a group of the aforementioned central banks or other supervisory authorities, or (D) the Financial Stability Board or any part thereof;

Successor Rate means the rate that the Independent Adviser determines is a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

4.5 Change of Interest Basis

If Change of Interest Basis is specified as applicable in the applicable Final Terms, the interest payable in respect of the Notes will be calculated in accordance with Condition 4.1 or Condition 4.2, each applicable only for the relevant periods specified in the applicable Final Terms.

5. PAYMENTS

5.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulations to which the Issuer or its Agents are subject, but without prejudice to the provisions of Condition 7 (**Taxation**) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (**Taxation**)) any law implementing an intergovernmental approach thereto.

5.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below) and save as provided in Condition 5.4 below) should be presented for payment together with all unmatured

Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (**Taxation**)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

5.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

5.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S.

dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

5.5 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8 (*Prescription*)) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):
 - (i) in the case of Notes in definitive form only, the relevant place of presentation;
 - (ii) in each Additional Financial Centre (other than TARGET2 System) specified in the applicable Final Terms;
 - (iii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

5.6 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7 (**Taxation**);
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes; and
- (e) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (**Taxation**).

Early Redemption Amount has the meaning ascribed thereto in Condition 6.7.

6. REDEMPTION AND PURCHASE

6.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms, which will be at least at par, in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

6.2 Redemption for tax reasons

Subject to Condition 6.7, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (**Taxation**) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7 (**Taxation**)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders (i) a certificate signed by a Director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Agent shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the holders of Notes or Coupons.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.7 (*Redemption and Purchase – Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption. The Early Redemption Amount will be at least at par.

6.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in

applicable Final Terms to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

The Optional Redemption Amount will either be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms or, if a Make-Whole Amount is specified in the applicable Final Terms, an amount equal to the higher of (as determined by the Issuer):

- (a) 100% of the principal amount of the Notes to be redeemed; or
- (b) as calculated by any of the Reference Dealers (as defined below) or any international credit institution or financial services institution or any other competent entity of recognised standing with appropriate expertise to be appointed by the Issuer, the sum of the then current values of the remaining scheduled payments of principal and interest to maturity (not including any interest accrued on the Notes to, but excluding, the Optional Redemption Date) discounted to the Optional Redemption Date on an annual basis (based on the actual number of days elapsed divided by 365 or (in the case of a leap year) by 366) at the Reference Bond Rate (as defined below) plus the specified Redemption Margin,

plus, in each case, for the avoidance of doubt, any interest accrued on the Notes to, but excluding, the Optional Redemption Date.

As used in this Condition 6.3:

“**Redemption Margin**” shall be as set out in the applicable Final Terms;

“**Reference Bond**” shall be as set out in the applicable Final Terms;

“**Reference Bond Rate**” means with respect to the Reference Dealers and the Optional Redemption Date, the average of the five quotations of the mid-market annual yield to maturity of the Reference Bond or, if the Reference Bond is no longer outstanding, a similar security in the reasonable judgement of the Reference Dealers at 11.00 a.m. London time on the third business day in London preceding the Optional Redemption Date quoted in writing to the Issuer by the Reference Dealers; and

“**Reference Dealers**” shall be as set out in the applicable Final Terms.

All notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6.3 by the Agent, shall (in the absence of negligence, wilful default or fraud) be binding on the Issuer, the Agent, the Paying Agents and all Noteholders and Couponholders.

In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted

during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 (*Notices*) at least five days prior to the Selection Date.

6.4 Clean-Up Call

6.5 If Clean-Up Call is specified as being applicable in the applicable Final Terms, in the event that 20 per cent. or less of the initial aggregate principal amount of a particular Series of Notes (including any Notes issued pursuant to Condition 15 (*Further Issues*)) remains outstanding (other than as a result of the Issuer exercising an Issuer Call pursuant to Condition 6.3 (Redemption at the option of the Issuer (Issuer Call)) at an Optional Redemption Amount that is higher than the Clean-Up Call Redemption Amount), the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not some only, of the outstanding Notes in that Series at their Clean-Up Call Redemption Amount specified in the applicable Final Terms together with any interest accrued to the date set for redemption.

6.6 Redemption at the option of the Noteholders (Investor Put/Relevant Event Put)

This Condition 6.5 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholders, such option being referred to as an **Investor Put** or a **Relevant Event Put**, as the case may be. The applicable Final Terms contains provisions applicable to any Investor Put or Relevant Event Put, as the case may be, and must be read in conjunction with this Condition 6.5 for full information on any Investor Put or Relevant Event Put, as the case may be. In particular the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If:

- (a) Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 (*Notices*) not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, upon the expiry of such notice; and/or
- (b) Relevant Event Put is specified as being applicable in the applicable Final Terms and a Put Event (as defined below) has occurred, upon the holder of any Note giving to the Issuer in accordance with Condition 13 (*Notices*) during the period ending on the 60th day following the public announcement of the relevant Put Event (the **Relevant Notice Period**),

the Issuer will, subject to, and in accordance with, the terms specified in the applicable Final Terms, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

The Optional Redemption Amount will be the specified percentage of the nominal amount of the Notes stated in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the applicable notice period/Relevant Notice Period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and the Put Notice must be accompanied by this Note or evidence

satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the applicable notice period/Relevant Notice Period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice (as referred to above) or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.4 and instead to declare such Note forthwith due and payable pursuant to Condition 9 (*Events of Default*).

For the purposes of Condition 6.6(b) above, a **Put Event** shall be deemed to occur if a Change of Control occurs (the **Relevant Event**).

A **Change of Control** means the occurrence of any circumstance as a result of which the Reference Shareholder ceases to have the power, either directly or indirectly through one or more intermediate persons controlled by it, to (i) cast or control the casting of more than one half of the votes capable of being cast at an ordinary and extraordinary meeting of the Issuer's shareholders; or (ii) appoint the majority of the directors of the Issuer.

Reference Shareholder means the Region Lombardia.

6.7 Early Redemption Amounts

For the purpose of Condition 6.2 above and Condition 9 (*Events of Default*):

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount;
- (b) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and

repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

6.8 Purchases

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Where permitted by applicable law and regulation, all Notes purchased pursuant to Condition 6.9 may be cancelled or held, reissued or resold at the discretion of the relevant purchaser.

6.9 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6.8 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

6.10 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1, 6.2, 6.3, 6.4 above or upon its becoming due and repayable as provided in Condition 9 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.7(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13 (*Notices*).

7. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment by or on behalf of a holder which is liable for such taxes in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or

- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such 30th day assuming that day was to have been a Payment Day (as defined in Condition 5.5 (*Payment Day*)); or
- (c) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so; or
- (d) in relation to any payment or deduction of any interest or other proceeds of any Notes or Coupons on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996 and any related implementing regulations (each as amended or supplemented from time to time);
- (e) not qualifying as bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) for Italian tax purposes where such withholding or deduction is required to be made pursuant to Law Decree 30 September 1983, No. 512 converted into law with amendments by Law 25 November 1983, No. 649; or
- (f) in the event of payment to a non-Italian resident legal entity or a non-Italian resident individual, to the extent that interest or other amounts are paid to a non-Italian resident legal entity or a non-Italian resident individual which is resident in a country which does not allow for a satisfactory exchange of information with the Republic of Italy.

As used herein:

- (a) **Tax Jurisdiction** means the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer become subject in respect of payments made by it of principal and interest on the Notes and Coupons; and
- (b) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13 (*Notices*).

8. PRESCRIPTION

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7 (**Taxation**)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 (*Payments – Presentation of definitive Notes and Coupons*) or any Talon which would be void pursuant to Condition 5.2 (*Payments – Presentation of definitive Notes and Coupons*).

9. EVENTS OF DEFAULT

9.1 Events of Default

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 14 days; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 45 days following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or
- (c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any Material Subsidiary (as defined below) becomes, or becomes capable of being declared, due and repayable prior to its stated maturity by reason of an event of default (however described) and otherwise than at the option of the Issuer; or (ii) the Issuer or any Material Subsidiary fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment and any such failure is not cured within any originally applicable grace period; or (iii) any security given by the Issuer or any Material Subsidiary for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer or any Material Subsidiary in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any person, provided that no such events under (i) to (iv) above shall constitute an Event of Default if the aggregate Indebtedness for Borrowed Money relating to all such events which shall have occurred and be continuing and, in the case of (iii) only the amount recovered or sought to be recovered, shall amount to less than €2,000,000 (or its equivalent in any other currency or currencies); or
- (d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of its Material Subsidiaries (otherwise than for the purpose of a Permitted Reorganisation (as defined below)), save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders; or
- (e) if the Issuer any of its Material Subsidiaries ceases or publicly announces to cease to carry on the whole or a substantial part of its business, save for the purposes of Permitted Reorganisation (as defined below), or the Issuer (A) or any of its Material Subsidiaries stops or announces that it shall stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) if (A) judicial proceedings are initiated against the Issuer or any of its Material Subsidiaries under any applicable liquidation (*liquidazione coatta*), insolvency (*fallimento*), composition (*concordato preventivo*), reorganisation (*amministrazione straordinaria*) or other similar laws, or an application is made (or documents filed with a court) by any competent court for the appointment of an administrative or other receiver (*curatore*), manager, administrator (*commissario straordinario o liquidatore*) or other similar official in insolvency proceedings, or an administrative or other receiver, manager, administrator or other similar official in insolvency proceedings is appointed, in relation to the Issuer or any of its Material Subsidiaries or, as the case may be, in relation to the whole or any part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or any part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of any of them and (B) in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the relevant company, is not discharged within 60 days; or

- (g) if the Issuer or any of its Material Subsidiaries (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (h) if it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or any such obligations cease or will cease to be legal, valid, binding and enforceable; or
- (i) if any event occurs which, under the laws of the Republic of Italy, has an analogous effect to any of the events referred to in paragraphs (d) to (g) above,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

9.2 Definitions

For the purposes of the Conditions:

Indebtedness for Borrowed Money means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (a) money borrowed, (b) liabilities under or in respect of any loan, acceptance or acceptance credit, (c) any note, bond, debenture, debenture stock, loan stock or other security issued, offered or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or part for a consideration other than cash;

Material Subsidiary means at any time any fully consolidated Subsidiary of the Issuer:

- (a) whose total revenues (consolidated in the case of a Subsidiary which itself has Subsidiaries, and without taking into account intra-group revenues) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case not less than 10 per cent. of the consolidated total revenues of the Issuer or, as the case may be, consolidated total assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries;
- (b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary,

all as more particularly defined in the Agency Agreement.

A certificate signed by one Director of the Issuer that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary, shall, in the absence of manifest error, be conclusive and binding on all parties;

Permitted Encumbrances means:

- a) any Security arising pursuant to any mandatory provision of law other than as a result of any action taken by the Issuer or a Material Subsidiary; or
- b) any Security in existence as at the date of issuance of the Notes, including any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Security referred to in this paragraph, or of any Relevant Indebtedness secured thereby; provided that the principal amount of Relevant Indebtedness secured thereby shall not exceed the principal amount of Relevant Indebtedness so secured at the time of such extension, renewal or replacement, and that such extension, renewal or replacement Security shall be limited to all or any part of the same property or shares of stock that secured the Relevant Indebtedness extended, renewed or replaced (plus improvements on such property), or property received or shares of stock issued in substitution or exchange therefor; or
- c) in the case of any entity which becomes a Material Subsidiary or is merged, consolidated or amalgamated into a Material Subsidiary or the Issuer after the date of issuance of the Notes, any Security existing over such entity's assets at the time it becomes (or is merged, consolidated or amalgamated into) such member of the Group, provided that the Security was not created in contemplation of, or in connection with, its becoming (or being merged, consolidated or amalgamated into) such member of the Group and provided further that the amounts secured have not been increased in contemplation of, or in connection with, its becoming (or is merged, consolidated or amalgamated into) such member of the Group; or
- d) any Security which is created in connection with, or pursuant to, a limited recourse financing, factoring, securitisation, asset backed commercial paper programme or other like arrangement where the payment obligations in respect of the Relevant Indebtedness secured by the relevant Security are to be discharged solely from the revenues generated by the assets over which such Security is created (including, without limitation, receivables);

Permitted Reorganisation means any solvent amalgamation, merger, demerger or reconstruction involving the Issuer or any Material Subsidiary and in which the Issuer or, as the case may be, such Material Subsidiary, is the continuing entity under which the assets and liabilities of the Issuer or the relevant Material Subsidiary are assumed by the entity resulting from such amalgamation, merger, demerger or reconstruction and, where the same involves the Issuer, such entity assumes the obligations of the Issuer in respect of the Notes, and an opinion of an independent legal adviser of recognised standing in the Republic of Italy has been delivered to the Agent confirming the same prior to the effective date of such amalgamation, merger or reconstruction;

Person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

Subsidiary means, in relation to any Person (the **First Person**) at any particular time, any other Person (the **Second Person**):

- (a) whose majority of votes in ordinary shareholders' meetings of the Second Person is held by the First Person; or
- (b) in which the First Person holds a sufficient number of votes giving the First Person a dominant influence in ordinary shareholders' meetings of the Second Person; or
- (c) which is under the dominant influence of the First Person by virtue of certain contractual relationships between the First Person and the Second Person;

and

(where the First Person is the Issuer or another Italian entity) as provided by Article 2359 of the Italian Civil Code.

10. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and Agent may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

11. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.4 (*Payments – General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

13. NOTICES

All notices regarding the Notes will be deemed to be validly given if published (a) in a leading English language daily newspaper of general circulation in London, and (b) if and for so long as the Notes are

admitted to trading on the regulated market of the Luxembourg Stock Exchange and are listed on the Official List of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg or the Luxembourg Stock Exchange's website, www.bourse.lu. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London and the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) or such websites the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. MEETINGS OF NOTEHOLDERS AND MODIFICATION

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of the Noteholders to consider any matter affecting their common interests, including, *inter alia*, the modification or abrogation by Extraordinary Resolution of any of these Conditions. Such provisions are subject to compliance with Italian mandatory laws, legislation, rules and regulations as applicable to the Issuer from time to time and, where applicable Italian law so requires, the Issuer's By-laws, including any amendment, restatement or re-enactment of such laws, legislation, rules and regulations (or, where applicable, the Issuer's By-laws) taking effect at any time on or after the Issue Date.

Subject to the above:

- (i) any such meeting may be convened by the Board of Directors of the Issuer or the Noteholders' Representative (as defined below) at their discretion and, in any event, shall be convened without delay upon a request in writing by Noteholder(s) holding not less than one-twentieth of the aggregate principal amount of the outstanding Notes;
- (ii) if the Board of Directors or the Noteholders' Representative fails to convene such a meeting following such request, the meeting may be convened by the board of Statutory Auditors of the Issuer or, in case of failure, by a decision of the competent court if the default is unjustified upon request by such Noteholders;

- (iii) every such meeting shall be held at such place as provided pursuant to Article 2363, paragraph 1, of the Italian Civil Code;
- (iv) such a meeting will be validly held if:
 - (A) in the case of an initial meeting, there are one or more persons present being or representing Noteholders holding more than one half of the aggregate principal amount of the outstanding Notes; or
 - (B) in the case of a meeting convened following adjournment of the initial meeting, there are one or more persons present being or representing Noteholders holding more than one third of the aggregate principal amount of the outstanding Notes; and
- (v) the majority required to pass an Extraordinary Resolution at a meeting convened to vote on an Extraordinary Resolution will be:
 - (A) for voting on any matter other than a modification to the Conditions of the Notes as provided under Article 2415, first paragraph, number 2, of the Italian Civil Code: (1) in the case of an initial meeting, one or more persons holding or representing more than one half of the aggregate principal amount of the outstanding Notes; and (2) in the case of a meeting convened following adjournment of the initial meeting, at least two-thirds of the aggregate principal amount of the outstanding Notes represented at the meeting; or
 - (B) for voting on a modification to the Conditions of the Notes as provided under Article 2415, first paragraph, number 2, of the Italian Civil Code, the higher of (1) one or more persons holding or representing not less than one half of the aggregate principal amount of the outstanding Notes and (2) one or more persons holding or representing not less than two thirds of the aggregate principal amount of the outstanding Notes represented at the meeting.

An Extraordinary Resolution duly passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

(b) Noteholders' Representative

Pursuant to Articles 2415 and 2417 of the Italian Civil Code, a representative of the Noteholders (*rappresentante comune* or "Noteholders' Representative") may be appointed, inter alia, to represent the interests of Noteholders, such appointment to be made by an Extraordinary Resolution or by an order of a competent court at the request of one or more Noteholders or the Issuer. Each such Noteholders' Representative shall have the powers and duties set out in Article 2418 of the Italian Civil Code.

(c) Modification

The Notes (including these Conditions) may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is not materially prejudicial to the interests of the Noteholders. In addition, the parties to the Agency Agreement may agree, without the consent of the Noteholders, to modify any provision thereof in order to comply with mandatory laws, legislation, rules and regulations of the Republic of Italy applicable to

the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution.

For the avoidance of doubt, any variation of the Conditions and the Agency Agreement to give effect to the Benchmark Amendments in accordance with Condition 4.4 (*Benchmark Discontinuation*) shall not require the consent or approval of Noteholders or Couponholders.

15. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the issue price, the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17. GOVERNING LAW AND SUBMISSION TO JURISDICTION

17.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes, the Coupons and any non contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law. Condition 14 (*Meetings of Noteholders and Modification*) and the provisions of the Agency Agreement concerning the meetings of Noteholders and the appointment of a Noteholder's Representative in respect of the Notes are subject to compliance with the laws of the Republic of Italy.

17.2 Submission to jurisdiction

(A) The English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes, and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them (a **Dispute**) and accordingly each of the Issuer and any Noteholders, or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(B) For the purposes of this Condition 17.2, each of the Issuer and any Noteholders or Couponholders in relation to any Dispute waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

17.3 Appointment of Process Agent

The Issuer appoints Laurentia Financial Services Limited or, if different, its registered office for the time being as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Laurentia Financial Services Limited being unable or unwilling for any reason so to act or ceasing to act or ceasing to be registered in England, it will promptly appoint another person as its agent for service of process in England in respect of any Dispute. Nothing herein shall affect the right to serve process in any other manner permitted by law.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general funding purposes.

DESCRIPTION OF THE ISSUER

General

"Finlombarda – Finanziaria per lo Sviluppo della Lombardia Società per Azioni" or, briefly, "Finlombarda S.p.A." (the "Issuer") is a company limited by shares (*società per azioni*) with a sole shareholder incorporated and operating under the laws of Italy and under its by-laws (*statuto*).

The Issuer was incorporated on 15 October 1971 under the corporate name of Finlombarda S.p.A. and, pursuant to Article 3 of its by-laws, shall expire on 31 December 2050.

The registered office of the Issuer is at Via Torquato Taramelli, 12, 20124, Milan (MI), Italy, its fax number is +39 02.780.819, its telephone number is +39 02.607.441 and its website is at <https://www.finlombarda.it>³.

The Issuer is registered in the Milan Companies Register with No. 01445100157 and enrolled under number 124 with the register held by the Bank of Italy pursuant to Article 106 of the Consolidated Banking Act.

Given its role as "in-house provider" of the Region of Lombardy (*Regione Lombardia*) in the context of the "Regional System" (*Sistema regionale*) (SIREG) as defined pursuant to Article 1 of Region of Lombardy Law No. 30 of 27 December 2006, the corporate purpose of the Issuer is mainly supporting – in compliance with Articles 117 and 118 of the Italian Constitution, Article 48 of the Statute of the Region of Lombardy and with all the relevant regional laws and regulations as applicable from time to time – the implementation of the regional economic, social and local development programmes.

History

The Issuer was incorporated in 1971 by some of the main public banks operating in the Region of Lombardy; as at that date, the participation of the Region of Lombardy in the shareholding structure of the Issuer was merely at the planning stage.

In 1975 (through the Region of Lombardy Law No. 23 of 24 January 1975), the Region of Lombardy acquired a minority interest in the Issuer (30% stake), with the declared aim of promoting the realization of economic, social and territorial development programs, determined by the Region in matters referred to in Articles 117 and 118 of the Italian Constitution. Such law also sets forth that other public-law companies and local authorities established in the Region of Lombardy were allowed to hold an interest in the Issuer and that the public participation in the shareholding structure of the Issuer should not be less than 51% of the share capital.

In the late nineties, the Region of Lombardy acquired the majority of the Issuer's share capital, bringing its stake to 51%. The reasons supporting such operation, aimed at "making the company an increasingly receptive instrument of regional choices", are described in the Regional Government Decision (*Deliberazione della Giunta Regionale*) No. VI/1224 of 30 March 1999. The abovementioned acquisition became effective in October 1999 pursuant to the acquisition by the Region of Lombardy of the shares held in the Issuer by third parties (Regional Government Decision No. VI/45702 of 22 October 1999). Before the completion of such acquisition, the Issuer was authorised by the Bank of Italy to grant loans and enrolled with the register held pursuant to Article 107 of the Consolidated Banking Act (*ante* Italian Legislative Decree No. 141 of 13 August 2010 (**Decree No. 141**)). Such authorisation became a precious tool for the Issuer in order to better understand regional needs in the financial field.

Following the Regional Government Decision No. 19320 of 12 November 2004, the Region of Lombardy became the sole shareholder of the Issuer (the acquisition which became effective on December of the same year): through a subsequent share capital increase amounting to Euro 30 million, approved by an extraordinary

³ Please note that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.

shareholders' meeting held on 9 February 2005, the Region of Lombardy provided for the Issuer's capitalization.

The acquisition of the entire share capital of the Issuer by the Region of Lombardy was intended to *"fully orient the [Issuer's] choices based on their public interests [...], so that the [Issuer] can better pursue its mission of being the "operational arm" in the financial field of the Region of Lombardy"*.

During 2005 it was further resolved to capitalize the Issuer through the Region of Lombardy Law No. 16 of 4 November 2005 (Euro 100 million) and the Region of Lombardy Law No. 22 of 29 December 2005 (Euro 30 million). Those increases in the share capital of the Issuer have allowed it to pursue, in a more effective way, its mission, through the (i) review of the incentive system of the enterprises, (ii) rationalization of financial instruments to realize public works, (iii) support in the regional funds management and (iv) implementation of financial transactions involving the region. On the basis of the aforementioned regional laws, an extraordinary shareholders' meeting held on 3 February 2006 resolved to increase the Issuer's share capital by an amount of Euro 130 million.

During the 2011-2013 period, the Issuer was involved in some relevant incorporation operations (eg. Cestec S.p.A); in 2014, a new capital increase took place and, as a consequence, the Issuer's share capital reached the total amount of Euro 211 million.

In 2015 the Issuer completed the sale of the energy business unit to Infrastrutture Lombarde S.p.A.; in the same year, the Issuer submitted an application to the Bank of Italy to be enrolled in the new register held by said Authority pursuant to Article 106 of the Consolidated Banking Act (*post* Decree No. 141).

Since 20 December 2016, the Issuer has been enrolled under number 124 with the new register of financial intermediaries held by the Bank of Italy pursuant to Article 106 of the Consolidated Banking Act.

On 30 June 2017, the Bank of Italy enrolled the Issuer on to the Register of financial Groups (*Albo dei Gruppi Finanziari*). Currently, the Finlombarda group is composed of the Issuer – *i.e.* the parent company – and Finlombarda Gestioni SGR S.p.A.

On 19 February 2018, the Board of Directors of the Issuer approved the project for the partial demerger of the Issuer in favour of Lombardia Informatica S.p.A. pursuant to article 2506-*bis* of the Italian Civil Code (the **"Demerger"**).

The Demerger involved the business unit relating to tax collection services, which had been performed by the Issuer since 2010 in accordance with an agreement entered into with the Shareholder, and which expired on 31 March 2017.

Share Capital

The Issuer's authorised share capital as at 31 December 2020 was Euro 211 million, made up of 2.11 million ordinary shares with a par value of Euro 100.00 each. All shares have been issued and are fully paid up.

Shareholder

The Issuer is a wholly-owned subsidiary of the Region of Lombardy (also **"Shareholder"**). The Issuer is therefore under the coordination and management of the Shareholder pursuant to Article 2497-*bis* of the Italian Civil Code.

The Issuer is subject to extensive regulation and supervision by the Bank of Italy. The regulatory framework governing the Issuer's activities is designed to maintain the sound and prudent management of the Issuer and, *inter alia*, limit its exposure to risk.

Shareholdings of the Issuer

As at 31 December 2020, the Issuer held the shareholdings summarised in the following table:

Name	% of participation
FINLOMBARDA GESTIONI SGR S.P.A.	100%
SISTEMI DI ENERGIA S.P.A.	11.25%
FIUMICINO ENERGIA S.R.L.	11.25%
SKIAREA VALCHIAVENNA S.P.A.	0.69%
AGENZIA PER LA CINA S.R.L. in liquidation	3.56%
CENTRO TESSILE COTONIERO S.P.A.	2.9%
BIC LA FUCINA S.c.r.l. in liquidation	5.26%
CONSORZIO PER LA REINDUSTRIALIZZAZIONE AREA DI ARESE S.R.L. (CRAA S.R.L.) in liquidation	15%

Management

The governance model adopted by the Issuer is based on the traditional separation between functions of management and control, respectively entrusted to the Board of Directors (*Consiglio di Amministrazione*) and to the Board of Statutory Auditors (*Collegio Sindacale*).

Board of Directors

Pursuant to Article 15 of the Issuer's by-laws, the Board of Directors comprises not less than three directors and not more than five directors appointed by the shareholders' meeting in compliance with all laws and regulations concerning gender equality.

Directors can be re-elected and may also be removed provided that certain legal requirements are complied with.

The Board of Directors has responsibility for the management of the Issuer and is vested with full powers for management and, in particular, may take all actions it deems necessary for the implementation and achievement of any corporate purpose, excluding only acts that Italian law or the Issuer's by-laws reserve for shareholders' meetings.

Board meetings normally take place at the registered office of the Issuer and are convened by the Chairman. The Board of Directors meets at least on a quarterly basis. An extraordinary meeting may be convened upon request of at least one-third of the Board of Directors members or of the Board of Statutory Auditors, and whenever the Chairman deems it necessary.

The participation of the majority of the Directors is required for the Board meetings to be validly held. Resolutions are carried by a majority of the votes of the members present. In the event of parity, the Chairman shall have the casting vote.

The current Board of Directors of the Issuer was appointed on 1 July 2020 and is composed of three Directors. Its mandate will expire with the approval of the Issuer's financial statements for the financial year ending 31 December 2022.

The Directors are domiciled for the purpose of their office at the Issuer's registered office.

The current members of the Board of Directors and their principal positions held outside of the Issuer are summarised in the following table:

<u>Name</u>	<u>Position</u>	<u>Principal positions held outside of the Issuer</u>
Michele Giuseppe Vietti	Chairman	University teaching at: Facoltà di Economia della UNINT – Università degli studi internazionali di Roma. Partner at “Vietti e Associati” law firm, expert on credit, banking, financial and insurance matters
Paola Simonelli	Director	Partner at “Studio Legale Tributario Simonelli Associati”
Ignazio Parrinello	Director	Chartered Accountant at C.C.I.A.A. Varese Independent evaluation member

General Manager

Pursuant to Article 23 of the Issuer's by-laws, the shareholders' meeting appoints a General Manager who supervises the management of the Issuer and coordinates the Issuer's day-by-day operations.

The General Manager is domiciled for the purpose of his office at the Issuer's registered office.

The current General Manager and his principal positions held outside of the Issuer are summarised in the following table:

<u>Name</u>	<u>Position</u>	<u>Principal positions held outside of the Issuer</u>
Giovanni Rallo	General Manager	Managing Director at Deutsche Bank

Board of Statutory Auditors

Under Italian law, and pursuant to Article 25 of the Issuer's by-laws, the ordinary shareholders' meeting appoints a Board of Statutory Auditors (*Collegio Sindacale*) composed of three independent Statutory Auditors. The shareholders' meeting also appoints two alternate Statutory Auditors and the Chairman of the Board.

The Issuer's current Board of Statutory Auditors was appointed on 1 July 2020. Its mandate will expire with the approval of the Issuer's financial statements for the financial year ending 31 December 2022.

Statutory Auditors are domiciled for the purpose of their office at the Issuer's registered office.

The current Statutory Auditors and their principal positions held outside of the Issuer are summarised in the following table:

<u>Name</u>	<u>Position</u>	<u>Principal positions held outside of the Issuer</u>
Luigi Jemoli	Chairman	Chartered Accountant at C.C.I.A.A. Varese Independent evaluation member Chairman at the Board of Statutory auditors in Lindt & Sprungli S.p.A., Caffarel S.p.a., Cometa S.p.A., Elmec S.p.A., Eolo S.p.a. Statutory Auditor at Carl Zeis Vision Italia S.p.A., Ribes S.p.A.
Antonella Chiametti	Statutory Auditor	Chartered Accountant at C.C.I.A.A. Milano
Maurizio Bocca	Statutory Auditor	Chartered Accountant at C.C.I.A.A. Milano and Auditor
Elisa Belloni	Alternate Statutory Auditor	Chartered Accountant at C.C.I.A.A. Milano and Auditor
Luigi Corbella	Alternate Statutory Auditor	Tax expert and statutory auditor

The control system of the Issuer

The Issuer's controls are inserted in a complex controls system implemented by external entities (the Region of Lombardy, the European Union, the Bank of Italy, the Court of Auditors (*Corte dei Conti*), the external audit firm, the Italian Data Protection Authority and the Italian National Anti-Corruption Authority) as well as internal bodies (the Board of Statutory Auditors, the Board of Directors, the Control Committee, the Internal Audit Office, the Compliance Office, the Risk Management and Anti-Money Laundering Office, the Supervisory Board pursuant to Italian Legislative Decree No. 231 of 8 June 2001, the Promotion of Transparency and Integrity Responsible, the Prevention of Corruption Responsible and the Safety Manager).

As part of the above mentioned "Regional System", the Issuer is subject to: 1) the "Directives addressed to the institutions listed in Annex A1, Section I, of Region of Lombardy Law No. 30 of 27 December 2006" adopted with Region of Lombardy Government Decision (*Deliberazione della Giunta Regionale*) No. 5447 of 25 July 2016; 2) the audit of the Audit Department of U.O. Control System, Prevention of Corruption and Transparency of the Region of Lombardy (pursuant to Regional Council Decision (*Deliberazione del Consiglio Regionale*) No. 2922 of 3 April 2013 and Decree No. 1665 of 28 February 2014 DC Legal, Legislative, Institutional and Controls).

Provided its role as a financial intermediary supervised by the Bank of Italy, the Issuer is furthermore subject to the Bank of Italy regulations on internal controls, pursuant to the Bank of Italy Circular No. 288 of 3 April 2015.

Given the above, the Issuer has set up an internal control system (reviewed with the new organizational structure in force from 1 June 2020) consisting of a 1st level control (line controls), a 2nd level control ("Risk Office", composed of Compliance, Risk Management, Anti-Money Laundering and Anti-Usury and Office Responsible for data protection) and a 3rd level control (Internal Audit).

Internal Audit

The Internal Audit Office evaluates the completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability of the internal controls system for formulating suggestions for improvement risk management policies and measurement tools; it checks, on a continuous basis, the regularity of the different business activities carried out by the Issuer and monitors potential threats; the Internal Audit Office also verifies the monitoring activity carried out by the Compliance Office. It ensures the removal of the anomalies identified during the execution of its controls.

Risk Office, RPCT

The Risk Office coordinates and oversees the correct activities of the subordinate organizational units, (Compliance, Risk Management, Anti-Money Laundering and Anti-Usury, RPD Office) to ensure the management of the risk to which the Issuer is exposed.

The Head of Risk Office is also Responsible for the Promotion of Transparency and Integrity and for the Prevention of Corruption, taking care of the formalities prescribed by Law No. 190 of 6 November 2012 on "Measures for the prevention and repression of corruption and lawlessness in the public administration" (*Disposizioni per la prevenzione e la repressione della corruzione e dell'illegalità nella pubblica amministrazione*) and by Italian Legislative Decree. No. 33 of 14 March 2013 on "Reorganisation of the regulation concerning disclosure, transparency and diffusion of information by public administrations" (*Riordino della disciplina riguardante gli obblighi di pubblicità, trasparenza e diffusione di informazioni da parte delle pubbliche amministrazioni*).

Compliance

The Compliance Office oversees the "compliance risk" by identifying the applicable laws and regulations and their impacts on the Issuer's activities; it participates in the *ex-ante* evaluation of the compliance of new products and services with the current laws and regulations and is in charge of the prevention and management of conflicts of interest; such function also proposes organizational/procedural changes to the Issuer's organizational structure so as to ensure an adequate control over the "compliance risk" and monitors the implementation and effectiveness of said changes.

Risk Management, Anti-Money Laundering and Anti-Usury

The Risk Management Office collaborates in the definition of internal policies, procedures and assessment methods for the management of the risks to which the Issuer is exposed and verifies their adequacy on a continuous basis. It is also in charge of the evaluation of the risks of new products and services developed by the Issuer and ensures that proper performance monitoring mechanisms are in place in order to avoid any shortcomings in the risk management process.

The Anti-Money Laundering Office and Anti-Usury unit also have to assess and mitigate the risk of the Issuer becoming involved in criminal activities concerning money laundering or terrorism financing.

RPD (Responsible for Data Protection) Office

Data Protection Office addresses and controls the internal procedures and company deeds pursuant to Regulation (EU) No. 2016/679. It also assesses the risks connected with the data processing:

- Informing and advising the data controller on the obligation pursuant to Regulation (EU) No. 2016/679;
- Supervising the compliance of the Regulation (EU) No. 2016/679 and of any other EU data protection provision;

Control Committee

The Control Committee promotes the coordination between various offices and professionals involved in the internal controls system and the exchange of information between them and the company bodies of the Issuer (Board of Directors and Board of Statutory Auditors) and the Supervisory Board.

The Control Committee is composed of: one Director with responsibility for governance and controls (who chairs the Committee); a member appointed to represent the Board of Statutory Auditors; the Chief Audit Executive; the Head of the Risk Office; and the Chairman of the Supervisory Board. The Control Committee meets at least on a quarterly basis; the Control Committee's Chairman may invite the General Manager, the Deputy General Manager and/or other persons to attend the meetings of the Control Committee.

The Control Committee primarily: (i) supports the Board of Directors in increasing the controls efficiency; (ii) collects the work plans drafted by the control functions to coordinate the activities and audits planned; and (iii) suggests solutions and principles with respect to critical issues and particular themes or problems.

Supervisory Board pursuant to Italian Legislative Decree No. 231 of 8 June 2001

Pursuant to Article 6 of Italian Legislative Decree No. 231 of 8 June 2001, the Issuer has established a Supervisory Board which has to (i) verify the adequacy and the implementation of the organization, management and control model adopted by the Issuer, and (ii) provide for the updating of such model.

Conflict of Interests

Conflicts of interest may occasionally arise between the duties of a member of the Issuer's Board of Directors or Board of Statutory Auditors, or the General Manager and Deputy General Manager, and their duties towards other parties.

In case of any potential conflicts of interest between certain Directors' duties to the Issuer and their private interests or duties towards other parties, pursuant to Article 2391 of the Italian Civil Code, the interested Director shall disclose any interest, either private or on behalf of a third party, in a specific transaction of the Issuer to the other members of the Board and to the Board of Statutory Auditors. The Director shall also highlight the nature, the origin and the conditions of such interest.

Pursuant to the Bank of Italy Circular No. 288 dated 3 April 2015, the Issuer, in compliance with applicable laws and regulations, has adopted and periodically updates operational and control policies to prevent and, whether or not it is possible, to mitigate potential conflicts of interest.

Any transaction with related parties (mainly with the Shareholder and with Finlombarda Gestioni SGR S.p.A.) is entered into through a contract by the Issuer at normal market conditions.

As far as the Issuer is aware, as at the date of this Base Prospectus, there are no potential conflicts of interest between the duties of a member of the Issuer's Board of Directors or Board of Statutory Auditors to the Issuer and their private interests and other duties.

Independent Auditors

The Issuer's financial statements are audited by independent external auditors appointed, pursuant to Article 13 of Italian Legislative Decree No. 39 of 27 January 2010, by means of a resolution of the ordinary shareholders' meeting upon a reasonable proposal from the Board of Statutory Auditors.

Starting from 10 September 2019, the Independent Auditors of the Issuer for the 2019-2027 financial years is Audirevi S.p.A., with registered office at Paolo da Cannobio, 33, 20122, Milan, Italy. Audirevi S.p.A. is registered under number 119450 in the Register of Auditors (*Registro dei Revisori Legali*) – in compliance with the provisions of Legislative Decree No. 39 of 27 January 2010 – and is a member of "Assirevi" (*Associazione Italiana Revisori Contabili*).

Fiscal Year

The fiscal year of the Issuer is the calendar year.

Employees

As at 31 December 2020, the Issuer employed 157 people.

<u>Category of Employees</u>	<u>Number of Employees</u>
Executive	12
Management	57
Other	88
Total.	<u>157</u>

Litigation

In the ordinary course of its business, the Issuer may be involved in a number of legal claims and procedures.

The Issuer has conducted a review of their on-going litigation and has made, where necessary, provisions considered appropriate in light of the circumstances, when a loss is certain or probable and reasonably estimable, in accordance with applicable accounting principles.

Material Contracts

On 1 June 2020, the Issuer changed its registered office. For this purpose, it signed a loan agreement with Regione Lombardia for the use of its office located in Torquato Taramelli, 12, 20124, Milan (MI). The agreement provides only for the refund of facilities expenses. The Issuer has not entered into any contracts in the last two years outside the ordinary course of business that have been or may reasonably be expected to be material to the Issuer's ability to meet its obligations to Noteholders.

Recent Developments

Rating

On 31 March 2021, also in light of the connection with the Region of Lombardy, Fitch confirmed the long-term foreign and local currency IDR at BBB- with a “Stable” outlook. Fitch also confirmed the short-term foreign-currency IDR at F3. The long and short-term ratings of the senior unsecured debt have also been confirmed at BBB- and F3, respectively.

New credit facility

In October 2021, the Issuer entered into a new credit agreement with the Banca Popolare di Sondrio, which will allow the Issuer to further invest in bonds and loans issued by small and medium size companies operating in Lombardy for an amount equal to Euro 150 million.

Further draws on the Euro 242 million facility granted by the European Investment Bank

In February, April and June 2021, Finlombarda drew, approximately, Euro 130 million under the Euro 242 million facility agreement entered into between the European Investment Bank, as lender, and Finlombarda, as borrower, in September 2015.

2021 Lending activity

On the 30th September 2021 the total gross outstanding loan portfolio was equal to Euro 413 million, of which approximately Euro 200 million representing the lending activity of 2021, among all the different products offered to small and medium-sized enterprises (loans and minibond).

BUSINESS OF THE ISSUER

General

The Issuer plans, realises and manages, on behalf of the Shareholder, innovative financial products and services – by using European, regional or own resources – in order to support the competition, growth, innovation, collaboration and expansion in foreign markets of companies located in Lombardy. The Issuer also facilitates the efficiency of payment systems between public and private sectors and propagates best practices regarding the simplification of local public systems.

Without prejudice to the above, pursuant to Article 4 of its by-laws, the Issuer may grant loans in whatever form as well as perform, by way of example but not limited to, the following activities:

- structuring, management, and provision of financial interventions in favour of companies located in the Region of Lombardy and other entities acting within the production system of Lombardy, therein including credit guarantee *consortia* (*consorzi di garanzia collettiva dei fidi*) and public bodies, these latter exclusively for initiatives in the infrastructure sector;
- acquiring holdings;
- structuring, managing and promoting initiatives and interventions in the field of infrastructure in order to improve the production system of the Region of Lombardy;
- providing financial advice regarding the phases of design, development and management of structured finance models and instruments in favour of the regional and local systems;
- managing and participating in European programmes and projects in areas of regional interest;
- providing advice and services for the management of revenues/taxes;
- providing advice in the field of public finance;
- engaging in other activities related and instrumental to the foregoing; and
- performing any other activities permitted to financial intermediaries according to all the relevant laws and regulations as applicable from time to time.

Areas of Activity

The Issuer is active in several different areas and constantly interacts with various entities, namely the Shareholder, local authorities or businesses established in Lombardy, banks and financial intermediaries (both national and European).

Services provided to the Shareholder

The Issuer, on behalf of the Shareholder, offers business services and other highly innovative services to companies incorporated in the Region of Lombardy – with a particular focus on micro, small and medium enterprises – and gives advice to the Shareholder on the implementation of development programmes concerning research, innovation, internationalization and growth of skills. The Issuer also supports the Shareholder in the definition and management of invitations to tender and public notices concerning different areas.

Financial advice and offering of funding products

The Issuer provides financial and economic advice to the Shareholder on a continuing basis, acting in compliance with the relevant laws and regulations.

To this extent, the Issuer supports the Shareholder in the implementation of strategically important projects where financial aspects assume a significant importance. In some cases, these projects also imply the funding of the initiatives by the Issuer out of its own funds.

Tax collection services

In 2010, the Region of Lombardy reorganized the regional processes and procedures regarding the collection of taxes and other local revenues and, in this context, appointed the Issuer as tributes manager.

Pursuant to the relevant agreement entered into with the Shareholder, the Issuer has also undertaken to provide technical and consultative assistance in re-engineering processes related to the management and collection of regional taxes (particularly car taxes) and in monitoring the amounts of collected revenues, as well as to support and assist taxpayers in connection with the payments of regional duties, to advise revenue collectors on the fulfilment of their tasks and to carry out some document management services.

As at the date of this Base Prospectus, the Issuer no longer operates collection services.

Lending activities involving regional funds

The Issuer's lending activity involving regional funds is primarily focused on enterprises established in the north of Italy and is carried out by means of subsidized loans and other facilities; the Issuer is also involved in some factoring operations and it endorses credit guarantees.

The Issuer's lending activity involving regional funds is mainly carried out with public resources contributed by the Shareholder on the basis of specific agreements. The Issuer acts as an agent without representation, in its own name and on behalf of the Shareholder. The funds constitute autonomous management at the Issuer that detects active and passive operations relating to the latter by means of entries in accounts memorandum of its balance sheet.

The main part of the activity consists of granting loans and short, medium and long-term facilities for the purpose of co-financing (also with other banks and/or financial institutions) the execution of investments. The facilities are ordinarily granted by the Issuer against appropriate securities, guarantees and business plans, evaluated in coordination with the relevant Region of Lombardy's offices.

The Issuer also provides a wide range of services to public entities, enterprises and individuals within facilitated loans initiatives promoted by local or European authorities.

The range of services provided by the Issuer in relation to facilitated loans initiatives comprises, first of all, the execution of administrative activities pertaining to the entities involved and concerning the collection and examination of the applications, the allocation of the loans as well as the monitoring and reporting of the granted facilities.

The Issuer also acts as advisor for the management of the relationships between the borrowers, the lenders and the other entities involved, and also prepares contractual agreements.

Lastly, the Issuer provides information, assistance and advice to enterprises and individuals in order to facilitate the adjudication and collection of the loans.

Financial Intermediation

As a financial intermediary focused on the provision of loans to small and medium-sized enterprises, the Issuer, pursuing the goal of promoting and supporting entrepreneurial activities, utilises both its own resources and contributions from other entities (in particular public banks, the European Investment Bank or resources from a previous EMTN issue).

Among the various financing products offered recently by the Issuer, the most relevant are: "*Credito Adesso Evolution*", "*AL VIA Fast*", "*Credito PPP*", "*Minibond*", "*Syndicated Loans*", "*Leveraged & Acquisition Finance*", "*Più Credito alla Lombardia – splitted in Più Credito Fornitori line and Più Credito Liquidità line*", "*Turnaround Financing*" and "*Hydrobond Initiative*".

The initiative "*Credito Adesso Evolution*" is the update of the *Credito Adesso* initiative, launched in 2020. It provides for the granting of unsecured loans (in co-financing with financial intermediaries), combined with interest subsidies granted by the Lombardy Region, aimed at reducing the liquidity shortage of micro, small, medium and mid-caps enterprises, operating in the Lombardy region. Under such initiatives (*Credito Adesso* and *Credito Adesso Evolution*), in 2020, the Issuer granted loans for an amount of Euro 73.8 million.

"*AL VIA FAST*" is the update of the *AL VIA* initiative launched in 2020, aimed at financing - through the granting of medium-term loans (in co-financing with financial intermediaries) combined with capital grants and guarantees granted by the Lombardy Region - productive investments of small and medium enterprises, located in the Lombardy region. Under this initiative (*AL VIA FAST* and *AL VIA*), in 2020, the Issuer granted loans for an amount of Euro 31.3 million.

"*Credito PPP*" finances or refinances - through pool or stand-alone financing - investments supported by companies awarded concessions and public-private partnership contracts for the construction or renovation of public works and services. The plafond of financial resources made available by the Issuer amounts to Euro 200 million.

"*Minibond*" initiative, updated in 2020, supports companies located in the Lombardy region (with a particular focus on "responsible companies" under ESG standards) in financing their development and investment plans through the subscription of minibonds, for up to Euro 5 million and in partnership with other institutional investors. The limit of financial resources made available by the Issuer amounts to Euro 120 million.

"*Syndicated Loans*" is a new initiative launched in 2020 aimed at supporting companies located in the Lombardy region implementing investment programs with high financial requirements. It provides for the participation of the Issuer (up to Euro 15 million) in 'pool' loans originated by one or more financial intermediaries. The amount of financial resources made available by the Issuer amounts to Euro 300 million.

"*Leveraged & Acquisition Finance*" is a new initiative launched in 2020 that supports micro, small, medium and mid-caps enterprises - in co-financing with financial intermediaries - in L&A Finance operations with amounts up to Euro 15 million. The amount of financial resources made available by the Issuer amounts to Euro 65 million.

Più Credito alla Lombardia is an Issuer's new initiative, launched in 2020 in reaction to the COVID-19 crisis, to support the liquidity needs of the Lombardy production system, and includes the "*Più Credito Liquidità*" and "*Più Credito Fornitori*". "*Più Credito Liquidità*" supports companies located in the Lombardy region with loans, granted in co-financing with financial intermediaries, with amounts between 1 and 15 million euros. "*Più Credito Fornitori*" supports the supply chain of the Lombardy Region supplier companies with loans covering the payment of trade payables and liquidity needs. The total amount of financial resources made available by the Issuer amounts to Euro 300 million.

"*Turnaround Financing*" is a new and significant initiative, launched in 2020, aimed at supporting companies located in the Lombardy region that have embarked on a restructuring process and need resources to finance the business relaunch phase. The loan, up to Euro 2 million, is backed by a guarantee granted by the Lombardy Region. The support made available by the Issuer on own resources amounts to Euro 15 million.

“Hydrobond Initiative” is an initiative aimed at funding public companies located in the Lombardy region and entrusted with the management of the Lombard integrated water service by bond issuances.

In September 2015, the Issuer entered into another credit agreement with the European Investment Bank, which will allow the Issuer to invest in bonds and loans issued by small and medium size companies operating in Lombardy for an amount equal to Euro 242 million.

Issuer's own portfolio

As at 31 December 2020, the Issuer's own portfolio was composed of: Fair Value assets for an amount equal to Euro 35.5 million (OICR), Held to collect and sell assets for an amount equal to Euro 85.2 million (debt securities and minority participations) and Held to collect assets for an amount equal to Euro 36.5 million (debt securities).

Third Parties Funds

As at 31 December 2020, the amount of third parties funds under management or held by the Issuer was equal to Euro 767.8 million, mostly represented by funds from the Region of Lombardy used for financing activities, giving guarantees, capital grants or interest subsidies. Third parties funds under a management portfolio equal to Euro 492.6 million were composed of: Securities (Mutual Funds) and Cash and Short-term Instruments.

As at 31 December 2020, the average maturity of the third parties funds under the management portfolio was very prudential, less than 2 years.

Business Plan

In 2020, the Issuer updated its business plan for the three-year period 2020-2022, mainly focusing on enhancing the services provided to regional authorities and financial innovation.

Capital Adequacy

As at 31 December 2020, the absorption of the regulatory capital of the Issuer was very low: the minimum capital requirements that the Issuer has to meet pursuant to Pillar I were equal to Euro 31.4 million, while the Issuer's regulatory capital was equal to Euro 239.3 million; in accordance with the Bank of Italy Circular No. 288 of 3 April 2015, the Issuer is included in Class 3 and it is allowed to use simplified methodologies to calculate its regulatory capital requirements against the Pillar I risks (standardised approach for credit risk, market risk and basic indicator approach for operational risk). The Issuer also measures risks not included in the Pillar I through adequate control systems and mitigation processes.

As at 31 December 2020, the Issuer was consequently highly capitalized.

The main sources of income for the Issuer are related to the advice/support provided to the Region of Lombardy; in addition, the Issuer holds certain financial instruments in order to optimise the management of the liquidity held in the Issuer's current accounts.

As required by the Bank of Italy Circular No. 288 of 3 April 2015, the Issuer monitors its capital adequacy, prepares the ICAAP (Internal Capital Adequacy Assessment Process) Report and publishes, on its website, www.finlombarda.it, the disclosure requirements under Pillar III.

TAXATION

General

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes, including the application to their particular situation of the tax considerations discussed below.

ITALIAN TAXATION

The following is a summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Notes. The statements herein regarding taxation are based on the laws in force in Italy as of the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis.

Prospective purchasers should be aware that tax treatment depends on the individual circumstances of each Noteholder: as a consequence they should consult their tax advisers as to the consequences under Italian tax law and under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Securities, including in particular the effect of any state, regional or local tax laws.

The following summary does not purport to be a complete analysis of all tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes. This summary does not describe the tax consequences for an investor with respect to Notes that provide payout linked to the profits of the Issuer, profits of another company of the group or profits of the business in relation to which they are issued.

Interest and other proceeds from Notes that qualify as bonds or instruments similar to bonds

Legislative Decree No. 239 of 1 April 1996, as subsequently amended and supplemented, (**Decree No. 239/1996**) provides for the applicable regime with respect to the tax treatment of interest, premium and similar proceeds - including the difference between the redemption amount and the issue price - (**Interest**) deriving from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented (**Decree No. 917/1986**), issued, *inter alia*, by a company whose shares are not traded on a regulated market or multilateral trading facility of an EU or EEA country included in the White List (as defined below), where the notes themselves are traded on the mentioned regulated markets or multilateral trading facilities.

For these purposes, debentures similar to bonds are defined as securities that incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value and that do not give any right to directly or indirectly participate in the management of the issuer or of the business in relation to which they are issued nor any type of control on the management.

Italian Resident Noteholders

Where an Italian resident Noteholder is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *Regime del risparmio gestito* – see under "*Capital gains tax*" below), (b) a non-commercial partnership, pursuant to article 5 of Decree No. 917/1986, (c) a non-commercial private or public institution or non-commercial trust, or (d) an investor exempt from Italian corporate income taxation, Interests (other than capital gains) relating to the Notes, accrued during

the relevant holding period, are subject to a withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 26 per cent either when the Interest is paid by the Issuer, or when payment thereof is obtained by the Noteholder on a sale of the relevant Notes.

In the event that the Noteholder described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest relating to the Notes if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable set forth under Italian Law.

Where an Italian resident Noteholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, Interest from the Notes will not be subject to *imposta sostitutiva*. They must, however, be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (**IRES**) and in certain circumstances, depending on the "status" of the Noteholder, also to the regional tax on productive activities (**IRAP**).

If the investor is an Italian resident open-ended or closed-ended investment fund, a SICAF (an investment company with fixed capital other than a Real Estate SICAF) or a SICAV (an investment company with variable capital) established in Italy and either (i) the fund, the SICAF or SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the **Fund**), and the relevant Notes are deposited with an authorised intermediary, Interest accrued during the holding period on such Notes will neither be subject to *imposta sostitutiva* nor to any other income tax in the hands of the Fund but must be included in the management results of the Funds accrued at the end of each tax period. A withholding tax at a rate of 26 per cent will apply, in certain circumstances, to distributions made by the Fund in favour of unitholders or shareholders.

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into Law No. 410 of 23 November 2001 (**Decree 351**), Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010 and Legislative Decree No. 44 of 4 March 2014, all as amended, Italian real estate investment funds established in accordance with Article 37 of Legislative Decree No 58 of 24 February 1998 and Article 14-bis of Law No. 86 of 25 January 1994 and Italian real estate SICAFs (together, the **Real Estate Investment Funds**) are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of Real Estate Investment Fund. A withholding tax may apply in certain circumstances at a rate of up to 26 per cent on distributions made by the Real Estate Investment Funds and, in certain cases, a tax transparency regime may apply in respect of certain categories of investors, owning more than 5 per cent of the Italian Real Estate Fund units.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, Interest relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but they must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent annual substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, interest, premium and other income relating to the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable set forth under Italian law.

Pursuant to Decree No. 239/1996, *imposta sostitutiva* is applied by banks, *Società di intermediazione mobiliare* ("**SIMs**"), fiduciary companies, *Società di gestione del risparmio* (**SGRs**), stockbrokers and other entities

identified by a decree of the Ministry of Finance (each an **Intermediary**) as subsequently amended and integrated.

An Intermediary (a) must (i) be a resident in Italy or (ii) be a permanent establishment in Italy of a non-Italian resident financial intermediary or (iii) be an entity or company not resident in Italy, acting through a system of centralised administration of notes and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purpose of Decree 239, and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any Italian intermediary paying Interest to a Noteholder or, in their absence, by the Issuer.

Non-Italian resident Noteholders

According to Decree No. 239/1996, an exemption from the *imposta sostitutiva* applies on payments of interest, premium and other proceeds in respect of the Notes made to either (i) beneficial owners or (ii) certain institutional investors, even if not possessing the status of taxpayers in their own country of incorporation, who, in either case, are non-Italian resident holders of the Notes with no permanent establishment in Italy to which the Notes are effectively connected provided that (a) such beneficial owners are resident, for tax purposes, or such institutional investors are set up, in a country which allows for a satisfactory exchange of information with Italy as listed in the Italian Ministerial Decree of 4 September 1996, as amended and possibly further amended according to Article 11(4)(c) of Decree 239 (the **White List**); and (b) all the requirements and procedures set forth in Decree 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time.

Decree 239/1996 also provides for additional exemptions from *imposta sostitutiva* for payments of interest, premiums and other proceeds in respect of the Notes made to (i) international entities or bodies set up in accordance with international agreements which have entered into force in Italy; or (ii) central banks or entities which manage, *inter alia*, the official reserves of a foreign state.

In order to ensure gross payment, non-Italian resident investors indicated above must: (a) be either (i) the beneficial owners of the payments of interest, premium or other income on the Notes or (ii) qualify as one of the above mentioned institutional investors, even if not possessing the status of taxpayers in their own country of incorporation, (b) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance and (c) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, which remains valid until withdrawn or revoked, in which the Noteholder declares to be eligible to benefit from the applicable exemption from *imposta sostitutiva*. The Noteholder statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in case of foreign central banks or entities which manage, *inter alia*, the official reserves of a foreign state, must comply with the requirements set forth by Ministerial Decree of 12 December 2001, as subsequently amended.

The *imposta sostitutiva* will be applicable at the rate of 26 per cent. to Interest related to the Notes paid to Noteholders who do not qualify for the exemption. Noteholders who are subject to the *imposta sostitutiva* might, nevertheless, be eligible for a total or partial reduction (generally to 10 per cent.) of the *imposta sostitutiva* under certain applicable double tax treaties entered into by Italy, if more favourable, provided all conditions for their application are met.

Atypical securities

Interest payments relating to the Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of 26 per cent. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value with or without the payment of periodic interest, and do not give any right to directly or indirectly participate in the management of the issuer or to the business in connection to which the securities were issued, nor to control the same.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from any income taxation on interest, premium and other income relating to the Notes not falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), if such Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable set forth under Italian law.

Where the Noteholder is (a) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected; (b) an Italian company or a similar Italian commercial entity; (c) a permanent establishment in Italy of a foreign entity; (d) an Italian commercial partnership; or (e) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases, including when the Noteholder is a non-Italian resident, the withholding tax is a final withholding tax. For non-Italian resident Noteholders, the withholding tax rate may be reduced by any applicable tax treaty, provided all conditions for its application are met.

Capital gains

Italian Resident Noteholders

Any capital gain realised upon the sale or redemption of the Notes would be treated for the purpose of corporate income tax and of individual income tax as part of the taxable business income of Noteholders (and, in certain cases, depending on the status of the Noteholders, may also be included in the taxable basis of IRAP), and therefore subject to tax in Italy according to the relevant tax provisions, if derived by Noteholders who are (a) Italian resident corporations; or (b) Italian resident commercial partnerships; or (c) permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; or (d) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of their commercial activity.

Pursuant to Legislative Decree No. 461 of 21 November 1997, where an Italian resident Noteholder is (i) an individual not holding the Notes in connection with an entrepreneurial activity, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the rate of 26 per cent. under some conditions and limitations, a Noteholder may set off any losses against their gains.

For the purposes of determining the taxable capital gain (*redditi diversi*), any Interest on the Notes accrued and unpaid up to the time of the purchase and the sale of the Notes must be deducted from the purchase price and the sale price, respectively.

In respect of the application of *imposta sostitutiva*, taxpayers under (i) to (iii) above may opt for one of the three regimes described below:

- 1) under the tax return regime (*Regime della dichiarazione*), which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity, *imposta*

sostitutiva on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by Italian resident individual noteholders holding the Notes not in connection with an entrepreneurial activity (pursuant to all sales or redemptions of the Notes carried out during any given tax year). These individuals must report the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return to be filed with the Italian tax authority for such year and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year.

- 2) as an alternative to the tax return regime, Italian resident individual noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay *imposta sostitutiva* separately on the capital gains realised upon each sale or redemption of the Notes (*Regime del risparmio Amministrato*). Such separate taxation of capital gains is permitted subject to: (i) the Notes being deposited with Italian banks, SIM or certain authorised financial intermediaries; and (ii) an express election for the *Regime del risparmio amministrato* being timely made in writing by the relevant Noteholder. The financial intermediary, on the basis of the information provided by the taxpayer, accounts for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised at revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian Tax Authorities on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the Noteholder. Under the *Regime del risparmio amministrato*, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised in the same tax year or in the following tax years up to the fourth. Under the *Regime del risparmio amministrato*, the Noteholder is not required to report capital gains in its annual tax return;
- 3) any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have elected for the Asset Management Option (*Regime del risparmio gestito*) will be included in the calculation of the annual increase in net value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent substitute tax to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the *Regime del risparmio gestito*, any depreciation of the managed assets accrued at year end may be carried forward against an increase in the net value of the managed assets accrued in any of the four succeeding tax years. Under the *Regime risparmio del gestito*, the Noteholder is not required to report capital gains realised in its annual tax return.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity or social security entities pursuant to Legislative Decree No. 509 of 30 June 1994 and Legislative Decree No. 103 of 10 February 1996 may be exempt from Italian capital gain taxes, including the *imposta sostitutiva*, on capital gains realised upon sale or redemption of the Notes if the Notes are included in a long-term individual savings account (*piano di risparmio a lungo termine*) that meets the requirements from time to time applicable set forth under Italian law.

The capital gains realised by Funds are not subject to *imposta sostitutiva* nor to any other income tax in the hands of the relevant Fund but will be included in the result of the relevant portfolio accrued at the end of the tax period. Such result will not be taxed with the Fund, but on the subsequent distributions in favour of unitholders of shareholders a substitutive tax may be applied at a rate up to 26 per cent, in certain circumstances.

Italian Real Estate Investment Funds are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the Real Estate Investment Fund. The income of the Real Estate Investment Fund is subject to tax, in the hands of the unitholder, depending on the status and percentage of participation, or, when earned by the fund, through distribution and/or upon redemption or disposal of the units.

Any capital gains realised by a Noteholder who is an Italian pension fund (subject to the regime provided for by article 17 of the Italian Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent substitute tax. Subject to certain conditions (including minimum holding period requirement) and limitations, capital gains on the Notes may be excluded from the taxable base of the 20 per cent. substitute tax if the Notes are included in a

long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements from time to time applicable set forth under Italian.

Non-Italian Resident Noteholders

Capital gains realised by non-Italian resident Noteholder from the sale or redemption of the Notes issued by an Italian resident issuer and traded on regulated markets (and, in certain cases, subject to filing of required documentation) are not subject to the *imposta sostitutiva* nor to any other Italian income tax.

Capital gains realised by a non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of the Notes issued by an Italian resident issuer not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the Noteholder: (a) qualifies as the beneficial owner of the capital gain and is resident for income tax purposes in a country included in the White List; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a central bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is established in a country included in the White List, even if it does not possess the status of taxpayer therein, in any case, to the extent all the requirements and procedures in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time, if applicable. In this case, if the non-Italian Noteholders have opted for the *Regime del risparmio amministrato* or the *Regime del risparmio gestito*, exemption from Italian capital gains tax will apply upon condition that they file in due course with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirements indicated above.

If none of the conditions above is met, capital gains realised by non-Italian resident Noteholders, without a permanent establishment in Italy to which the Notes are effectively connected, from the sale or redemption of Notes issued by an Italian resident issuer and not traded on regulated markets are subject to the *imposta sostitutiva* at the current rate of 26 per cent. However, a Noteholder may benefit from an applicable tax treaty with Italy providing that capital gains realised upon the sale or redemption of the Notes are to be taxed only in the resident tax country of the recipient.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfer of any valuable asset (including shares, notes or other securities) as a result of the death or donation are taxed as follows:

- 1) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;
- 2) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and
- 3) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

The mortis causa transfer of financial instruments included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) – that meets the requirements set forth under Italian tax law, are exempt from inheritance taxes.

If the transfer is made in favour of person with a severe disability recognized by law, inheritance or gift taxes are levied at the rate mentioned above on the amount of the value of the inheritance or gift that exceeds Euro 1,500,000.

Transfer tax

Contracts relating to the transfer of securities may be subject to the registration tax as follows: a) public deeds and notarized deeds (*atti pubblici e scritture private autenticate*) executed in Italy should be subject to a lump sum of Euro 200 as registration tax; and b) private deeds (*scitture private non autenticate*) should be subject to a lump sum of registration Euro 200 as registration tax only in the case of use, explicit reference or voluntary registration.

Stamp duty (imposta di bollo) and Wealth tax (IVAFE)

Pursuant to Article 13 of the tariff attached to Presidential Decree No. 642 of 26 October 1972 (the **Decree No. 642/1972**), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.20 per cent.; this stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held. The stamp duty cannot exceed Euro 14,000 if the Noteholder is not an individual.

The proportional stamp duty does not apply to communications sent by Italian financial intermediaries to subjects not qualifying as clients, as defined by Provision of the Governor of Bank of Italy dated 20 June 2012. Moreover, the proportional stamp duty does not apply to communications sent to Pension Funds.

Pursuant to Article 19(18 and 18-bis) of Decree No. 201 of 6 December 2011 (**Decree No. 201/2011**), Italian resident individuals, Italian non-commercial private or public institutions or Italian non-commercial partnerships, holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.20 per cent (**IVAFE**). For taxpayers different from individuals, IVAFE cannot exceed Euro 14,000.

This tax is calculated on the market value of the Notes at the end of the relevant year or, if no market value figure is available, the nominal value or the redemption value or if the nominal or redemption values cannot be determined, on the purchase value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Tax monitoring

According to the Law Decree No. 167 of 28 June 1990, converted with amendments into Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917/1986) which are resident in Italy for tax purposes and which over the fiscal year hold or are beneficial owners of investments abroad or have financial activities abroad must, in certain circumstances, disclose such investments or financial activities to tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time prescribed for the income tax return), regardless of the value of such assets (save for deposits or bank accounts having an aggregate value not exceeding a Euro 15,000 threshold throughout the year, which per se do not require such disclosure). This requirement applies even if the taxpayer during the tax period has totally divested such assets. No disclosure requirements exist for investments and financial activities (including the Notes) under management or administration entrusted to Italian resident intermediaries and for contracts concluded through their intervention, provided that the cash flows and the income derived from such activities and contracts have been subject to Italian withholding or substitute tax by intermediaries themselves.

FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. The issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Italy) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions.

In particular, according to the intergovernmental agreement (**IGA Italy**) signed by the United States and the Republic of Italy on January 10, 2014 and implemented in Italy by Law No. 95 of 18 June 2015, a foreign financial institution is not generally subject to withholding under FATCA on any payments it receives. Furthermore, a foreign financial institution is not required to withhold from payments it makes (unless it has agreed to do so under the U.S. “qualified intermediary” regime, according to which, in certain cases, a 30% withholding tax is applied on the payments from sources within the United States).

Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under “Terms and Conditions—Further Issues”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. In view of the fact that the implementation of FACTA rules may be different from jurisdiction to jurisdiction due to the applicable IGA, holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

LUXEMBOURG TAXATION

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

(ii) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Relibi Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meanings of the laws of 21 June 2005 implementing Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), as amended) established in an EU member State (other than Luxembourg) will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Accordingly, payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 20 per cent.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 23 November 2021, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression retail investor means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

- (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus regulation**); and
- b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression an **offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- a) the expression retail investor means a person who is one (or more) of the following:

- i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or
 - ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes (or Pricing Supplement, in the case of Exempt Notes) specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85208 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision:

- the expression **an offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and
- the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer, and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

France

Each of the Dealers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411 4 of the French *Code monétaire et financier*.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017 (the **Prospectus Regulation**) and any applicable provision of Italian laws and regulations; or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

- (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**), CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the

Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Belgium

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The update of the Programme has and the increase of the Programme amount have been authorised by the resolutions of the Board of Directors of the Issuer dated 20 July 2021 and 30 September 2021 ratified, to the extent relevant, by a resolution of the Extraordinary Shareholders meeting of the Issuer dated 19 September 2021.

The issue of Notes under the Programme will be authorised prior to each relevant issue of Notes by the competent bodies of the Issuer in accordance with applicable laws and the relevant provisions of the Issuer's By-Laws. Each issuance resolution (*delibera di emissione*) shall be passed in notarial form and registered in the competent Companies' Register (*Registro delle Imprese*).

Listing and admission to trading of Notes

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

BNP Paribas Securities Services Luxembourg Branch, being part of a financial group providing client services with a worldwide network covering different time zones, may entrust parts of its operational processes to other BNP Paribas Group entities and/or third parties, whilst keeping ultimate accountability and responsibility in Luxembourg.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from www.finlombarda.it :

- (i) the by-laws (*statuto*) of the Issuer (with an English translation thereof);
- (ii) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (iii) a copy of this Base Prospectus; and
- (iv) any future base prospectus, prospectuses, information memoranda, supplements to this Base Prospectus and Final Terms (save that the Final Terms relating to a Note which is not admitted to trading on a regulated market in the European Economic Area will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

Significant or Material Change

There has been no significant change in the financial performance or financial position of the Issuer or the Group since 31 December 2020 and there has been no material adverse change in the financial position or prospects of the Issuer or the Group since 31 December 2020.

Litigation

Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or the Group.

Auditors

Until 31 December 2018, Independent Auditors of the Issuer was BDO Italia S.p.A., with registered office at Viale Abruzzi, 94, 20131, Milan, Italy. BDO Italia S.p.A. was registered under number 167911 in the Register of Auditors (*Registro dei Revisori Legali*).

On 10 September 2019, Audirevi S.p.A. (“**Audirevi**”) was appointed as independent auditor.

Consequently, from 10 September 2019, Independent Auditors of the Issuer for the 2019-2027 financial years is Audirevi, with registered office at Via Paolo da Cannobio, 33, 20122. Audirevi is registered under number 119450 in the Register of Auditors (*Registro dei Revisori Legali*) – in compliance with the provisions of Legislative Decree No. 39 of 27 January 2010 – and is a member of “Assirevi” (*Associazione Italiana Revisori Contabili*).

Audirevi has audited the Issuer's accounts, without qualification, in accordance with IAS/IFRS for the financial years ended on 31 December 2019 and 31 December 2020.

Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to any issues of Note, except if required by any applicable laws and regulations.

Dealers transacting with the Issuer

Certain of the Dealers and their affiliates (including parent companies) have engaged, and may in the future engage, in lending, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates (including parent companies) may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers.

Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates (including parent companies) that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates (including parent companies) would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates (including parent companies) may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

ISSUER

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To the Dealers as to English law and Italian law

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