BASE PROSPECTUS
Dated: 16 December 2019

MEDIOBANCA - BANCA DI CREDITO FINANZIARIO S.P.A.

(incorporated with limited liability in the Republic of Italy)

MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.

(incorporated with limited liability in Luxembourg)

Euro 40,000,000,000

Euro Medium Term Note Programme

guaranteed in the case of Notes issued by Mediobanca International (Luxembourg) S.A.

by

MEDIOBANCA - BANCA DI CREDITO FINANZIARIO S.P.A.

*Under the Euro 40,000,000,000 Euro Medium Term Note Programme (the "**Programme**") described in this Base Prospectus (as defined below), each of Mediobanca - Banca di Credito Finanziario S.p.A. ("**Mediobanca**") and Mediobanca International (Luxembourg) S.A. ("**Mediobanca International**") (each, an "**Issuer**" and together the "**Issuers**") may from time to time issue senior preferred notes (the "**Senior Preferred Notes**") and Mediobanca may from time to time issue senior non preferred notes (the "**Senior Non Preferred Notes**" and, together with the Senior Preferred Notes, the "**Senior Notes**") and subordinated notes ("**Subordinated Notes**" and, together with the Senior Notes, the "**Notes**"), subject in each case to compliance with all relevant laws, regulations and directives. The payment of all amounts due in respect of any Senior Preferred Notes issued by Mediobanca International will be unconditionally and irrevocably guaranteed by Mediobanca (in such capacity, the "**Guarantor**") under a deed of guarantee and subject to the limitations thereof executed by the Guarantor and dated 16 December 2019 (the "**Deed of Guarantee**") (see "**General Description of the Euro 40,000,000,000 Euro Medium Term Note Programme**" – "**Status of the Guarantee**" on page 35). Notes issued under the Programme (other than the Senior Non Preferred Notes) will have denominations of not less than EUR 1,000 (or, where the Notes are denominated in a currency other than Euro, the equivalent amount in such other currency), while Senior Non Preferred Notes issued under the Programme will have a denomination of at least EUR 250,000 (or, where the Senior Non Preferred Notes are denominated in a currency other than euro, the equivalent amount in such other currency).*

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see "Risk Factors" beginning on page 2.

*This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), the Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed under Irish and EU law pursuant to the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuers or of the quality of the Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU, as amended (the "**MiFID II**") and/or which are to be offered to the public, in any Member State of the European Economic Area. Application will be made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for Notes issued under the Programme during the period of 12 months after the date hereof to be admitted to the official list (the "**Official List**") of Euronext Dublin and to trading on the regulated market of Euronext Dublin, which is a regulated market for the purpose of MiFID II.*

*The Programme provides that Notes may be listed or admitted to trading (as the case may be) on such other or further stock exchange(s) or market(s) as may be agreed between the relevant Issuer, the Guarantor (where applicable) and the relevant Dealer (as defined in "**Plan of Distribution**"). Unlisted Notes or Notes not admitted to trading on any market may also be issued. This Base Prospectus comprises two base prospectuses (one for each Issuer, each of which referred to herein as the "**Base Prospectus**") for the purposes of the Prospectus Regulation.*

*The Central Bank may, at the request of the relevant Issuer, send to the competent authority of another European Economic Area Member State (i) a copy of this Base Prospectus; and (ii) a certificate of approval pursuant to Article 25 of the Prospectus Regulation attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation (a "**Certificate of Approval**".*

*Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined below) of Notes will be set out, in the final terms (the "**Final Terms**") which, with respect to Notes to be listed on the Official List of the Euronext Dublin, will be delivered to the Euronext Dublin.*

*For the terms and conditions of the Notes governed by English law to be issued under the Programme (the "**English Law Notes**") see "**Terms and Conditions of the English Law Notes**" below (the "**Terms and Conditions of the English Law Notes**") and for the terms and conditions of the Notes governed by Italian law to be issued under the Programme (the "**Italian Law Notes**") see "**Terms and Conditions of the Italian Law Notes**" below (the "**Terms and Conditions of the Italian Law Notes**"). References to the "Notes" shall be to the Notes governed by English law and/or Italian law, as appropriate and references to the "Terms and Conditions" or the "Conditions" shall be to the Terms and Conditions for the English Law Notes and/or the Terms and Conditions for the Italian Law Notes, as appropriate.*

*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 state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes will be offered and sold in offshore transactions outside the United States in reliance on Regulation S under the Securities Act. The Notes will be in bearer form and as such are subject to certain U.S. tax law requirements.*

*Amounts payable under the Notes may be calculated by reference to EURIBOR, LIBOR, LIBID, LIMEAN or CMS which are respectively provided by the European Money Markets Institute ("**EMMI**") for EURIBOR and ICE Benchmark Administration Limited ("**ICE**") for LIBOR and CMS. as specified in the relevant Final Terms. As at the date of this Base Prospectus, both EMMI and ICE appear on the register of administrators and benchmarks established and maintained by European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of Regulation (EU) 2016/1011(the "**Benchmark Regulation**").*

Arranger of the Programme

MEDIOBANCA - Banca di Credito Finanziario S.p.A.

Dealers

BANCA AKROS S.p.A. Gruppo Banco BPM
BANCA IMI
BARCLAYS
BNP PARIBAS
CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
CREDIT SUISSE
J.P. MORGAN
MEDIOBANCA - Banca di Credito Finanziario S.p.A.
NATWEST MARKETS
SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING
UNICREDIT BANK

IMPORTANT NOTICES

This document constitutes a Base Prospectus for each Issuer for the purposes of the Prospectus Regulation.

Responsibility for this Base Prospectus

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this document and, to the best of the knowledge of each of the Issuers and the Guarantor (which have 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.

*Each of the Issuers and the Guarantor, having made all reasonable enquiries confirms that (i) this Base Prospectus contains all information with respect to each of the Issuers, the Guarantor, and their subsidiaries taken as a whole (the "**Group**" or the "**Mediobanca Group**"), the Notes, and the deed of guarantee executed by the Guarantor and dated 16 December 2019 with respect to Senior Preferred Notes issued by Mediobanca International (the "**Deed of Guarantee**") which is material in the context of the issue and offering of Notes, (ii) the statements contained in this Base Prospectus relating to each of the Issuers, the Guarantor and the Group are in every material respect true and accurate and not misleading, the opinions and intentions expressed in this Base Prospectus with regard to the Issuers, the Guarantor and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iii) there are no other facts in relation to each of the Issuers, the Guarantor, the Group, the Notes or the Deed of Guarantee the omission of which would, in the context of the issue and offering of Notes, make any statement in this Base Prospectus misleading in any material respect and (iv) all reasonable enquiries have been made by each of the Issuers and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements.*

Final Terms/Drawdown Prospectus

Each Tranche (as defined herein) of Notes will be issued on the terms set out hereunder "***Terms and Conditions of the Notes***" (the "**Conditions**") and in a document specific to such Tranche called final terms (the "**Final Terms**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms, Supplements and Further Prospectuses*" below.

Public Offers of Notes in the European Economic Area

Certain Tranches of Notes (other than the Senior Non Preferred Notes which shall have a denomination of at least EUR 250,000) with a denomination of less than EUR 100,000 (or its equivalent in any other currency) may, subject as provided below, be offered in any Member State of the European Economic Area in circumstances where there is no exemption from the obligation under the Prospectus Regulation to publish a prospectus. Any such offer is referred to in this Base Prospectus as a "**Public Offer**". This Base Prospectus has been prepared on a basis that permits Public Offers of Notes in Ireland (a "**Public Offer Jurisdiction**"). Any person making or intending to make a Public Offer of Notes in a Public Offer Jurisdiction on the basis of this Base Prospectus must do so only with the consent of the Issuer – see "*Consent given in accordance with Article 5(1) of the Prospectus Regulation (Retail Cascades)*"] below.

If after the date of this Base Prospectus the Issuer intends to add one or more Member States to the list of Public Offer Jurisdictions for any purpose, it will prepare a supplement to this Base Prospectus specifying such Member State(s) and any relevant additional information required by the Prospectus Regulation. Such supplement will also set out provisions relating to the consent of the Issuer to the use of this Base Prospectus in connection with any Public Offer in any such additional Public Offer Jurisdiction.

In the context of any Public Offer of Notes in a Public Offer Jurisdiction, the Issuer accept responsibility in that Public Offer Jurisdiction, for the content of this Base Prospectus in relation to any person (an "**Investor**") who purchases any Notes in that Public Offer Jurisdiction made by a Dealer or an Authorised Offeror (as defined below), where that offer is made during the Offer Period (as defined below).

Except in the circumstances described below, neither the Issuer nor the Guarantor has authorised the making of any offer by any offeror and neither the Issuer nor the Guarantor has consented to the use of this Base Prospectus by any other person in connection with any offer of the Notes in any jurisdiction.

Consent given in accordance with Article 5(1) of the Prospectus Regulation (Retail Cascades)

Any offer made without the consent of the relevant Issuer or the Guarantor (as applicable) is unauthorised and neither the relevant Issuer nor the Guarantor (as applicable), nor, for the avoidance of doubt, any of the Dealers accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Public Offer, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Base Prospectus for the purpose of the relevant Public Offer and, if so, who that person is.

If an Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, the Investor should take legal advice.

Consent to the use of this Base Prospectus

Common conditions to Consent

The conditions to the consent of the Issuers and the Guarantor are (in addition to the conditions described in either sub-paragraph (a) (*Specific Consent*) or sub-paragraph (b) (*General Consent*) under "*Specific Consent and General Consent*" below) that such consent:

(i) is only valid in respect of the relevant Tranche of Notes;

(ii) is only valid during the Offer Period specified in the applicable Final Terms; and

(iii) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Notes in such of the Public Offer Jurisdictions as are specified in the applicable Final Terms.

The consent referred to above relates to Public Offers occurring within twelve months from the date of this Base Prospectus.

Specific Consent and General Consent

Subject to the conditions set out above under "*Common Conditions to Consent*", each of the Issuers and the Guarantor consents to the use of this Base Prospectus in connection with a Public Offer of Notes in any Public Offer Jurisdiction by:

(a) *Specific Consent:*

(i) the Dealers specified in the relevant Final Terms;

(ii) any financial intermediaries specified in the applicable Final Terms; and

(iii) any financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the website of the Issuers (https://mediobanca.com) and identified as an Authorised Offeror in respect of the relevant Public Offer; and

(b) *General Consent:*

if General Consent is specified in the relevant Final Terms as applicable, any other financial intermediary which:

(i) is authorised to make such offers under Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended, including under any applicable implementing measure in each relevant jurisdiction ("**MiFID II**"); and

(ii) accepts such offer by publishing on its website the following statement (with the information in square brackets duly completed with the relevant information) (the "**Acceptance Statement**"):

"*We, [insert legal name of financial intermediary], refer to the [insert title of relevant Notes] (the "**Notes**") described in the Final Terms dated [insert date] (the "**Final Terms**") published by [ISSUER] (the "**Issuer**") and [GUARANTOR] (the "**Guarantor**").*

In consideration of the Issuer [and the Guarantor] offering to grant their consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [insert name(s) of relevant Public Offer Jurisdiction(s)] during the Offer Period in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus), we accept the offer by the Issuer [and Guarantor]. We confirm that we are authorised under MiFID II to make, and are using the Base Prospectus in connection with, the Public Offer accordingly.

Terms used herein and otherwise not defined shall have the same meaning as given to such terms in the Base Prospectus."

Any financial intermediary falling within this sub-paragraph (b) who wishes to use this Base Prospectus in connection with a Public Offer is required, for the duration of the relevant Offer Period specified in the applicable Final Terms, to publish a duly completed Acceptance Statement on its website.

Authorised Offerors

The financial intermediaries referred to in sub-paragraphs (a)(ii) and (a)(iii) and sub-paragraph (b), above, are together referred to herein as the "**Authorised Offerors**".

Arrangements between an Investor and the Authorised Offeror who will distribute the Notes

Neither the Issuers nor the Guarantor (nor, for the avoidance of doubt, any of the Dealers) has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT ARRANGEMENTS. NEITHER THE ISSUERS NOR THE GUARANTOR WILL BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE PUBLIC OFFER OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE RELEVANT AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE AUTHORISED OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NONE OF THE ISSUERS, THE GUARANTOR AND THE DEALERS HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

IN THE EVENT OF AN OFFER BEING MADE BY A FINANCIAL INTERMEDIARY, SUCH FINANCIAL INTERMEDIARY WILL PROVIDE INFORMATION TO INVESTORS ON THE TERMS AND CONDITIONS OF THE OFFER AT THE TIME THE OFFER IS MADE.

Public Offers: Issue Price and Offer Price

Notes to be offered pursuant to a Public Offer will be issued by the relevant Issuer at the Issue Price specified in the applicable Final Terms. The Issue Price will be determined by the relevant Issuer and the Guarantor (as applicable) in consultation with the relevant Dealer(s) at the time of the relevant Public Offer and will depend, amongst other things, on the interest rate applicable to the Notes and prevailing market conditions at that time. The offer price of such Notes will be the Issue Price or such other price as

may be agreed between an Investor and the Authorised Offeror making the offer of the Notes to such Investor. Neither the Issuers nor the Guarantor will be party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Notes to such Investor.

Other relevant information

The language of this Base Prospectus is in English. Any foreign language text that is included with or within this Base Prospectus has been included for convenience purposes only and does not form part of this Base Prospectus.

This Base Prospectus should be read and construed with any supplement hereto and with any other documents incorporated by reference herein and, in relation to any Tranche of Notes, should be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Purchases of Notes may be made through a duly appointed Dealer of the relevant Issuer. The relevant Issuer may also offer and sell Notes directly to investors without the involvement of any Dealer.

The Issuers and the Guarantor will enter into a Dealer Agreement with the Dealers in connection with the issue of Notes for the purpose of the distribution of the Notes to prospective investors. Pursuant to the terms of the Dealer Agreement, the relevant Issuer may appoint one or more Dealer(s) under the Programme to subscribe or procure subscribers for all or part of the Notes of the relevant Series. See the section on "Plan of Distribution" in this Base Prospectus for further details. This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of either the Issuers, the Guarantor or any of the Dealers to subscribe for, or purchase, any Notes.

The Dealers and PricewaterhouseCoopers, as auditor to Mediobanca International, have not separately verified the information contained in this Base Prospectus. None of the Dealers makes any representation express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by either of the Issuers, the Guarantor or any of the Dealers that any recipient of this Base Prospectus or any financial statements should purchase any Notes.

Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of the Issuers or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.

Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by any of the Issuers or the Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by any of the Issuers, the Guarantor or any of the Dealers.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of any of the Issuers or the Guarantor since the date hereof or the date upon which this document has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the financial position of any of the Issuer or the Guarantor since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that any other

information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Restrictions on distribution

The distribution of this Base Prospectus and the offering or sale of Notes in certain jurisdictions may be restricted by law. Each of the Issuers, the Guarantor 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. No Notes may be offered or sold, directly or indirectly, to the public, 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, 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, the Notes have not been and will not be registered under the Securities Act and are subject to U.S. tax law requirements.

This Base Prospectus has been prepared by the Issuers and the Guarantor for use in connection with the offer and sale of Notes in reliance upon Regulation S of the Securities Act outside the United States to non-U.S. persons or in transactions otherwise exempt from registration. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or the adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

For a description of additional restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and Italy) and other jurisdictions, see "Plan of Distribution".

***PRIIPs/ 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 2016/97/EU, (as amended, 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.*

***MIFID II PRODUCT GOVERNANCE / TARGET MARKET** - The Final Terms in respect of any Notes may 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 such 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 at the time of 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 a Tranche of Notes is a manufacturer in respect of that Tranche, 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.*

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the SFA) *- Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

Benchmark Regulation *- Amounts payable under the Notes may be calculated by reference to EURIBOR, LIBOR, LIBID, LIMEAN or CMS which are respectively provided by the European Money Markets Institute ("**EMMI**") for EURIBOR and ICE Benchmark Administration Limited ("**ICE**") for LIBOR and CMS. At the date of this Base Prospectus, both ICE and EMMI have been authorised as regulated benchmark administrators pursuant to Article 34 of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") and appear on the public register of administrators established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of the Benchmarks Regulation.*

STABILISATION

*In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s) (the "**Stabilising 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 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 Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.*

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*Notes may be issued on a continuous basis in series (each, a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each, a "**Tranche**") on different issue dates. The specific terms of each Tranche (which, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set forth in the relevant Final Terms, the form of which is set out in "**Form of Final Terms**" below.*

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed Euro 40,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into Euro at the date of the agreement to issue such Notes calculated in accordance with the provisions of the Dealer Agreement, as defined under "Plan of Distribution"). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

*In this Base Prospectus, unless otherwise specified or the context otherwise requires: references to "**Member State**" are references to Member States of the European Economic Area, references to"**$**", "**U.S.$**", "**USD**" and "**US Dollars**" are to the lawful currency of the United States of America; references to "**Euro**" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended; references to "**£**" "**GBP**" and "**Pounds Sterling**" are to the lawful currency of the United Kingdom; and references to "**Yen**" are to the lawful currency of Japan.*

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described herein or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a CRA which is established in the EEA and registered under the CRA Regulation, or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation, will be disclosed in the Final Terms. A 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.

CONTENTS

RISK FACTORS 2
GENERAL DESCRIPTION OF THE EURO 40,000,000,000 EURO MEDIUM TERM NOTE PROGRAMME 29
DOCUMENTS INCORPORATED BY REFERENCE 41
FINAL TERMS, SUPPLEMENTS AND FURTHER PROSPECTUSES 43
FORMS OF THE NOTES 44
TERMS AND CONDITIONS OF THE ENGLISH LAW NOTES 48
TERMS AND CONDITIONS OF THE ITALIAN LAW NOTES 92
PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM 136
USE OF PROCEEDS 139
INFORMATION ON MEDIOBANCA - BANCA DI CREDITO FINANZIARIO S.P.A. 140
FINANCIAL INFORMATION OF MEDIOBANCA - BANCA DI CREDITO FINANZIARIO S.P.A. 161
INFORMATION ON MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A. 162
FINANCIAL INFORMATION OF MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A. 166
PLAN OF DISTRIBUTION 167
GENERAL CONSENT — THE AUTHORISED OFFEROR TERMS 173
FORM OF FINAL TERMS 175
TAXATION 212
GENERAL INFORMATION 228
INDEX OF DEFINED TERMS 232

RISK FACTORS

The Issuers and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under Notes and (in relation to Senior Preferred Notes only) the Guarantee issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuers and the Guarantor are not in a position to express a view on the likelihood of any such contingency occurring. 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.

The Issuers and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers and the Guarantor to pay interest, principal or other amounts on or in connection with any Notes or, in relation to Senior Notes only, the Guarantee may occur for other reasons which may not be considered significant risks by the Issuers and the Guarantor based on information currently available to them or which they may not currently be able to anticipate.

Prospective investors should also read the detailed information set out elsewhere and incorporated by reference in this Base Prospectus and consider carefully whether an investment in the Notes is suitable for them in the light of the information in this Base Prospectus and their personal circumstances, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary, prior to making any investment decision.

Words and expressions defined in "Terms and Conditions of the English Law Notes" and "Terms and Conditions of the Italian Law Notes" or elsewhere in this Base Prospectus have the same meaning in this section. Prospective investors should read the whole of this Base Prospectus, including the information incorporated by reference. Unless otherwise specified, the term "Terms and Conditions" shall refer to both the Terms and Conditions of the English Law Notes and the Terms and Conditions of the Italian Law Notes and any reference to a "Condition" shall be to both a Condition under the Terms and Conditions of the English Law Notes and a Condition under the Terms and Conditions of the Italian.

The risks below have been classified into the following categories:

1. Risks relating to the Issuers, the Guarantor and the Mediobanca Group

1.1 Risk factors relating to the Issuers' and the Mediobanca Group's financial situation.

Liquidity Risk

Liquidity risk is the risk that the Issuer will be unable to meet its obligations as they fall due, because of its inability to obtain funding (*i.e.* funding liquidity risk) and/or because of its difficulties to sell assets without incurring in a capital loss due to the illiquid nature of the market (*i.e.* market liquidity risk).

The liquidity of the Issuer may be affected by (i) national and international markets' volatility; (ii) potential adverse developments of general economic, financial and other business conditions; (iii) circumstances making the Issuer temporarily unable to obtain access to capital markets by issuing debt instruments; and (iv) variations in the Issuer's creditworthiness – which may affect the aforementioned market liquidity risk. All the above circumstances may derive from factors – as market disruptions – which do not depend on the Issuer's will, but may adversely affect its liquidity profile.

As at the date hereof, the Liquidity Coverage Ratio ("**LCR**") of the Issuer is equal to 143% (whereby the required regulatory threshold from 1 January 2018 shall be at least equal 100%) and the Net Stable Funding Ratio ("**NSFR**") of the Issuer is equal to 107% (whereby the required regulatory threshold from 2021 shall be at least equal 100%). The LCR creates a liquidity buffer that allows the Issuer's continuity for a 30-days-period in the case of serious distressed situations; the NSFR detects the structural liquidity, ensuring that assets and liabilities have a structure based on maturities that is sustainable for the Issuer.

Despite the above and the continuous monitoring activities of the Issuer over its liquidity risk, the occurrence of particular events as the one described herein and/or potential changes in the markets, due to fluctuations in interest rates, exchange rates and currencies, stock market and commodities prices and

credit spreads and/or other risks relating to the regulatory developments in the prudential requirements field, could lead to adverse effects on the activities and on the economic/financial position of the Issuer.

Market volatility and difficult access to debt capital markets can adversely affect the Issuer's liquidity

In the event that the extreme volatility and disruption experienced by international and domestic markets in recent months continue in the future, the Issuer's liquidity can be adversely affected. The Issuer's funding activity relies, for more than 20 per cent., on retail deposits with the Group company CheBanca!, on medium and long-term debt capital market issues offered to institutional investors and to the public. The placement to retail investors is made through public offerings (carried out by means of single banking networks – including that of Banco Posta – with exclusivity or through syndicated joined banking groups) and sold directly on the *Mercato Telematico delle Obbligazioni* managed by Borsa Italiana S.p.A. (MOT). Demand from institutional investors is met through public offerings on the Eurobond market and private placements of instruments tailored on the basis of the specific needs of the subscriber.

The volatility of the debt capital markets in Italy and abroad may impair the Issuer's ability to raise funding through fixed-income instruments and may affect its liquidity in the long term. In addition, the wider credit spreads that the markets are experiencing can affect the Issuer's aggregate cost of funding and have an impact on its financial results.

Risks in connection with the exposure of the Group to Eurozone sovereign debt

In carrying out its activities, the Group holds substantial volumes of public-sector bonds, including bonds issued by European countries. The Group's total exposure in this respect as at 30 June 2019 is set out in the tables A.1.2.a and A.1.2.b of Part E of the audited consolidated annual financial statements of Mediobanca as at and for the year ended 30 June 2019 incorporated by reference into this Base Prospectus. This could give rise to operational disruptions to the Group's business.

Furthermore, Mediobanca is affected by disruptions and volatility in the global financial markets. Market tensions might affect negatively the funding costs and economic outlook of some euro member countries. This, together with the risk that some countries (even if not very significant in terms of gross domestic product) might leave the euro area, would adversely affect the Group's ability to fund its financial obligations at a competitive cost.

In particular, Mediobanca's credit ratings are potentially 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 may have a potential knock-on effect on the credit rating of Italian issuers such as Mediobanca.

Thus, any negative developments in the Group's sovereign exposure could adversely affect its results of operations, business and financial condition.

Risks connected to a potential rating downgrade

The Issuer, while improving its ability to withstand a hypothetical default by the Republic of Italy, is still materially dependant on the potential fluctuations of the credit ratings of the Republic of Italy, due to its overall exposure to the Republic of Italy's sovereign debt. Downgrades or foreseen downgrades of the Republic of Italy may therefore adversely affect the Issuer's activities, economic/financial position, operating results and/or perspectives.

Mediobanca is rated by (i) S&P Global Ratings Europe Limited (formerly, Standard & Poor's Credit Market Services Italy S.r.l.) ("**S&P**"), (ii) Fitch Italia S.p.A. ("**Fitch**") and (iii) Moody's Investor Service Ltd. ("**Moody's**") which are established in the European Union and registered under Regulation (EC) No. 1060/2009 on credit rating agencies, (as amended) (the "**CRA Regulation**") as set out in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority pursuant to the CRA Regulation.

A downgrade of Mediobanca's rating (for whatever reason) might result in higher funding and refinancing costs for Mediobanca in the capital markets. In addition, a downgrade of Mediobanca's rating may limit Mediobanca's opportunities to extend mortgage loans and may have a particularly adverse effect on Mediobanca's image as a participant in the capital markets, as well as in the eyes of its clients.

These factors may have an adverse effect on Mediobanca's financial condition and/or the results of its operations.

The Issuers' operations are dependent on the correct functioning of our IT systems, which exposes the Issuers to risk

The Issuers' operations depend on, among other things, the correct and adequate operation of the Issuers' IT systems, as well as their continuous maintenance and constant updating.

The Issuers have always invested significant resources in upgrading their relevant IT systems and improving their defense and monitoring systems. However, possible risks remain with regard to the reliability of the system (disaster recovery), the quality and integrity of the data managed and the threats to which IT systems are subject, as well as physiological risks related to the management of software changes (change management), which could have negative effects on the Issuers' business, results of operations or financial condition.

Among the risks that the Issuers face relating to the management of IT systems are the possible violations of their systems due to unauthorized access to the Issuers' corporate network, or IT resources, the introduction of viruses into computers or any other form of abuse committed via the internet. Like attempted hacking, such violations have become more frequent over the years throughout the world and therefore can threaten the protection of information relating to the Issuers and their customers and can have negative effects on the integrity of the Issuers' IT systems, as well as on the confidence of their customers and on the Issuers reputation, with possible negative effects on the Issuers' business, results of operations or financial condition.

In addition, the Issuers' substantial investment in resources in software development creates the risk that when one or more of the above-mentioned circumstances occurs, the Issuers' may suffer financial losses or impacts on the Issuers' operations if the software is destroyed or seriously damaged, or will incur repair costs for the violated IT systems. The Issuers' may also be subject to regulatory sanctions.

1.2 Risk factors relating to the Issuers' activities and the market where the Issuers and the Group operate.

The Issuer's financial results are affected by changes in interest rates

Fluctuations in interest rates in Italy and in the other markets in which the Mediobanca Group operates influence the Mediobanca Group's performance. The results of each Issuer's banking operations are affected by its management of interest rate sensitivity. Interest rate sensitivity refers to the relationship between changes in market interest rates and changes in net interest income. 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 condition or results of operations.

The Issuer's financial results may be affected by market declines and volatility

The results of the Issuer are affected by general economic, financial and other business conditions. During recessionary periods, there may be less demand for loan products and a greater number of the Issuer's customers may default on their loans or other obligations. Interest rate rises may also impact the demand for mortgages and other loan products. The risk arising from the impact of the economy and business climate on the credit quality of the Issuer's borrowers and counterparties, including sovereign states, can affect the overall credit quality and the recoverability of loans and amounts due from counterparties.

The Issuer is therefore exposed by its very nature to potential changes in the value of financial instruments, including securities issued by sovereign states, due to fluctuations in interest rates, exchange rates and currencies, stock market and commodities prices and credit spreads, and/or other risks.

Each of the Issuers is subject to credit and market risk. Current market conditions are unprecedented

The credit and capital markets have been experiencing extreme volatility and disruption in recent months. To the extent that any of the instruments and strategies the Issuer uses to hedge or otherwise manage its exposure to credit or capital markets risk are not effective, the Issuer may not be able to mitigate effectively the Issuer's risk exposures in particular market environments or against particular types of risk. The Issuer's trading revenues and interest rate risk 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 the Issuer determines and assesses the cost of credit and manages its credit risk and market risk concentration. In addition, due to market fluctuations, weak economic conditions and/or a decline in stock and bond prices, trading volumes or liquidity, the Issuer's financial results may also be affected by a downturn in the revenues deriving from its margin interests, principal transactions, investment banking and securities trading fees and brokerage activities.

Sustained market weakness and volatility may adversely affect the Issuer's investment banking and financial advisory revenues and subject the Issuer to risks of losses from clients and other counterparties

The Issuer's investment banking revenues, in the form of financial advisory and debt and equity underwriting fees, are directly related to the number and size of the transactions in which the Issuer participates and may be impacted by continued or further credit market dislocations or sustained market downturns. Sustained market downturns or continued or further credit market dislocations and liquidity issues would also likely lead to a decline in the volume of capital market transactions that the Issuer executes for its clients and, therefore, to a decline in the revenues that it receives from commissions and spreads earned from the trades the Issuer executes for its clients. Further, to the extent that potential acquirers are unable to obtain adequate credit and financing on favorable terms, they may be unable or unwilling to consider or complete acquisition transactions, and as a result, the Issuer's merger and acquisition advisory practice would suffer.

In addition, declines in the market value of securities can result in the failure of buyers and sellers of securities to fulfil their settlement obligations, and in the failure of the Issuer's clients to fulfil their credit obligations. During market downturns, the Issuer's counterparties in securities transactions may be less likely to complete transactions. Also, the Issuer often permits its clients to purchase securities on margin or, in other words, to borrow a portion of the purchase price from the Issuer and collateralize the loan with a set percentage of the securities. During steep declines in securities prices, the value of the collateral securing margin purchases may drop below the amount of the purchasers indebtedness. If the clients are unable to provide additional collateral for these loans, the Issuer may lose money on these margin transactions. In addition, particularly during market downturns, the Issuer may face additional expenses defending or pursuing claims or litigation related to counterparty or client defaults.

Risks connected to the presence of OTC derivatives in the Group's portfolio

The investors should note that the portfolio of the Group contains so-called "*over the counter*" ("**OTC**") derivatives. The fair value of these OTC derivatives depends upon the both the valuation and the perceived credit risk of the instrument insured or guaranteed or against which protection has been bought and the credit quality of the protection provider. Market counterparties have been adversely affected by their exposure to residential mortgage linked products, and their perceived creditworthiness has deteriorated significantly since 2007. Although the Group seeks to limit and manage direct exposure to market counterparties, indirect exposure may exist through other financial arrangements and counterparties. If the financial condition of market counterparties or their perceived creditworthiness deteriorates further, the Group may record further credit valuation adjustments on the underlying instruments insured by such parties.

Any primary or indirect exposure to the financial condition or creditworthiness of these counterparties could have a material adverse impact on the results of operations, financial condition and prospects of the Group.

Systemic risks in connection with the economic/financial crisis

It should be noted that the earnings capacity and stability of the financial system in which the Issuer operates may be impacted by the general economic situation and the trends on financial markets, and, in particular, by the solidity and growth prospects of the economies of the country or countries in which the Issuer operates, including its/their credit standing, as well as the solidity and growth prospects of the Eurozone as a whole.

The Issuer's performance is also influenced by the general economic situation, both national and for the Eurozone as a whole, and by the trend on financial markets, in particular by the solidity and growth

prospects of the geographical areas in which the Issuer operates. The macroeconomic scenario currently reflects considerable areas of uncertainty, in relation to: (a) the trends in the real economy with reference to the prospects of recovery and growth in the national economy and/or resilience of growth in the economies of those countries, such as the United States and China, which have delivered growth, even substantial, in recent years; (b) future developments in the monetary policy of the ECB for the Eurozone area, and the U.S. Federal Reserve Board for the US dollar area, and the policies implemented by various countries to devalue their own currencies for competitive reasons; (c) the sustainability of the sovereign debt of certain countries, and the tensions noted more or less frequently on financial markets. In this connection, attention should be drawn in particular to: (i) the recent developments in the Greek sovereign debt crisis, which raised considerable uncertainties (as yet not entirely dispelled) over the prospects of Greece remaining part of the Eurozone, not to mention, in an extreme scenario, the risk of contagion between the sovereign debt markets of the various countries, and indeed the very resilience of the European monetary system based on the single currency; (ii) the recent turbulence on the main Asian financial markets, in particular China. There is therefore the risk that the future development of these scenarios could impact adversely on the Issuer's capital, earnings and financial situation. Such factors, particularly during periods of economic and financial crisis, could lead the Issuer to incur losses, increases in the cost of financing, reductions in the value of assets held, with a potentially negative impact on the Issuer's liquidity and the solidity of its capital.

More generally, continuation of the adverse economic conditions, or a slower recovery in Italy, or the countries in which the Issuer principally operates, than the other Eurozone countries, could impact negatively on the operating results or financial conditions of Mediobanca.

Risks associated with the economic context and consequences of the United Kingdom's exit from the European Union (Brexit)

On 23 June 2016, a referendum took place in the United Kingdom on the permanence of the United Kingdom within the European Union. At the end of such referendum the majority of votes indicated the will to exit from the European Union (the "**Brexit**").

On 29 March 2017 the United Kingdom notified the European Council of its intention to withdraw from the European Union within the meaning and for the purposes of Article 50(2) of the Treaty on European Union. Article 50(2) of the Treaty on European Union requires that, in the light of the guidelines provided by the European Council, the Union shall negotiate and conclude an agreement with the United Kingdom, setting out the arrangements for its withdrawal from the European Union, taking account of the framework for its future relationship with the Union. Article 50 of the Treaty on European Union requires that such agreement shall be negotiated in accordance with Article 218(3) of the European Treaty on the Functioning of the European Union and concluded on behalf of the European Union by the European Council, acting by a qualified majority, after obtaining the consent of the European Parliament. Under Article 50(3) of the of the Treaty on European Union, the EU Treaties shall cease to apply to United Kingdom from the date of entry into force of the withdrawal agreement or, failing that, two years after the notification referred to in Article 50(2) of the Treaty on European Union, unless the European Council, in agreement with the Member State concerned, unanimously decides to extend this period. As at the date of this Base Prospectus, the European Council adopted a decision to extend the period under Article 50(3) of the Treaty on European Union in the context of the United Kingdom's intention to withdraw from the European Union, until 31 January 2020.

Brexit could cause an increase in volatility in financial markets, a worsening in the terms of financing, especially in the so-called "peripheral" countries, including Italy, and consequently a possible economic slowdown. The consequences of Brexit are uncertain in particular (but without limitation), with respect to the application of the European Union integration process, the consequences of the failure to reach an agreement, the length and nature of the rights and obligations of the United Kingdom during an implementation or transitional period following the formal withdrawal from the European Union and the nature of trade, access by companies within the United Kingdom to other aspects of the European Union single market (including the provision of services throughout the European Union), security, defense and other relationships between the United Kingdom and the European Union following any such implementation or transitional period.

Until the terms and timing of the UK's exit from the EU are clearer, it is not possible to determine the impact that the UK's departure from the EU and/or any related matters may have on the stability of the Eurozone or the European Union and, ultimately, on the business of the Issuers. As such, no assurance

can be given that such matters would not adversely affect the Issuers, their business prospects, their financial condition, their results of operations, their ability to satisfy the relevant obligations under the Notes and/or the market value and/or the liquidity of the Notes in the secondary market.

1.3 Risk factors relating to the legal and regulatory framework

Changes in the Italian and European regulatory framework could adversely affect the Issuer's business

The Issuer is subject to extensive regulation and supervision by the Bank of Italy and the *Commissione Nazionale per le Società e la Borsa* (the Italian securities market regulator or "**CONSOB**") in relation to Mediobanca, the European Central Bank and the European System of Central Banks in relation to both Issuers and the CSSF in Luxembourg in relation to Mediobanca International.

The banking laws to which the Issuer is subject govern the activities in which banks and foundations may engage and are designed to maintain the safety and soundness of banks, and limit their exposure to risk. In addition, the Issuer must comply with financial services laws that govern its marketing and selling practices. The regulatory framework governing the international financial markets is currently being amended in response to the credit crisis, and new legislation and regulations are being introduced in Italy and could significantly alter the Issuer's capital requirements.

The supervisory authorities mentioned above govern various aspects of the Issuer, which may include, among other things, liquidity levels and capital adequacy, the prevention and combating of money laundering, privacy protection, ensuring transparency and fairness in customer relations and registration and reporting obligations. In order to operate in compliance with these regulations, Mediobanca has in place specific procedures and internal policies. Despite the existence of these procedures and policies, there can be no assurance that violations of regulations will not occur, which could adversely affect the Group's results of operations, business and financial condition. The above risks are compounded by the fact that, as at the date of this Base Prospectus, certain laws and regulations have only been recently approved and the relevant implementation procedures are still in the process of being developed.

The Bank Recovery and Resolution Package is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The implementation of the directive or the taking of any action under it could materially affect the value of any Notes

Directive 2014/59/EU (the "**Bank Recovery and Resolution Directive**" or the "**BRRD**") as amended by Directive 2017/2399 (the "**BRRD Amending Directive**") and Directive 2019/879 (the "**BRRD II**" and, jointly with the BRRD and the BRRD Amending Directive, the "**BRRD Package**") provides for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms. The BRRD has been implemented in Italy through the adoption of the Legislative Decrees No. 180/2015 of 16 November 2015 and 181/2015.

The BRRD Package contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that: (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution - which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation - which enables resolution authorities to transfer assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in - which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims into shares or other instruments of ownership (i.e. shares, other instruments that confer ownership, instruments that are convertible into or give the right to acquire shares or other instruments of ownership, and instruments representing interests in shares or other instruments of ownership) (the "**General Bail-In Tool**"), which equity could also be subject to any future application of the General Bail-In Tool.

In addition to the General Bail-In Tool, the BRRD Package provides for resolution authorities to have the further power to permanently write-down or convert into equity capital instruments at the point of non-viability and before or concurrently with any other resolution action is taken ("**non-viability loss absorption**"). Any shares issued to holders of the Notes upon any such conversion into equity capital instruments may also be subject to any application of the General Bail-In Tool.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD Package is the point at which the relevant authority determines that the institution and/or its group meets the conditions for resolution (but no resolution action has yet been taken) or that the institution and/or its group will no longer be viable unless the relevant capital instruments are written-down/converted or extraordinary public support is to be provided and the appropriate authority determines that without such support the institution would no longer be viable.

In the context of these resolution tools, the resolution authorities have the power to amend or alter the maturity of debt instruments and other eligible liabilities issued by an institution under resolution or amend the amount of interest payable under such instruments and other eligible liabilities, or the date on which the interest becomes payable, including by suspending payment for a temporary period, except for those secured liabilities which are subject to Article 44(2) of the BRRD.

Moreover, the European Commission has proposed a harmonised national insolvency ranking of unsecured debt instruments to facilitate credit institutions' issuance of such loss absorbing debt instruments, by creating, inter alia, a new asset class of "non-preferred" senior debt instruments with a lower rank than ordinary senior unsecured debt instruments in insolvency. In such perspective, the proposed amendments to Article 108 of the BRRD aim at enhancing the implementation of the bail-in tool and at facilitating the application of the "minimum requirement for own funds and eligible liabilities" ("**MREL**") requirement concerning the loss absorption and recapitalisation capacity of credit institutions and investment firms. As such, the amendments provide an additional means for credit institutions and certain other institutions to comply with the forthcoming MREL requirement and improve their resolvability, without constraining their respective funding strategies.

The powers set out in the BRRD Package and the application of the MREL requirement will impact credit institutions and investment firms and how they are managed as well as, in certain circumstances, the rights of creditors under the Programme and could, therefore, materially adversely affect the rights of holders of the Notes, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.

Risks related to changes in fiscal law

The Issuer is subject to risks associated with changes in tax law or in the interpretation of tax law, changes in tax rates and consequences arising from non-compliance with procedures required by tax authorities. More in particular, the Issuer is required to pay Italian corporate income taxes ("**IRES**") pursuant to Title II of Italian Presidential Decree no. 917 of 22 December 1986 (i.e. the Consolidated Income Tax Law, or "**TUIR**") and the Italian regional business tax ("**IRAP**") pursuant to Legislative Decree no. 446 of 15 December 1997, and the amount of taxes due and payable by the Issuer may be affected by tax benefits from time to time available.

The Issuer currently benefits from the stimulus provisions introduced by way of article 1 of Italian Law Decree no. 201 of 6 December 2011, as amended and converted into Law no. 214 of 22 December 2011, concerning "economic-growth allowances" (*aiuto alla crescita economica*, or "**ACE**"). The ACE rules allow for a deduction from net income for the purposes of IRES of an amount computed by applying a notional yield (being 1.5% from 2018 onwards) to the increase in net equity (the "**ACE Base**"). The ACE base is, for the first year of application of ACE (i.e. 2011), the amount of equity existing at close of that year less the amount of equity as of 31 December 2010 (excluding profits earned in 2010) and, for subsequent years, the base carried forward from the previous year as adjusted (increased and reduced) to reflect components affecting equity.

In accordance with article 3 of the Italian Ministerial Decree of 3 August 2017 revising the implementing provisions of the ACE legislation, if the amount of the notional yield (i.e. the ACE deduction) exceeds net income declared for a given tax year (the "**Excess ACE**"), such excess (i) may increase the amount deductible from income in subsequent tax years, or (ii) may be converted into a tax credit calculated by applying the IRES tax rate, as per article 77 of the TUIR, to the Excess ACE amount and then utilised in

five annual instalments of equal amount as an offset to IRAP up to the amount of tax due for the period. Following abrogation of ACE by the Italian government, the Excess ACE that remained unutilised as of 31 December 2018 of Euro 5.4 million may be either carried forward or, with reference to the Excess ACE of the 2018 tax year only, transformed into tax credit to offset IRAP. Accordingly, the Issuer will no longer benefit from any tax deduction under the ACE mechanism once its Excess ACE has been utilised in full.

From time to time, the Italian budget law may also include provisions that affect the deductibility of particular items that could result in an increase in the taxable income of the Issuer for IRES and/or IRAP purposes, either in general or for specific tax period(s), for example the measures introduced by the 2019 budget law as regards the treatment of loss on loans to customers recognised on first application of IFRS 9.

Any legislative changes affecting the calculation of taxes could therefore have an impact on the Issuer's financial condition, results of operations and cash flow.

Risk related to the effects of the IFRS 9 "first time adoption" and the forthcoming regulatory and accounting changes

Following the entry into force and subsequent application of new accounting standards and/or regulatory rules and/or the amendment of existing standards and rules, the Issuer may have to revise the accounting and regulatory treatment of some operations and the related income and expense, with potentially negative effects on the estimates contained in the financial plans for future years and with the need to restate already published financial statements.

IFRS 9 has replaced IAS 39 and has introduced significant changes with regard to "Classification and Measurement" and "Impairment", thus affecting the Issuer's net assets amount and composition during its "first time adoption" phase.

Whereby the changes regarding "Classification and Measurement" did not produce material effects on the Mediobanca's accounts, the changes regarding "Impairment" have implied an overall increase of the expected losses equal to Euro 118,000,000 – of which 67% refers to *in bonis* exposures and 33% to non-performing exposures.

For further information on the IFRS 9 implementation, please refer to sections headed *"Information on Mediobanca - Banca di Credito Finanziario S.p.A.", "Financial Information of Mediobanca - Banca di Credito Finanziario S.p.A.", "Information on Mediobanca International (Luxembourg) S.A." and "Financial Information of Mediobanca International (Luxembourg) S.A.".*

In addition to the substantial changes in accounting standards, there are several other initiatives, in various stages of finalisation, which represent additional regulatory pressure over the medium term and will impact the EU's future regulatory direction.

In this context, the Basel Committee on Banking Supervision (the "**BCBS**") approved a number of capital adequacy and liquidity requirements ("**Basel III**"), which impose requirements for, *inter alia*, higher and better-quality capital, better risk coverage, measures to promote the build-up of capital that can be drawn down in periods of stress and the introduction of a leverage ratio as a backstop to the risk-based requirement as well as two global liquidity standards. The Basel III framework adopts a gradual approach, with the requirements to be implemented over time, with full enforcement in 2019. Moreover, the Basel Committee has embarked on a very significant risk weighted assets ("**RWAs**") variability agenda. This includes the "Fundamental Review of the Trading Book", revised standardised approaches (e.g., credit, market, operational risk), constraint to the use of internal models, as well as the introduction of a capital floor. The regulator's primary aim is to eliminate unwarranted levels of RWA variance. The new setup will have a significant impact on risk modelling. From a credit risk perspective, an impact is expected both on capital held against the exposures assessed via standardised approach and on those evaluated via an internal ratings based approach ("IRB"), due to the introduction of capital floors that, according to the new framework, will be calculated based on the revised standardised approach. Implementation of these new rules on risk models will take effect from 1 January 2022.

At the European level, the Basel III rules have been implemented through two separate legislative instruments: Directive 2013/36/EU of 26 June 2013, as amended (the "**CRD IV Directive**") and

Regulation (EU) No. 575 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "**CRR**" and together with the CRD IV Directive, the "**CRD IV**").

The CRD IV has been recently amended, as well as the BRRD and the SRM Regulation, following the adoption of a comprehensive reform package first announced by the European Commission in November 2016 (the "**EU Banking Reform**"). In particular, the EU Banking Reform consists of:

- Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending the CRD IV Directive as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (the "**CRD V**");

- Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (the "**CRR II**");

- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the Bank Recovery and Resolution Directive as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC (the "**BRRD** II"); and

- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No. 806/2014 as regards the loss absorbing and recapitalisation capacity of credit institutions and investment firms (the "**SRMR II**").

These recently introduced banking reforms as well as other laws and regulations that may be adopted in the future could adversely affect the Issuer's business, financial condition, results of operations and cash flow.

2. Risks relating to the Notes

2.1 Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme.

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 should:

(i) proceed with investment only after fully appreciating the risks inherent in the nature of the Notes;

(ii) have 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;

(iii) 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;

(iv) understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets;

(v) consider all of the risks of an investment in the Notes, including Notes with payments thereunder payable in one or more currencies, or where the currency for payments thereunder is different from the potential investor’s currency;

(vi) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes; and

(vii) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In addition, an investment in Senior Non Preferred Notes may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including, but not limited to, the risks set out in *"*Risks related to the structure of a particular issue of Notes*"* set out below.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments.

They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios.

A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

U.S. Foreign Account Tax Compliance Act (FATCA) Withholding

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 is a foreign financial institution for these purposes.

A number of jurisdictions, including Ireland, Grand Duchy of Luxembourg and the Republic of 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. 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 1 January 2019 and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are 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 of the Notes—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. 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.

Risks related to the structure of a particular Issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. This section contains risk factors which are material to the Notes being offered and/or admitted to trading.

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes or may be perceived to be able to redeem the 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 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 the light of other investments available at that time. In addition, if the relevant Issuer has the right to redeem any Notes at its option, the exercise of such right is subject to the previsions set forth in Conditions 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the English Law Notes and 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the Italian Law Notes (as the case may be) and, in any case, the relevant redemption amount of the Notes to be redeemed may be lower than the amount corresponding to the then current market value of such Notes as of the relevant redemption date.

Redemption for taxation reasons

Unless in the case of any particular Tranche of Notes the relevant Final Terms specifies otherwise, in the event that the Issuer (i) would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Grand Duchy of Luxembourg or Italy (as appropriate) or any political subdivision thereof or any authority therein or thereof having power to tax or (ii) would become subject to additional amount of taxes due to limitation to the deductibility of payments under any Notes), the Issuer may redeem all outstanding Notes in accordance with the Conditions .

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 the light of other investments available at that time. In addition, if the relevant Issuer has the right to redeem any Notes at its option, the exercise of such right is subject to the previsions set forth in Conditions 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the English Law Notes and 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the Italian Law Notes (as the case may be) and, in any case, the relevant redemption amount of the Notes to be redeemed may be lower than the amount corresponding to the then current market value of such Notes as of the relevant redemption date.

Regulatory Call

Subject to Conditions 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the English Law Notes and 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the Italian Law Notes (as the case may be), if Regulatory Call is specified in the applicable Final Terms, the Senior Notes and the Subordinated Notes may be redeemed at the option of the Issuer, in whole, but not in part, at any time (if the Subordinated Note is not a Floating Rate Note) or on any Interest Payment Date (if the Subordinated Note is a Floating Rate Note) (i) upon the occurrence of a MREL/TLAC Disqualification Event (as defined in Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions of the English Law Notes and 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions of the Italian Law Notes) with respect to the relevant Series of Senior Preferred Notes and/or Senior Non Preferred Notes and (ii) in case of Subordinated Notes, the Subordinated Notes cease to qualify (in whole or in part) as "Tier II Capital" on a consolidated or non consolidated basis, as a result of changes after the date of issue of the relevant Subordinated Notes in the standards and guidelines of the Bank of Italy or in the applicable legal or regulatory provisions (including legal or regulatory provisions adopted by the European Union).

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 Senior Notes or Subordinated Notes (as the case may be) being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in the light of other investments available at that time. In addition, if the relevant Issuer has the right to redeem any Notes at its option, the exercise of such right is subject to the previsions set forth in Conditions 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the English Law Notes and 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the Italian Law Notes (as the case may be) and, in any case, the relevant redemption amount of the

Notes to be redeemed may be lower than the amount corresponding to the then current market value of such Notes as of the relevant redemption date.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert, in accordance with the provisions of the Terms and Conditions of the English Law Notes and/or the Terms and Conditions of the Italian Law Notes (as the case may be), from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts 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. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

To the extent that Multiplier or Reference Rate Multiplier applies in respect of the determination of the Interest Rate for the Floating Rate Notes, investors should be aware that any fluctuation of the underlying floating rate will be amplified by such multiplier. Where the Multiplier or Reference Rate Multiplier is less than 1, this may adversely affect the return on the Floating Rate Notes.

Maximum/Minimum Interest Rate

Potential investors in the Senior Preferred Notes and the Subordinated Notes should also consider that where the underlying interest rate does not rise above the level of the Minimum Interest Rate, comparable investments in notes which pay interest based on a fixed rate which is higher than the Minimum Interest Rate are likely to be more attractive to potential investors than an investment in the Senior Preferred Notes and the Subordinated Notes. Under those conditions, investors in the Senior Preferred Notes and the Subordinated Notes might find it difficult to sell their Senior Preferred Notes and the Subordinated Notes on the secondary market (if any) or might only be able to realise the Senior Preferred Notes and the Subordinated Notes at a price which may be substantially lower than the nominal amount.

To the extent a Maximum Interest Rate applies, investors should be aware that the Interest Rate is capped at such Maximum Interest Rate level. Consequently, investors in the Senior Preferred Notes and the Subordinated Notes may not participate in any increase of market interest rates, which may also negatively affect the market value of the Senior Preferred Notes and the Subordinated Notes.

The interest rate on Reset Notes

If the Senior Preferred Notes and the Subordinated Notes are issued as Reset Notes, then such Reset Notes will initially bear interest at the Initial Rate of Interest from and including the Interest Commencement Date up to but excluding the First Reset Date. On the First Reset Date, the Second Reset Date (if applicable) and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Mid-Swap Rate and the First Margin or Subsequent Margin (as applicable) as determined by the Calculation Agent on the relevant Reset Determination Date (each such interest rate, a "**Subsequent Reset Rate of Interest**"). The Subsequent Reset Rate of Interest for any Reset Period could be less than the Initial Rate of Interest or the Subsequent Reset Rate of Interest for prior Reset Periods and could affect the market value of an investment in the Reset Notes.

Notes issued at a substantial discount or premium

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

Senior Notes as eligible for the purposes of the MREL/TLAC Requirements is subject to uncertainty

The Senior Notes are intended to be eligible liabilities available to meet the MREL/TLAC Requirements (as defined in Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions of the English Law Notes and 4(g) (*Redemption for regulatory reasons (Regulatory Call)* of the Terms and Conditions of the Italian Law Notes (as the case may be). However, there is uncertainty

regarding the final substance of the applicable MREL/TLAC Requirements, and the Issuer cannot provide any assurance that the Senior Notes will be or remain eligible for the purposes of the MREL/TLAC Requirements. The European laws and regulations implementing the TLAC concept may turn out to be more restrictive than the provisions set forth in the Final TLAC Standard, and some of the provisions in the Final TLAC Standard require further definition or interpretation. In addition, any changes to MREL under the European Commission's combined legislative proposal may be more restrictive than the European Commission's initial proposals or current regulations. The requirements for an instrument to be TLAC-eligible and MREL-eligible may not ultimately converge or be consistent under the final European laws and regulations. Because of the uncertainty surrounding the substance of the final regulations implementing the TLAC requirements and any potential changes to the regulations giving effect to MREL, the Issuer cannot provide any assurance that the Senior Notes will ultimately be eligible for the purposes of the MREL/TLAC Requirements. If they are not eligible for the purposes of the MREL/TLAC Requirements (or if they initially are compliant with the MREL/TLAC Requirements and subsequently become ineligible due to a change in the relevant final regulations implementing the MREL/TLAC requirements), then an MREL/TLAC Disqualification Event will occur, with the consequences indicated in the risk factor above and in Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions of the English Law Notes and 4(g) (*Redemption for regulatory reasons (Regulatory Call)* of the Terms and Conditions of the Italian Law Notes (as the case may be).

Variation of the terms and conditions of the Senior Notes

In relation to any series of Senior Notes, if Modification following a MREL/TLAC Disqualification Event is specified as applicable in the applicable Final Terms, the Issuer may upon the occurrence of a MREL/TLAC Disqualification Event modify the terms and conditions of such Senior Notes without any requirement for the consent or approval of the Noteholders to the extent that such modification is reasonably necessary to ensure that no MREL/TLAC Disqualification Event would exist after such modification, **provided that** the relevant conditions set forth in Condition 9(d) (*Modification following a MREL/TLAC Disqualification Event*) of the Terms and Conditions of the English Law Notes and 9(d) (*Modification following a MREL/TLAC Disqualification Event)* of the Terms and Conditions of the Italian Law Notes (as the case maybe) are satisfied. For details, see Condition 9(d) Terms and Conditions of the English Law Notes and 9(d) (*Modification following a MREL/TLAC Disqualification Event)* of the Terms and Conditions of the Italian Law Notes (as the case maybe).

Investors should be aware that, where the terms and conditions of such Senior Notes are varied, Noteholders may, as a result, among other things, be assessed as a class rather than individually, and any tax consequences may be borne by the Noteholder.

Italian laws and regulations applicable to the Senior Non Preferred Notes was recently enacted

On 1 January 2018, the Italian law No. 205 of 27 December 2017 (so-called "*Legge di Bilancio 2018*") came into force introducing certain amendments to the Legislative Decree No. 385 of 1 September 1993 (the "**Italian Banking Act**"), including the possibility for banks and companies belonging to banking groups to issue senior non-preferred securities (the so-called *"strumenti di debito chirografario di secondo livello"*).

In particular, the so-called *"Legge di Bilancio 2018"* introduced, *inter alia*, a new provision in the Italian Banking Act (*i.e.*, Article 12-*bis* (*Strumenti di debito chirografario di secondo livello*)) providing that securities (*obbligazioni* and *altri titoli di debito*) with a senior non-preferred ranking issued by banks and companies belonging to banking groups shall comply with the following requirements:

(i) the original maturity period is at least equal to twelve months;

(ii) are not derivative securities (*strumenti finanziari derivanti*) (as defined in Article 1, paragraph 3 of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**")), are not linked to derivative securities, nor include any caratheristics of such derivative securities;

(iii) the minimum denomination is at least equal to EUR 250,000;

(iv) may be offered only to qualified investors (*investitori qualificati*), as referred to in Article 100, letter a), of the Financial Services Act as implemented by Article 34-*ter*, first paragraph, letter b) of Regulation No. 11971/1999 and the relevant applicable provisions set forth in CONSOB Regulation No. 20307 of 15 February 2018;

(v) the prospectus and the agreements regulating the issuance of senior non-preferred securities expressly provide that payment of interests and reimbursement of principal due in respect thereof are subject to the provisions set forth in of Article 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act.

According to Article 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act, in case an issuer of senior non-preferred securities is subject to compulsory liquidation (*liquidazione coatta amministrativa*), the relevant payment obligations in respect thereof will rank in right of payment (A) after unsubordinated creditors (including depositors), (B) at least *pari passu* with all other present and future unsubordinated and non preferred obligations obligations which do not rank or are not expressed by their terms to rank junior or senior to such senior non-preferred securities and (C) in priority to any present or future claims ranking junior to such senior non-preferred securities and the claims of the shareholders.

Furthermore, Article 12-*bis* of the Italian Banking Act also provides that:

(A) the provisions set forth in Article 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act shall apply to such senior non-preferred securities only to the extent that the requirements described in paragraphs (i), (ii) and (v) above have been complied with; any contractual provision which does not comply with any of the above requirements is invalid but such invalidity does not imply the invalidity of the entire agreement;

(B) the senior non-preferred securities, once issued, may not be amended in a manner that the requirements described in paragraphs (i), (ii) and (v) above are not complied with and that any different contractual provision is null and void; and

(C) the Bank of Italy may enact further regulation provding for additional requirements in respect of the issuance and the characteristics of senior non-preferred securities.

Any prospective investor in the Senior Non Preferred Notes should be aware that the provisions of Articles 12-*bis* and 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act was recently enacted and that, as at the date of this Base Prospectus, no interpretation of the application of such provisions has been issued by any Italian court or governmental or regulatory authority and no regulation has been issued by the Bank of Italy in respect thereof. Consequently, it is possible that any regulation or official interpretation relating to the above will be issued in the future by the Bank of Italy or any different authority, the impact of which cannot be predicted by the Issuer as at the date of this Base Prospectus.

Risk of classification of the Senior Non Preferred Notes

The intention of Mediobanca is for Senior Non Preferred Notes to qualify on issue as "*strumenti di debito chirografario di secondo livello*" pursuant to and for the purposes of Articles 12-*bis* and 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority and also qualify as eligible liabilities available to meet the MREL/TLAC Requirements. Current regulatory practice by the Bank of Italy (acting as lead regulator) does not require (or customarily provide) a confirmation prior to the issuance of the Senior Non Preferred Notes that the Senior Non Preferred Notes will comply with such provisions.

Although it is Mediobanca' expectation that the Senior Non Preferred Notes qualify as "*strumenti di debito chirografario di secondo livello*" pursuant to and for the purposes of Articles 12-*bis* and 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority and also qualify as eligible liabilities available to meet the MREL/TLAC Requirements (as defined in Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions of the English Law Notes and 4(g) (*Redemption for regulatory reasons (Regulatory Call)* of the Terms and Conditions of the Italian Law Notes (as the case may be) there can be no representation that this is or will remain the case during the life of the Senior Non Preferred Notes. Upon the occurrence of a MREL/TLAC Disqualification Event (as defined in Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions of the English Law Notes and 4(g) (*Redemption for regulatory reasons (Regulatory Call)* of the Terms and Conditions of the Italian Law Notes (as the case may be), Mediobanca will have the right to redeem the Senior Non Preferred Notes in accordance with Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions of the English Law Notes and 4(g) (*Redemption for regulatory reasons (Regulatory Call))* of the Terms and Conditions of the Italian Law Notes (as the

case may be). Any redemption of Senior Non Preferred Notes issued by Mediobanca is subject to the provisions of Condition 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the English Law Notes and 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the Italian Law 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 Senior Non Preferred Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in the light of other investments available at that time. In addition, if the relevant Issuer has the right to redeem any Senior Non Preferred Notes at its option, the exercise of such right is subject to the previsions set forth in Condition 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the English Law Notes and 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the Italian Law Notes and, in any case, the relevant redemption amount of the Senior Non Preferred Notes to be redeemed may be lower than the amount corresponding to the then current market value of such Senior Non Preferred Notes as of the relevant redemption date.

The Senior Non Preferred Notes are complex instruments that may not be suitable for certain investors

Senior Non Preferred Notes are novel and complex financial instruments and may not be a suitable investment for certain investors. Each potential investor in the Senior Non Preferred Notes should determine the suitability of such investment in light of its own circumstances and have sufficient financial resources and liquidity to bear the risks of an investment in the Senior Non Preferred Notes, including the possibility that the entire principal amount of the Senior Non Preferred Notes could be lost. A potential investor should not invest in the Senior Non Preferred Notes unless it has the knowledge and expertise (either alone or with a financial advisor) to evaluate how the Senior Non Preferred Notes will perform under changing conditions, the resulting effects on the market value of the Senior Non Preferred Notes, and the impact of this investment on the potential investor's overall investment portfolio.

Senior Non Preferred Notes are new types of instruments for which there is no trading history

Prior to the adoption of the so-called "*Legge di Bilancio 2018*" and its entry into force, Italian issuers were not able to issue senior non-preferred securities. Accordingly, there is no trading history for securities with this ranking. Market participants, including credit rating agencies, are in the initial stages of evaluating the risks associated with senior non-preferred obligations. The credit ratings assigned to senior non-preferred securities such as the Senior Non Preferred Notes may change as the rating agencies refine their approaches, and the value of such securities may be particularly volatile as the market becomes more familiar with them. It is possible that, over time, the credit ratings and value of senior non-preferred securities such as the Senior Non Preferred Notes will be lower than those expected by investors at the time of issuance of the Senior Non Preferred Notes. If so, investors may incur losses in respect of their investments in the Senior Non Preferred Notes.

The Senior Non Preferred Notes are senior non-preferred obligations and are junior to certain obligations

In order to be eligible to satisfy the provisions of Articles 12-*bis* and 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority and also qualify as eligible liabilities available to meet the MREL/TLAC Requirements (as defined in Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions of the English Law Notes and 4(g) (*Redemption for regulatory reasons (Regulatory Call))* of the Terms and Conditions of the Italian Law Notes (as the case may be), Senior Non Preferred Notes will be subordinated to existing senior debt and Senior Preferred Notes in the event that Mediobanca is subject to compulsory liquidation (*liquidazione coatta amministrativa*). As a result, the default risk on the Senior Non Preferred Notes will be higher than the risk associated with preferred senior debt (such as Senior Preferred Notes) and other senior liabilities (such as wholesale deposits).

The Mediobanca's obligations in respect of the Senior Non Preferred Notes constitute direct, unconditional, unsubordinated and unsecured obligations of Mediobanca and will rank at all times *pari passu* without any preference among themselves are more fully described in Condition 2(c) (*Status of the Senior Non Preferred Notes*) of the Terms and Conditions of the English Law Notes and Condition 2(c) (*Status of the Senior Non Preferred Notes*) of the Terms and Conditions of the Italian Law Notes. In the event of a winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione*

Coatta Amministrativa) of Mediobanca, the payment obligations of Mediobanca under each Series of Senior Non Preferred Notes, and the relative Coupons as the case may be, will rank in right of payment (A) after unsubordinated creditors (including depositors and any holder of Senior Preferred Notes and their respective Coupons) of Mediobanca but (B) at least *pari passu* with all other present and future unsubordinated and non preferred obligations obligations of Mediobanca which do not rank or are not expressed by their terms to rank junior or senior to such Series of Senior Non Preferred Notes and (C) in priority to any present or future claims ranking junior to such Series of Senior Non Preferred Notes (including any holder of Subordinated Notes) and the claims of shareholders of Mediobanca, in all such cases in accordance with the provisions of Article 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority.

Although Senior Non Preferred Notes may pay a higher rate of interest than comparable Senior Preferred Notes which are not issued on a senior non preferred basis, there is a greater risk that an investor in Senior Non Preferred Notes will lose all or some of its investment should Mediobanca become subject to compulsory liquidation (*liquidazione coatta amministrativa*). Thus, such holders of Senior Preferred Notes face an increased performance risk compared to holders of Senior Preferred Obligations.

If a judgment is rendered by any competent court declaring the judicial liquidation of Mediobanca, or if Mediobanca is liquidated for any other reason, the rights of payment of the holders of Senior Non Preferred Notes will be subordinated to the payment in full of the senior preferred creditors of Mediobanca and any other creditors that are senior to the Notes. In the event of incomplete payment of senior preferred creditors and other creditors ranking ahead of the claims of the holders of Senior Non Preferred Notes, the obligations of the Issuer in connection with the principal of the Senior Non Preferred Notes will be terminated. The Noteholders shall be responsible for taking all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation in relation to any claims they may have against the Issuer.

Credit rating which may be assigned to the Senior Non Preferred Notes

The Senior Non Preferred Notes, upon issue, may be rated by one or more credit rating agencies. Such credit rating may be lower than the Mediobanca's credit rating, since reflect the increased risk of loss in the event of the Mediobanca's insolvency. As a result, Senior Non Preferred Notes are likely to be rated by one or more credit rating agencies close to the level of subordinated debt and as such may be subject to a higher risk of price volatility than the Senior Preferred Notes.

In addition, the rating may change in the future depending on the assessment, by one or more credit rating agencies, of the impact on the different instrument classes resulting from the modified liability structure following the issuance of the Senior Non Preferred Notes.

Moreover, rating organisations may seek to rate any Senior Non Preferred Notes on an "unsolicited" basis and, if such "unsolicited ratings" are lower than the comparable ratings assigned to such Senior Non Preferred Notes on a "solicited" basis, such shadow or unsolicited ratings could have an adverse effect on the value of any Senior Non Preferred Notes.

Subordinated Notes

If Mediobanca is declared insolvent and a winding up is initiated, it will be required to pay the holders of senior debt (including the holders of the Senior Preferred Notes and the Senior Non Preferred Notes) and meet its obligations to all its other creditors (including unsecured creditors) in full before it can make any payments on the Subordinated Notes. If this occurs, Mediobanca may not have enough assets remaining after these payments to pay amounts due under the Subordinated Notes.

For a full description of the provisions relating to Subordinated Notes, see Condition 2 (*Status of Notes and Guarantee*) of the Terms and Conditions of the English Law Notes and Condition 2 (*Status of Notes and Guarantee*) of the Terms and Conditions of the Italian Law Notes.

In addition the Subordinated Notes expose investors to higher risks compared with certain other investments such as government bonds. Investors should therefore be aware that a comparison between the yield offered by the Subordinated Notes and those offered by other securities may not be meaningful or appropriate.

Regulatory classification of the Subordinated Notes

The intention of Mediobanca is for Subordinated Notes to qualify on issue as "Tier II Capital". Current regulatory practice by the Bank of Italy (acting as lead regulator) does not require (or customarily provide) a confirmation prior to the issuance of Subordinated Notes that the Subordinated Notes will be treated as such.

Although it is Mediobanca's expectation that the Subordinated Notes qualify as "Tier II Capital" there can be no representation that this is or will remain the case during the life of the Subordinated Notes or that the Subordinated Notes will be grandfathered under the implementation of future EU capital requirement regulations. If the Subordinated Notes are not grandfathered, or for any other reason cease to qualify (in whole or in part) as "Tier II Capital", Mediobanca will have the right to redeem the Subordinated Notes in accordance with Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions of the English Law Notes and 4(g) (*Redemption for regulatory reasons (Regulatory Call))* of the Terms and Conditions of the Italian Law Notes (as the case may be). Any redemption of Subordinated Notes issued by Mediobanca is subject to the prior approval of the Bank of Italy.

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 Subordinated Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in the light of other investments available at that time. In addition, if the relevant Issuer has the right to redeem any Notes at its option, the exercise of such right is subject to the previsions set forth in Condition 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the English Law Notes and Condition 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the Italian Law Notes and, in any case, the relevant redemption amount of the Subordinated Notes to be redeemed may be lower than the amount corresponding to the then current market value of such Subordinated Notes as of the relevant redemption date.

Notes may be subject to loss absorption

Investors should note that, in certain circumstances, Senior Notes may be the object of resolution tools. Investors should also be aware that, in addition to the general bail-in-tool, the BRRD contemplates that Subordinated Notes may be subject to a write-down or conversion into common shares at the point of non-viability should the Bank of Italy, the Central Bank of Ireland or other authority or authorities having prudential oversight of Mediobanca at the relevant time be given the power to do so. The BRRD is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing.

Moreover, in the context of these resolution tools, the resolution authorities have the power to amend or alter the maturity of certain debt instruments (such as the Senior Notes and Subordinated Notes) issued by an institution under resolution or amend the amount of interest payable under such instruments, or the date on which the interest becomes payable, including by suspending payment for a temporary period. As a result, the implementation of the directive or the taking of any action under it, as well as any perceived increase likelihood of application of such powers, could materially affect the value of any Notes.

Variation of the terms and conditions of Subordinated Notes

In relation to any series of Subordinated Notes, if Modification following a Regulatory Event or a Tax Event is specified as applicable in the applicable Final Terms, the Issuer may upon the occurrence of a Regulatory Event or a Tax Event modify the terms and conditions of such Subordinated Notes without any requirement for the consent or approval of the Noteholders to the extent that such modification is reasonably necessary to ensure that no Regulatory Event or Tax Event would exist after such modification, **provided that** the relevant conditions set forth in Condition 9(e) (*Modification following a Regulatory Event or a Tax Event*) of the Terms and Conditions of the English Law Notes and Condition 9(e) (*Modification following a Regulatory Event or a Tax Event*) of the Terms and Conditions of the Italian Law Notes are satisfied. For details, see Condition 9(e) (*Modification following a Regulatory Event or a Tax Event*) of the Terms and Conditions of the English Law Notes and Condition 9(e) (*Modification following a Regulatory Event or a Tax Event*) of the Terms and Conditions of the Italian Law Notes.

Pursuant to Condition 9(f) of the Terms and Conditions of the English Law Notes and Condition 9(f) of the Terms and Conditions of the Italian Law Notes, in case the Notes have been distributed to a single holder (the "**Single Holder**"), the approval for the amendments under Condition 9(a),(b),(c),(d) and (e) above shall be given by the Single Holder by way of binding approval letter with prior delivery of the relevant proof of ownership of the relevant Note.

Investors should be aware that, where the terms and conditions of such Subordinated Notes are varied, Noteholders may, as a result, among other things, be assessed as a class rather than individually, and any tax consequences may be borne by the Noteholder.

No gross up on withholding tax

To the extent that the Issuer is required by law to withhold or deduct any present or future taxes of any kind imposed or levied by or on behalf of the Republic of Italy or the Grand Duchy of Luxembourg (as appropriate), the Issuer may not be under an obligation to pay any additional amounts to Noteholders according to and subject to the provisions set forth in Condition 6(a) (*Gross Up*) of the Terms and Conditions of the English Law Notes and Condition 6(a) (*Gross Up*) of the Terms and Conditions of the Italian Law Notes.

Waiver of set-off

If waiver of set-off rights is specified as applicable in the applicable Final Terms, each holder of a Senior Preferred Note will unconditionally and irrevocably waive any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have under the laws of any jurisdiction in respect of such Senior Preferred Note. As specified in Condition 2(c) (*Status of the Senior Non Preferred Notes*) and Condition 2(d) (*Status of the Subordinated Notes*) of the Terms and Conditions of the English Law Notes and Condition 2(c) (*Status of the Senior Non Preferred Notes*) and 2(d) (*Status of the Subordinated Notes*) of the Terms and Conditions of the Italian Law Notes, each holder of a Senior Non Preferred Note and of a Subordinated Note unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Senior Non Preferred Note and Subordinated Note.

Risks related to Notes generally

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

Change of law

The English Law Notes and the Italian Law Notes and any non-contractual obligations arising out of or in connection with the relevant Notes will be governed by, and shall be construed in accordance with, respectively, English law or Italian Law, in effect as at the date of this Base Prospectus, **provided that (I)** in case of Notes issued by Mediobanca, Conditions 2(b) (*Status of the Senior Preferred Notes*), 2(c) (*Status of the Senior Non Preferred Notes*), 2(d) (*Status of the Subordinated Notes*), 4(b) (*Maturities/Final Redemption*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*), 8(b) (*Events of Default of the Senior Non Preferred Notes*), 8(c) (*Events of Default of the Subordinated Notes*) and 16 (*Acknowledgment of the Italian / Luxembourg Bail-in Power*) of the Terms and Conditions of the English Law Notes, are governed by, and shall be construed in accordance with, Italian law; **(II)** in case of Senior Preferred Notes issued by Mediobanca International, Conditions 2(b) (*Status of the Senior Preferred Notes*), 4(b) (*Maturities/Final Redemption*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) and Condition 16 (*Acknowledgment of the Italian / Luxembourg Bail-in Power*) of the Terms and Conditions of the English Law Notes or Conditions 2(b) (*Status of the Senior Preferred Notes*), 4(b) (*Maturities/Final Redemption*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) and Condition 15 (*Acknowledgment of the Italian / Luxembourg Bail-in Power*) or the Terms and Conditions of the Italian Law Notes, are governed by, and shall be construed in accordance with, Luxembourgish law. . No assurance can be given as to the impact of any possible judicial decision or change to English law and/or Italian law, or administrative practice after the date of this Base Prospectus.

Call options are subject to the prior consent to the Relevant Authority

The Notes may also contain provisions allowing the relevant Issuer to call them upon the occurrence of certain events, including, *inter alia*, in case of MREL/TLAC Disqualification Event (in case of the Senior Preferred Notes and the Senior Non Preferred Notes) or after a period of, for example, twelve months (in

case of the Senior Non Preferred Notes) and five years (in case of the Subordinated Notes). To exercise such a call option, the relevant Issuer must obtain the prior written consent of the Relevant Authority in accordance with applicable laws and regulations, including article 77(b) and 78 of the CRD IV, and the provisions of Condition 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the English Law Notes and 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the Italian Law Notes.

Holders of such Notes have no rights to call for the redemption of such Notes and should not invest in such Notes in the expectation that such a call, based upon its evaluation of the regulatory capital position of the relevant Issuer and certain other factors at the relevant time and in accordance with applicable laws and regulations, including Article 77(b) and 78 of the CRD IV.

There can be no assurance that the Relevant Authority will permit such a call. Holders of such Notes should be aware that they may be required to bear the financial risks of an investment in such Notes for a period of time in excess of the minimum period.

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 Senior Notes and/or the Subordinated Notes (as the case may be) being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in the light of other investments available at that time. In addition, if the relevant Issuer has the right to redeem any Notes at its option, the exercise of such right is subject to the previsions set forth in Condition 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the English Law Notes and 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the Italian Law Notes (as the case may be) and, in any case, the relevant redemption amount of the Senior Notes and/or Subordinated Notes to be redeemed may be lower than the amount corresponding to the then current market value of such Senior Notes and/or Subordinated Notes as of the relevant redemption date.

There may be limited or no event of defaults under the Senior Preferred Notes

Pursuant to Condition 8(a) (*Events of Default of the Senior Preferred Notes*) of the Terms and Conditions of the English Law Notes and Condition 8(a) (*Events of Default of the Senior Preferred Notes)* of the Terms and Conditions of the Italian Law Notes, if the applicable Final Terms specifies that one or more of the Events of Default are not applicable to the Senior Preferred Notes of any Series, then such relevant Events of Default shall not apply to such Series of Senior Preferred Notes.

If no Events of Default are specified as applicable in the applicable Final Terms, Noteholders will not be able to accelerate the payment of principal in respect of the Senior Preferred Notes if the relevant Issuer fails to meet any obligations under such Senior Preferred Notes, including the payment of any interest. Upon a payment default, the sole remedy available to holders of such Senior Preferred Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, in any case a Noteholder may, upon written notice to the Fiscal Agent, cause such Senior Preferred Notes to become due and payable, together with accrued interest thereon, if any, as of the date on which said notice is received by the Fiscal Agent, upon the occurrence of the Event of Default listed in Condition 8(a), paragraph (vii) (*Winding-up*) of the Terms and Conditions of the English Law Notes and Condition 8(a), paragraph (vii) (*Winding-up*) of the Terms and Conditions of the Italian Law Notes, as the case may be..

If all or some of the Events of Default are specified as applicable in the applicable Final Terms, holders of such Senior Preferred Notes may give written notice to the Fiscal Agent at its specified office that such Senior Preferred Note is immediately repayable, whereupon the Early Redemption Amount of such Senior Preferred Note together with accrued interest to the date of payment shall become immediately due and payable.

Procedures of clearing systems

Unless otherwise provided in the relevant Final Terms, Notes issued under the Programme may be represented by one or more Global Notes and such Global Notes will be deposited with a common depositary or (where applicable) common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system

provided in the Final Terms will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary or common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes. Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system to appoint appropriate proxies.

Modification

The Issue and Paying Agency Agreement contain provisions for calling meetings of Noteholders to consider 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 Terms and Conditions of the Notes also provide that the Issuer and the Guarantor may, without the consent of Noteholders, correct (i) any manifest error in the Terms and Conditions of the Notes and/or in the Final Terms, (ii) any error of a formal, minor or technical nature in the Terms and Conditions of the Notes and/or in the Final Terms or (iii) any inconsistency in the Terms and Conditions of the Notes and/or in the Final Terms between the Terms and Conditions of the Notes and/or the Final Terms and any other documents prepared in connection with the issue and/or offer of a Series of Notes (provided such correction is not materially prejudicial to the holders of the relevant Series of Notes). In addition, pursuant to Condition 3(o) (*Benchmark replacement*) of the Terms and Conditions of the English Law Notes and Condition 3(o) (*Benchmark replacement*) of the Terms and Conditions of the Italian Law Notes, certain changes may be made to the interest calculation provisions of the Notes in the circumstances and as otherwise set out in such Condition, without the requirement for consent of the Noteholders. Any such correction shall be binding on the holders of the relevant Notes and the Issuer and the Guarantor (if applicable) shall cause such correction to be notified to the holders of the Notes as soon as practicable thereafter pursuant to Condition 12 (*Notices*) of the Terms and Conditions of the Notes.

Conflict of Interest

Investors should note that Notes issued under the Program may be underwritten by Dealers who receive in consideration underwriting commissions and selling concessions. The relevant Issuer may also offer and sell Notes directly to investors without the involvement of any Dealer. In addition, Mediobanca may act as market maker or specialist or perform other similar roles in connection with the Notes: potential conflicts of interest may exist between Mediobanca acting in such capacity on the one hand, and investors in the Notes on the other.

Calculation Agent

The Issuer may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Impossibility to know the amount of the Notes in circulation on the date of issue

The Notes may be issued and withheld by the Issuer for the progressive sale on the market in accordance with investors' demand. In this context an investor who acquires the Notes does not know at the moment

of purchase how much of the issued Notes effectively are publicly traded, with the consequence that the amount in circulation could be meagre and may not guarantee successively adequate liquidity in the Notes.

Issue of subsequent tranche

In the event the Issuer decides to issue further Notes having the same terms and conditions as an already existing Series of Notes (or in all respects except for the Issue Price, the Issue Date and/or the first payment of interest) and so that the further Notes shall be consolidated and form a single series with the original Notes, the greater nominal amount in circulation could lead to a greater offer of the relevant Notes in the secondary market with a consequent negative impact on the price of the relevant Series of the Notes.

*EU reform of "*benchmarks*" (including LIBOR, EURIBOR and other interest rate index and equity, commodity and foreign exchange rate indices)*

The Notes may be linked to a "benchmark" as defined under the Benchmark Regulation. The Benchmarks Regulation, *inter alia*: (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).

The scope of the Benchmarks Regulation is wide and, in addition to applying to so-called "critical benchmark" indices, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in listed financial instruments (including listed Notes), financial contracts and investment funds. In this respect, any changes to a "benchmark" due to the Benchmark Regulation could, *inter alia*: (i) discourage market participants from continuing to administer or contribute to such "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark"; or (iii) lead to the disappearance of the "benchmark".

In such events, depending on the particular "benchmarks" and the applicable terms of the Notes, the Notes could be delisted (if listed), adjusted, redeemed or otherwise impacted and their volatility may be affected.

In addition, the application of the fallback methods to be applied in the event that a "benchmark" to which any Notes is linked has been discontinued following the adoption of a decision to withdraw the authorization or registration as set out in Article 35 of the Benchmark Regulation may expose investors to certain risks connected with the adjustment to the interest calculation as provided for in Condition 3(o) (*Benchmark Replacement*) of the Terms and Conditions of the English Law Notes and Condition 3(o) (*Benchmark Replacement*) of the Terms and Conditions of the Italian Law Notes, and/or may generally produce potential negative consequences for the holders of any Notes linked to such "benchmark".

The London Interbank Offered Rate ("**LIBOR**"), Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed critical "benchmarks" are subject to recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such critical "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to a "benchmark".

Any of the international, national or other 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 "benchmarks" and complying with any such regulations or requirements.

For example, the sustainability of the LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms) for market participants to continue contributing to such "benchmarks". Please also see the risk factor "*Future discontinuance of LIBOR may adversely affect the value of Floating Rate Notes which reference LIBOR*" below.

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 such Notes.

Future discontinuance of LIBOR may adversely affect the value of Floating Rate Notes which reference LIBOR

On 12 July 2018, the Chief Executive of the United Kingdom Financial Conduct Authority ("**FCA**") which regulates LIBOR, discussed in a speech the transition away from LIBOR to alternative interest rate benchmarks based on overnight rates. As previously announced on 27 July 2017, the Chief Executive of the FCA, has confirmed that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021 and that planning a transition to alternative reference rates that are based firmly on transactions, such as reformed SONIA (the Sterling Over Night Index Average), must begin.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the SONIA (Sterling Overnight Index Average) over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Following the implementation of any such reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The disappearance of a "benchmark" or changes in the manner of administration of a "benchmark" could require or result in adjustment to the interest calculation provisions of the Conditions (as described in Condition 3(o) (*Benchmark replacement*) of the Terms and Conditions of the English Law Notes and Condition 3(o) (*Benchmark replacement*) of the Terms and Conditions of the Italian Law Notes or result in adverse consequences to holders of any securities linked to such benchmark (including but not limited to Floating Rate Notes or Reset Notes whose interest rates are linked to LIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes and transitions to alternative reference rates as stated in the FCA Announcement, uncertainty as to the nature of such alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities based on the same benchmark.

Even if the rate determination agent is able to determine an appropriate replacement rate for any Benchmark, if the replacement of the Benchmark with the replacement rate would result in a MREL/TLAC Disqualification Event or (in the case of Subordinated Notes only) a Regulatory Event, the rate of interest will not be changed, but will instead be fixed on the basis of the last available quotation of the Benchmark. This could occur if, for example, the switch to the replacement rate would create an incentive to redeem the relevant Notes that would be inconsistent with the relevant requirements necessary to maintain the regulatory status of the Notes. While this mechanism will ensure that the Notes will not become subject to a potential regulatory event-based redemption, it will result in the Notes being effectively converted to fixed rate instruments. Investors holding such Notes might incur costs from unwinding hedges. Moreover, in a rising interest rate environment, holders of such Notes will not benefit from any increase in rates. The trading value of the Notes could as a consequence be adversely affected.

The Terms and Conditions of the English Law Notes and the Terms and Conditions of the Italian Law Notes provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (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 reference bond rate, a successor rate or an alternative reference rate and that such successor rate or alternative reference 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. In certain circumstances the ultimate

fallback of interest for a particular Interest Period or Reset Period (as applicable) may result in the rate of interest for the last preceding Interest Period or Reset Period (as applicable) being used. This may result in the effective application of a fixed rate for Floating Rate Notes or Reset Notes (as applicable) 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 reference rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences 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 Reset Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes or Reset Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes or Reset Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms, investigations and licensing issues in making any investment decision with respect to the Notes linked to a "benchmark" since the rate of interest will be changed in ways which may be adverse to holders of such Notes, without any requirement that the consent of such holders be obtained.

Notes issued with a specific use of proceeds and Green and Sustainability Bonds

The net proceeds of the issue of each Tranche of Notes will be used for the general corporate purposes of the relevant Issuer. If, in respect of any particular issue, there is a particular identified use of the proceeds, this will be specified in the applicable Final Terms, including in case an amount equivalent to the net proceeds of the issue of each Tranche of Notes will be used for the purposes of projects with a positive environmental and social impact, in accordance with the broad categorisation of eligibility set out by ICMA (as defined below), which prior to the relevant Issue Date will be (i) approved by the relevant Issuer and in respect of which a reputed sustainability rating agency has prepared an opinion on the relevant Issuer's alignment with the Green Bond Principles and Sustainability Bond Guidelines, the likely environmental and social benefits of the eligible categories (or by an approved verifier in case the relevant Issuer is seeking a Climate Bonds Initiative certified bond), and (ii) made available on the relevant Issuer's website (https://mediobanca.com) in the investor relations section (the "**Green and Sustainability Assets**").

Prospective investors should have regard to the information set out in such Final Terms regarding use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary.

In particular, each of the Issuer may choose to apply an amount equivalent to the proceeds from the issue of any Notes for eligible Green and Sustainability Assets which have been defined in accordance with the broad categorisation of eligibility set out by the International Capital Market Association ("**ICMA**") green bond principles and sustainability bond guidelines. Only Tranches of Notes financing or refinancing eligible Green and Sustainability Assets will be denominated "**Green and Sustainability Bonds**".

No assurance is given by the Issuer or the Dealers that the use of such proceeds for any eligible Green and Sustainability Assets will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental sustainability or social impact of any projects or uses the subject of or related to, any eligible Green and Sustainability Assets.

There can be no assurance that the relevant project(s) or use(s) (including those the subject of, or related to, any eligible Green and Sustainability Assets) will be capable of being implemented in or substantially in the manner described in the Final Terms and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such project(s) or use(s). Nor can there be any assurance that any such projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the

Issuer. Any such event or failure by the relevant Issuer will not constitute an Event of Default under the Notes.

Furthermore, it should be noted that there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a green and/or sustainable or an equivalently labelled project or as to what precise attributes are required for a particular project to be defined as green and/or sustainable or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any project(s) or use(s) the subject of or related to any eligible Green and Sustainability Assets will meet any or all investor expectations regarding such green, sustainable or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any project(s) or use(s) the subject of, or related to, any eligible Green and Sustainability Assets.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any eligible Green and Sustainability Assets to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification (i) is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus, (ii) is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Notes and (iii) would only be current as of the date that it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any Notes are listed or admitted to trading on any dedicated green, environmental, sustainable or other equivalently-labelled segment of any stock exchange or securities market, no representation or assurance is given by the Issuer, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, for example with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any eligible Green and Sustainability Assets. Additionally, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any project(s) or use(s), including any eligible Green and Sustainability Assets, and/or the withdrawal of any opinion or certification as described above or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on, and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which are intended by the Issuer to finance eligible Green and Sustainability Assets and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

As at the date of this Base Prospectus, the Issuer has not published a framework relating to an investment in eligible Green and Sustainability Assets although the Issuer intends to publish such framework prior to the issuance of any Notes which specify that the relevant proceeds will be used for eligible Green and Sustainability Assets.

Risks related to the market generally

Set out below is a brief description of the principal market risks connected with an investment in Notes:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market 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. Illiquidity may have a severely adverse effect on the market value of Notes.

The Issuer has no obligation to purchase the Notes from the Noteholders. However, should the Issuer decide to purchase the Notes, the secondary market pricing that the Issuer may provide on the Notes may reflect the unwinding cost of the hedging portfolio (if any) and/or the loss of profit (*lucro cessante*) related to such hedging portfolio.

Specific Buy Back Provisions

If Specific Buy Back Provisions are specified as applicable in the applicable Final Terms, investors should be aware that Mediobanca and/or Mediobanca International have issued the Notes also for the purpose of entering into, from time to time, certain Underlying Transactions. In this respect, the value of the Notes shall reflect and shall be calculated on the basis of the Market Value of such Underlying Transactions. The composition of the Underlying Transaction will be made available to the investors in accordance with the method of publication indicated in the relevant Final Terms.

The Underlying Transactions will be selected from time to time by Mediobanca and/or Mediobanca International in their reasonable discretion with maturities and notional that can be larger, respectively, than the Maturity Date and Notional Amount of the relevant Notes, and the relevant composition is subject to change during the life of the Notes. Any changes in the composition of the Underlying Transaction could adversely affect the Market Value of the Underlying Transactions and, therefore, the value of the Notes.

The Market Value of the Underlying Transactions, as determined by Mediobanca and/or Mediobanca International, acting in its capacity as Calculation Agent, in a fair and commercially reasonable manner and with reference to the market, could adversely affect the repurchase price, if any, of the Notes. Therefore in the event that an investor requests the Issuer to repurchase the Notes hold by it prior to their maturity, and the Issuer accepts such repurchase, the price of the Notes (Buy Back Price) will be a price that perfectly reflects the Market Value of such Underlying Transactions. In particular, investors should note that the Market Value of the Underlying Transactions could adversely and materially affect the Buy Back Price payable to the relevant investor, particularly where the Underlying Transactions have maturities and/or notional amounts longer and/or higher, respectively, than the Maturity Date and principal amount of the relevant Notes.

The Specific Buy Back Provisions shall not affect the right of the investors to receive timely payments of principal and interest on the Notes. As consideration of the Issuer entering into the Underlying Transactions in relation to the Notes, the Issuer will pay an Extra Yield on the Notes.

The Specific Buy Back Provisions may apply only to Senior Preferred Notes issued by Mediobanca and/or Mediobanca International and where Mediobanca and/or Mediobanca International are specified as Dealers.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest, if any, on the Notes in the Relevant 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 Relevant Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Relevant Currency or revaluation of the Investor's Currency or due to the official redenomination of the Relevant Currency, and/or Investor's Currency) and the risk that authorities with jurisdiction over Relevant Currency, and/or the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Relevant Currency would decrease (i)

the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes, and (iii) 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. As a result, investors may receive less interest, principal or other amount than expected, or no interest or principal or other amount.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to 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 or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Each prospective investor should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Impact of implicit fees on the Issue/Offer Price

Investors should note that implicit fees (e.g. placement fees, direction fees, structuring fees) may be a component of the Issue/Offer Price of Notes, but such fees will not be taken into account for the purposes of determining the price of the relevant Notes in the secondary market.

The Issuer will specify in the relevant Final Terms the type and amount of any implicit fees which are applicable from time to time.

Investors should also take into consideration that if Notes are sold on the secondary market immediately following the offer period relating to such Notes, the implicit fees included in the Issue/Offer Price on initial subscription for such Notes will be deducted from the price at which such Notes may be sold in the secondary market.

Certain considerations associated with public offers of Notes

If Notes are distributed by means of a public offer, under certain circumstances indicated in the relevant Final Terms, the Issuer and/or other entities specified in the Final Terms may have the right to withdraw the offer, which in such circumstances will be deemed to be null and void according to the terms indicated in the relevant Final Terms.

In such case, investors who have already paid or delivered subscription monies for the relevant Notes will be entitled to reimbursement of such amounts, but will not receive any remuneration that may have accrued in the period between their payment or delivery of subscription monies and the reimbursement of the Notes.

Possible Illiquidity of the Notes in the Secondary Market

It is not possible to predict the price at which Notes will trade in the secondary market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, list or admit to trading Notes on a stock exchange or market. If the Notes are not listed or admitted to trading on any exchange or market, pricing information for the Notes may be more difficult to obtain and the liquidity of the Notes may be adversely affected. If the Issuer does list or admit to trading an issue of Notes, there can be no assurance that at a later date, the Notes will not be delisted or that trading on such exchange or market will not be suspended. In the event of a delisting or suspension of listing or trading on a stock exchange or market,

the Issuer will use its reasonable efforts to list or admit to trading the Notes on another exchange or market.

The Issuer, or any of its Affiliates may, but is not obliged to, at any time purchase Notes at any price in the open market or by tender or private agreement. Any Notes so purchased may be held or resold or surrendered for cancellation. The Issuer or any of its Affiliates may, but is not obliged to, be a market-maker for an issue of Notes. Even if the Issuer or such other entity is a market-maker for an issue of Notes, the secondary market for such Notes may be limited.

Investors should note that if an entity is appointed as market-maker or liquidity provider with respect to the Notes in the secondary market, this may, in certain circumstances, affect the price of the Notes in the secondary market.

In addition, all or part of the Notes issued under this Programme may be subscribed upon issuance by the Issuer itself or by its Affiliate(s) for resales thereafter on the basis of investors' demand. Accordingly, investors subscribing for Notes upon their issuance should be aware that there may not be a viable secondary market for the relevant Notes immediately. Even if a market does develop subsequently, it may not be very liquid.

Listing of Notes

In respect of Notes which are (in accordance with the applicable Final Terms) to be listed on a stock exchange, market or quotation system, the Issuer shall use all reasonable endeavours to maintain such listing, **provided that** if it becomes impracticable or unduly burdensome or unduly onerous to maintain such listing, then the Issuer may apply to de-list the relevant Notes, although in this case it will use all reasonable endeavours to obtain and maintain (as soon as reasonably practicable after the relevant de-listing) an alternative admission to listing, trading and/or quotation by a stock exchange, market or quotation system within or outside the European Union, as it may decide.

If such an alternative admission is not available or is, in the opinion of the Issuer, impracticable or unduly burdensome, an alternative admission will not be obtained.

Combination or "layering" of multiple risk factors may significantly increase risk of loss

Although the various risks discussed in this Base Prospectus are generally described separately, prospective investors in the Notes should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased. There are many other circumstances in which layering of multiple risks with respect to the Issuers and /or the Guarantor and/or the Notes may magnify the effect of those risks.

GENERAL DESCRIPTION OF THE EURO 40,000,000,000 EURO MEDIUM TERM NOTE PROGRAMME

The following is a general description of the Programme for the purposes of Article 25.1(b) of Commission Delegated Regulation (EU) No 2019/980, to be read in conjunction with the Prospectus Regulation. The following overview does not purport to be complete and is qualified by the remainder of this Document and, in relation to the terms and conditions of any particular Series (as defined below in "Terms and Conditions of the English Law Notes" and in "Terms and Conditions of the Italian Law Notes") of Notes, the applicable Final Terms. Subject as provided in "Terms and Conditions of the English Law Notes" or in "Terms and Conditions of the Italian Law Notes", as the case may be, any of the following (including, without limitation, the type of Notes which may be issued pursuant to the Programme) may be varied or supplemented as agreed between the Issuer, the relevant Dealer(s) and the Fiscal Agent (if applicable). Words and expressions defined in "Forms of the Notes", "Terms and Conditions of the English Law Notes" and "Terms and Conditions of the Italian Law Notes" shall have the same meaning in this overview:

Issuers: Mediobanca – Banca di Credito Finanziario S.p.A. and Mediobanca International (Luxembourg) S.A.

Mediobanca - Banca di Credito Finanziario S.p.A.: Mediobanca was established on 10 April 1946 as a medium-term credit granting institution in Italy. In 1956, Mediobanca's shares were admitted to the Italian Stock Exchange and since then its business has expanded both nationally and internationally.

Mediobanca is registered at the Companies' Registry of the Chamber of Commerce of Milan-Monza-Brianza-Lodi, Italy under registration number 00714490158. Mediobanca's registered office is at Piazzetta E. Cuccia 1, 20121 Milan, Italy, telephone number (+39) 0288291.

Mediobanca holds a banking licence from the Bank of Italy authorising it to carry on all permitted types of banking activities in Italy.

Mediobanca is a bank organised and existing under the laws of Italy, carrying out a wide range of banking, financial and related activities throughout Italy.

At the date hereof, Mediobanca's issued share capital totals Euro 435,510,047.00, represented by 871,020,094 registered shares of a nominal value of Euro 0.50.

The Board of Directors of Mediobanca is responsible for the ordinary and extraordinary management of Mediobanca.

Mediobanca International (Luxembourg) S.A.: Mediobanca International has the form of a *société anonyme* subject to Luxembourg law and has its place of registration in Luxembourg. On 15 December 2005, the Luxembourg Minister of the Treasury and the Budget, on the recommendation of the CSSF, granted Mediobanca International a full banking licence pursuant to which its operations include raising funds in the international markets and lending, consistent with Mediobanca International's articles of association approved by the shareholders in the general meeting held on 21 December 2005.

Mediobanca International is registered at the Luxembourg trade and companies registry under registration number B 112885. Mediobanca International's registered office is at 4, Boulevard Joseph II, L-1840 Luxembourg, Grand Duchy of

Luxembourg.

As at 30 June 2019, Mediobanca International's issued and authorised fully paid share capital totals Euro 10,000,000 represented by 1,000,000 registered shares of Euro 10 par value.

The Board of Directors of Mediobanca International is responsible for setting authorisation levels, defining organisational structure, defining the system of internal control and reviewing it on a regular basis, and approving the bank's accounts and interim statements. Day-to-day management is entrusted to two authorised managers.

Guarantor: Mediobanca - Banca di Credito Finanziario S.p.A. with respect to Senior Preferred Notes issued by Mediobanca International (Luxembourg) S.A.

Description: Euro Medium Term Note Programme.

Arranger: Mediobanca Banca di Credito Finanziario S.p.A.

Dealers: Banca Akros S.p.A. Gruppo Banco BPM; Banca IMI S.p.A.; Barclays Bank PLC; Barclays Bank Ireland PLC, BNP Paribas; Crédit Agricole Corporate and Investment Bank; Credit Suisse Securities (Europe) Limited; J.P. Morgan Securities plc; MEDIOBANCA - Banca di Credito Finanziario S.p.A; NatWest Markets N.V.; Société Générale and UniCredit Bank AG.

Each of the Issuers may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of a single Tranche or in respect of the whole Programme.

Fiscal Agent: BNP Paribas Securities Services, Luxembourg Branch will act as Fiscal Agent in respect of the Notes except for Notes in dematerialised form, which are deposited directly with Monte Titoli S.p.A. ("**Monte Titoli**").

Italian Paying Agent: Mediobanca – Banca di Credito Finanziario S.p.A. will act as Italian Paying Agent with respect to Notes in dematerialised form deposited directly with Monte Titoli (which role will include the role of Fiscal Agent with respect to such Notes).

Size: Up to Euro 40,000,000,000 (or the equivalent in other currencies at the date of each issue) aggregate principal amount of Notes outstanding at any one time.

Currencies: Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency or currencies as the relevant Issuer, the Guarantor (where applicable), and the relevant Dealer so agree.

Maturities/Final Redemption: Any maturity subject to compliance with all relevant laws, regulations and directives. Unless previously redeemed, purchased and cancelled as provided in accordance with Conditions 4(c) (*Redemption for taxation reasons*), 4(d) (*Purchases*), 4(f) (*Redemption at the option of the Issuer*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*), Condition 4(h) (*Redemption at the option of holders of Notes*) or Condition 4(i) (*Redemption by instalments*) of the Terms and Conditions of the English Law Notes or Conditions 4(c)

(*Redemption for taxation reasons*), 4(d) (*Purchases*), 4(f) (*Redemption at the option of the Issuer*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*), 4(h) (*Redemption at the option of holders of Notes*) or Condition 4(i) (*Redemption by instalments*) of the Terms and Conditions of the Italian Law Notes, as the case may be, each Note will be redeemed at its Final Redemption Amount on the Maturity Date.

Any Senior Preferred Notes in respect of which the issue proceeds are received by the relevant Issuer in the United Kingdom and which have a maturity of less than one year from the date of issue must (a) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or 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 or (b) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 by the relevant Issuer.

Under applicable laws and regulations at the date of this Base Prospectus:

(i) Senior Non Preferred Notes shall have a minimum Maturity Period of twelve months, as provided under Articles 12-*bis* and 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority, and may be redeemable only after twelve months' prior notice to holders of the Senior Non Preferred Notes subject to the prior authorisation of the Bank of Italy, when required; and

(ii) Subordinated Notes shall have a minimum Maturity Period of five years, as provided under the Applicable Banking Regulations, and may be redeemable only after five years' prior notice to holders of Subordinated Notes subject to Relevant Authority prior authorisation, when required.

Denomination: Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation will be €1,000 (or where the Notes are denominated in a currency other than euro, the equivalent amount in such other currency) and that Senior Non Preferred Notes issued under the Programme will have a denomination of at least €250,000 (or, where the Senior Non Preferred Notes are denominated in a currency other than euro, the equivalent amount in such other currency).

Method of Issue: The Notes may be issued on a syndicated or non-syndicated basis. The Notes will be issued in one or more Series (which may be issued on the same date or which may be issued in

more than one Tranche on different dates). The Notes may be issued in Tranches on a continuous basis with no minimum issue size, subject to compliance with all applicable laws, regulations and directives. Further Notes may be issued as part of an existing Series.

Consolidation of Notes: Notes of one series may be consolidated with Notes of another Series, all as described in Condition 11 (*Further Issues and Consolidation*) of the Terms and Conditions of the English Law Notes or Condition 11 (*Further Issues and Consolidation*) of the Terms and Conditions of the Italian Law Notes.

Final Terms or Drawdown Prospectus: Notes issued under the Programme may be issued either (i) pursuant to this Base Prospectus and the relevant Final Terms or (ii) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes are the relevant Terms and Conditions of the Notes as completed by the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus.

References in this General Description of the Euro 40,000,000,000 Euro Medium Term Note Programme to the "Final Terms" shall, where applicable, be read as references to the Drawdown Prospectus relating to the Notes, as the case may be.

Form of Notes: The Notes may be issued in bearer form only.

If the Notes are represented by one or more Global Notes, the relevant Final Terms will specify whether each Global Note is to be issued in New Global Note or in Classic Global Note form. Each Tranche of Notes will initially be represented by a Temporary Global Note or a Permanent Global Note which, in each case, will be deposited on or around the Issue Date: (a) in the case of Notes intended to be issued in Classic Global Note form, with a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and/or deposited directly with Monte Titoli S.p.A. and/or any other centralised custodian appointed by the Issuers (together, the "Centralised Custodian") and (b) in the case of Notes intended to be issued in New Global Note form, with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. No interest will be payable in respect of a Temporary Global Note except as described under "Provisions Relating to the Notes While in Global Form".

Interests in Temporary Global Notes will be exchangeable for interests in Permanent Global Notes or, if so stated in the relevant Final Terms for Definitive Notes after the date falling 40 days after the Issue Date upon certification as to non-U.S. beneficial ownership. If specified in the relevant Final Terms, interests in Permanent Global Notes will be exchangeable for definitive Notes as described under "Provisions Relating to the Notes While in Global Form". Definitive Notes will, if interest-bearing, have interest Coupons attached and, if appropriate, a Talon for further Coupons and will, if the principal thereof is repayable by instalments, have payment Receipts attached.

If the Notes are issued and held in book-entry form, the Notes will not be represented by paper certificates and the transfer and exchange of Notes will take place exclusively through an

	electronic book-entry system managed by Monte Titoli S.p.A. or any other Centralised Custodian appointed by the Issuer. Accordingly, all Notes of the same tranche shall be deposited by their owners with an intermediary participant in the relevant Centralised Custodian. The intermediary will in turn deposit the Notes with the Centralised Custodian. In such circumstances, it will not possible for a Noteholder to obtain physical delivery of certificates representing the Notes.
Issue Price of the Notes:	Issue Price will be specified in the relevant Final Terms. Notes may be issued at their principal amount or at a discount or premium to their principal amount.
Type of Notes:	The Issuer may issue Notes of any kind, including but not limited to, Fixed Rate Notes, Reset Notes (in case of the Senior Preferred Notes and Subordinated Notes only), Floating Rate Notes and Zero Coupon Notes. Notes will be redeemed by way of cash payment.
Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms. The yield in respect of Fixed Rate Notes will be specified in the relevant Final Terms and will be calculated as internal rate of return (IRR) on the basis of the Issue Price, any Fixed Coupon and/or any Broken Amount.
Reset Notes:	If the Senior Preferred Notes and the Subordinated Notes are issued as Reset Notes, then such Reset Notes will, in respect of an initial period, bear interest at the initial fixed rate of interest specified in the relevant Final Terms. Thereafter, the fixed rate of interest will be reset on one or more date(s) specified in the relevant Final Terms by reference to a mid-market swap rate, as adjusted for any applicable margin, in each case, as may be specified in the relevant Final Terms.
Floating Rate Notes:	Floating Rate Notes will bear interest by reference to the benchmark as may be specified in the relevant Final Terms as adjusted for any applicable margin/multiplier.
Zero Coupon Notes:	Zero Coupon Notes may be issued at their principal amount or at a discount or a premium to it and will not bear interest.
Interest Periods and Interest Rates for the Notes:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. The Senior Preferred Notes and the Subordinated Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Senior Preferred Notes and the Subordinated Notes to bear interest at different rates in the same interest period.
Redemption Amount for the Notes:	Notes may be redeemable at par or at such other Redemption Amount as may be specified in the relevant Final Terms.
Redemption by Instalments for the Notes:	The Final Terms issued in respect of each issue of Notes which are redeemable in two or more instalments will set out the date on which, and the amounts in which, such Notes may be redeemed.

Status of the Notes: Notes may be issued by Mediobanca on a subordinated basis (the "**Subordinated Notes**"), senior non preferred basis (the "**Senior Non Preferred Notes**") or senior preferred basis (the "**Senior Preferred Notes**" and, together with the Senior Non Preferred Notes, the "**Senior Notes**"), as specified in the relevant Final Terms. Senior Preferred Notes issued by Mediobanca International may only be issued on a senior preferred basis.

(i) **Status of the Senior Preferred Notes**:

The Senior Preferred Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank at all times at least *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the relevant Issuer, save for certain mandatory exceptions of applicable law, it being understood moreover that the obligations of the relevant Issuer under the Senior Preferred Notes will be subject to the Italian Bail-In Power or the Luxembourg Bail-In Power, as the case may be. See Condition 2(b) (*Status of the Senior Preferred Notes*) of the Terms and Conditions of the English Law Notes or Condition 2(b) (*Status of the Senior Preferred Notes*) of the Terms and Conditions of the Italian Law Notes.

(ii) **Status of the Senior Non Preferred Notes**:

The Senior Non Preferred Notes will constitute direct, unconditional, unsubordinated, unsecured and non preferred obligations of Mediobanca and will rank at all times *pari passu* without any preference among themselves.

In the event of a winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of Mediobanca, the payment obligations of Mediobanca under each Series of Senior Non Preferred Notes, and the relative Coupons as the case may be, will rank in right of payment (A) after unsubordinated creditors (including depositors and any holder of Senior Preferred Notes and their respective Coupons) of Mediobanca but (B) at least *pari passu* with all other present and future unsubordinated and non preferred obligations obligations of Mediobanca which do not rank or are not expressed by their terms to rank junior or senior to such Series of Senior Non Preferred Notes and (C) in priority to any present or future claims ranking junior to such Series of Senior Non Preferred Notes (including any holder of Subordinated Notes) and the claims of shareholders of Mediobanca, in all such cases in accordance with the provisions of Article 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority, it being understood moreover that the obligations of Mediobanca under the Senior Non

Preferred Notes will be subject to the Italian Bail-In Power.

(iii) **Status of the Subordinated Notes**:

The Subordinated Notes constitute direct, unsecured and subordinated obligations of Mediobanca and will at all times rank *pari passu* and without any preference among themselves, all as described in Condition 2(d) (*Status of the Subordinated Notes*) of the Terms and Conditions of the English Law Notes or Condition 2(d) (*Status of the Subordinated Notes*) of the Terms and Conditions of the Italian Law Notes and the relevant Final Terms.

In the event of a winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of Mediobanca, the payment obligations of Mediobanca under each Series of Subordinated Notes, and the related Coupons as the case may be, will rank in right of payment (A) after unsubordinated creditors (including depositors and any holder of Senior Notes and their respective Coupons) of Mediobanca as well as subordinated creditors which rank or are expressed to rank senior to Subordinated Notes but (B) at least *pari passu* with all other subordinated obligations of Mediobanca which do not rank or are not expressed by their terms to rank junior or senior to such Series of Subordinated Notes and (C) in priority to the claims of subordinated creditors ranking or expressed to rank junior to the Subordinated Notes (including, but not limited to, *"Additional Tier 1 Instruments"* (as defined in the Prudential Regulations for Banks and in the CRR)) and of the shareholders of Mediobanca, as described in Condition 2 (*Status of the Notes and Guarantee*) of the Terms and Conditions of the English Law Notes or Condition 2 (*Status of Notes and Guarantee*) of the Terms and Conditions of the Italian Law Notes and the relevant Final Terms, it being understood moreover that the obligations of Mediobanca under the Subordinated Notes will be subject to the Italian Bail-In Power.

Guarantee: Under the Deed of Guarantee, and in accordance with the terms and subject to the limitations thereof, Mediobanca unconditionally and irrevocably guarantees payment of all amounts due in respect of Senior Preferred Notes issued by Mediobanca International.

Status of the Guarantee: The payment obligations of the Guarantor under the Deed of Guarantee constitute – in accordance with the terms and subject to the limitations thereof – direct, unconditional, unsubordinated and unsecured obligations of the Guarantor which will rank at all times at least *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for certain mandatory exceptions of applicable law. See also Condition 2(e) (*Status of Guarantee*) of the the Terms and Conditions of the English Law Notes or

Condition 2(e) (*Status of Guarantee*) of the Terms and Conditions of the Italian Law Notes. In particular, pursuant to the Deed of Guarantee to the extent under the applicable law in force at the relevant time, a cap to the maximum amount to be guaranteed is required, the Guarantor shall only be liable up to an amount which is the aggregate of 110 per cent. of the aggregate principal amount of any Tranche of the Senior Preferred Notes (in each case as specified in the applicable Final Terms) and 110 per cent. of the interest on such Senior Preferred Notes accrued but not paid as at any date on which the Guarantor's liability falls to be determined. In addition, pursuant to the Deed of Guarantee, the Guarantor has also undertaken to issue an additional guarantee in an amount equal to any liability exceeding the maximum amount mentioned above in relation to any Tranche of Senior Preferred Notes.

Cross Default: If specified as applicable in the applicable Final Terms, the Senior Preferred Notes will contain a cross default in respect of indebtedness for borrowed money of the relevant Issuer and, where applicable, the Guarantor, as more fully set out in Condition 8(a) (*Events of Default of the Senior Preferred Notes*) of the Terms and Conditions of the English Law Notes or Condition 8(a) (*Events of Default of the Senior Preferred Notes*) of the Terms and Conditions of the Italian Law Notes.

Redemption: Notes may be redeemable as specified in the relevant Final Terms.

For so long as:

(I) it is required under the MREL/TLAC Requirements, any redemption, purchase or modification of the Senior Preferred Notes in accordance with the Terms and Conditions of the English Law Notes or the Terms and Conditions of the Italian Law Notes is subject to the Issuer giving notice to the Relevant Authority and the Relevant Authority granting permission to redeem or purchase the relevant Senior Preferred Notes;

(II) it is required under Articles 12-*bis* and 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority and/or under the MREL/TLAC Requirements, any redemption, purchase or modification of the Senior Non Preferred Notes in accordance with the Terms and Conditions of the English Law Notes or the Terms and Conditions of the Italian Law Notes is subject to the Issuer giving notice to the Relevant Authority and the Relevant Authority granting permission to redeem or purchase the relevant Senior Non Preferred Notes; and

(III) it is required under Applicable Banking Regulations, any redemption, purchase or modification of the Subordinated Notes in accordance with the Terms and Conditions of the English Law Notes or the Terms and Conditions of the Italian Law Notes is subject to: (i) the prior approval of the Relevant Authority, as provided under the Applicable Banking Regulations; (ii) in the case of any redemption or purchase, if and to the extent then required under the Applicable Banking Regulations, either (A) Mediobanca

having replaced the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of Mediobanca; or (B) Mediobanca having demonstrated to the satisfaction of the Relevant Authority that the own funds of Mediobanca would, following such redemption or purchase, exceed its Regulatory Capital Requirements for the time being; and (iii) in the case of any redemption prior to the fifth anniversary of the Issue Date, (A) in case of redemption for tax reasons, Mediobanca has demonstrated to the satisfaction of the Relevant Authority that the change in tax treatment is material and was not reasonably foreseeable as at the Issue Date, or (B) in the case of a Regulatory Event, Mediobanca has demonstrated to the satisfaction of the Relevant Authority that the relevant change in the regulatory classification of the Subordinated Notes was not reasonably foreseeable as at the Issue Datee and the Relevant Authority considers such change to be reasonably certain.

Optional Redemption: Subject to any legal and regulatory requirements, the Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed before their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the Noteholders, and if so the terms applicable to such redemption and subject to all relevant legal and regulatory requirements.

If the Notes are:

(i) Senior Preferred Notes, unless otherwise permitted under the MREL/TLAC Requirements, the Optional Redemption Date shall be subject to the prior authorisation of the Relevant Authority, when required;

(ii) Senior Non Preferred Notes, unless otherwise permitted by Articles 12-*bis* and 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority and/or under the MREL/TLAC Requirements, the Optional Redemption Date shall not be earlier than twelve months after the Issue Date, subject to the prior authorisation of the Relevant Authority, when required; and

(iii) Subordinated Notes, unless otherwise permitted by current laws, regulations, directives, and/or the Relevant Authority's requirements applicable to the issue of Subordinated Notes by Mediobanca, the Optional Redemption Date shall not be earlier than five years after the Issue Date, subject to the Relevant Authority prior authorisation when required.

Subject to Condition 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the English Law Notes and 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*) of the Terms and Conditions of the Italian Law Notes (as the case may be), if Regulatory Call is specified in the applicable Final Terms, the Senior Notes and the Subordinated Notes may be redeemed at the option of

Mediobanca, in whole but not in part, at any time (if the Note is not a Floating Rate Note) or on any Interest Payment Date (if the Note is a Floating Rate Note): (i) in case of the Senior Notes, upon the occurrence of a MREL/TLAC Disqualification Event (as defined in Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions of the English Law Notes or Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions of the Italian Law Notes) with respect to the relevant Series of Senior Preferred Notes and/or Senior Non Preferred Notes and (ii) in case of Subordinated Notes, the Subordinated Notes cease to qualify (in whole or in part) as "*Tier II Capital*", on a consolidated or non consolidated basis, as a result of changes after the date of issue of the relevant Subordinated Notes in accordance with Applicable Banking Regulations.

Tax Redemption: With respect to Notes, the relevant Final Terms will specify whether early redemption will be permitted for tax reasons as described in Condition 4(c) (*Redemption for taxation reasons*) of the Terms and Conditions of the English Law Notes and of the Terms and Conditions of the Italian Law Notes.

Taxation: All payments in respect of Notes, Receipts and Coupons by the Issuer or (as the case may be) the Guarantor under the Deed of Guarantee will be made without withholding or deduction for, or on account of, any taxes imposed by the Grand Duchy of Luxembourg or the Republic of Italy, as the case may be, unless such withholding or deduction is required by law. In that event, the Issuer or (as the case may be) the Guarantor will (save as provided in Condition 6 (*Taxation*) of the Terms and Conditions of the English Law Notes and of the Terms and Conditions of the Italian Law Notes) pay such additional amounts in respect of principal and interest in the case of Senior Notes (if permitted by MREL/TLAC Requirements) and interest only in the case of Subordinated Notes as will result in the holders of Notes, Receipts or Coupons receiving such amounts as they would have received in respect to Notes, Receipts or Coupons had no such withholding or deduction been required.

However, as more fully set out in Condition 6 (*Taxation*) of the Terms and Conditions of the English Law Notes and of the Terms and Conditions of the Italian Law Notes, unless otherwise provided in the relevant Final Terms, neither the Issuer nor (as the case may be) the Guarantor will be liable to pay any additional amounts to holders of Notes, Receipts or Coupons in relation to any payment on any Note, Receipt or Coupon with respect to any withholding or deduction for or on account of, *inter alia*, (i) substitute tax (*imposta sostitutiva*) pursuant to Legislative Decree No. 239 of 1 April 1996 (as subsequently amended "**Decree No. 239**"); (ii) withholding tax pursuant to Presidential Decree No. 600 of 29 September 1973 ("**Decree No. 600**"); and (iii) withholding tax on Notes qualifying as atypical securities (*titoli atipici*) for Italian tax purposes, pursuant to Law Decree No. 512 of 30 September 1983 ("**Decree No. 512**").

Rating: The rating of the Notes, if any, to be issued under the Programme will be specified in the applicable Final Terms.

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a CRA which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation. A 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.

Governing Law: The English Law Notes and the Italian Law Notes and any non-contractual obligations arising out of or in connection with the relevant Notes will be governed by, and shall be construed in accordance with, respectively, English law or Italian Law, also in accordance with the provisions of Regulation (EC) no. 864/2007 of 11 July 2007 on the law applicable to non-contractual obligations (the "**Rome II Regulation**") except, **(I)** in case of Notes issued by Mediobanca, Conditions 2(b) (*Status of the Senior Preferred Notes*), 2(c) (*Status of the Senior Non Preferred Notes*), 2(d) (*Status of the Subordinated Notes*), 4(b) (*Maturities/Final Redemption*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*), 8(b) (*Events of Default of the Senior Non Preferred Notes*), 8(c) (*Events of Default of the Subordinated Notes*) and 16 (*Acknowledgment of the Italian / Luxembourg Bail-in Power*) of the Terms and Conditions of the English Law Notes, are governed by, and shall be construed in accordance with, Italian law; **(II)** in case of Senior Preferred Notes issued by Mediobanca International, Conditions 2(b) (*Status of the Senior Preferred Notes*), 4(b) (*Maturities/Final Redemption*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) and Condition 16 (*Acknowledgment of the Italian / Luxembourg Bail-in Power*) of the Terms and Conditions of the English Law Notes or Conditions 2(b) (*Status of the Senior Preferred Notes*), 4(b) (*Maturities/Final Redemption*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) and Condition 15 (*Acknowledgment of the Italian / Luxembourg Bail-in Power*) of the Terms and Conditions of the Italian Law Notes, are governed by, and shall be construed in accordance with, Luxembourgish law. For the avoidance of doubt, articles 470-3 to 470-19 of the Luxembourg law on commercial companies dated 10 August 1915, as amended from time to time (the "**Luxembourg Company Law**") shall not apply to Senior

Preferred Notes issued by Mediobanca International.

Listing and Admission to Trading: The Base Prospectus has been approved by the Central Bank of Ireland as competent authority under the Prospectus Regulation. Application has also been made for Notes issued under the Programme to be admitted to trading on the regulated market of the Euronext Dublin and to be listed on the Official List of the Euronext Dublin.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets as may be agreed between the relevant Issuer, the Guarantor (where applicable) and the relevant Dealer in relation to the relevant Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The Central Bank of Ireland may, at the request of either Issuer, send to the competent authority of another European Economic Area Member State (i) a copy of this Base Prospectus; and (ii) a Certificate of Approval in accordance with Article 25 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 any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set out in the relevant Final Terms which, with respect to Notes to be listed on the Official List of the Euronext Dublin, and admitted to trading on the regulated market of the Euronext Dublin will be delivered to the Euronext Dublin.

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

Selling Restrictions: See "**Plan of Distribution**".

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been approved by or filed with the Central Bank of Ireland and the Euronext Dublin, shall be deemed to be incorporated by reference in, and form part of, this Base Prospectus:

- the audited consolidated annual financial statements as at and for the years ended 30 June 2019 and 2018 of Mediobanca;
- the audited non-consolidated annual financial statements as at and for the years ended 30 June 2019 and 2018 of Mediobanca International;
- the Terms and Conditions of the Notes (pages 25 - 46) set out in the Base Prospectus dated 11 January 2007 relating to the Euro 16,000,000,000 Euro Medium Term Note Programme of Mediobanca and Mediobanca International;
- the Terms and Conditions of the Notes (pages 34 - 56) set out in the Base Prospectus dated 4 December 2007 relating to the Euro 25,000,000,000 Euro Medium Term Note Programme of Mediobanca and Mediobanca International;
- the Terms and Conditions of the Notes (pages 37 – 58) set out in the Base Prospectus dated 12 December 2008 relating to the Euro 40,000,000,000 Euro Medium Term Note Programme of Mediobanca and Mediobanca International;
- the Terms and Conditions of the Notes (pages 39 – 61) set out in the Base Prospectus dated 16 December 2009 relating to the Euro 40,000,000,000 Euro Medium Term Note Programme of Mediobanca and Mediobanca International;
- the Terms and Conditions of the Notes (pages 99 – 133) set out in the Base Prospectus dated 13 January 2011 relating to the Euro 40,000,000,000 Issuance Programme of Mediobanca and Mediobanca International;
- the Terms and Conditions of the Notes (pages 105 – 139) set out in the Base Prospectus dated 30 November 2011 relating to the Euro 40,000,000,000 Issuance Programme of Mediobanca and Mediobanca International;
- the Terms and Conditions of the Senior Notes (pages 76 – 105) and the Terms and Conditions of the Subordinated Notes (pages 106 – 138) set out in the Base Prospectus dated 23 January 2013 relating to the Euro 40,000,000,000 Euro Medium Term Note Programme of Mediobanca and Mediobanca International;
- the Terms and Conditions of the Senior Notes (pages 76 – 105) and the Terms and Conditions of the Subordinated Notes (pages 106 – 137) set out in the Base Prospectus dated 27 January 2014 relating to the Euro 40,000,000,000 Euro Medium Term Note Programme of Mediobanca and Mediobanca International;
- the Terms and Conditions of the Senior Notes (pages 81 – 111) and the Terms and Conditions of the Subordinated Notes (pages 112 – 143) set out in the Base Prospectus dated 19 December 2014 relating to the Euro 40,000,000,000 Euro Medium Term Note Programme of Mediobanca and Mediobanca International;
- the Terms and Conditions of the Senior Notes (pages 85 - 117) and the Terms and Conditions of the Subordinated Notes (pages 118 - 150) set out in the Base Prospectus dated 11 December 2015 relating to the Euro 40,000,000,000 Euro Medium Term Note Programme of Mediobanca and Mediobanca International;
- the Terms and Conditions of the Senior Notes (pages 69 - 96) and the Terms and Conditions of the Subordinated Notes (pages 97 - 123) set out in the Base Prospectus dated 22 December 2016 relating to the Euro 40,000,000,000 Euro Medium Term Note Programme of Mediobanca and Mediobanca International;

- the Terms and Conditions of the Senior Notes (pages 83 – 112) and the Terms and Conditions of the Subordinated Notes (pages 113 – 141) set out in the Base Prospectus dated 24 January 2018 relating to the Euro 40,000,000,000 Euro Medium Term Note Programme of Mediobanca and Mediobanca International; and

- the the Terms and Conditions of the Senior Notes (pages 84 - 122) and the Terms and Conditions of the Subordinated Notes (pages 123 - 155) set out in the Base Prospectus dated 21 December 2018 relating to the Euro 40,000,000,000 Euro Medium Term Note Programme of Mediobanca and Mediobanca International,

in the case of the above-mentioned financial statements, together with the accompanying notes and (where applicable) auditors' reports, save that any statement contained in this Base Prospectus or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document subsequently incorporated by reference by way of supplement prepared in accordance with Article 23 of the Prospectus Regulation modifies or supersedes such statement. Where only certain sections of a document referred to above are incorporated by reference to this Base Prospectus, the parts of the document which are not incorporated by reference are either not relevant for prospective investors or are covered elsewhere in this Base Prospectus.

The Issuers will provide, without charge to each person to whom a copy of this Base Prospectus has been delivered, upon the request of such person, a copy (by electronic means, unless such person requests hard copy) of any or all the documents deemed to be incorporated by reference herein unless such documents have been modified or superseded as specified above, in which case the modified or superseded version of such document will be provided. Request for such documents should be directed to the Issuers at their offices set out at the end of this Base Prospectus. In addition, such documents will be available, without charge, at the principal office of the Paying Agent in Luxembourg and on the Mediobanca's website at the following link (https://www.mediobanca.com/en/investor-relations/results-presentations/risultati.html with respect to the financial information, https://www.mediobanca.com/en/products-issued/documents/framework-documentation.html with respect to the remaining documents listed above) and on the Mediobanca International's website (https://www.mediobanca.com/it/gruppo-mediobanca/mediobanca-international-luxembourg-s-a.html).

The following table shows where some of the information incorporated by reference this Base Prospectus can be found in the above-mentioned documents. Information contained in those documents other than the information listed below does not form part of this Base Prospectus and is either not relevant or covered elsewhere in this Base Prospectus.

Cross-reference list in respect of the Mediobanca and Mediobanca International financial statements

Mediobanca - Consolidated annual financial statements	**2019**	**2018**
Balance sheet	Pages 82-83	Pages 78-79
Statement of income	Pages 84-85	Pages 80-81
Statement of changes in equity	Pages 86-87	Pages 82-83
Cash flow statement	Pages 88-89	Pages 84-85
Accounting policies and explanatory notes	Pages 92-339	Pages 87-292
Auditors' reports	Pages 72-79	Pages 66-75

Mediobanca International - Non-Consolidated annual financial statements	**2019**	**2018**
Statement of financial position	Page 40-41	Page 34
Statement of comprehensive income	Page 42	Page 35
Statement of changes in equity	Pages 43-44	Pages 36-37
Cash flow statement	Page 45-46	Page 38
Accounting policies and explanatory notes	Pages 48-176	Pages 40-173
Auditors' reports	Pages 34-38	Pages 26-31

FINAL TERMS, SUPPLEMENTS AND FURTHER PROSPECTUSES

In this section the expression "**necessary information**" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantor and of the rights attaching to the Notes and the Guarantee. In relation to the different types of Notes which may be issued under the Programme the Issuer and the Guarantor have included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuer will prepare a replacement prospectus setting out the changes in the operations and financial conditions of the Issuer at least every year.

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or material inaccuracy relating to the information contained in this Base Prospectus which may affect the assessment of the Notes, it shall prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer a number of copies of such supplement as a Dealer may reasonably request.

In addition, the Issuers and the Guarantor may agree with any Dealer to issue Notes in a form not contemplated in the sections of this Base Prospectus entitled "Form of Final Terms". To the extent that the information relating to that Tranche of Notes constitutes a significant new factor in relation to the information contained in this Base Prospectus, a separate prospectus specific to such Tranche (a "**Drawdown Prospectus**") will be made available and will contain such information. Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to the relevant Issuer and (in the case of Senior Preferred Notes issued by Mediobanca International only) the Guarantor and the relevant Notes or (2) pursuant to Article 6.3 of the Prospectus Regulation, by a registration document containing the necessary information relating to the relevant Issuer and (in the case of Senior Preferred Notes issued by Mediobanca International only) the Guarantor, a securities note containing the necessary information relating to the relevant Notes and, if necessary, a summary note. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, references in this Base Prospectus to information specified or identified in the Final Terms shall (unless the context requires otherwise) be read and construed as information specified or identified in the relevant Drawdown Prospectus.

FORMS OF THE NOTES

(A) Temporary or Permanent Global Note

Unless otherwise provided in the relevant Final Terms, each Tranche of Notes will initially be in the form of either a temporary global note (a "**Temporary Global Note**"), without Coupons, or a permanent global note (a "**Permanent Global Note**"), without Coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each, a "**Global Note**") which is not intended to be issued in a new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the Issue Date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**" or "**CBL**") and/or any other relevant clearing system and/or deposited directly with Monte Titoli S.p.A. and/or any other centralised custodian appointed by the Issuers (together, the "**Centralised Custodian**") and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the Issue Date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled (including denomination in euro and listing on an EU regulated market or on an ECB-approved non-regulated market). At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and the debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used (and if the above-mentioned other criteria are fulfilled).

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being "*Temporary Global Note exchangeable for a Permanent Global Note*", then the Notes will initially be in the form of a Temporary Global Note without Coupons or Receipts (as defined herein), interests in which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without Coupons, not earlier than 40 days after the Issue Date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and

(ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership,

within seven days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership, **provided, however, that** in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**"):

(i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(ii) at any time, if so specified in the relevant Final Terms; or

(iii) if the relevant Final Terms specifies "*in the limited circumstances described in the Permanent Global Note*", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 (*Events of Default*) of the Terms and Conditions of the English Law Notes or Condition 8 (*Events of Default*) of the Terms and Conditions of the Italian Law Notes occurs.

Where interests in the Permanent Global Note are to be exchanged for Definitive Notes in the circumstances described in (i) and (ii) above, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, where the Permanent Global Note may only be exchanged in the limited circumstances described in (iii) above, Notes may be issued in denominations which represent the aggregate of a minimum denomination of EUR 100,000, plus integral multiples of EUR 1,000, **provided that** such denominations are not less than EUR 100,000 nor more than EUR 199,000 and that Senior Non Preferred Notes issued under the Programme will have a denomination of at least EUR 250,000 (or, where the Senior Non Preferred Notes are denominated in a currency other than euro, the equivalent amount in such other currency). For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Note. However, a Noteholder who holds an aggregate principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Talons and Receipts attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "*Temporary Global Note exchangeable for Definitive Notes*" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note, without Coupons, interests in which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the Issue Date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "*Temporary Global Note exchangeable for Definitive Notes*" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note, without Coupons or Receipts, interests in which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the Issue Date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Where the Temporary Global Note is to be exchanged for Definitive Notes, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and

with Coupons, Talons and Receipts (as defined herein) attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "*Permanent Global Note exchangeable for Definitive Notes*", then the Notes will initially be in the form of a Permanent Global Note, without Coupons or Receipts, interests in which will be exchangeable in whole, but not in part, for Definitive Notes:

(i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(ii) at any time, if so specified in the relevant Final Terms; or

(iii) if the relevant Final Terms specifies "*in the limited circumstances described in the Permanent Global Note*", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 (*Events of Default*) of the Terms and Conditions of the English Law Notes or Condition 8 (*Events of Default*) of the Terms and Conditions of the Italian Law Notes occurs.

Where interests in the Permanent Global Note are to be exchanged for Definitive Notes in the circumstances described in paragraphs (i) and (ii) above, Notes may only be issued in denominations which are integral multiples of the minimum denomination and may only be traded in such amounts, whether in global or definitive form. As an exception to the above rule, where the Permanent Global Note may only be exchanged in the limited circumstances described in paragraph (iii) above, Notes may be issued in denominations which represent the aggregate of a minimum denomination of EUR 100,000, plus integral multiples of EUR 1,000, **provided that** such denominations are not less than EUR 100,000 nor more than EUR 199,000 and that Senior Non Preferred Notes issued under the Programme will have denominations of at least EUR 250,000 (or, where the Senior Non Preferred Notes are denominated in a currency other than euro, the equivalent amount in such other currency). For the avoidance of doubt, each holder of Notes of such denominations will, upon exchange for Definitive Notes, receive Definitive Notes in an amount equal to its entitlement to the principal amount represented by the Permanent Global Notes. However, a Noteholder who holds an aggregate principal amount of less than the minimum denomination may not receive a Definitive Note and would need to purchase a principal amount of Notes such that its holding is an integral multiple of the minimum denomination.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Talons and Receipts attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange. Where the Notes are listed on the Euronext Dublin and its rules so require, the Issuer will give notice of the exchange of the Permanent Global Note for Definitive Notes pursuant to Condition 12 (*Notices*) of the Terms and Conditions of the English Law Notes or Condition 12 (*Notices*) of the Terms and Conditions of the Italian Law Notes.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the English Law Notes*" below or "*Terms and Conditions of the Italian Law Notes*", as applicable,.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Provisions relating to the Notes While in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"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 in such legend provide that a United States person who holds a Note, Coupon, Talon or Receipt will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon, Talon or Receipt and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

(B) **Book-entry form**

If the relevant Final Terms specifies the form of the Notes as being "*Book-entry form*", then the Notes will not be represented by paper certificates and the transfer and exchange of Notes will take place exclusively through an electronic book-entry system managed by Monte Titoli S.p.A. or any other Centralised Custodian appointed by the Issuers. Accordingly, all Notes shall be deposited by their owners with an intermediary participant in the relevant Centralised Custodian. The intermediary will in turn deposit the Notes with the Centralised Custodian.

To transfer an interest in the Notes, the transferor and the transferee are required to give instructions to their respective intermediaries. If the transferee is a client of the transferor's intermediary, the intermediary will simply transfer the Notes from the Transferor's account to the account of the transferee. If, however, the transferee is a client of another intermediary, the transferor's intermediary will instruct the centralised clearing system to transfer the Notes to the account of the transferee's intermediary, which will then register the Notes on the transferee's account.

Each intermediary maintains a custody account for each of its clients. This account sets out the financial instruments of each client and the records of all transfers, interest payments, charges or other encumbrances on such instruments. The account holder or any other eligible party may submit a request to the intermediary for the issue of a certified account statement.

In such circumstances, it will not be possible for a Noteholder to obtain physical delivery of Notes certificates representing the Notes.

TERMS AND CONDITIONS OF THE ENGLISH LAW NOTES

*The following is the text of the terms and conditions of the Notes applicable to each Series of Notes to be governed under English Law (respectively, the "**English Law Notes**" or the "**Notes**" and the "**Terms and Conditions of the English Law Notes**" or the "**Conditions**") which, as completed by the relevant Final Terms, will be endorsed into each Note in final form issued under the Programme. The terms and conditions applicable to any Notes in global form will differ from those terms and conditions which would apply to the Notes whilst in final form to the extent described under "Provisions relating to the Notes While in Global Form" below.*

Mediobanca - Banca di Credito Finanziario S.p.A. ("**Mediobanca**"), Mediobanca International (Luxembourg) S.A. ("**Mediobanca International**") (each, an "**Issuer**" and, together, the "**Issuers**") have established an Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to Euro 40,000,000,000 in aggregate principal amount of senior preferred notes which may be issued by each of the Issuers (the "**Senior Preferred Notes**"), senior non preferred notes which may be issued by Mediobanca only (the "**Senior Non Preferred Notes**" and, together with the Senior Preferred Notes, the "**Senior Notes**") and subordinated notes which may be issued by Mediobanca only (the "**Subordinated Notes**"), guaranteed by Mediobanca (in its capacity as guarantor, the "**Guarantor**") in respect of Senior Preferred Notes issued by Mediobanca International only.

The Notes are issued pursuant to an amended and restated Issue and Paying Agency Agreement dated 16 December 2019, as amended or supplemented from time to time, (the "**Issue and Paying Agency Agreement**") between the Issuers, the Guarantor, BNP Paribas Securities Services, Luxembourg Branch, as fiscal agent and principal paying agent (the "**Fiscal Agent**") and Mediobanca in its capacity as Italian paying agent (the "**Italian Paying Agent**" and together with the Fiscal Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the "**Paying Agents**") and with the benefit of deeds of covenant dated 16 December 2019 (each, a "**Deed of Covenant**" and, together, the "**Deeds of Covenant**"), each of them executed by the relevant Issuer in respect of Notes issued by such Issuer. The Guarantor has, for the benefit of the holders of Senior Preferred Notes issued by Mediobanca International from time to time, executed and delivered a deed of guarantee (the "**Deed of Guarantee**") dated 16 December 2019 under which it has guaranteed, in accordance with the terms and subject to limitations of the Deed of Guarantee, the due and punctual payment of the amounts due by Mediobanca International under the Notes and the Deed of Covenant as and when the same shall become due and payable (the "**Guarantee of the Notes**"). The holders of the Notes (as defined below), the holders of the interest coupons (the "**Coupons**") appertaining to interest bearing Notes and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") and the holders of the instalment receipts (the "**Receipts**") appertaining to the payment of principal by instalments are deemed to have notice of all of the provisions of the Issue and Paying Agency Agreement applicable to them.

Notes issued under the Programme are issued in series (each, a "**Series**") and each Series may comprise one or more tranches (each, a "**Tranche**") of Notes. Each Tranche of Notes is the subject of final terms (the "**Final Terms**") which completes these Conditions. The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the Final Terms, the Final Terms shall prevail. All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the Final Terms. These Conditions apply to Senior Preferred Notes and Senior Non Preferred Notes, only to the extent that such Senior Non Preferred Notes are issued by Mediobanca, and are defined as "*strumenti di debito chirografario di secondo livello*" pursuant to and for the purposes of Articles 12-*bis* and 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority. These Conditions apply also to Subordinated Notes which are issued by Mediobanca and are defined as "*Tier II Instruments*" in Part II, Chapter 1 of the Prudential Regulations for Banks and in Article 63 of the CRR. Copies of the Final Terms are available during normal business hours at the specified office of the Fiscal Agent, the initial Specified Office of which is set out below (the "**Specified Office**"). Certain provisions of these Conditions are summaries of the Issue and Paying Agency Agreement and are subject to their detailed provisions.

The Final Terms issued in respect of each issue of Notes will specify whether the Issuer is Mediobanca or Mediobanca International. In these Conditions, any reference to a statute or regulation shall be construed as a reference to such statute or regulation as the same may have been, or may from time to time be, amended or re-enacted.

Copies of the Issue and Paying Agency Agreement, the Deeds of Covenant and the Deed of Guarantee are available for inspection at the specified office of the Paying Agent.

1. FORM, DENOMINATION AND TITLE

The Notes are issued in bearer form in the currency (the "**Specified Currency**") and the denominations (the "**Specified Denomination(s)**") shown in the Final Terms, *provided that* Senior Non Preferred Notes will have denomination of at least EUR 250,000 (or, where the Senior Non Preferred Notes are denominated in a currency other than euro, the equivalent amount in such other currency).

Notes are issued with Coupons (and where appropriate, a Talon) attached save in the case of Notes which do not bear interest in which case references to interest (other than in relation to interest due after the date specified in the Final Terms as the Maturity Date (as designed below), Coupons and Talons in these Conditions are not applicable. Any Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Title to the Note and the Receipts, Coupons and Talons shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

In these Conditions, "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Note, Receipt, Coupon or Talon. All capitalised terms which are not defined in these Conditions will have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes. Those definitions will be endorsed on the definitive Notes.

2. STATUS OF NOTES AND GUARANTEE

(a) **Definitions:**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below.

"**Bank of Italy**" means the Bank of Italy and/or any other competent authority which at a future date carries out the functions which the Bank of Italy performs as at the Issue Date.

"**Italian Banking Act**" means Italian Legislative Decree No. 385 of 1 September 1993, as amended or supplemented from time to time (including, without limitation, as a consequence of the transposition of the Banking Reform Package into Italian law)..

"**Liquidazione Coatta Amministrativa**" means *Liquidazione Coatta Amministrativa* as described in Articles 80 to 94 of the Italian Banking Act.

(b) **Status of the Senior Preferred Notes:**

The Senior Preferred Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank at all times at least *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Issuer, save for certain mandatory exceptions of applicable law, it being understood moreover that the obligations of the relevant Issuer under the Senior Preferred Notes will be subject to the Italian Bail-In Power or the Luxembourg Bail-In Power, as the case may be.

If waiver of set-off rights is specified as applicable in the applicable Final Terms, each holder of a Senior Preferred Note unconditionally and irrevocably waives any right of

set-off, counterclaim, abatement or other similar remedy which it might otherwise have under the laws of any jurisdiction in respect of such Senior Preferred Note.

(c) **Status of the Senior Non Preferred Notes**:

The Senior Non Preferred Notes will constitute direct, unconditional, unsubordinated, unsecured and non preferred obligations of Mediobanca and will rank at all times *pari passu* without any preference among themselves.

In the event of a winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of Mediobanca, the payment obligations of Mediobanca under each Series of Senior Non Preferred Notes, and the relative Coupons as the case may be, will rank in right of payment (A) after unsubordinated creditors (including depositors and any holder of Senior Preferred Notes and their respective Coupons) of Mediobanca but (B) at least *pari passu* with all other present and future unsubordinated and non preferred obligations of Mediobanca which do not rank or are not expressed by their terms to rank junior or senior to such Series of Senior Non Preferred Notes and (C) in priority to any present or future claims ranking junior to such Series of Senior Non Preferred Notes (including any holder of Subordinated Notes) and the claims of shareholders of Mediobanca, in all such cases in accordance with the provisions of Article 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority, it being understood moreover that the obligations of Mediobanca under the Senior Non Preferred Notes will be subject to the Italian Bail-In Power.

Each holder of a Senior Non Preferred Note is deemed unconditionally and irrevocably to have waived any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Senior Non Preferred Note.

(d) **Status of the Subordinated Notes**:

The Subordinated Notes and any related Coupons constitute direct, unsecured and subordinated obligations of Mediobanca and, subject to the provisions of this Condition 2, will at all times rank *pari passu* without any preference among themselves. In relation to each Series of Subordinated Notes, all Subordinated Notes of such Series will be treated equally and all amounts paid by Mediobanca in respect of principal and interest thereon will be paid *pro rata* on all Notes of such Series.

In the event of the winding up, dissolution, liquidation or bankruptcy (including, *inter alia, Liquidazione Coatta Amministrativa*) of Mediobanca, the payment obligations of Mediobanca under each Series of Subordinated Notes, and the relative Coupons as the case may be, will rank in right of payment (A) after unsubordinated creditors (including depositors and any holder of Senior Notes and their respective Coupons) of Mediobanca as well as subordinated creditors which rank or are expressed to rank senior to the Subordinated Notes but (B) at least *pari passu* with all other subordinated obligations of Mediobanca which do not rank or are not expressed by their terms to rank junior or senior to such Series of Subordinated Notes and (C) in priority to the claims of subordinated creditors ranking or expressed to rank junior to the Subordinated Notes (including, but not limited to, *"Additional Tier 1 Instruments"* (as defined in the Prudential Regulations for Banks and in the CRR)) and of the shareholders of Mediobanca, it being understood moreover that the obligations of Mediobanca under the Subordinated Notes will be subject to the Italian Bail-In Power.

Each holder of a Subordinated Note is deemed unconditionally and irrevocably to have waived any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Subordinated Note.

(e) **Status of Guarantee**

The Guarantee of the Senior Preferred Notes constitutes direct, unconditional, unsubordinated and unsecured obligations of the Guarantor pursuant to the terms and conditions and subject to the limitations set out in the Deed of Guarantee which will rank at all times at least *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for certain mandatory exceptions of applicable law.

3. INTEREST AND OTHER CALCULATIONS

(a) **Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below.

"**Accrual Yield**" has the meaning given in the relevant Final Terms.

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms.

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms.

"**Benchmarks Regulation**" means Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014.

"**Broken Amount**" means the amount specified as such in the relevant Final Terms.

"**Business Day**" means:

(i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

(ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre.

"**Calculation Agent**" means Mediobanca - Banca di Credito Finanziario S.p.A., the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Interest Rate(s) and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms.

"**Calculation Amount**" means the amount specified as such in the relevant Final Terms.

"**CMS**" means the constant maturity swap rate specified as such in the Final Terms.

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(a) if "**1/1**" is specified, 1;

(b) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period

falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(d) if "**Actual/365 (Fixed)**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;

(e) if "**Actual/360**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;

(f) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

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

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

"**M2**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30; and

(g) if "**30E/360**" or "**Eurobond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

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

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(h) if "**30E/360 (ISDA)**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

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

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Termination Date or (ii) such number would be 31, in which case D_2 will be 30.

"**EURIBOR**" means the Euro-zone interbank offered rate specified as such in the Final Terms.

"**First Margin**" means the margin specified as such in the relevant Final Terms.

"**First Reset Date**" means the date specified in the relevant Final Terms.

"**First Reset Period**" means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date.

"**First Reset Rate of Interest**" means, in respect of the First Reset Period and subject to Condition 3(e) (*Interest Rate on Reset Notes*) (ii) (*Fallbacks*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the First Margin.

"**Fixed Coupon Amount**" means the amount specified as such in the relevant Final Terms.

"**Initial Rate of Interest**" has the meaning specified in the relevant Final Terms.

"**Instalment Date(s)**" means the dates specified as such in the relevant Final Terms.

"**Interest Accrual Date**" means the dates specified as such in the relevant Final Terms.

"**Interest Amount**" means:

a) with respect to the Senior Notes, the amount of interest payable per Calculation Amount in respect of any Interest Period and determined according to Condition 3(i) (*Calculations in respect of the Senior Notes*);

b) with respect to the Subordinated Notes:

   (i) in respect of an Interest Period, the amount of interest payable per Calculation Amount for that Interest Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified in the Final Terms as being payable on the Interest Payment Date ending the Interest Period; and

   (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"**Interest Determination Date**" means the date or the dates specified as such in the Final Terms.

"**Interest Payment Date**" means the date or dates specified as such in the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms, as the same may be adjusted in accordance with the relevant Business Day Convention.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Accrual Date and each successive period beginning on (and including) an Interest Accrual Date and ending on (but excluding) the next succeeding Interest Accrual Date.

"**Interest Rate**" means the rate of interest (expressed as a percentage per annum) payable from time to time in respect of this Note and which is either specified, or calculated in accordance with the provisions, in the relevant Final Terms.

"**Interest Rate Switch Date**" means the date specified as such in the relevant Final Terms.

"**ISDA Definitions**" means the 2006 ISDA Definitions as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the Final Terms) as published by the International Swaps and Derivatives Association, Inc., a copy of which is available on the website of the International Swaps and Derivatives Association, Inc. (www.isda.org) and can be obtained from the Issuer.

"**Issue Date**" means the date specified as such in the relevant Final Terms.

"**Issue Price**" means the amount specified as such in the relevant Final Terms.

"**LIBID**" means the London interbank bid rate specified as such in the Final Terms.

"**LIBOR**" means the London interbank offered rate specified as such in the Final Terms.

"**LIMEAN**" means the London interbank mid-market rate specified as such in the Final Terms.

"**Linear Interpolation**" means the straight-line interpolation by reference to two rates based on the Reference Rate or the ISDA Rate, as the case may be, one of which will be determined as if the Specified Duration were the period of time for which rates are available next shorter than the length of the affected Interest Period and the other of which will be determined as if the Specified Duration or the Designated Maturity, as the case may be, were the period of time for which rates are available next longer than the length of such Interest Period.

"**Margin**" means the percentage specified as such in the relevant Final Terms.

"**Mid-Market Swap Rate**" means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the relevant Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent).

"**Mid-Market Swap Rate Quotation**" means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate.

"**Mid-Swap Floating Leg Benchmark Rate**" means EURIBOR if the Specified Currency is euro or LIBOR for the Specified Currency if the Specified Currency is not euro.

"**Mid-Swap Rate**" means, in relation to a Reset Determination Date and subject to Condition 3(e) (*Interest Rate on Reset Notes*) (ii) (*Fallbacks*), either:

(A) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:

(i) with a term equal to the relevant Reset Period; and

(ii) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page; or

(B) if Mean Mid-Swap Rate is specified in the relevant Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the

nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

(i) with a term equal to the relevant Reset Period; and

(ii) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent.

"**Multiplier**" has the meaning given in the relevant Final Terms.

"**Optional Redemption Amount**" means $RP \times (1 + AY)^{(y)}$

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).

"**Payment Business Day**" means:

(i) if the currency of payment is euro, any day which is:

(A) a day on which banks in the relevant place of presentation (if presentation is required) are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided, however, that**:

(i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent.

"**Rate of Interest**" means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable.

"**Reference Banks**" means, the institutions specified as such in the relevant Final Terms or, if none, four (or, if the Relevant Financial Centre is Helsinki, five) major banks selected by the Issuer on the advice of an investment bank of international repute.

"**Reference Price**" means the amount specified as such in the relevant Final Terms.

"**Reference Rate**" means EURIBOR, LIBOR, LIBID, LIMEAN, CMS, or the yield on securities issued by the Italian Government, as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms and including where applicable the relevant yield and issue of securities issued by the Italian Government.

"**Reference Rate Multiplier**" means the percentage specified as such in the relevant Final Terms.

"**Regular Period**" means:

(i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

(iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"**Relevant Currency**" means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

"**Relevant Financial Centre**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Reference Rate is most closely connected or, if none is so connected, London.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified as the Relevant Screen Page in the relevant Final Terms for the purpose of providing a

Reference Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Reference Rate.

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the relevant currency in the interbank market in the Relevant Financial Centre **provided that** if the Relevant Currency is Euro and the Benchmark is EURIBOR, the Relevant Time shall be 11.00 am Brussels time.

"**Reset Date**" means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable).

"**Reset Determination Date**" means, in respect of the First Reset Period, the second Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period.

"**Reset Period**" means the First Reset Period or a Subsequent Reset Period, as the case may be.

"**Second Reset Date**" means the date specified in the relevant Final Terms.

"**Specified Currency**" has the meaning, if any, given in the relevant Final Terms.

"**Specified Duration**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the period specified in the relevant Final Terms.

"**Subsequent Margin**" means the margin specified as such in the relevant Final Terms.

"**Subsequent Reset Date**" means the date or dates specified in the relevant Final Terms.

"**Subsequent Reset Period**" means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date.

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period and subject to Condition 3(e) (*Interest Rate on Reset Notes*) (ii) (*Fallbacks*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Margin.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET or TARGET2) System or any successor thereto.

"**TARGET Settlement Day**" means any day on which the TARGET System is open.

"**Yield**" means:

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 on the basis of the Issue Price, using the formula below. It is not an indication of future yield.

$$P = \frac{C}{r}\left(1 - (1+r)^{-n}\right) + A(1+r)^{-n}$$

Where:

"**P**" is the Issue Price of the Notes; "**C**" is the annualised Interest Amount; "**A**" is the principal amount of Notes due on redemption; "**n**" is time to maturity in years; and "**r**" is the annualised yield.

(b) **Interest Rate and Accrual**

(A) With respect to the Senior Notes, each Senior Note (other than Zero Coupon Notes) bears, for each Interest Period, interest on its outstanding principal amount at the Interest Rate, such interest being payable as the Interest Amount, in arrear and on each Interest Payment Date. Where an Interest Period is a short or long Interest Period, then:

(i) if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable, the Interest Amount payable for that short or long Interest Period shall be, unless otherwise provided in the relevant Final Terms, the Broken Amount specified therein;

(ii) if (in case of the Senior Preferred Notes only) the Reset Note Provisions are specified in the relevant Final Terms as being applicable, the Interest Amount payable for that short or long Interest Period shall be the relevant amount specified as such in the relevant Final Terms; and

(iii) if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, the Interest Rate applicable for that short or long Interest Period shall be determined by the Calculation Agent using Linear Interpolation;

(B) with respect to the Subordinated Notes, each Subordinated Note bears interest on its outstanding principal amount from the Interest Commencement Date at the Interest Rate, such interest being payable in arrear on each Interest Payment Date.

Interest will cease to accrue on each Note on the last day of the last Interest Period and, in any case, on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Interest Rate in the manner provided in this Condition 3 to the Relevant Date (as defined in Condition 6 (*Taxation*)).

(c) **Business Day Convention**

If any date referred to in these Conditions which is specified in these Conditions or in the relevant Final Terms to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (i) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day, (ii) the Modified Following Business Day Convention, such 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 date shall be brought forward to the immediately preceding Business Day or (iii) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(d) **Interest Rate on Fixed Rate Notes**

With respect to the Senior Notes, if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable, the Interest Rate for each Interest Period shall be the fixed rate specified in the relevant Final Terms. The yield of the Fixed Rate Note is indicated in the relevant Final Terms and is calculated as the internal rate of return (IRR). The yield of the Fixed Rate Notes is calculated at the Issue Date on the basis of the Issue Price and, if indicated in the relevant Final Terms, the Fixed Coupon and/or the Broken Amount.

With respect to the Subordinated Notes, if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Denomination. The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Interest Rate to the Calculation Amount of such Note, multiplying the product by the relevant Day Count Fraction (not adjusted in accordance with the Business Day Convention) and rounding the resulting figure in accordance with Condition 3(h) (*Rounding*). Where the Specified Denomination of a Fixed Rate Note comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding. The yield of the Fixed Rate Note is indicated in the relevant Final Terms and is calculated as the internal rate of return (IRR). The yield of the Fixed Rate Notes is calculated at the Issue Date on the basis of the Issue Price and, as indicated in the relevant Final Terms, the Fixed Coupon and/or the Broken Amount.

(e) **Interest Rate on Reset Notes**

(i) Rates of Interest and Interest Payment Dates

If, in case of any Notes other than the Senior Non Preferred Notes, the Reset Note Provisions are specified in the relevant Final Terms as being applicable, then such Reset Note bears interest:

(A) from (and including) the Interest Commencement Date until (but excluding) the First Reset Date at the Initial Rate of Interest;

(B) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and

(C) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on the each Interest Payment Date and on the Maturity Date if that does not fall on an Interest Payment Date. The Rate of Interest and the Interest Amount payable shall be determined by the Calculation Agent, (i) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (ii) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 3(d) (*Interest Rate on Fixed Rate Notes*).

(ii) Fallbacks

Subject to Condition 3(o) (*Benchmark replacement*), if on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Issuer or a third party (*i.e.* a financial adviser or an investment bank appointed by the Issuer) shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First

Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

For the purposes of this Condition 3(e)(ii) "**Reference Banks**" means the principal office in the principal financial centre of the Specified Currency of four (or, if the Relevant Financial Centre is Helsinki, five) major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute.

For the avoidance of doubts it being understood that the provisions set forth in this Condition 3(e) shall apply in respect of any Notes other than the Senior Non Preferred Notes.

(f) **Interest Rate on Floating Rate Notes**

If the Floating Rate Note Provisions are specified in the Final Terms as being applicable, the Interest Rate for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) ***Screen Rate Determination***: if Screen Rate Denomination is specified in the relevant Final Terms as the manner in which the Interest Rate is to be determined, subject to Condition 3(o) (*Benchmark replacement*), as follow:

(A) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(B) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(C) if, in the case of paragraph (A) above, such rate does not appear on that page or, in the case of paragraph (B) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable:

(1) the Issuer or a third party (*i.e.* a financial adviser or an investment bank appointed by the Issuer) will request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(2) the Calculation Agent will determine the arithmetic mean of such quotations; and

(3) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Relevant Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in

the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Interest Rate for such Interest Period shall be

(a) if "**Multiplier**" is specified in the relevant Final Terms as not being applicable, the sum of the Margin and the rate or (as the case may be) the arithmetic mean determined in accordance with the above provisions (the "**Determined Rate**");

(b) if "**Multiplier**" is specified in the relevant Final Terms as being applicable (i) the sum of the Margin and the relevant Determined Rate multiplied by (ii) the Multiplier;

(c) if "**Reference Rate Multiplier**" is specified in the relevant Final Terms as being applicable, the sum of (i) Margin, and (ii) the relevant Determined Rate multiplied by the Reference Rate Multiplier,

provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Interest Rate applicable to the Notes during such Interest Period will be calculated in accordance with the foregoing, save that the Determined Rate shall be the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(ii) ***ISDA Determination***: If, in respect of any Notes other than the Senior Non Preferred Notes, ISDA Determination is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Notes for each Interest Period will be

(a) if "**Multiplier**" is specified in the relevant Final Terms as not being applicable, the sum of the Margin and the relevant ISDA Rate;

(b) if "**Multiplier**" is specified in the relevant Final Terms as being applicable (i) the sum of the Margin and the relevant ISDA Rate multiplied by (ii) the Multiplier;

(c) if "**Reference Rate Multiplier**" is specified in the relevant Final Terms as being applicable, the sum of (i) Margin, and (ii) the relevant ISDA Rate multiplied by the Reference Rate Multiplier,

where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

(B) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and

(C) the relevant Reset Date (as defined in the ISDA Definitions) is either (1) if the relevant Floating Rate Option is based on the London inter-

bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (2) in any other case, as specified in the relevant Final Terms.

(g) **Maximum/Minimum Interest Rates, Instalment Amounts and Redemption Amounts**

If any Maximum or Minimum Interest Rate, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Interest Rate, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be, **provided however that** provisions relating to the Maximum or Minimum Interest Rate shall not apply to the Senior Non Preferred Notes and shall not be specified at any time in the relevant Final Terms.

(h) **Rounding**

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (ii) all figures will be rounded to seven significant figures (with halves being rounded up) and (iii) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes "**unit**" means, with respect to any currency other than Euro, the lowest amount of such currency which is available as legal tender in the country of such currency and, with respect to Euro, means one cent.

(i) **Calculations in respect of the Senior Notes**

This Condition 3(i) applies to the Senior Notes only.

The Interest Amount payable in respect of an Interest Period shall calculated using one of the following methods:

(i) if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable but subject to sub-paragraph (ii) below, the Interest Amount payable for any Interest Period shall be an amount calculated by the Calculation Agent by applying the Interest Rate to the Calculation Amount and by multiplying the product so obtained by the Day Count Fraction (adjusted or unadjusted in accordance with the Business Day Convention, as specified in the relevant Final Terms); or

(ii) notwithstanding sub-paragraph (i) above, if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable and a Fixed Coupon Amount and/or Broken Amount is specified in the Final Terms to be payable on an Interest Payment Date, the Interest Amount payable for the relevant Interest Period shall be the Fixed Coupon Amount and/or Broken Amount so specified; or

(iii) if the Reset Note Provisions are specified in the relevant Final Terms as being applicable with respect to Senior Preferred Notes only, the Interest Amount payable for any Interest Period shall be an amount calculated by the Calculation Agent in accordance with the provisions of Condition 3(e) (*Interest Rate on Reset Notes*) (i) (*Rates of Interest and Interest Payment Dates*) (adjusted or unadjusted in accordance with the Business Day Convention, as specified in the relevant Final Terms); or

(iv) if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, the Interest Amount payable for any Interest Period shall be an amount calculated by the Calculation Agent by applying the Interest Rate to the Calculation Amount and by multiplying the product so obtained by the Day Count Fraction (adjusted or unadjusted in accordance with the Business Day Convention, as specified in the relevant Final Terms).

Each Interest Amount (other than the Fixed Coupon Amount and the Broken Amount) shall be rounded in accordance with Condition 3(h) (*Rounding*).

(j) **Calculations in respect of the Subordinated Notes**

This Condition 3(j) applies to the Subordinated Notes only.

The amount of interest payable in respect of any Subordinated Note for any period shall be calculated by multiplying the product of the Interest Rate and the outstanding Calculation Amount by the Day Count Fraction, save that where an Interest Amount (or a formula for its calculation) is specified in respect of such period, the amount of interest payable in respect of such Subordinated Note for such period will equal such Interest Amount (or be calculated in accordance with a formula). Where the Specified Denomination of a Floating Rate Note comprises more than one Calculation Amount, the Interest Amount payable in respect of such Subordinated Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding. In respect of any short or long Interest Period as specified in the applicable Final Terms, the Calculation Agent will determine the Interest Rate using Linear Interpolation.

(k) **Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts**

After the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation, it will, promptly, determine the Interest Rate and calculate the Interest Amount on the principal amount of the Notes for the relevant Interest Period, calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, the Paying Agent, the holders of the Notes, any other Calculation Agent appointed in respect of the Notes which is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so requires, such exchange promptly after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 8 (*Events of Default*), the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 3(k) but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of each Interest Rate, Interest Amount, Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(l) **Calculation Agent and Reference Banks**

The Issuer will use its best endeavours to ensure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the Conditions applicable to the Notes and for so long as any Notes are outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent

performing its duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(m) **Late payment on Zero Coupon Notes**

If the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable and the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The calculation of the above amount shall be made (where such calculation is to be made for a period which is not a whole number of years) on the basis of such Day Count Fraction as may be specified in the relevant Final Terms for the purposes of this Condition 3(m) or, if none is so specified, a Day Count Fraction of 30E/360.

(n) **Interest Rate Switch**

If so specified as being applicable in the relevant Final Terms, from and including the Interest Rate Switch Date, the Interest Rate applicable for the calculation of the Interest Amounts due for each remaining Interest Period with respect to the Notes shall be the rate specified as applying from and including such Interest Rate Switch Date in the Final Terms and the initial Interest Rate applicable to the Notes shall no longer apply.

(o) **Benchmark replacement**

Notwithstanding the provisions in Conditions 3(e) (*Interest Rate on Reset Notes*) (ii) (*Fallbacks*) and 3(f) (*Interest Rate on Floating Rate Notes*), if the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)) determines that the relevant Mid-Swap Rate or Reference Rate (as applicable) specified in the applicable Final Terms has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered when any Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate or Mid-Swap Rate, then the following provisions shall apply:

(1) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser (as defined below) to determine (acting in good faith and in a commercially reasonable manner) a Successor Rate (as defined below) or, alternatively, if there is no Successor Rate, an Alternative Benchmark Rate no later than 3 Business Days prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) (the "**IA Determination Cut-off Date**") for purposes of determining the Rate of Interest applicable to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 3(o));

(2) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Benchmark Rate prior to the IA Determination Cut-off Date, then the Issuer (acting in good faith and a commercially reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Benchmark Rate, in accordance with the provisions set out under sub-paragraph (3) below;

(3) if a Successor Rate or, failing which, an Alternative Benchmark Rate is determined in accordance with the preceding provisions, such Successor Rate or, failing which, Alternative Benchmark Rate shall be the Reference Rate or Mid-Swap Rate (as applicable) in relation to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 3(o)); *provided, however, that* if sub-paragraph (2) applies and the Issuer is unable to determine a Successor Rate or an Alternative Benchmark Rate prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable), the Rate of Interest applicable to such next succeeding Reset Period or Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of a preceding Reset Period or Interest Period as applicable (which may be the Initial Rate of Interest) (though substituting, where a different Margin is to be applied to the relevant Reset Period or Interest Period from that which applied to the last preceding Reset Period or Interest Period, the Margin relating to the relevant Reset Period or Interest Period, in place of the Margin relating to that last preceding Reset Period or Interest Period); for the avoidance of doubt, the provison in this sub-paragraph (3) shall apply to the relevant Interest Period or Reset Period (as applicable) only and any subsequent Interest Periods or Reset Periods (as applicable) are subject to the subsequent operation of, and to adjustment as provided in, this Condition 3(o);

(4) if the Independent Adviser or the Issuer determines a Successor Rate or, failing which, an Alternative Benchmark Rate in accordance with the above provisions, the Independent Adviser or the Issuer (as the case may be) may also, following consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), specify changes to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Reset Determination Date, Interest Determination Date and/or the definition of Mid-Swap Rate or Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate or the Alternative Benchmark Rate, which changes shall apply to the Notes for all future Reset Periods or Interest Periods (as applicable) also in compliance with the Issuer's written plans provided for under article 28(2) of the Benchmarks Regulation (subject to the subsequent operation of this Condition 3(o)). If the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Benchmark Rate (as applicable) and determines 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 Benchmark Rate (as applicable). If the Independent Adviser or the Issuer (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Benchmark Rate (as applicable) will apply without an Adjustment Spread. For the avoidance of doubt, the Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Issue and Paying Agency Agreement and these Conditions as may be required in order to give effect to this Condition 3(o). No Noteholder consent shall be required in connection with effecting the Successor Rate or Alternative Benchmark Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Agent (if required));

(5) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate give notice thereof and of any changes pursuant to subparagraph (4) above to the Calculation Agent and the Noteholders; and

(6) if the provisions relating to the occurrence of, with respect to the Senior Notes, a Regulatory Event, or, with respect to the Subordinated Notes only, a MREL/TLAC Disqualification Event, in case of a Alternative Benchmark Rate is specified as applicable in the relevant Final Terms, the provisions above would cause the occurrence of, respectively, a Regulatory Event or a MREL/TLAC Disqualification Event, therefore no Alternative Benchmark Rate will be adopted, and the Relevant Screen Page on which appears the Reference Rate or the relevant Interest Period will be equal to the last Reference Rate available at the immediately preceding Interest Period on the Relevant Screen Page as determined by the Calculation Agent.

For the purposes of this Condition 3(o):

"**Adjustment Spread**" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines is required to be applied to the Successor Rate or the Alternative Benchmark Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice to Noteholders as a result of the replacement of the Reference Rate or Mid-Swap Rate (as applicable) with the Successor Rate or the Alternative Benchmark Rate (as applicable) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate or Mid-Swap Rate (as applicable) with the Successor Rate by any Relevant Nominating Body; or

(ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Benchmark Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate or Mid-Swap Floating Rate (as applicable), where such rate has been replaced by the Successor Rate or the Alternative Benchmark Rate (as applicable); or

(iii) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer), determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

"**Alternative Benchmark Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate or Mid-Swap Rate (as applicable) in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of eurobonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period or Reset Period (as applicable), or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Reference Rate or Mid-Swap Rate (as applicable).

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense.

"**Relevant Nominating Body**" means, in respect of a reference rate or mid-swap floating leg benchmark rate:

(i) the central bank for the currency to which the reference rate or mid swap floating leg benchmark rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate or mid swap floating leg benchmark rate; or

(ii) 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 reference rate or mid swap floating leg benchmark rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate or mid-swap floating leg benchmark rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate or Mid-Swap Rate (as applicable) which is formally recommended by any Relevant Nominating Body.

4. REDEMPTION, PURCHASE AND OPTIONS

(a) Definitions

In these Conditions, unless the context requires otherwise:

The expressions "**Early Redemption Amount**"; "**Final Redemption Amount**", "**Instalment Amount**", "**Optional Redemption Amount (*Call*)**", and "**Optional Redemption Amount (*Put*)**" mean, in respect of any Note: (A) such amount as may be specified in, or determined in accordance with the relevant Final Terms; or (B) if no such amount is specified, the principal amount of such Note.

"**Applicable Banking Regulations**" means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in the Republic of Italy, including, without limitation to the generality of the foregoing, the BRRD, the BRRD Implementing Regulations, the CRD IV, the Prudential Regulations for Banks of the Bank of Italy, the Banking Reform Package, the SRM Regulation and those regulations, requirements, guidelines and policies relating to capital adequacy then in effect of the Relevant Authority or of the institutions of the European Union and/or the Republic of Italy (as defined below) whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Group;

"**Banking Reform Package**" means (i) Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No. 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposure to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No. 648/2012, (ii) Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No. 806/2014 as regards the loss-absorbing and recapitalization capacity of credit institutions and investment firms, (iii) Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, and (iv) Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalization capacity of credit institutions and investment firms and Directive 98/26/EC;

"**CRA Regulation**" means Regulation (EC) No. 1060/2009, as amended and supplemented.

"**CRA Regulation**" means Regulation (EC) No. 1060/2009, as amended and supplemented.

"**CRD IV**" means the CRD IV Directive, the CRR and any CRD IV Implementing Measure;

"**CRD IV Directive**" means the directive 2013/36 of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC as amended, supplemented or replaced from time to time, including any successor regulations (including, without limitation, as a consequence of the entry into force of the Banking Reform Package);

"**CRD IV Implementing Measure**" means any regulatory capital rules implementing the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Bank of Italy, the European Banking Authority or any other relevant authority, which are applicable to the Issuer (on a standalone basis) or the Issuer together with its consolidated subsidiaries (on a consolidated basis) and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a standalone or consolidated basis);

"**CRR**" means the Regulation No. 575/2013, as amended, of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms amending Regulation No. 648/2012, supplemented or replaced from time to time, including any successor regulations (including, without limitation, as a consequence of the entry into force of the Banking Reform Package);

"**Extraordinary Resolution**" has the meaning given to that term in the Issue and Paying Agency Agreement.

"**Italian Bail-in Power**" means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of Italy, relating to (i) the transposition of the BRRD (in including, but not limited to, Legislative Decrees No. 180/2015 and 181/2015) as amended from time to time, (ii) Regulation (EU) No.806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Supervisory Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010, as amended or superseded from time to time (the "**SRM Regulation**") and (iii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity (as defined below) (or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period);

"**Luxembourg Bail-in Power**" means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Luxembourg, (i) relating to the transposition of the BRRD (including, but not limited to, the Luxembourg law of 18 December 2015 relative *aux mesures de résolution, d'assainissement et de liquidation des établissements de crédit et de certaines enterprises d'investissement ainsi qu'aux systèmes de garantie des dépôts et d'indemnisation des investisseurs*, as amended from time to time (the "**Luxembourg BRRD Law**"), (ii) relating to the SRM Regulation or (iii) otherwise arising under

Luxembourg law and (iv) in each case, the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period) and any right in a contract governing an obligation of a regulated entity may be deemed to have been exercised. For this purpose, a reference to a "regulated entity" is to any institution or entity (which includes certain credit institutions, investment firms, and certain of their group companies) referred to in points (1), (2), (3) or (4) of Article 2(1) of the Luxembourg BRRD Law, and with respect to the SRM Regulation to any entity referred to in Article 2 of the SRM Regulation; and

"**Maturity Date**" means the date specified as such in the relevant Final Terms.

"**Maturity Period**" means the period from and including the Issue Date to but excluding the Maturity Date.

"**Prudential Regulations for Banks**" means the Bank of Italy's *Disposizioni di Vigilanza per le Banche*, as set out in Bank of Italy Circular No. 285 of 17 December 2013, as amended and supplemented from time to time, including any successor regulations.

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Instalment Amount, the Early Redemption Amount, the Optional Redemption Amount (*Call*), the Optional Redemption Amount (*Put*), the Early Redemption Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms, **provided that** such amount is in any case at least equal to the principal amount of the relevant Note.

"**Regulatory Capital Requirements**" means any applicable minimum capital or capital requirement specified for banks or financial group by the Relevant Authority.

"**Relevant Authority**" means the Bank of Italy or such other governamental authority in the Republic of Italy (or other country where the Issuer is then domiciliated) or in the European Union having primary responsibility for prudential and resolution oversight and supervision of the Issuer and/or the Group from time to time and/or, as the context may require, the "resolution authority" or the "competent authority" as defined under BRRD and/or SRM Regulation.

(b) **Maturities/Final Redemption**

(i) Unless previously redeemed, purchased and cancelled as provided below in accordance with Conditions 4(c) (*Redemption for taxation reasons*), 4(d) (*Purchases*), 4(f) (*Redemption at the option of the Issuer*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*), Condition 4(h) (*Redemption at the option of holders of Notes*) or Condition 4(i) (*Redemption by instalments*), each Note will be redeemed at its Final Redemption Amount on the Maturity Date.

(ii) Senior Non Preferred Notes shall have a minimum Maturity Period of twelve months, as provided under Articles 12-*bis* and 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority.

(iii) Subordinated Notes shall have a minimum Maturity Period of five years, as provided under the Applicable Banking Regulations.

(c) **Redemption for taxation reasons**

Subject to Condition 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*), if Redemption for taxation reasons is specified in the Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, on giving not less than 30 nor more than 60 days' notice to the

holders of Notes (which notice shall be irrevocable), at their Early Redemption Amount (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or the Guarantor, as the case may be) (A) has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (*Taxation*) or (B) has or will become subject to additional amount of national income taxes (and/or, in the case of Mediobanca, regional tax on productive activities – IRAP) due to partial or entire limitation to the deductibility of any payments under the Notes, in either case as a result of (1) any change in, or amendment to, the laws or regulations of Luxembourg or any political subdivision thereof or any agency or authority thereof or therein having power to tax (in the case of payments made by or on behalf of Mediobanca International) or the Republic of Italy or any political subdivision thereof or any agency or authority thereof or therein having power to tax (in the case of payments made by or on behalf of Mediobanca), or (2) any change in the application or official interpretation of such laws or regulations, or (3) any judicial decision, official administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) (for purposes of this definition, an "**Administrative Action**"), or (4) any clarification of, or change in the official position or the interpretation of such Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the generally accepted position, in each case by any legislative body, court, governmental, administrative or regulatory authority or body, irrespective of the manner in which such clarification or change is made known, which change, amendment, Administrative Action or clarification becomes effective on or after the Issue Date, and (ii) such obligations/limitations under (A) and (B) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it which (x) do not require the Issuer (or the Guarantor, as the case may be) to incur material out-of-pocket expenses and (y) would not otherwise be disadvantageous to the Issuer or the Guarantor, as determined in their discretion; **provided that** in the case under (A) above no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then be due. Prior to the publication of any notice of redemption pursuant to this Condition 4(c), the Issuer shall deliver to the Fiscal Agent a certificate signed by a director of the Issuer (or the Guarantor, as the case may be) stating that such Issuer (or the Guarantor, as the case may be) is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of such Issuer (or the Guarantor, as the case may be) so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that there is more than an unsubstantial risk that the Issuer (or the Guarantor, as the case may be) (A) has or will become obliged to pay such additional amounts or (B) has or will become subject to additional amount of taxes, as indicated above, due to limitation of the deductibility of payments under the Notes as a result of such change, amendment, Administrative Action or clarification (the "**Tax Event**").

(d) **Purchases**

Subject to Condition 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*), the Issuer, the Guarantor and any of the Guarantor's subsidiaries may purchase Notes in the open market or otherwise at any price **provided that** all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith. Without prejudice to the foregoing, if so specified in the relevant Final Terms the Issuer will be entitled to exercise the option to repurchase from the holder(s), at its sole discretion, (1) all (but not part of) the Notes of the relevant Series (the "**Total Repurchase Option**") or (2) on one or more occasions, any portion of the Notes of the relevant Series, **provided that** in such circumstances the amount of the Notes of the relevant Series to be purchased from each holder shall be the same proportion that the aggregate principal amount of the Notes of the relevant Series that are subject to the relevant Partial Purchase Option bears to the aggregate principal amount of all the Notes of the relevant Series then outstanding prior to the exercise of the relevant

Partial Purchase Option (the "**Partial Repurchase Option**"). The Total Repurchase Option and the Partial Repurchase Option can only be exercised by the Issuer at the date(s) and the price(s) specified in the Final Terms as the Total Repurchase Option date or the Partial Repurchase Option date(s) and the Total Repurchase Option amount or Partial Repurchase Option amount(s), respectively. Upon exercise of the Total Repurchase Option or the Partial Repurchase Option, the holder(s) shall be obliged to sell to the Issuer (or any other entity indicated by the Issuer) all the Notes of the Series in relation to which the Total Repurchase Option or the Partial Repurchase Option (as the case may be) is exercised.

(e) **Early Redemption of Zero Coupon Notes, Redemption of Zero Coupon Notes for taxation reasons, Redemption of Zero Coupon Notes at the Option of the holder, Redemption of Zero Coupon Notes at the option of holders of Notes**

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(A) the Reference Price; and

(B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Final Terms for the purposes of this Condition 4(e) or, if none is so specified, a Day Count Fraction of 30E/360.

(f) **Redemption at the option of the Issuer**

Subject to Condition 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*), if the Call Option is specified in the relevant Final Terms as being applicable, then the following provisions will apply:

(1) If European Style is specified in the relevant Final Terms as being applicable, then the Issuer may, on giving irrevocable prior notice to the holders of Notes, – which notice must be received by the holders of Notes no later than the last day of the notice period specified in the relevant Final Terms – redeem all or, if "Partial Redemption" is specified as applicable in the relevant Final Terms, some of the Notes. Any such redemption of Notes shall occur on the relevant Optional Redemption Date at their Optional Redemption Amount (*Call*), together with accrued interest (if any) up to such date, unless otherwise specified in the relevant Final Terms.

(2) If American Style is specified in the relevant Final Terms as being applicable, then the Issuer may, at any time during any exercise period specified in the Final Terms (the "**Exercise Period**"), elects to redeem all or, if "Partial Redemption" is specified as applicable in the relevant Final Terms, some of the Notes, by sending a notice to the holders of Notes which notice must be received by such holders no later than the end of the relevant Exercise Period. Any such redemption of Notes shall occur on the relevant Optional Redemption Date at their Optional Redemption Amount (*Call*) together with accrued interest (if any) up to such date, unless otherwise specified in the relevant Final Terms.

In the case of a Partial Redemption, the notice to holders of Notes shall also contain the serial numbers of the Notes to be redeemed, which shall have been drawn in such place as the Fiscal Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

(g) **Redemption for regulatory reasons (Regulatory Call)**

Subject to Condition 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*), if Regulatory Call is specified in the applicable Final Terms, the Notes may be redeemed at the option of the Issuer, in whole but not in part, at any time (if the Note is not a Floating Rate Note) or on any Interest Payment Date (if the Note is a Floating Rate Note), on giving not less than 15 nor more than 30 days' notice (which notice shall be irrevocable) to the Paying Agent and, in accordance with Condition 12 (*Notices*), to the holders of the Notes: (i) upon the occurrence of a MREL/TLAC Disqualification Event with respect to the relevant Series of Senior Preferred Notes and/or Senior Non Preferred Notes (as the case may be), and (ii) to the holders of the Subordinated Notes, if the Subordinated Notes cease to qualify (in whole or in part) as "*Tier II Capital*", on a consolidated or non consolidated basis, as a result of changes after the date of issue of the relevant Subordinated Notes in the standards and guidelines of the Bank of Italy or in the applicable legal or regulatory provisions (including legal or regulatory provisions adopted by the European Union) (the "**Regulatory Event**").

"**BRRD**" means the directive 2014/59/EU, as amended, providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms as amended, supplemented or replaced from time to time (including, without limitation, as a consequence of the entry into force of the Banking Reform Package).

"**BRRD Implementing Decrees**" means the Legislative Decrees No. 180 and 181 of 16 November 2015, implementing the BRRD in the Republic of Italy, as amended or replaced from time to time (including, without limitation, as a consequence of the transposition of the Banking Reform Package into Italian law).

"**MREL/TLAC Disqualification Event**" means the determination by the Issuer, that as a result of a change in Italian and/or EU laws or regulations becoming effective on or after the Issue Date of a Series of Senior Preferred Notes and/or of Senior Non Preferred Notes, which change was not reasonably foreseeable by the Issuer as at the Issue Date of the Series, it is likely that all or part of the aggregate outstanding nominal amount of such Series of Senior Preferred Notes and/or of Senior Non Preferred Notes will be excluded from the eligible liabilities available to meet the MREL/TLAC Requirements (however called or defined by then applicable regulations) if the Issuer is then subject to such requirements, **provided that** a MREL/TLAC Disqualification Event shall not occur where such Series of Senior Preferred Notes and/or of Senior Non Preferred Notes is excluded on the basis (1) that the remaining maturity of such Senior Preferred Notes and/or Senior Non Preferred Notes is less than any period prescribed by any applicable eligibility criteria under the MREL/TLAC Requirements, or (2) of any applicable limits on the amount of eligible liabilities permitted or allowed to meet the MREL/TLAC Requirements.

"**MREL/TLAC Requirements**" means the minimum requirement for own funds and eligible liabilities and/or total loss-absorbing capacity requirements applicable to the Issuer and/or the Group referred to in the BRRD, any other EU law or regulation and relevant implementing legislation and regulation in Italy.

"**Tier II Capital**" has the meaning given to it from time to time in the Applicable Banking Regulation.

(h) **Redemption at the option of holders of Notes**

This Condition 4(h) applies only to the Senior Notes.

If the Put Option is specified as being applicable to the Senior Notes in the relevant Final Terms, then the following provisions will apply:

(1) If European Style is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holders of the Senior Notes, redeem all or, if "Partial Redemption" is specified as applicable in the relevant Final Terms, some of the Senior Notes on the relevant Optional Redemption Date at its Optional Redemption Amount (*Put*) together with accrued interest (if any) up to such date, unless otherwise specified in the relevant Final Terms. To exercise such option, the holders must deposit such Senior Notes with any Paying Agent at its specified office, together with a duly completed option exercise notice (the "**Exercise Notice**") in the form of obtainable from any Paying Agent; the Exercise Notice must be deposited with such Paying Agent no later than the last day of the notice period specified in the relevant Final terms. No Senior Note so deposited and option exercised may be withdrawn (except as provided in the Issue and Paying Agency Agreement) without the prior consent of the Issuer.

(2) If American Style is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holders of any the Senior Notes, redeem all or, if "Partial Redemption" is specified as applicable in the relevant Final Terms, some of the Senior Notes on the relevant Optional Redemption Date at its Optional Redemption Amount (*Put*) together with accrued interest (if any) up to such date, unless otherwise specified in the relevant Final Terms. To exercise such option which may be exercised at any time during any exercise period specified in the relevant Final Terms (the "**Exercise Period**"), the holder must deposit such Senior Notes with any Paying Agent at its specified office, together with a duly completed option exercise notice (the "**Exercise Notice**") in the form obtainable from any Paying Agent; the Exercise Notice must be deposited with such Paying Agent no later than the end of the relevant Exercise Period. No Note so deposited and option exercised may be withdrawn (except as provided in the Issue and Paying Agency Agreement) without the prior consent of the Issuer.

In the case of a Partial Redemption, the notice to holders of Senior Notes shall also contain the serial numbers of the Senior Notes to be redeemed, which shall have been drawn in such place as the Fiscal Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

(i) **Redemption by instalments**

Unless previously redeemed, purchased and cancelled in accordance with Condition 4(f) (*Redemption at the option of the Issuer*) or Condition 4(h) (*Redemption at the option of holders of Notes*), each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding principal amount of such Note shall be reduced by the Instalment Amount for all purposes.

(j) **Cancellation**

Notes purchased by or on behalf of the Issuer, the Guarantor or any of the Guarantor's subsidiaries (where applicable) may be surrendered for cancellation, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, if so surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the

Issuer and the Guarantor (where applicable) in respect of any such Notes shall be discharged.

(k) **Specific Buy Back Provisions**

This Condition 4(k) applies only to the Senior Preferred Notes.

If Specific Buy Back Provisions are specified as applicable in the applicable Final Terms, upon the holder of any Senior Preferred Note giving to the Issuer not less than 5 Business Days' notice in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable) to early redeem the Senior Preferred Note before its scheduled maturity, the Issuer may, at its sole option, upon the expiry of such notice, redeem in whole or in part such Senior Preferred Note paying an amount that can be less than par and that is linked to the Market Value of the Underlying Transactions at that moment, together, if appropriate, with any accrued but unpaid interest. As specified above, the Issuer has the right, in its sole option, to reject the early redemption request and, in particular, if the Issuer never replies to the notice, the Issuer is deemed to have rejected the early redemption request.

If Specific Buy Back Provisions are specified as applicable in the applicable Final Terms, prior to the Maturity Date the value of the Senior Preferred Notes shall reflect and shall be calculated on the basis of the Market Value of the Underlying Transactions. The Calculation Agent may, from time to time, calculate the price of the Senior Preferred Notes on the basis of the Market Value of the Underlying Transactions and, without prejudice to the Issuer's obligation to pay the Interest Amounts and the Redemption Amounts on the Senior Preferred Notes, in the event that a holder requests the Issuer to repurchase the Senior Preferred Notes held by it prior to their maturity, and the Issuer accepts such repurchase, the price of the Senior Preferred Notes (the "**Buy Back Price**") will be a price that perfectly reflects the Market Value of such Underlying Transactions. The Specific Buy Back Provisions may apply only to Senior Preferred Notes issued by Mediobanca and/or Mediobanca International and where Mediobanca and/or Mediobanca International are specified as Dealers and where the principal amount in respect of such Senior Preferred Note is equal to, at least, EUR 100,000 (or its equivalent amount in the Specified Currency).

In addition, if Specific Buy Back Provisions are specified as applicable in the applicable Final Terms, the Issuer shall pay an additional remuneration (the "**Extra-Yield**") on the Senior Preferred Notes. More information on the composition of the remuneration (*unbundling*) shall be published by each of the Issuer from time to time together with the composition of the Underlying Transactions as described below.

For the purpose of this Condition 4(k):

"**Buy-Back Price**" means the repurchase price of the Senior Preferred Notes to be calculated by the Calculation Agent on the basis of the Market Value of the Underlying Transactions.

"**Market Value**" means the close-out amount of the Underlying Transactions, including the relevant bid/ask prices for all the Senior Preferred Notes and for any possible funding arrangement and/or coupon swap, as determined by the Calculation Agent in a fair and commercially reasonable manner.

"**Underlying Transactions**" means any possible funding arrangement and/or coupon swap and/or any of the following funded or unfunded arbitrage-like financial transactions:

(i) Cash-CDS Arbitrage;

(ii) Index-Components Arbitrage; and/or

(iii) General Funded Arbitrage,

where:

"**Cash-CDS Arbitrage**" means:

Long (Short): Cash Instrument + Short (Long): Replicating CDS

where:

"**Cash Instrument**" means any debt obligation (including any obligation issued by the Issuer) or basket of debt obligations, under security or loan format, with maturities and notionals that can be longer and/or higher, respectively, than the Maturity Date and aggregate principal amount of the relevant Senior Preferred Notes;

"**Replicating CDS**" means a credit default swap transaction having similar maturity and principal amount as the Cash Instrument, and having as a reference entity the Cash Instruments issuer or the Cash Instrument guarantor (including the Issuer or the Guarantor or the Issuer's parent or the Issuer's affiliate), or, in the case of Cash Instrument that are asset-backed obligations or credit linked obligations, any credit entity or any credit risk embedded in such Cash Instrument.

"**Index-Components Arbitrage**" means:

Long (Short): Credit Index + Short (Long): CDS Components

where:

"**Credit Index**" means any of the Markit credit default swaps indices, with maturities and notionals that can be longer and/or higher, respectively, than the Maturity Date and aggregate principal amount of the relevant Senior Preferred Notes, and any successor and/or replacement index thereof, including, for the avoidance of doubt, the Markit iTraxx® and Markit CDX™ indices, as selected by the Calculation Agent in its sole and absolute discretion. Credit Index may also be a portfolio of credit default swap tranches summing up to a full capital structure, i.e. summing up to any such Markit credit default swap index.

"**CDS Components**" means a basket of single-name credit default swap transactions having similar notional, maturity, coupons and reference entity as the components of the Credit Index. CDS Components may also be a portfolio of credit default swap tranches having similar maturity, aggregate notional, aggregate coupons and aggregate reference entities as the components of the Credit Index.

"**General Funded Arbitrage**" means:

Long (Short): Asset Instruments + Short (Long): Replicating Derivatives

where:

"**Asset Instruments**" means any asset title instrument (including funds or obligations, also asset-backed) linked to credit, rates, equities, commodities or currencies, with maturities and notionals that can be longer and/or higher, respectively, than the Maturity Date and aggregate principal amount of the relevant Senior Preferred Notes.

"**Replicating Derivatives**" means any hedging derivative contract with similar maturity and notional as the Asset Instruments, and having as underlying the Asset Instrument itself. or any of its underlying financial instruments. For example: commodity certificate + future ("cash and carry arbitrage"), or convertible bond + CDS + equity option ("convertible arbitrage").

The Underlying Transactions will be selected from time to time by the Calculation Agent in its reasonable discretion and the relevant composition is subject to change during the life of the Preferred Notes. The composition of the Underlying Transactions (including any possible funding arrangement and/or coupon swap) shall be published from time to time by Mediobanca

or Mediobanca International on their website www.mediobanca.com or on the website of the Euronext Dublin or on the website of the Luxembourg Stock Exchange or on any other means of publication, as specified in the relevant Final Terms.

(l) **Special provision in relation to redemption, purchase or modification of the Notes**

Any redemption of the Notes in accordance with Condition 4(c) (*Redemption for taxation reason*), Condition 4(f) (*Redemption at the option of the Issuer*), Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*), any purchase of the Notes in accordance with Condition 4(d) (*Purchases*), or any modification of the Notes in accordance with Conditions 9(a) (*Meetings of holders of Notes*) and 9(c) (*Errors or inconsistencies*), is subject to, if and to extent then required under Articles 12-*bis* and 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority (with respect to the Senior Non Preferred Notes only), and/or under the MREL/TLAC Requirements (with respect to either the Senior Preferred Notes and the Senior Non Preferred Notes), or under the Applicable Banking Regulations (with respect to the Subordinated Notes only):

(i) the Issuer giving notice to the Relevant Authority and the Relevant Authority granting permission to redeem or purchase the relevant Senior Notes;

(ii) with respect to the Subordinated Notes only:

(A) in case of any redemption or purchase, either (A) the Issuer having replaced the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or (B) the Issuer having demonstrated to the satisfaction of the Relevant Authority that the own funds of the Issuer would, following such redemption or purchase, exceed its Regulatory Capital Requirements for the time being;

(B) in the case of any such redemption prior to the fifth anniversary of the Issue Date, (A) in case of redemption for tax reasons in accordance with Condition 4(c) (*Redemption for taxation reason*), the Issuer has demonstrated to the satisfaction of the Relevant Authority that the change in tax treatment is material and was not reasonably foreseeable as at the Issue Date, or (B) in the case of redemption upon the occurrence of a Regulatory Event in accordance with Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*), the Issuer has demonstrated to the satisfaction of the Relevant Authority that the relevant change in the regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date and the Relevant Authority considers such change to be reasonably certain.

To redeem any Notes where such consent has not been granted shall not constitute an event of default of the Issuer for any purpose. Notwithstanding the above conditions, if, at the time of any redemption or purchase, Articles 12-*bis* and 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority (with respect to the Senior Non Preferred Notes only), and/or the MREL/TLAC Requirements (with respect to the Senior Preferred Notes and the Senior Non Preferred Notes), or the Applicable Banking Regulations (with respect to the Subrodinated Notes only) permit the redemption or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above in this Condition 4(l), the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

5. PAYMENTS AND TALONS

(a) **Payments outside the United States**

Payments of principal and interest in respect of Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and **provided that** the Receipts are presented for payment together with their relative Notes), Notes (in the case of all other payments of principal and, in the case of interest as specified in Condition 5(e)(vi)) or Coupons (in the case of interest, save as specified in Condition 5(e)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a bank in the principal financial centre of that currency; **provided that** in the case of Euro, the transfer may be to a Euro account.

(b) **Payments in the United States**

Notwithstanding the foregoing, if any Notes are denominated in US Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(c) **Payments subject to law, etc.**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 6 (*Taxation*). No commission or expenses shall be charged to the holders of Notes or Couponholders in respect of such payments.

(d) **Appointment of Agents**

The Fiscal Agent, the Paying Agent and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agent and the Calculation Agent act solely as agents of the Issuer and the Guarantor (where applicable) and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer and the Guarantor (where applicable) reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Calculation Agent or the Registrar and to appoint additional or other agents **provided that** the Issuer will at all times maintain (i) a Fiscal Agent, (ii) a Calculation Agent where the Conditions so require one, (iii) Paying Agents having a specified office in at least two major European cities (including Ireland so long as the Notes are listed on the Official List of the Euronext Dublin), and (iv) such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York in respect of any Notes denominated in US Dollars in the circumstances described in Condition 5(b) (*Payments in the United States*) above.

Notice of any such change or any change of any specified office will promptly be given to the holders of Notes in accordance with Condition 12 (*Notices*).

(e) **Unmatured Coupons and Receipts and unexchanged Talons**

(i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Notes should be surrendered for payment together with all unmatured Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 7 (*Prescription*)).

(ii) If the relevant Notes so provide, upon the due date for redemption of any Note, unmatured Coupons relating to such Notes (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Note which provides that the relative Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note.

(f) **Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered to or to the order of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 7 (*Prescription*)).

(g) **Non-Business Days**

If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

In this Condition 5(g):

"**Additional Financial Centre**" means the city or the cities specified as such in the relevant Final Terms; and

"**Payment Business Day**" means:

(i) with respect to the Senior Notes:

(A) if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(B) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

(ii) with respect to the Subordinated Notes:

(A) if the currency of payment is euro, any day which is:

(1) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(2) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre specified in the Final Terms; or

(B) if the currency of payment is not euro, any day which is:

(1) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(2) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre specified in the Final Terms.

6. TAXATION

(a) Gross Up

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by the Issuer or (as the case may be) the Guarantor under the Deed of Guarantee will be made without withholding or deduction for, or on the account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Grand Duchy of Luxembourg or any political subdivision thereof or any agency or authority therein or thereof having power to tax (in the case of payments made by or on behalf of Mediobanca International) or the Republic of Italy or any political subdivision thereof or any agency or authority therein or thereof having power to tax (in the case of payments made by or on behalf of Mediobanca), unless the withholding or deduction of such taxes, duties, assessments or governmental changes is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts in respect of, with regard to the Senior Notes only, principal and interest (if permitted by MREL/TLAC Requirements), and, with regard to the Subordinated Notes only, interest only (and not in respect of principal) as may be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, Receipts or (as the case may be) Coupons, in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in

respect of any Note, Receipt or Coupon or (as the case may be) under the Deed of Guarantee:

(i) (A) to, or to a third party on behalf of, a holder who is subject to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of its having some connection (otherwise than merely by holding the Note, Receipt or Coupon) with (in the case of payments of principal and interest under the Senior Notes made by or on behalf of Mediobanca International) the Grand Duchy of Luxembourg (including taxes imposed by the Luxembourg law of 23 December 2005) or (in the case of payments of principal and interest made by or on behalf of Mediobanca and in respect of payments by Mediobanca under the Deed of Guarantee) the Republic of Italy; or (B) with respect to any Note, Receipt or Coupon presented for payment in the Republic of Italy or the Grand Duchy of Luxembourg; or (C) for or on account of *imposta sostitutiva* pursuant to Decree No. 239, Legislative Decree No. 461 of 21 November 1997 ("**Decree No. 461**") or related implementing regulations; or (D) in all circumstances in which the requirements and procedures of Decree No. 239 and related implementing rules have not been properly and promptly met or complied with (except where due to the actions or omissions of the Issuer, the Guarantor or their agents); or (E) to, or to a third party on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of such Note, Receipt or Coupon by making a declaration or any other statement, including, but not limited to, a declaration of non-residence or other similar claim for exemption to the relevant taxing authority or intermediary/paying agent, but has failed to do so properly and promptly; or

(ii) (in the case of payments of principal and interest made by or on behalf of Mediobanca and in respect of payments by Mediobanca under the Deed of Guarantee) to a holder who is a non-Italian resident or individual or legal entity which is resident in any country not allowing for an adequate exchange of information with the Italian tax authorities that is not included in the list set by Italian Ministerial Decree 4 September 1996, as subsequently amended and supplemented from time to time; or

(iii) for any Note, Receipt or Coupon presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day; or

(iv) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another paying agent in a Member State of the European Union; or

(v) (in the case of payments of principal and interest made by or on behalf of Mediobanca) where withholding or deduction is required by law pursuant to Decree No. 600; or

(vi) (with respect to the Senior Notes only) where such withholding or deductions is required by an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto; or

(vii) with respect to any Notes qualifying as "atypical" securities (*titoli* "*atipici"*) for Italian tax purposes subject to the regime provided for by Decree No. 512, for and on account of any withholding or deduction required by law pursuant to such decree; or

(viii) in any case, where in the Final Terms it is expressly specified under the section entitled "*Taxation*" that "*Gross Up*" will not apply with respect to any Note,

Receipt or Coupon pursuant to this point (viii) of Condition 6(a) (*Taxation – Gross Up*),

without prejudice to the option of the Issuer to redeem the Notes pursuant to, and subject to the conditions of, Condition 4(c) (*Redemption for taxation reasons*).

(b) **Taxing Jurisdiction**

If the Issuer or the Guarantor (where applicable) becomes subject at any time to any taxing jurisdiction other than the Grand Duchy of Luxembourg or the Republic of Italy respectively, references in these Conditions to Luxembourg or Italy shall be construed as references to the Grand Duchy of Luxembourg or (as the case may be) the Republic of Italy and/or such other jurisdiction.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the holders of Notes in accordance with Condition 12 (*Notices*) that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 4 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 3 (*Interest and Other Calculations*) or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts which may be payable under this Condition 6.

7. PRESCRIPTION

Claims against the Issuer and the Guarantor (where applicable) for payment in respect of the Notes, Receipts and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

8. EVENTS OF DEFAULT

(a) **Events of Default of the Senior Preferred Notes**

If any of the following events occurs and is continuing (except where one or more of the Events of Default (as defined below) are specified as not applicable in the applicable Final Terms), the holder of a Senior Preferred Note of any Series may give written notice to the Fiscal Agent at its specified office that such Senior Preferred Note is immediately repayable, whereupon the Early Redemption Amount of such Senior Preferred Note together with accrued interest to the date of payment shall become immediately due and payable:

(i) **Default in payment of principal or interest**: default is made for a period of five Business Days or more in the payment of any principal on any of the Senior Preferred Notes or for a period of fifteen Business Days or more in the payment of any interest due in respect of the Senior Preferred Notes or any of them;

(ii) **Failure to perform any other Obligation**: the Issuer or the Guarantor (where applicable) fails duly to perform any other obligation under or in respect of the Senior Preferred Notes, the Deed of Guarantee or the Issue and Paying Agency Agreement and such failure continues for more than 30 days after the service by a holder of a Senior Preferred Note of notice on the Issuer requiring the same to be remedied;

(iii) **General suspension of payments***:* the Issuer or the Guarantor (where applicable) suspends its payments generally;

(iv) **Bankruptcy, composition or similar event**: a court in the country of domicile of the Issuer or the Guarantor (where applicable) institutes bankruptcy proceedings or composition proceedings to avert a bankruptcy or the Issuer or the Guarantor (where applicable) applies for institution of such proceedings or any event occurs which under the laws of the Republic of Italy or Grand Duchy of Luxembourg has an analogous effect to such proceedings;

(v) **Cross-default***:* (i) any other present or future indebtedness of the Issuer or the Guarantor (where applicable) for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity as a result of any payment default thereon by the Issuer or, as the case may be, the Guarantor (where applicable), or (ii) any such indebtedness is not paid when due or, as the case may be, within an applicable grace period, or (iii) the Issuer or the Guarantor (where applicable) fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of any moneys borrowed or raised **provided that** an event of default pursuant to this Condition 8(v) shall only occur if: (A) the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one of the events mentioned in paragraphs (i), (ii) or (iii) above have occurred and is continuing exceeds €35,000,000 and (B) the Issuer or the Guarantor (where applicable) is not contesting in good faith in a competent court in a recognised jurisdiction that the relevant indebtedness or guarantee and/or indemnity is due and enforceable, as appropriate;

(vi) **Insolvency**: either the Issuer or the Guarantor (where applicable) is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or the Guarantor (where applicable);

(vii) **Winding-up**: an order is made or an effective resolution is passed for the winding-up or dissolution or administration of the Issuer or the Guarantor (where applicable), or the Issuer or the Guarantor (where applicable) applies or petitions for a winding-up or administration order in respect of itself or ceases or threatens to cease to carry on all or substantially all of its business or operations, in each case except for the purposes of and pursuant to or in connection with a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation, deconsolidation or disposal or contribution in kind of assets or branches of business;

(viii) **Ownership**: in respect of Senior Preferred Notes issued by Mediobanca International, Mediobanca International ceases to be controlled by Mediobanca (except in the case of a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation or similar transaction by which Mediobanca assumes the payment obligations of Mediobanca International under the Senior Preferred Notes).

(ix) **Illegality**: it is or will become unlawful for the Issuer or the Guarantor (where applicable) to perform or comply with any one or more of its obligations under any of the Senior Preferred Notes or the Deed of Guarantee (where applicable); or

(x) **Guarantee**: in respect of Senior Preferred Notes issued by Mediobanca International, the Deed of Guarantee (where applicable) ceases to be a valid and binding obligation of the Guarantor or it becomes unlawful for the Guarantor to perform its obligations under the Deed of Guarantee or the Deed of Guarantee is claimed by Mediobanca International or the Guarantor not to be in full force and effect (except in the case of a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation or similar transaction by which Mediobanca assumes the payment obligations of Mediobanca International under the Senior Preferred Notes).

If the applicable Final Terms specifies that one or more of the Events of Default are not applicable, then such relevant Events of Default shall not apply to such Senior Preferred Notes. However, in any case a Noteholder may, upon written notice to the Fiscal Agent, cause such Senior Preferred Notes to become due and payable, together with accrued interest thereon, if any, as of the date on which said notice is received by the Fiscal Agent, upon the occurrence of the Event of Default listed in this Condition 8(a), paragraph (vii) (*Winding-up*).

(b) **Events of Default of the Senior Non Preferred Notes**

If any of the following events occurs and is continuing, the holder of a Senior Non Preferred Note of any Series may give written notice to the Fiscal Agent at its specified office that such Senior Non Preferred Note is immediately repayable, whereupon the Early Redemption Amount of such Senior Non Preferred Note together with accrued interest to the date of payment shall become immediately due and payable:

Winding-up: Mediobanca is wound up or dissolved, except for the purposes of, and pursuant to, or in connection with, a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation, deconsolidation or disposal of assets.

In this Condition 8 "**Events of Default**" means any of the events listed in Conditions 8(a) (*Events of Default of the Senior Preferred Notes*) and/or 8(b) (*Events of Default of the Senior Non Preferred Notes*) as the case may be.

(c) **Events of Default of the Subordinated Notes**

If any of the following events occurs and is continuing, the holder of a Subordinated Note may give written notice to the Fiscal Agent at its Specified Office that such Subordinated Note is immediately repayable:

Winding-up: Mediobanca is wound up or dissolved, except for the purposes of, and pursuant to, or in connection with, a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation, deconsolidation or disposal of assets, whereupon the Early Redemption Amount of such Subordinated Note together with accrued interest to the date of payment shall become immediately due and payable. No remedy against Mediobanca other than as specifically provided by this Condition 8(c) shall be available to holders of the Subordinated Notes or Coupons for the recovery of amounts owing in respect of the Notes or Coupons.

9. MEETINGS OF HOLDERS OF NOTES AND MODIFICATIONS

(a) **Meetings of holders of Notes**

The Issue and Paying Agency Agreement contains provisions for convening meetings of holders of Notes to consider any matter affecting their interest, including modification by Extraordinary Resolution of the Notes (including these Conditions insofar as the same may apply to such Notes). An Extraordinary Resolution duly passed at any such meeting shall be binding on all the holders of Notes, whether present or not and on all relevant holders of Coupons, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereon, (ii) to reduce or cancel the principal amount or an Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in respect thereof, (iv) if a Minimum and/or a Maximum Interest Rate, Instalment Amount or Redemption Amount is shown in the Final Terms, to reduce any such Minimum and/or Maximum, (v) to change any method of calculating the Redemption Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions contained concerning the quorum required at any meeting of holders of Notes or any adjournment thereof or concerning the majority required to pass an Extraordinary Resolution, (viii) to modify the provisions which would have the effect of giving any authority, direction or sanction which under the Notes is required to be given pursuant to a meeting of holders of Notes to which the

special quorum provisions apply, (ix) to take any steps which as specified in the Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (x) to amend the foregoing exceptions in any manner, will only be binding if passed at a meeting of the holders of Notes (or at any adjournment thereof) at which a special quorum (provided for in the Issue and Paying Agency Agreement) is present.

(b) **Modification of Issue and Paying Agency Agreement**

The Issuer and the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Issue and Paying Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the holders of Notes.

(c) **Errors or inconsistencies**

The Issuer and, with respect to the Senior Preferred Notes only, the Guarantor may, without the prior consent of the holders of the Notes correct (i) any manifest and/or material error in the Conditions and/or in the Final Terms, (ii) any error of a formal, minor or technical nature in the Conditions and/or in the Final Terms or (iii) any inconsistency in the Conditions and/or in the Final Terms between the Conditions and/or the Final Terms and any other documents prepared in connection with the issue and/or offer of a Series of Notes (provided such correction is not materially prejudicial to the holders of the relevant Series of Notes). In addition, pursuant to Condition 3(o) (*Benchmark replacement*), certain changes may be made to the interest calculation provisions of the Notes in the circumstances and as otherwise set out in such Condition, without the requirement for consent of the Noteholders. Any such correction shall be binding on the holders of the relevant Notes and the Issuer and the Guarantor (if applicable) shall cause such correction to be notified to the holders of the Notes as soon as practicable thereafter pursuant to Condition 12 (*Notices*).

(d) **Modification following a MREL/TLAC Disqualification Event**

With respect to the Senior Notes only, if Modification following a MREL/TLAC Disqualification Event is specified as applicable in the applicable Final Terms, where a MREL/TLAC Disqualification Event has occurred and is continuing, then the Issuer may, without any requirement for the consent or approval of the Noteholders, modify the terms of the Senior Notes to the extent that such modification is necessary to ensure that no such MREL/TLAC Disqualification Event would exist after such modification, **provided that**, following such modification:

(i) the terms and conditions of the Senior Notes, as so modified (the "**modified Senior Notes**"), are no more prejudicial to Noteholders than the terms and conditions applicable to the Senior Notes prior to such modification (the "**existing Senior Notes**") **provided that** any modification may be made in accordance with paragraphs (ii) to (iv) below and any such modification shall not constitute a breach of this paragraph (i); and

(ii) the person having the obligations of the Issuer under the Senior Notes continues to be the Issuer; and

(iii) the modified Senior Notes rank at least equal to the existing Senior Notes and feature the same tenor, principal amount, interest rates (including applicable margins), interest payment dates and first call date as the existing Senior Notes; and

(iv) the modified Senior Notes continue to be listed on a regulated market (for the purposes of the MiFID II (Directive 2014/65/EU, as amended)) of an internationally recognised stock exchange as selected by the Issuer (**provided that** the existing Senior Notes were so listed prior to the occurrence of such MREL/TLAC Disqualification Event),

and **provided further that**:

(a) Mediobanca obtains approval of the proposed modification from the Relevant Authority (if such approval is required) or gives prior written notice (if such notice is required to be given) to the Relevant Authority and, following the expiry of all relevant statutory time limits, the Relevant Authority is no longer entitled to object or impose changes to the proposed modification;

(b) the modification does not give rise to a change in any published and solicited rating of the existing Senior Notes in effect at such time (to the extent the existing Senior Notes were rated prior to the occurrence of such MREL/TLAC Disqualification Event);

(c) the modification does not give rise to any right on the part of the Issuer to exercise any option to redeem the Senior Notes prior to their stated maturity, without prejudice to the provisions under Condition 4(f) (*Redemption at the option of the Issuer*); and

(d) the Issuer has delivered to the Fiscal Agent a certificate, substantially in the form shown in the Issue and Paying Agency Agreement, signed by two of the Issuer's executive officers stating that paragraphs (i) to (iv) and (a) to (c) above have been complied with, such certificate to be made available for inspection by Noteholders.

In connection with any modification as indicated in this Condition 9(d), the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Senior Non Preferred Notes are then listed or admitted to trading.

(e) **Modification following a Regulatory Event or a Tax Event**

With respect to the Subordinated Notes only, if modification following a Regulatory Event or a Tax Event is specified as applicable in the applicable Final Terms, where a Regulatory Event or a Tax Event has occurred and is continuing, then the Issuer may, without any requirement for the consent or approval of the Noteholders, modify the terms of the Notes to the extent that such modification is reasonably necessary to ensure that no such Regulatory Event or Tax Event would exist after such modification, **provided that**, following such modification:

(i) the terms and conditions of the Subordinated Notes, as so modified (the "**modified Notes**"), are no more prejudicial to Noteholders than the terms and conditions applicable to the Subordinated Notes prior to such modification (the "**existing Notes**") **provided that** any modification may be made in accordance with paragraphs (ii) to (iv) below and any such modification shall not constitute a breach of this paragraph (i); and

(ii) the person having the obligations of the Issuer under the Subordinated Notes continues to be the Issuer; and

(iii) the modified Subordinated Notes rank at least equal to the existing Subordinated Notes and feature the same tenor, principal amount, interest rates (including applicable margins), interest payment dates and first call date as the existing Subordinated Notes; and

(iv) the modified Subordinated Notes continue to be listed on a regulated market (for the purposes of the MiFID II (Directive 2014/65/EU, as amended)) of an internationally recognised stock exchange as selected by the Issuer (**provided that** the existing Notes were so listed prior to the occurrence of such Regulatory Event or Tax Event, as applicable),

and **provided further that**:

(a) Mediobanca obtains approval of the proposed modification from the Relevant Authority (if such approval is required) or gives prior written notice (if such notice is required to be given) to the Relevant Authority and, following the expiry of all relevant statutory time limits, the Relevant Authority is no longer entitled to object or impose changes to the proposed modification;

(b) the modification does not give rise to a change in any published and solicited rating of the existing Subordinated Notes in effect at such time (to the extent the existing Subordinated Notes were rated prior to the occurrence of such Regulatory Event or Tax Event, as applicable);

(c) the modification does not give rise to any right on the part of the Issuer to exercise any option to redeem the Subordinated Notes prior to their stated maturity, without prejudice to the provisions under Condition 4(f) (*Redemption at the option of the Issuer*);

(d) the Issuer has delivered to the Fiscal Agent a certificate, substantially in the form shown in the Issue and Paying Agency Agreement, signed by two of the Issuer's executive officers stating that paragraphs (i) to (iv) and (a) to (c) above have been complied with, such certificate to be made available for inspection by Noteholders; and

(e) in the case of any proposed modifications owing to a Tax Event, the Issuer has delivered to the Fiscal Agent an opinion of independent legal advisers of recognised standing to the effect that the Tax Event can be avoided by the proposed modifications.

In connection with any modification as indicated in this Condition 9(e), the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Notes are then listed or admitted to trading.

(f) **Modification to Notes distributed to a Single Noteholder**

In partial derogation to the provisions of Condition 9(a),(b),(c),(d) and (e) above, in case the Notes have been distributed to a single holder (the "**Single Holder**"), the approval for the amendments under Condition 9(a),(b),(c),(d) and (e) above shall be given by the Single Holder by way of binding approval letter with prior delivery of the relevant proof of ownership of the relevant Note.

10. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

If a Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws and stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to holders in accordance with Condition 12 (*Notices*), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. FURTHER ISSUES AND CONSOLIDATION

The Issuer may from time to time without the consent of the holders of Notes or Coupons create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Price, the Issue Date and/or the first payment of interest) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly.

The Issuer may also from time to time upon not less than 30 days' prior notice to Noteholders, without the consent of the holders of Notes or Coupons of any Series, consolidate the Notes with Notes of one or more other Series (the "**Other Notes**") issued by it, provided the Notes and the Other Notes have been redenominated into Euro (if not originally denominated in Euro), and otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Price, the Issue Date and/or the first payment of interest). Notice of any such consolidation will be given to the Noteholders in accordance with Condition 12 (*Notices*). The Fiscal Agent shall act as the consolidation agent.

With effect from their consolidation, the Notes and the Other Notes will (if listed prior to such consolidation) be listed on at least one European stock exchange on which either the Notes or the Other Notes were listed immediately prior to such consolidation.

The Issuer shall in dealing with holders of such Notes following a consolidation pursuant to this Condition 11 have regard to the interest of the holders and the holders of the Other Notes, taken together as a class, and shall treat them alike.

12. NOTICES

Notices to the holders of Notes will be valid if (i) until such time as any Definitive Notes are issued, the notice is delivered to the relevant Clearing System(s), for communication by them to the holders of Notes; and (ii) if and so long as the Notes are admitted to trading on the Euronext Dublin's regulated market and listed on the Official List of the Euronext Dublin, the notice is published in accordance with the rules and regulations of the Euronext Dublin (which shall include publication in a leading newspaper having general circulation in Ireland or on the website of the Euronext Dublin (*www.ise.ie*) or on the website of the relevant Issuer (*www.mediobanca.it* or *www.mediobancaint.lu*) and the Guarantor (*www.mediobanca.it*). If any such publication is not practicable, notice will be validly given if published in another leading daily English language newspaper of general circulation in Europe.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice to the holders of Notes in accordance with this Condition 12.

13. SUBSTITUTION OF THE ISSUER

(a) The Issuer and, in case of Senior Preferred Notes issued by Mediobanca International, the Guarantor may at any time, without the consent of the holders of Notes or Coupons, substitute Mediobanca in place of Mediobanca International or Mediobanca International in place of Mediobanca (each a "**Substitute**") upon notice by the Issuer, the Guarantor (in case of Senior Preferred Notes issued by Mediobanca International) and the Substitute to be given in accordance with Condition 12 (*Notices*), **provided that**;

(i) no payment in respect of the Notes, the Receipts or the Coupons or the Deed of Guarantee (as the case may be) is at the relevant time overdue;

(ii) the Substitute shall, by means of a deed poll in the form scheduled to the Programme Manual as Schedule 12 (the "**Deed Poll**"), agree to indemnify each holder of Notes and Coupons against any incremental tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon, Talon or the relevant Deed of Covenant and which would not have been so imposed or otherwise suffered by any holder of Notes, Receipts or Coupons had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;

(iii) in respect of Senior Preferred Notes issued by Mediobanca International, where the Substitute is not the Guarantor, the obligations of the Substitute under the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant shall be unconditionally guaranteed by the Guarantor by means of the Deed Poll, in accordance with the terms thereof;

(iv) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and, where applicable, of the Guarantor have been taken, fulfilled and done and are in full force and effect;

(v) the Substitute shall have become party to the Issue and Paying Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;

(vi) legal opinions shall have been delivered to the Fiscal Agent and Dealers from lawyers of recognised standing in each jurisdiction referred to in paragraph (ii) above, in Italy and in England as to the fulfilment of the requirements of this Condition 13 and the other matters specified in the Deed Poll and that the Notes, Receipts, Coupons and Talons are legal, valid and binding obligations of the Substitute;

(vii) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the Substitute, the Notes will continue to be listed on such stock exchange;

(viii) if applicable, the Substitute has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes.

(b) Upon the execution of the Deed Poll and the delivery of the legal opinions, the Substitute shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes and the Issue and Paying Agency Agreement with the same effect as if the Substitute had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Notes and under the Issue and Paying Agency Agreement.

(c) After a substitution pursuant to Condition 13(a), the Substitute may, without the consent of any holder, effect a further substitution. All the provisions specified in Conditions 13(a) and 13(b) shall apply *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute.

(d) After a substitution pursuant to Condition 13(a) or 13(c) any Substitute may, without the consent of any holder, reverse the substitution, *mutatis mutandis*.

(e) The Deed Poll and all documents relating to the substitution shall be delivered to, and kept by, the Fiscal Agent. Copies of such documents will be available free of charge at the specified office of the Paying Agent.

14. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

15. LAW AND JURISDICTION

(a) **Governing Law**: The Notes and any non-contractual obligations arising out of or in connection with the relevant Notes will be governed by, and shall be construed in accordance with English law, also in accordance with the provisions of the Rome II Regulation, except: **(I)** in case of Notes issued by Mediobanca, Conditions 2(b) (*Status*

of the Senior Preferred Notes), 2(c) (*Status of the Senior Non Preferred Notes*), (2(d) (*Status of the Subordinated Notes*), 4(b) (*Maturities/Final Redemption*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*), 8(b) (*Events of Default of the Senior Non Preferred Notes*), 8(c) (*Events of Default of the Subordinated Notes*), and 16 (*Acknowledgment of the Italian / Luxembourg Bail-in Power*) of these Conditions, are governed by, and shall be construed in accordance with, Italian law; and **(II)** in case of Senior Preferred Notes issued by Mediobanca International, Conditions 2(b) (*Status of the Senior Preferred Notes*), 4(b) (*Maturities/Final Redemption*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) and Condition 16 (*Acknowledgment of the Italian / Luxembourg Bail-in Power*) of these Conditions, which are governed by, and shall be construed in accordance with, Luxembourgish law. For the avoidance of doubt, articles 470-3 to 470-19 of the Luxembourg Company Law shall not apply to Senior Preferred Notes issued by Mediobanca International.

(b) **Jurisdiction**: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising from or connected with the Notes, whether arising out of or in connection with contractual or non-contractual obligations.

(c) **Service of notices/documents**: Each of the Issuers and the Guarantor (where applicable) agree that the documents which start any proceedings relating to a Dispute ("**Proceedings**") and any other documents required to be served in relation to those Proceedings may be served on them by being delivered to Mediobanca - Banca di Credito Finanziario S.p.A. - London Branch, 4th floor, 62 Buckingham Gate SW1E 6AJ, United Kingdom. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer and the Guarantor (where applicable), the Issuer and the Guarantor (where applicable) shall, on the written demand of any Noteholder addressed and delivered to the Issuer and to the Guarantor (where applicable) or to the specified office of the Fiscal Agent appoint a further person in England to accept service of process on their behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and the Guarantor (where applicable) and delivered to the Issuer and the Guarantor (where applicable) or to the specified office of the Fiscal Agent. Nothing in this Condition 15(c) shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition 15(c) applies to Proceedings in England and to Proceedings elsewhere.

16. ACKNOWLEDGEMENT OF THE ITALIAN / LUXEMBOURG BAIL-IN POWER

A) *Acknowledgment of the Italian Bail-in Power*

Notwithstanding any provision of these Conditions or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Notes each holder (which, for the purposes of this Condition 16, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:

(a) the effects of the exercise of the Italian Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of these Conditions; (iii) the cancellation of the Notes or the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

(b) the variation of these Conditions, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Italian Bail-in Power by the Relevant Authority.

The exercise of the Italian Bail-in Power by the Relevant Authority shall not constitute an event of default and these Conditions shall remain in full force and effect save as varied by the Relevant Authority in accordance with this Condition 16.

B) *Acknowledgment of the Luxembourg Bail-in Power*

The provisions of this Condition 16(B) applies to Senior Preferred Notes only.

Notwithstanding any provision of these Conditions or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Senior Preferred Notes each holder (which, for the purposes of this Condition 16, includes each holder of a beneficial interest in the Senior Preferred Notes) acknowledges, accepts, consents to and agrees to be bound by:

(a) the effects of the exercise of the Luxembourg Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Senior Preferred Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Senior Preferred Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of these Conditions; (iii) the cancellation of the Senior Preferred Notes or the principal amount in respect of the Senior Preferred Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Senior Preferred Notes or amendment of the amount of interest payable on the Senior Preferred Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

(b) the variation of these Conditions, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Luxembourg Bail-in Power by the Relevant Authority.

The exercise of the Luxembourg Bail-in Power by the Relevant Authority shall not constitute an event of default and these Conditions shall remain in full force and effect save as varied by the Relevant Authority in accordance with this Condition 16.

TERMS AND CONDITIONS OF THE ITALIAN LAW NOTES

*The following is the text of the terms and conditions of the Notes applicable to each Series of Notes to be governed under Italian Law (respectively, the "**Italian Law Notes**" or the "**Notes**" and the "**Terms and Conditions of the Italian Law Notes**" or the "**Conditions**") which, as completed by the relevant Final Terms, will be endorsed into each Note in final form issued under the Programme. The terms and conditions applicable to any Notes in global form will differ from those terms and conditions which would apply to the Notes whilst in final form to the extent described under "Provisions relating to the Notes While in Global Form" below.*

Mediobanca - Banca di Credito Finanziario S.p.A. ("**Mediobanca**"), Mediobanca International (Luxembourg) S.A. ("**Mediobanca International**") (each, an "**Issuer**" and, together, the "**Issuers**") have established an Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to Euro 40,000,000,000 in aggregate principal amount of senior preferred notes which may be issued by each of the Issuers (the "**Senior Preferred Notes**"), senior non preferred notes which may be issued by Mediobanca only (the "**Senior Non Preferred Notes**" and, together with the Senior Preferred Notes, the "**Senior Notes**") and subordinated notes which may be issued by Mediobanca only (the "**Subordinated Notes**"), guaranteed by Mediobanca (in its capacity as guarantor, the "**Guarantor**") in respect of Senior Preferred Notes issued by Mediobanca International only.

The Notes are issued pursuant to an amended and restated Issue and Paying Agency Agreement dated 16 December 2019, as amended or supplemented from time to time, (the "**Issue and Paying Agency Agreement**") between the Issuers, the Guarantor, BNP Paribas Securities Services, Luxembourg Branch, as fiscal agent and principal paying agent (the "**Fiscal Agent**") and Mediobanca in its capacity as Italian paying agent (the "**Italian Paying Agent**" and together with the Fiscal Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the "**Paying Agents**"). The Guarantor has, for the benefit of the holders of Senior Preferred Notes issued by Mediobanca International from time to time, executed and delivered a deed of guarantee (the "**Deed of Guarantee**") dated 16 December 2019 under which it has guaranteed, in accordance with the terms and subject to limitations of the Deed of Guarantee, the due and punctual payment of the amounts due by Mediobanca International under the Notes as and when the same shall become due and payable (the "**Guarantee of the Notes**"). The holders of the Notes (as defined below), the holders of the interest coupons (the "**Coupons**") appertaining to interest bearing Notes and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") and the holders of the instalment receipts (the "**Receipts**") appertaining to the payment of principal by instalments are deemed to have notice of all of the provisions of the Issue and Paying Agency Agreement applicable to them.

Notes issued under the Programme are issued in series (each, a "**Series**") and each Series may comprise one or more tranches (each, a "**Tranche**") of Notes. Each Tranche of Notes is the subject of final terms (the "**Final Terms**") which completes these Conditions. The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the Final Terms, the Final Terms shall prevail. All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the Final Terms. These Conditions apply to Senior Preferred Notes and Senior Non Preferred Notes, only to the extent that such Senior Non Preferred Notes are issued by Mediobanca, and are defined as "*strumenti di debito chirografario di secondo livello*" pursuant to and for the purposes of Articles 12-*bis* and 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority. These Conditions apply only to Subordinated Notes which are issued by Mediobanca and are defined as "*Tier II Instruments*" in Part II, Chapter 1 of the Prudential Regulations for Banks and in Article 63 of the CRR. Copies of the Final Terms are available during normal business hours at the specified office of the Fiscal Agent, the initial Specified Office of which is set out below (the "**Specified Office**"). Certain provisions of these Conditions are summaries of the Issue and Paying Agency Agreement and are subject to their detailed provisions.

The Final Terms issued in respect of each issue of Notes will specify whether the Issuer is Mediobanca or Mediobanca International. In these Conditions, any reference to a statute or regulation shall be construed as a reference to such statute or regulation as the same may have been, or may from time to time be, amended or re-enacted.

Copies of the Issue and Paying Agency Agreement and the Deed of Guarantee are available for inspection at the specified office of the Paying Agent.

1. FORM, DENOMINATION AND TITLE

The Notes are issued in bearer form in the currency (the "**Specified Currency**") and the denominations (the "**Specified Denomination(s)**") shown in the Final Terms, *provided that* Senior Non Preferred Notes will have denomination of at least EUR 250,000 (or, where the Senior Non Preferred Notes are denominated in a currency other than euro, the equivalent amount in such other currency).

Notes are issued with Coupons (and where appropriate, a Talon) attached save in the case of Notes which do not bear interest in which case references to interest (other than in relation to interest due after the date specified in the Final Terms as the Maturity Date (as designed below), Coupons and Talons in these Conditions are not applicable. Any Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Title to the Note and the Receipts, Coupons and Talons shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

In these Conditions, "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Note, Receipt, Coupon or Talon. All capitalised terms which are not defined in these Conditions will have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes. Those definitions will be endorsed on the definitive Notes.

2. STATUS OF NOTES AND GUARANTEE

(a) **Definitions:**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below.

"**Bank of Italy**" means the Bank of Italy and/or any other competent authority which at a future date carries out the functions which the Bank of Italy performs as at the Issue Date.

"**Italian Banking Act**" means Italian Legislative Decree No. 385 of 1 September 1993, as amended or supplemented from time to time (including, without limitation, as a consequence of the transposition of the Banking Reform Package into Italian law)..

"**Liquidazione Coatta Amministrativa**" means *Liquidazione Coatta Amministrativa* as described in Articles 80 to 94 of the Italian Banking Act.

(b) **Status of the Senior Preferred Notes:**

The Senior Preferred Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank at all times at least *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Issuer, save for certain mandatory exceptions of applicable law, it being understood moreover that the obligations of the relevant Issuer under the Senior Preferred Notes will be subject to the Italian Bail-In Power or the Luxembourg Bail-In Power, as the case may be.

If waiver of set-off rights is specified as applicable in the applicable Final Terms, each holder of a Senior Preferred Note unconditionally and irrevocably waives any right of

set-off, counterclaim, abatement or other similar remedy which it might otherwise have under the laws of any jurisdiction in respect of such Senior Preferred Note.

(c) **Status of the Senior Non Preferred Notes**:

The Senior Non Preferred Notes will constitute direct, unconditional, unsubordinated, unsecured and non preferred obligations of Mediobanca and will rank at all times *pari passu* without any preference among themselves.

In the event of a winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of Mediobanca, the payment obligations of Mediobanca under each Series of Senior Non Preferred Notes, and the relative Coupons as the case may be, will rank in right of payment (A) after unsubordinated creditors (including depositors and any holder of Senior Preferred Notes and their respective Coupons) of Mediobanca but (B) at least *pari passu* with all other present and future unsubordinated and non preferred obligations of Mediobanca which do not rank or are not expressed by their terms to rank junior or senior to such Series of Senior Non Preferred Notes and (C) in priority to any present or future claims ranking junior to such Series of Senior Non Preferred Notes (including any holder of Subordinated Notes) and the claims of shareholders of Mediobanca, in all such cases in accordance with the provisions of Article 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority, it being understood moreover that the obligations of Mediobanca under the Senior Non Preferred Notes will be subject to the Italian Bail-In Power.

Each holder of a Senior Non Preferred Note is deemed unconditionally and irrevocably to have waived any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Senior Non Preferred Note.

(d) **Status of the Subordinated Notes**:

The Subordinated Notes and any related Coupons constitute direct, unsecured and subordinated obligations of Mediobanca and, subject to the provisions of this Condition 2, will at all times rank *pari passu* without any preference among themselves. In relation to each Series of Subordinated Notes, all Subordinated Notes of such Series will be treated equally and all amounts paid by Mediobanca in respect of principal and interest thereon will be paid *pro rata* on all Notes of such Series.

In the event of the winding up, dissolution, liquidation or bankruptcy (including, *inter alia, Liquidazione Coatta Amministrativa*) of Mediobanca, the payment obligations of Mediobanca under each Series of Subordinated Notes, and the relative Coupons as the case may be, will rank in right of payment (A) after unsubordinated creditors (including depositors and any holder of Senior Notes and their respective Coupons) of Mediobanca as well as subordinated creditors which rank or are expressed to rank senior to the Subordinated Notes but (B) at least *pari passu* with all other subordinated obligations of Mediobanca which do not rank or are not expressed by their terms to rank junior or senior to such Series of Subordinated Notes and (C) in priority to the claims of subordinated creditors ranking or expressed to rank junior to the Subordinated Notes (including, but not limited to, *"Additional Tier 1 Instruments"* (as defined in the Prudential Regulations for Banks and in the CRR)) and of the shareholders of Mediobanca, it being understood moreover that the obligations of Mediobanca under the Subordinated Notes will be subject to the Italian Bail-In Power.

Each holder of a Subordinated Note is deemed unconditionally and irrevocably to have waived any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Subordinated Note.

(e) **Status of Guarantee**

The Guarantee of the Senior Preferred Notes constitutes direct, unconditional, unsubordinated and unsecured obligations of the Guarantor pursuant to the terms and conditions and subject to the limitations set out in the Deed of Guarantee which will rank at all times at least *pari passu* without any preference among themselves and equally with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for certain mandatory exceptions of applicable law.

3. INTEREST AND OTHER CALCULATIONS

(a) **Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below.

"**Accrual Yield**" has the meaning given in the relevant Final Terms.

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms.

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms.

"**Benchmarks Regulation**" means Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014.

"**Broken Amount**" means the amount specified as such in the relevant Final Terms.

"**Business Day**" means:

(i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

(ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre.

"**Calculation Agent**" means Mediobanca - Banca di Credito Finanziario S.p.A., the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Interest Rate(s) and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms.

"**Calculation Amount**" means the amount specified as such in the relevant Final Terms.

"**CMS**" means the constant maturity swap rate specified as such in the Final Terms.

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(a) if "**1/1**" is specified, 1;

(b) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period

falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(d) if "**Actual/365 (Fixed)**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 365;

(e) if "**Actual/360**" is specified, the actual number of days in the Calculation Period in respect of which payment is being made divided by 360;

(f) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

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

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

"**M2**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30; and

(g) if "**30E/360**" or "**Eurobond Basis**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

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

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(h) if "**30E/360 (ISDA)**" is specified, the number of days in the Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

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

where:

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

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Termination Date or (ii) such number would be 31, in which case D_2 will be 30.

"**EURIBOR**" means the Euro-zone interbank offered rate specified as such in the Final Terms.

"**First Margin**" means the margin specified as such in the relevant Final Terms.

"**First Reset Date**" means the date specified in the relevant Final Terms.

"**First Reset Period**" means the period from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date.

"**First Reset Rate of Interest**" means, in respect of the First Reset Period and subject to Condition 3(e) (*Interest Rate on Reset Notes*) (ii) (*Fallbacks*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the First Margin.

"**Fixed Coupon Amount**" means the amount specified as such in the relevant Final Terms.

"**Initial Rate of Interest**" has the meaning specified in the relevant Final Terms.

"**Instalment Date(s)**" means the dates specified as such in the relevant Final Terms.

"**Interest Accrual Date**" means the dates specified as such in the relevant Final Terms.

"**Interest Amount**" means:

c) With respect to the Senior Notes, the amount of interest payable per Calculation Amount in respect of any Interest Period and determined according to Condition 3(i) (*Calculations in respect of the Senior Notes*);

d) With respect to the Subordinated Notes:

(i) In respect of an Interest Period, the amount of interest payable per Calculation Amount for that Interest Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified in the Final Terms as being payable on the Interest Payment Date ending the Interest Period; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"**Interest Determination Date**" means the date or the dates specified as such in the Final Terms.

"**Interest Payment Date**" means the date or dates specified as such in the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms, as the same may be adjusted in accordance with the relevant Business Day Convention.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Accrual Date and each successive period beginning on (and including) an Interest Accrual Date and ending on (but excluding) the next succeeding Interest Accrual Date.

"**Interest Rate**" means the rate of interest (expressed as a percentage per annum) payable from time to time in respect of this Note and which is either specified, or calculated in accordance with the provisions, in the relevant Final Terms.

"**Interest Rate Switch Date**" means the date specified as such in the relevant Final Terms.

"**ISDA Definitions**" means the 2006 ISDA Definitions as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the Final Terms) as published by the International Swaps and Derivatives Association, Inc., a copy of which is available on the website of the International Swaps and Derivatives Association, Inc. (www.isda.org) and can be obtained from the Issuer.

"**Issue Date**" means the date specified as such in the relevant Final Terms.

"**Issue Price**" means the amount specified as such in the relevant Final Terms.

"**LIBID**" means the London interbank bid rate specified as such in the Final Terms.

"**LIBOR**" means the London interbank offered rate specified as such in the Final Terms.

"**LIMEAN**" means the London interbank mid-market rate specified as such in the Final Terms.

"**Linear Interpolation**" means the straight-line interpolation by reference to two rates based on the Reference Rate or the ISDA Rate, as the case may be, one of which will be determined as if the Specified Duration were the period of time for which rates are available next shorter than the length of the affected Interest Period and the other of which will be determined as if the Specified Duration or the Designated Maturity, as the case may be, were the period of time for which rates are available next longer than the length of such Interest Period.

"**Margin**" means the percentage specified as such in the relevant Final Terms.

"**Mid-Market Swap Rate**" means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the relevant Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent).

"**Mid-Market Swap Rate Quotation**" means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate.

"**Mid-Swap Floating Leg Benchmark Rate**" means EURIBOR if the Specified Currency is euro or LIBOR for the Specified Currency if the Specified Currency is not euro.

"**Mid-Swap Rate**" means, in relation to a Reset Determination Date and subject to Condition 3(e) (*Interest Rate on Reset Notes*) (ii) (*Fallbacks*), either:

(A) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:

(iii) with a term equal to the relevant Reset Period; and

(iv) commencing on the relevant Reset Date,

which appears on the Relevant Screen Page; or

(B) if Mean Mid-Swap Rate is specified in the relevant Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the

nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered swap rate quotations for swaps in the Specified Currency:

(iii) with a term equal to the relevant Reset Period; and

(iv) commencing on the relevant Reset Date,

which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent.

"**Multiplier**" has the meaning given in the relevant Final Terms.

"**Optional Redemption Amount**" means $RP \times (1 + AY)^{(y)}$

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).

"**Payment Business Day**" means:

(i) if the currency of payment is euro, any day which is:

(A) a day on which banks in the relevant place of presentation (if presentation is required) are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided, however, that**:

(i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent.

"**Rate of Interest**" means the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable.

"**Reference Banks**" means, the institutions specified as such in the relevant Final Terms or, if none, four (or, if the Relevant Financial Centre is Helsinki, five) major banks selected by the Issuer on the advice of an investment bank of international repute.

"**Reference Price**" means the amount specified as such in the relevant Final Terms.

"**Reference Rate**" means EURIBOR, LIBOR, LIBID, LIMEAN, CMS, or the yield on securities issued by the Italian Government, as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms and including where applicable the relevant yield and issue of securities issued by the Italian Government.

"**Reference Rate Multiplier**" means the percentage specified as such in the relevant Final Terms.

"**Regular Period**" means:

(i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

(iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"**Relevant Currency**" means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

"**Relevant Financial Centre**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Reference Rate is most closely connected or, if none is so connected, London.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified as the Relevant Screen Page in the relevant Final Terms for the purpose of providing a

Reference Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Reference Rate.

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the relevant currency in the interbank market in the Relevant Financial Centre **provided that** if the Relevant Currency is Euro and the Benchmark is EURIBOR, the Relevant Time shall be 11.00 am Brussels time.

"**Reset Date**" means the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable).

"**Reset Determination Date**" means, in respect of the First Reset Period, the second Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the Second Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period.

"**Reset Period**" means the First Reset Period or a Subsequent Reset Period, as the case may be.

"**Second Reset Date**" means the date specified in the relevant Final Terms.

"**Specified Currency**" has the meaning, if any, given in the relevant Final Terms.

"**Specified Duration**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the period specified in the relevant Final Terms.

"**Subsequent Margin**" means the margin specified as such in the relevant Final Terms.

"**Subsequent Reset Date**" means the date or dates specified in the relevant Final Terms.

"**Subsequent Reset Period**" means the period from (and including) the Second Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date.

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period and subject to Condition 3(e) (*Interest Rate on Reset Notes*) (ii) (*Fallbacks*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Mid-Swap Rate and the relevant Subsequent Margin.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET or TARGET2) System or any successor thereto.

"**TARGET Settlement Day**" means any day on which the TARGET System is open.

"**Yield**" means:

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 on the basis of the Issue Price, using the formula below. It is not an indication of future yield.

$$P = \frac{C}{r}\left(1 - (1+r)^{-n}\right) + A(1+r)^{-n}$$

Where:

"**P**" is the Issue Price of the Notes; "**C**" is the annualised Interest Amount; "**A**" is the principal amount of Notes due on redemption; "**n**" is time to maturity in years; and "**r**" is the annualised yield.

(b) **Interest Rate and Accrual**

(A) With respect to the Senior Notes, each Senior Note (other than Zero Coupon Notes) bears, for each Interest Period, interest on its outstanding principal amount at the Interest Rate, such interest being payable as the Interest Amount, in arrear and on each Interest Payment Date. Where an Interest Period is a short or long Interest Period, then:

(i) if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable, the Interest Amount payable for that short or long Interest Period shall be, unless otherwise provided in the relevant Final Terms, the Broken Amount specified therein;

(ii) if (in case of the Senior Preferred Notes only) the Reset Note Provisions are specified in the relevant Final Terms as being applicable, the Interest Amount payable for that short or long Interest Period shall be the relevant amount specified as such in the relevant Final Terms; and

(iii) if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, the Interest Rate applicable for that short or long Interest Period shall be determined by the Calculation Agent using Linear Interpolation;

(B) with respect to the Subordinated Notes, each Subordinated Note bears interest on its outstanding principal amount from the Interest Commencement Date at the Interest Rate, such interest being payable in arrear on each Interest Payment Date.

Interest will cease to accrue on each Note on the last day of the last Interest Period and, in any case, on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the Interest Rate in the manner provided in this Condition 3 to the Relevant Date (as defined in Condition 6 (*Taxation*)).

(c) **Business Day Convention**

If any date referred to in these Conditions which is specified in these Conditions or in the relevant Final Terms to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (i) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day, (ii) the Modified Following Business Day Convention, such 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 date shall be brought forward to the immediately preceding Business Day or (iii) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(d) **Interest Rate on Fixed Rate Notes**

With respect to the Senior Notes, if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable, the Interest Rate for each Interest Period shall be the fixed rate specified in the relevant Final Terms. The yield of the Fixed Rate Note is indicated in the relevant Final Terms and is calculated as the internal rate of return (IRR). The yield of the Fixed Rate Notes is calculated at the Issue Date on the basis of the Issue Price and, if indicated in the relevant Final Terms, the Fixed Coupon and/or the Broken Amount.

With respect to the Subordinated Notes, if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable, the amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Denomination. The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Interest Rate to the Calculation Amount of such Note, multiplying the product by the relevant Day Count Fraction (not adjusted in accordance with the Business Day Convention) and rounding the resulting figure in accordance with Condition 3(h) (*Rounding*). Where the Specified Denomination of a Fixed Rate Note comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding. The yield of the Fixed Rate Note is indicated in the relevant Final Terms and is calculated as the internal rate of return (IRR). The yield of the Fixed Rate Notes is calculated at the Issue Date on the basis of the Issue Price and, as indicated in the relevant Final Terms, the Fixed Coupon and/or the Broken Amount.

(e) **Interest Rate on Reset Notes**

(i) Rates of Interest and Interest Payment Dates

If, in case of any Notes other than the Senior Non Preferred Notes, the Reset Note Provisions are specified in the relevant Final Terms as being applicable, then such Reset Note bears interest:

(D) from (and including) the Interest Commencement Date until (but excluding) the First Reset Date at the Initial Rate of Interest;

(E) from (and including) the First Reset Date until (but excluding) the Second Reset Date or, if no such Second Reset Date is specified in the relevant Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and

(F) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on the each Interest Payment Date and on the Maturity Date if that does not fall on an Interest Payment Date. The Rate of Interest and the Interest Amount payable shall be determined by the Calculation Agent, (i) in the case of the Rate of Interest, at or as soon as practicable after each time at which the Rate of Interest is to be determined, and (ii) in the case of the Interest Amount in accordance with the provisions for calculating amounts of interest in Condition 3(d) (*Interest Rate on Fixed Rate Notes*).

(ii) Fallbacks

Subject to Condition 3(o) (*Benchmark replacement*), if on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Issuer or a third party (*i.e.* a financial adviser or an investment bank appointed by the Issuer) shall request each of the Reference Banks (as defined below) to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the principal financial centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First

Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

For the purposes of this Condition 3(e)(ii) "**Reference Banks**" means the principal office in the principal financial centre of the Specified Currency of four (or, if the Relevant Financial Centre is Helsinki, five) major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer on the advice of an investment bank of international repute.

For the avoidance of doubts it being understood that the provisions set forth in this Condition 3(e) shall apply in respect of any Notes other than the Senior Non Preferred Notes.

(f) **Interest Rate on Floating Rate Notes**

If the Floating Rate Note Provisions are specified in the Final Terms as being applicable, the Interest Rate for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) ***Screen Rate Determination***: if Screen Rate Denomination is specified in the relevant Final Terms as the manner in which the Interest Rate is to be determined, subject to Condition 3(o) (*Benchmark replacement*), as follow:

(A) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(B) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(C) if, in the case of paragraph (A) above, such rate does not appear on that page or, in the case of paragraph (B) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable:

(1) the Issuer or a third party (*i.e.* a financial adviser or an investment bank appointed by the Issuer) will request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(2) the Calculation Agent will determine the arithmetic mean of such quotations; and

(3) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Relevant Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in

the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Interest Rate for such Interest Period shall be

(a) if "**Multiplier**" is specified in the relevant Final Terms as not being applicable, the sum of the Margin and the rate or (as the case may be) the arithmetic mean determined in accordance with the above provisions (the "**Determined Rate**");

(b) if "**Multiplier**" is specified in the relevant Final Terms as being applicable (i) the sum of the Margin and the relevant Determined Rate multiplied by (ii) the Multiplier;

(c) if "**Reference Rate Multiplier**" is specified in the relevant Final Terms as being applicable, the sum of (i) Margin, and (ii) the relevant Determined Rate multiplied by the Reference Rate Multiplier,

provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Interest Rate applicable to the Notes during such Interest Period will be calculated in accordance with the foregoing, save that the Determined Rate shall be the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(ii) ***ISDA Determination***: If, in respect of any Notes other than the Senior Non Preferred Notes, ISDA Determination is specified in the relevant Final Terms as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Notes for each Interest Period will be

(a) if "**Multiplier**" is specified in the relevant Final Terms as not being applicable, the sum of the Margin and the relevant ISDA Rate;

(b) if "**Multiplier**" is specified in the relevant Final Terms as being applicable (i) the sum of the Margin and the relevant ISDA Rate multiplied by (ii) the Multiplier;

(c) if "**Reference Rate Multiplier**" is specified in the relevant Final Terms as being applicable, the sum of (i) Margin, and (ii) the relevant ISDA Rate multiplied by the Reference Rate Multiplier,

where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;

(B) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and

(C) the relevant Reset Date (as defined in the ISDA Definitions) is either (1) if the relevant Floating Rate Option is based on the London inter-

bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (2) in any other case, as specified in the relevant Final Terms.

(g) **Maximum/Minimum Interest Rates, Instalment Amounts and Redemption Amounts**

If any Maximum or Minimum Interest Rate, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Interest Rate, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be, **provided however that** provisions relating to the Maximum or Minimum Interest Rate shall not apply to the Senior Non Preferred Notes and shall not be specified at any time in the relevant Final Terms.

(h) **Rounding**

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (ii) all figures will be rounded to seven significant figures (with halves being rounded up) and (iii) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes "**unit**" means, with respect to any currency other than Euro, the lowest amount of such currency which is available as legal tender in the country of such currency and, with respect to Euro, means one cent.

(i) **Calculations in respect of the Senior Notes**

This Condition 3(i) applies to the Senior Notes only.

The Interest Amount payable in respect of an Interest Period shall calculated using one of the following methods:

(i) if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable but subject to sub-paragraph (ii) below, the Interest Amount payable for any Interest Period shall be an amount calculated by the Calculation Agent by applying the Interest Rate to the Calculation Amount and by multiplying the product so obtained by the Day Count Fraction (adjusted or unadjusted in accordance with the Business Day Convention, as specified in the relevant Final Terms); or

(ii) notwithstanding sub-paragraph (i) above, if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable and a Fixed Coupon Amount and/or Broken Amount is specified in the Final Terms to be payable on an Interest Payment Date, the Interest Amount payable for the relevant Interest Period shall be the Fixed Coupon Amount and/or Broken Amount so specified; or

(iii) if the Reset Note Provisions are specified in the relevant Final Terms as being applicable with respect to Senior Preferred Notes only, the Interest Amount payable for any Interest Period shall be an amount calculated by the Calculation Agent in accordance with the provisions of Condition 3(e) (*Interest Rate on Reset Notes*) (i) (*Rates of Interest and Interest Payment Dates*) (adjusted or unadjusted in accordance with the Business Day Convention, as specified in the relevant Final Terms); or

(iv) if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable, the Interest Amount payable for any Interest Period shall be an amount calculated by the Calculation Agent by applying the Interest Rate to the Calculation Amount and by multiplying the product so obtained by the Day Count Fraction (adjusted or unadjusted in accordance with the Business Day Convention, as specified in the relevant Final Terms).

Each Interest Amount (other than the Fixed Coupon Amount and the Broken Amount) shall be rounded in accordance with Condition 3(h) (*Rounding*).

(j) **Calculations in respect of the Subordinated Notes**

This Condition 3(j) applies to the Subordinated Notes only.

The amount of interest payable in respect of any Subordinated Note for any period shall be calculated by multiplying the product of the Interest Rate and the outstanding Calculation Amount by the Day Count Fraction, save that where an Interest Amount (or a formula for its calculation) is specified in respect of such period, the amount of interest payable in respect of such Subordinated Note for such period will equal such Interest Amount (or be calculated in accordance with a formula). Where the Specified Denomination of a Floating Rate Note comprises more than one Calculation Amount, the Interest Amount payable in respect of such Subordinated Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding. In respect of any short or long Interest Period as specified in the applicable Final Terms, the Calculation Agent will determine the Interest Rate using Linear Interpolation.

(k) **Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts**

After the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation, it will, promptly, determine the Interest Rate and calculate the Interest Amount on the principal amount of the Notes for the relevant Interest Period, calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, the Paying Agent, the holders of the Notes, any other Calculation Agent appointed in respect of the Notes which is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so requires, such exchange promptly after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 8 (*Events of Default*), the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 3(k) but no publication of the Interest Rate or the Interest Amount so calculated need be made. The determination of each Interest Rate, Interest Amount, Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(l) **Calculation Agent and Reference Banks**

The Issuer will use its best endeavours to ensure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the Conditions applicable to the Notes and for so long as any Notes are outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent

performing its duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(m) **Late payment on Zero Coupon Notes**

If the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable and the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The calculation of the above amount shall be made (where such calculation is to be made for a period which is not a whole number of years) on the basis of such Day Count Fraction as may be specified in the relevant Final Terms for the purposes of this Condition 3(m) or, if none is so specified, a Day Count Fraction of 30E/360.

(n) **Interest Rate Switch**

If so specified as being applicable in the relevant Final Terms, from and including the Interest Rate Switch Date, the Interest Rate applicable for the calculation of the Interest Amounts due for each remaining Interest Period with respect to the Notes shall be the rate specified as applying from and including such Interest Rate Switch Date in the Final Terms and the initial Interest Rate applicable to the Notes shall no longer apply.

(o) ***Benchmark replacement***

Notwithstanding the provisions in Conditions 3(e) (*Interest Rate on Reset Notes*) (ii) (*Fallbacks*) and 3(f) (*Interest Rate on Floating Rate Notes*), if the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)) determines that the relevant Mid-Swap Rate or Reference Rate (as applicable) specified in the applicable Final Terms has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered when any Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate or Mid-Swap Rate, then the following provisions shall apply:

(1) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser (as defined below) to determine (acting in good faith and in a commercially reasonable manner) a Successor Rate (as defined below) or, alternatively, if there is no Successor Rate, an Alternative Benchmark Rate no later than 3 Business Days prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable) (the "**IA Determination Cut-off Date**") for purposes of determining the Rate of Interest applicable to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 3(o));

(2) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Benchmark Rate prior to the IA Determination Cut-off Date, then the Issuer (acting in good faith and a commercially reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Benchmark Rate, in accordance with the provisions set out under sub-paragraph (3) below;

(3) if a Successor Rate or, failing which, an Alternative Benchmark Rate is determined in accordance with the preceding provisions, such Successor Rate or, failing which, Alternative Benchmark Rate shall be the Reference Rate or Mid-Swap Rate (as applicable) in relation to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 3(o)); *provided, however, that* if sub-paragraph (2) applies and the Issuer is unable to determine a Successor Rate or an Alternative Benchmark Rate prior to the Reset Determination Date or Interest Determination Date (as applicable) relating to the next succeeding Reset Period or Interest Period (as applicable), the Rate of Interest applicable to such next succeeding Reset Period or Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of a preceding Reset Period or Interest Period as applicable (which may be the Initial Rate of Interest) (though substituting, where a different Margin is to be applied to the relevant Reset Period or Interest Period from that which applied to the last preceding Reset Period or Interest Period, the Margin relating to the relevant Reset Period or Interest Period, in place of the Margin relating to that last preceding Reset Period or Interest Period); for the avoidance of doubt, the provison in this sub-paragraph (3) shall apply to the relevant Interest Period or Reset Period (as applicable) only and any subsequent Interest Periods or Reset Periods (as applicable) are subject to the subsequent operation of, and to adjustment as provided in, this Condition 3(o);

(4) if the Independent Adviser or the Issuer determines a Successor Rate or, failing which, an Alternative Benchmark Rate in accordance with the above provisions, the Independent Adviser or the Issuer (as the case may be) may also, following consultation with the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), specify changes to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Reset Determination Date, Interest Determination Date and/or the definition of Mid-Swap Rate or Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate or the Alternative Benchmark Rate, which changes shall apply to the Notes for all future Reset Periods or Interest Periods (as applicable) also in compliance with the Issuer's written plans provided for under article 28(2) of the Benchmarks Regulation (subject to the subsequent operation of this Condition 3(o)). If the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Benchmark Rate (as applicable) and determines 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 Benchmark Rate (as applicable). If the Independent Adviser or the Issuer (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Benchmark Rate (as applicable) will apply without an Adjustment Spread. For the avoidance of doubt, the Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Issue and Paying Agency Agreement and these Conditions as may be required in order to give effect to this Condition 3(o). No Noteholder consent shall be required in connection with effecting the Successor Rate or Alternative Benchmark Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Agent (if required));

(5) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate give notice thereof and of any changes pursuant to subparagraph (4) above to the Calculation Agent and the Noteholders; and

(6) if the provisions relating to the occurrence of, with respect to the Senior Notes, a Regulatory Event, or, with respect to the Subordinated Notes only, a MREL/TLAC Disqualification Event, in case of a Alternative Benchmark Rate is specified as applicable in the relevant Final Terms, the provisions above would cause the occurrence of, respectively, a Regulatory Event or a MREL/TLAC Disqualification Event, therefore no Alternative Benchmark Rate will be adopted, and the Relevant Screen Page on which appears the Reference Rate or the relevant Interest Period will be equal to the last Reference Rate available at the immediately preceding Interest Period on the Relevant Screen Page as determined by the Calculation Agent.

For the purposes of this Condition 3(o):

"**Adjustment Spread**" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines is required to be applied to the Successor Rate or the Alternative Benchmark Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice to Noteholders as a result of the replacement of the Reference Rate or Mid-Swap Rate (as applicable) with the Successor Rate or the Alternative Benchmark Rate (as applicable) and is the spread, formula or methodology which:

(iv) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate or Mid-Swap Rate (as applicable) with the Successor Rate by any Relevant Nominating Body; or

(v) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Benchmark Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate or Mid-Swap Floating Rate (as applicable), where such rate has been replaced by the Successor Rate or the Alternative Benchmark Rate (as applicable); or

(vi) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer), determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

"**Alternative Benchmark Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate or Mid-Swap Rate (as applicable) in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of eurobonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period or Reset Period (as applicable), or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Reference Rate or Mid-Swap Rate (as applicable).

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense.

"**Relevant Nominating Body**" means, in respect of a reference rate or mid-swap floating leg benchmark rate:

(iii) the central bank for the currency to which the reference rate or mid swap floating leg benchmark rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate or mid swap floating leg benchmark rate; or

(iv) 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 reference rate or mid swap floating leg benchmark rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate or mid-swap floating leg benchmark rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate or Mid-Swap Rate (as applicable) which is formally recommended by any Relevant Nominating Body.

4. REDEMPTION, PURCHASE AND OPTIONS

(a) Definitions

In these Conditions, unless the context requires otherwise:

The expressions "**Early Redemption Amount**"; "**Final Redemption Amount**", "**Instalment Amount**", "**Optional Redemption Amount (*Call*)**", and "**Optional Redemption Amount (*Put*)**" mean, in respect of any Note: (A) such amount as may be specified in, or determined in accordance with the relevant Final Terms; or (B) if no such amount is specified, the principal amount of such Note.

"**Applicable Banking Regulations**" means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in the Republic of Italy, including, without limitation to the generality of the foregoing, the BRRD, the BRRD Implementing Regulations, the CRD IV, the Prudential Regulations for Banks of the Bank of Italy, the Banking Reform Package, the SRM Regulation and those regulations, requirements, guidelines and policies relating to capital adequacy then in effect of the Relevant Authority or of the institutions of the European Union and/or the Republic of Italy (as defined below) whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Group;

"**Banking Reform Package**" means (i) Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No. 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposure to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No. 648/2012, (ii) Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No. 806/2014 as regards the loss-absorbing and recapitalization capacity of credit institutions and investment firms, (iii) Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, and (iv) Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalization capacity of credit institutions and investment firms and Directive 98/26/EC;

"**CRA Regulation**" means Regulation (EC) No. 1060/2009, as amended and supplemented.

"**CRA Regulation**" means Regulation (EC) No. 1060/2009, as amended and supplemented.

"**CRD IV**" means the CRD IV Directive, the CRR and any CRD IV Implementing Measure;

"**CRD IV Directive**" means the directive 2013/36 of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC as amended, supplemented or replaced from time to time, including any successor regulations (including, without limitation, as a consequence of the entry into force of the Banking Reform Package);

"**CRD IV Implementing Measure**" means any regulatory capital rules implementing the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Bank of Italy, the European Banking Authority or any other relevant authority, which are applicable to the Issuer (on a standalone basis) or the Issuer together with its consolidated subsidiaries (on a consolidated basis) and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer (on a standalone or consolidated basis);

"**CRR**" means the Regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms amending Regulation No. 648/2012, supplemented or replaced from time to time, including any successor regulations (including, without limitation, as a consequence of the entry into force of the Banking Reform Package);

"**Extraordinary Resolution**" has the meaning given to that term in the Issue and Paying Agency Agreement.

"**Italian Bail-in Power**" means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of Italy, relating to (i) the transposition of the BRRD (in including, but not limited to, Legislative Decrees No. 180/2015 and 181/2015) as amended from time to time, (ii) Regulation (EU) No.806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Supervisory Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010, as amended or superseded from time to time (the "**SRM Regulation**") and (iii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity (as defined below) (or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period);

"**Luxembourg Bail-in Power**" means any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Luxembourg, (i) relating to the transposition of the BRRD (including, but not limited to, the Luxembourg law of 18 December 2015 relative *aux mesures de résolution, d'assainissement et de liquidation des établissements de crédit et de certaines enterprises d'investissement ainsi qu'aux systèmes de garantie des dépôts et d'indemnisation des investisseurs*, as amended from time to time (the "**Luxembourg BRRD Law**"), (ii) relating to the SRM Regulation or (iii) otherwise arising under

Luxembourg law and (iv) in each case, the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period) and any right in a contract governing an obligation of a regulated entity may be deemed to have been exercised. For this purpose, a reference to a "regulated entity" is to any institution or entity (which includes certain credit institutions, investment firms, and certain of their group companies) referred to in points (1), (2), (3) or (4) of Article 2(1) of the Luxembourg BRRD Law, and with respect to the SRM Regulation to any entity referred to in Article 2 of the SRM Regulation; and

"**Maturity Date**" means the date specified as such in the relevant Final Terms.

"**Maturity Period**" means the period from and including the Issue Date to but excluding the Maturity Date.

"**Prudential Regulations for Banks**" means the Bank of Italy's *Disposizioni di Vigilanza per le Banche*, as set out in Bank of Italy Circular No. 285 of 17 December 2013, as amended and supplemented from time to time, including any successor regulations.

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Instalment Amount, the Early Redemption Amount, the Optional Redemption Amount (*Call*), the Optional Redemption Amount (*Put*), the Early Redemption Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms, **provided that** such amount is in any case at least equal to the principal amount of the relevant Note.

"**Regulatory Capital Requirements**" means any applicable minimum capital or capital requirement specified for banks or financial group by the Relevant Authority.

"**Relevant Authority**" means the Bank of Italy or such other governamental authority in the Republic of Italy (or other country where the Issuer is then domiciliated) or in the European Union having primary responsibility for prudential and resolution oversight and supervision of the Issuer and/or the Group from time to time and/or, as the context may require, the "resolution authority" or the "competent authority" as defined under BRRD and/or SRM Regulation.

(b) **Maturities/Final Redemption**

(i) Unless previously redeemed, purchased and cancelled as provided below in accordance with Conditions 4(c) (*Redemption for taxation reasons*), 4(d) (*Purchases*), 4(f) (*Redemption at the option of the Issuer*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*), Condition 4(h) (*Redemption at the option of holders of Notes*) or Condition 4(i) (*Redemption by instalments*), each Note will be redeemed at its Final Redemption Amount on the Maturity Date.

(ii) Senior Non Preferred Notes shall have a minimum Maturity Period of twelve months, as provided under Articles 12-*bis* and 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority.

(iii) Subordinated Notes shall have a minimum Maturity Period of five years, as provided under the Applicable Banking Regulations.

(c) **Redemption for taxation reasons**

Subject to Condition 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*), if Redemption for taxation reasons is specified in the Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, on giving not less than 30 nor more than 60 days' notice to the

holders of Notes (which notice shall be irrevocable), at their Early Redemption Amount (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or the Guarantor, as the case may be) (A) has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (*Taxation*) or (B) has or will become subject to additional amount of national income taxes (and/or, in the case of Mediobanca, regional tax on productive activities – IRAP) due to partial or entire limitation to the deductibility of any payments under the Notes, in either case as a result of (1) any change in, or amendment to, the laws or regulations of Luxembourg or any political subdivision thereof or any agency or authority thereof or therein having power to tax (in the case of payments made by or on behalf of Mediobanca International) or the Republic of Italy or any political subdivision thereof or any agency or authority thereof or therein having power to tax (in the case of payments made by or on behalf of Mediobanca), or (2) any change in the application or official interpretation of such laws or regulations, or (3) any judicial decision, official administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) (for purposes of this definition, an "**Administrative Action**"), or (4) any clarification of, or change in the official position or the interpretation of such Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the generally accepted position, in each case by any legislative body, court, governmental, administrative or regulatory authority or body, irrespective of the manner in which such clarification or change is made known, which change, amendment, Administrative Action or clarification becomes effective on or after the Issue Date, and (ii) such obligations/limitations under (A) and (B) above cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it which (x) do not require the Issuer (or the Guarantor, as the case may be) to incur material out-of-pocket expenses and (y) would not otherwise be disadvantageous to the Issuer or the Guarantor, as determined in their discretion; **provided that** in the case under (A) above no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then be due. Prior to the publication of any notice of redemption pursuant to this Condition 4(c), the Issuer shall deliver to the Fiscal Agent a certificate signed by a director of the Issuer (or the Guarantor, as the case may be) stating that such Issuer (or the Guarantor, as the case may be) is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of such Issuer (or the Guarantor, as the case may be) so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that there is more than an unsubstantial risk that the Issuer (or the Guarantor, as the case may be) (A) has or will become obliged to pay such additional amounts or (B) has or will become subject to additional amount of taxes, as indicated above, due to limitation of the deductibility of payments under the Notes as a result of such change, amendment, Administrative Action or clarification (the "**Tax Event**").

(d) **Purchases**

Subject to Condition 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*), the Issuer, the Guarantor and any of the Guarantor's subsidiaries may purchase Notes in the open market or otherwise at any price **provided that** all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith. Without prejudice to the foregoing, if so specified in the relevant Final Terms the Issuer will be entitled to exercise the option to repurchase from the holder(s), at its sole discretion, (1) all (but not part of) the Notes of the relevant Series (the "**Total Repurchase Option**") or (2) on one or more occasions, any portion of the Notes of the relevant Series, **provided that** in such circumstances the amount of the Notes of the relevant Series to be purchased from each holder shall be the same proportion that the aggregate principal amount of the Notes of the relevant Series that are subject to the relevant Partial Purchase Option bears to the aggregate principal amount of all the Notes of the relevant Series then outstanding prior to the exercise of the relevant

Partial Purchase Option (the "**Partial Repurchase Option**"). The Total Repurchase Option and the Partial Repurchase Option can only be exercised by the Issuer at the date(s) and the price(s) specified in the Final Terms as the Total Repurchase Option date or the Partial Repurchase Option date(s) and the Total Repurchase Option amount or Partial Repurchase Option amount(s), respectively. Upon exercise of the Total Repurchase Option or the Partial Repurchase Option, the holder(s) shall be obliged to sell to the Issuer (or any other entity indicated by the Issuer) all the Notes of the Series in relation to which the Total Repurchase Option or the Partial Repurchase Option (as the case may be) is exercised.

(e) **Early Redemption of Zero Coupon Notes, Redemption of Zero Coupon Notes for taxation reasons, Redemption of Zero Coupon Notes at the Option of the holder, Redemption of Zero Coupon Notes at the option of holders of Notes**

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(A) the Reference Price; and

(B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Final Terms for the purposes of this Condition 4(e) or, if none is so specified, a Day Count Fraction of 30E/360.

(f) **Redemption at the option of the Issuer**

Subject to Condition 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*), if the Call Option is specified in the relevant Final Terms as being applicable, then the following provisions will apply:

(1) If European Style is specified in the relevant Final Terms as being applicable, then the Issuer may, on giving irrevocable prior notice to the holders of Notes, – which notice must be received by the holders of Notes no later than the last day of the notice period specified in the relevant Final Terms – redeem all or, if "Partial Redemption" is specified as applicable in the relevant Final Terms, some of the Notes. Any such redemption of Notes shall occur on the relevant Optional Redemption Date at their Optional Redemption Amount (*Call*), together with accrued interest (if any) up to such date, unless otherwise specified in the relevant Final Terms.

(2) If American Style is specified in the relevant Final Terms as being applicable, then the Issuer may, at any time during any exercise period specified in the Final Terms (the "**Exercise Period**"), elects to redeem all or, if "Partial Redemption" is specified as applicable in the relevant Final Terms, some of the Notes, by sending a notice to the holders of Notes which notice must be received by such holders no later than the end of the relevant Exercise Period. Any such redemption of Notes shall occur on the relevant Optional Redemption Date at their Optional Redemption Amount (*Call*) together with accrued interest (if any) up to such date, unless otherwise specified in the relevant Final Terms.

In the case of a Partial Redemption, the notice to holders of Notes shall also contain the serial numbers of the Notes to be redeemed, which shall have been drawn in such place as the Fiscal Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

(g) **Redemption for regulatory reasons (Regulatory Call)**

Subject to Condition 4(l) (*Special provision in relation to redemption, purchase or modification of the Notes*), if Regulatory Call is specified in the applicable Final Terms, the Notes may be redeemed at the option of the Issuer, in whole but not in part, at any time (if the Note is not a Floating Rate Note) or on any Interest Payment Date (if the Note is a Floating Rate Note), on giving not less than 15 nor more than 30 days' notice (which notice shall be irrevocable) to the Paying Agent and, in accordance with Condition 12 (*Notices*), to the holders of the Notes: (i) upon the occurrence of a MREL/TLAC Disqualification Event with respect to the relevant Series of Senior Preferred Notes and/or Senior Non Preferred Notes (as the case may be), and (ii) to the holders of the Subordinated Notes, if the Subordinated Notes cease to qualify (in whole or in part) as "*Tier II Capital*", on a consolidated or non consolidated basis, as a result of changes after the date of issue of the relevant Subordinated Notes in the standards and guidelines of the Bank of Italy or in the applicable legal or regulatory provisions (including legal or regulatory provisions adopted by the European Union) (the "**Regulatory Event**").

"**BRRD**" means the directive 2014/59/EU, as amended, providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms as amended, supplemented or replaced from time to time (including, without limitation, as a consequence of the entry into force of the Banking Reform Package).

"**BRRD Implementing Decrees**" means the Legislative Decrees No. 180 and 181 of 16 November 2015, implementing the BRRD in the Republic of Italy, as amended or replaced from time to time (including, without limitation, as a consequence of the transposition of the Banking Reform Package into Italian law).

"**MREL/TLAC Disqualification Event**" means the determination by the Issuer, that as a result of a change in Italian and/or EU laws or regulations becoming effective on or after the Issue Date of a Series of Senior Preferred Notes and/or of Senior Non Preferred Notes, which change was not reasonably foreseeable by the Issuer as at the Issue Date of the Series, it is likely that all or part of the aggregate outstanding nominal amount of such Series of Senior Preferred Notes and/or of Senior Non Preferred Notes will be excluded from the eligible liabilities available to meet the MREL/TLAC Requirements (however called or defined by then applicable regulations) if the Issuer is then subject to such requirements, **provided that** a MREL/TLAC Disqualification Event shall not occur where such Series of Senior Preferred Notes and/or of Senior Non Preferred Notes is excluded on the basis (1) that the remaining maturity of such Senior Preferred Notes and/or Senior Non Preferred Notes is less than any period prescribed by any applicable eligibility criteria under the MREL/TLAC Requirements, or (2) of any applicable limits on the amount of eligible liabilities permitted or allowed to meet the MREL/TLAC Requirements.

"**MREL/TLAC Requirements**" means the minimum requirement for own funds and eligible liabilities and/or total loss-absorbing capacity requirements applicable to the Issuer and/or the Group referred to in the BRRD, any other EU law or regulation and relevant implementing legislation and regulation in Italy.

"**Tier II Capital**" has the meaning given to it from time to time in the Applicable Banking Regulation.

(h) **Redemption at the option of holders of Notes**

This Condition 4(h) applies only to the Senior Notes.

If the Put Option is specified as being applicable to the Senior Notes in the relevant Final Terms, then the following provisions will apply:

(1) If European Style is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holders of the Senior Notes, redeem all or, if "Partial Redemption" is specified as applicable in the relevant Final Terms, some of the Senior Notes on the relevant Optional Redemption Date at its Optional Redemption Amount (*Put*) together with accrued interest (if any) up to such date, unless otherwise specified in the relevant Final Terms. To exercise such option, the holders must deposit such Senior Notes with any Paying Agent at its specified office, together with a duly completed option exercise notice (the "**Exercise Notice**") in the form of obtainable from any Paying Agent; the Exercise Notice must be deposited with such Paying Agent no later than the last day of the notice period specified in the relevant Final terms. No Senior Note so deposited and option exercised may be withdrawn (except as provided in the Issue and Paying Agency Agreement) without the prior consent of the Issuer.

(2) If American Style is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holders of any the Senior Notes, redeem all or, if "Partial Redemption" is specified as applicable in the relevant Final Terms, some of the Senior Notes on the relevant Optional Redemption Date at its Optional Redemption Amount (*Put*) together with accrued interest (if any) up to such date, unless otherwise specified in the relevant Final Terms. To exercise such option which may be exercised at any time during any exercise period specified in the relevant Final Terms (the "**Exercise Period**"), the holder must deposit such Senior Notes with any Paying Agent at its specified office, together with a duly completed option exercise notice (the "**Exercise Notice**") in the form obtainable from any Paying Agent; the Exercise Notice must be deposit with such Paying Agent no later than the end of the relevant Exercise Period. No Note so deposited and option exercised may be withdrawn (except as provided in the Issue and Paying Agency Agreement) without the prior consent of the Issuer.

In the case of a Partial Redemption, the notice to holders of Senior Notes shall also contain the serial numbers of the Senior Notes to be redeemed, which shall have been drawn in such place as the Fiscal Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

(i) **Redemption by instalments**

Unless previously redeemed, purchased and cancelled in accordance with Condition 4(f) (*Redemption at the option of the Issuer*) or Condition 4(h) (*Redemption at the option of holders of Notes*), each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding principal amount of such Note shall be reduced by the Instalment Amount for all purposes.

(j) **Cancellation**

Notes purchased by or on behalf of the Issuer, the Guarantor or any of the Guarantor's subsidiaries (where applicable) may be surrendered for cancellation, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, if so surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the

Issuer and the Guarantor (where applicable) in respect of any such Notes shall be discharged.

(k) **Specific Buy Back Provisions**

This Condition 4(k) applies only to the Senior Preferred Notes.

If Specific Buy Back Provisions are specified as applicable in the applicable Final Terms, upon the holder of any Senior Preferred Note giving to the Issuer not less than 5 Business Days' notice in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable) to early redeem the Senior Preferred Note before its scheduled maturity, the Issuer may, at its sole option, upon the expiry of such notice, redeem in whole or in part such Senior Preferred Note paying an amount that can be less than par and that is linked to the Market Value of the Underlying Transactions at that moment, together, if appropriate, with any accrued but unpaid interest. As specified above, the Issuer has the right, in its sole option, to reject the early redemption request and, in particular, if the Issuer never replies to the notice, the Issuer is deemed to have rejected the early redemption request.

If Specific Buy Back Provisions are specified as applicable in the applicable Final Terms, prior to the Maturity Date the value of the Senior Preferred Notes shall reflect and shall be calculated on the basis of the Market Value of the Underlying Transactions. The Calculation Agent may, from time to time, calculate the price of the Senior Preferred Notes on the basis of the Market Value of the Underlying Transactions and, without prejudice to the Issuer's obligation to pay the Interest Amounts and the Redemption Amounts on the Senior Preferred Notes, in the event that a holder requests the Issuer to repurchase the Senior Preferred Notes held by it prior to their maturity, and the Issuer accepts such repurchase, the price of the Senior Preferred Notes (the "**Buy Back Price**") will be a price that perfectly reflects the Market Value of such Underlying Transactions. The Specific Buy Back Provisions may apply only to Senior Preferred Notes issued by Mediobanca and/or Mediobanca International and where Mediobanca and/or Mediobanca International are specified as Dealers and where the principal amount in respect of such Senior Preferred Note is equal to, at least, EUR 100,000 (or its equivalent amount in the Specified Currency).

In addition, if Specific Buy Back Provisions are specified as applicable in the applicable Final Terms, the Issuer shall pay an additional remuneration (the "**Extra-Yield**") on the Senior Preferred Notes. More information on the composition of the remuneration (*unbundling*) shall be published by each of the Issuer from time to time together with the composition of the Underlying Transactions as described below.

For the purpose of this Condition 4(k):

"**Buy-Back Price**" means the repurchase price of the Senior Preferred Notes to be calculated by the Calculation Agent on the basis of the Market Value of the Underlying Transactions.

"**Market Value**" means the close-out amount of the Underlying Transactions, including the relevant bid/ask prices for all the Senior Preferred Notes and for any possible funding arrangement and/or coupon swap, as determined by the Calculation Agent in a fair and commercially reasonable manner.

"**Underlying Transactions**" means any possible funding arrangement and/or coupon swap and/or any of the following funded or unfunded arbitrage-like financial transactions:

(i) Cash-CDS Arbitrage;

(ii) Index-Components Arbitrage; and/or

(iii) General Funded Arbitrage,

where:

"**Cash-CDS Arbitrage**" means:

Long (Short): Cash Instrument + Short (Long): Replicating CDS

where:

"**Cash Instrument**" means any debt obligation (including any obligation issued by the Issuer) or basket of debt obligations, under security or loan format, with maturities and notionals that can be longer and/or higher, respectively, than the Maturity Date and aggregate principal amount of the relevant Senior Preferred Notes;

"**Replicating CDS**" means a credit default swap transaction having similar maturity and principal amount as the Cash Instrument, and having as a reference entity the Cash Instruments issuer or the Cash Instrument guarantor (including the Issuer or the Guarantor or the Issuer's parent or the Issuer's affiliate), or, in the case of Cash Instrument that are asset-backed obligations or credit linked obligations, any credit entity or any credit risk embedded in such Cash Instrument.

"**Index-Components Arbitrage**" means:

Long (Short): Credit Index + Short (Long): CDS Components

where:

"**Credit Index**" means any of the Markit credit default swaps indices, with maturities and notionals that can be longer and/or higher, respectively, than the Maturity Date and aggregate principal amount of the relevant Senior Preferred Notes, and any successor and/or replacement index thereof, including, for the avoidance of doubt, the Markit iTraxx® and Markit CDX™ indices, as selected by the Calculation Agent in its sole and absolute discretion. Credit Index may also be a portfolio of credit default swap tranches summing up to a full capital structure, i.e. summing up to any such Markit credit default swap index.

"**CDS Components**" means a basket of single-name credit default swap transactions having similar notional, maturity, coupons and reference entity as the components of the Credit Index. CDS Components may also be a portfolio of credit default swap tranches having similar maturity, aggregate notional, aggregate coupons and aggregate reference entities as the components of the Credit Index.

"**General Funded Arbitrage**" means:

Long (Short): Asset Instruments + Short (Long): Replicating Derivatives

where:

"**Asset Instruments**" means any asset title instrument (including funds or obligations, also asset-backed) linked to credit, rates, equities, commodities or currencies, with maturities and notionals that can be longer and/or higher, respectively, than the Maturity Date and aggregate principal amount of the relevant Senior Preferred Notes.

"**Replicating Derivatives**" means any hedging derivative contract with similar maturity and notional as the Asset Instruments, and having as underlying the Asset Instrument itself. or any of its underlying financial instruments. For example: commodity certificate + future ("cash and carry arbitrage"), or convertible bond + CDS + equity option ("convertible arbitrage").

The Underlying Transactions will be selected from time to time by the Calculation Agent in its reasonable discretion and the relevant composition is subject to change during the life of the Preferred Notes. The composition of the Underlying Transactions (including any possible funding arrangement and/or coupon swap) shall be published from time to time by Mediobanca

or Mediobanca International on their website www.mediobanca.com or on the website of the Euronext Dublin or on the website of the Luxembourg Stock Exchange or on any other means of publication, as specified in the relevant Final Terms.

(l) **Special provision in relation to redemption, purchase or modification of the Notes**

Any redemption of the Notes in accordance with Condition 4(c) (*Redemption for taxation reason*), Condition 4(f) (*Redemption at the option of the Issuer*), Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*), any purchase of the Notes in accordance with Condition 4(d) (*Purchases*), or any modification of the Notes in accordance with Conditions 9(a) (*Meetings of holders of Notes*) and 9(c) (*Errors or inconsistencies*), is subject to, if and to extent then required under Articles 12-*bis* and 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority (with respect to the Senior Non Preferred Notes only), and/or under the MREL/TLAC Requirements (with respect to either the Senior Preferred Notes and the Senior Non Preferred Notes), or under the Applicable Banking Regulations (with respect to the Subordinated Notes only):

(i) the Issuer giving notice to the Relevant Authority and the Relevant Authority granting permission to redeem or purchase the relevant Senior Notes;

(ii) with respect to the Subordinated Notes only:

(A) in case of any redemption or purchase, either (A) the Issuer having replaced the Subordinated Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or (B) the Issuer having demonstrated to the satisfaction of the Relevant Authority that the own funds of the Issuer would, following such redemption or purchase, exceed its Regulatory Capital Requirements for the time being;

(B) in the case of any such redemption prior to the fifth anniversary of the Issue Date, (A) in case of redemption for tax reasons in accordance with Condition 4(c) (*Redemption for taxation reason*), the Issuer has demonstrated to the satisfaction of the Relevant Authority that the change in tax treatment is material and was not reasonably foreseeable as at the Issue Date, or (B) in the case of redemption upon the occurrence of a Regulatory Event in accordance with Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*), the Issuer has demonstrated to the satisfaction of the Relevant Authority that the relevant change in the regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date and the Relevant Authority considers such change to be reasonably certain.

To redeem any Notes where such consent has not been granted shall not constitute an event of default of the Issuer for any purpose. Notwithstanding the above conditions, if, at the time of any redemption or purchase, Articles 12-*bis* and 91, paragraph 1-*bis*, letter c-*bis* of the Italian Banking Act and any relevant implementing regulation which may be enacted for such purposes by any Relevant Authority (with respect to the Senior Non Preferred Notes only), and/or the MREL/TLAC Requirements (with respect to the Senior Preferred Notes and the Senior Non Preferred Notes), or the Applicable Banking Regulations (with respect to the Subrodinated Notes only) permit the redemption or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above in this Condition 4(l), the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

5. PAYMENTS AND TALONS

(a) **Payments outside the United States**

Payments of principal and interest in respect of Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and **provided that** the Receipts are presented for payment together with their relative Notes), Notes (in the case of all other payments of principal and, in the case of interest as specified in Condition 5(e)(vi)) or Coupons (in the case of interest, save as specified in Condition 5(e)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a bank in the principal financial centre of that currency; **provided that** in the case of Euro, the transfer may be to a Euro account.

(b) **Payments in the United States**

Notwithstanding the foregoing, if any Notes are denominated in US Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(c) **Payments subject to law, etc.**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 6 (*Taxation*). No commission or expenses shall be charged to the holders of Notes or Couponholders in respect of such payments.

(d) **Appointment of Agents**

The Fiscal Agent, the Paying Agent and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agent and the Calculation Agent act solely as agents of the Issuer and the Guarantor (where applicable) and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer and the Guarantor (where applicable) reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Calculation Agent or the Registrar and to appoint additional or other agents **provided that** the Issuer will at all times maintain (i) a Fiscal Agent, (ii) a Calculation Agent where the Conditions so require one, (iii) Paying Agents having a specified office in at least two major European cities (including Ireland so long as the Notes are listed on the Official List of the Euronext Dublin), and (iv) such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York in respect of any Notes denominated in US Dollars in the circumstances described in Condition 5(b) (*Payments in the United States*) above.

Notice of any such change or any change of any specified office will promptly be given to the holders of Notes in accordance with Condition 12 (*Notices*).

(e) **Unmatured Coupons and Receipts and unexchanged Talons**

(i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Notes should be surrendered for payment together with all unmatured Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 7 (*Prescription*)).

(ii) If the relevant Notes so provide, upon the due date for redemption of any Note, unmatured Coupons relating to such Notes (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Note which provides that the relative Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note.

(f) **Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered to or to the order of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 7 (*Prescription*)).

(g) **Non-Business Days**

If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

In this Condition 5(g):

"**Additional Financial Centre**" means the city or the cities specified as such in the relevant Final Terms; and

"**Payment Business Day**" means:

(i) with respect to the Senior Notes:

(A) if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(B) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

(ii) with respect to the Subordinated Notes:

(A) if the currency of payment is euro, any day which is:

(1) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(2) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre specified in the Final Terms; or

(B) if the currency of payment is not euro, any day which is:

(1) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(2) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre specified in the Final Terms.

6. TAXATION

(a) Gross Up

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons by the Issuer or (as the case may be) the Guarantor under the Deed of Guarantee will be made without withholding or deduction for, or on the account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Grand Duchy of Luxembourg or any political subdivision thereof or any agency or authority therein or thereof having power to tax (in the case of payments made by or on behalf of Mediobanca International) or the Republic of Italy or any political subdivision thereof or any agency or authority therein or thereof having power to tax (in the case of payments made by or on behalf of Mediobanca), unless the withholding or deduction of such taxes, duties, assessments or governmental changes is required by law. In that event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts in respect of, with regard to the Senior Notes only, principal and interest (if permitted by MREL/TLAC Requirements), and, with regard to the Subordinated Notes only, interest only (and not in respect of principal) as may be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, Receipts or (as the case may be) Coupons, in the absence of such withholding or deduction; except that no additional amounts shall be payable with respect to any payment in

respect of any Note, Receipt or Coupon or (as the case may be) under the Deed of Guarantee:

(i) (A) to, or to a third party on behalf of, a holder who is subject to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of its having some connection (otherwise than merely by holding the Note, Receipt or Coupon) with (in the case of payments of principal and interest under the Senior Notes made by or on behalf of Mediobanca International) the Grand Duchy of Luxembourg (including taxes imposed by the Luxembourg law of 23 December 2005) or (in the case of payments of principal and interest made by or on behalf of Mediobanca and in respect of payments by Mediobanca under the Deed of Guarantee) the Republic of Italy; or (B) with respect to any Note, Receipt or Coupon presented for payment in the Republic of Italy or the Grand Duchy of Luxembourg; or (C) for or on account of *imposta sostitutiva* pursuant to Decree No. 239, Legislative Decree No. 461 of 21 November 1997 ("**Decree No. 461**") or related implementing regulations; or (D) in all circumstances in which the requirements and procedures of Decree No. 239 and related implementing rules have not been properly and promptly met or complied with (except where due to the actions or omissions of the Issuer, the Guarantor or their agents); or (E) to, or to a third party on behalf of, a holder who is entitled to avoid such withholding or deduction in respect of such Note, Receipt or Coupon by making a declaration or any other statement, including, but not limited to, a declaration of non-residence or other similar claim for exemption to the relevant taxing authority or intermediary/paying agent, but has failed to do so properly and promptly; or

(ii) (in the case of payments of principal and interest made by or on behalf of Mediobanca and in respect of payments by Mediobanca under the Deed of Guarantee) to a holder who is a non-Italian resident or individual or legal entity which is resident in any country not allowing for an adequate exchange of information with the Italian tax authorities that is not included in the list set by Italian Ministerial Decree 4 September 1996, as subsequently amended and supplemented from time to time; or

(iii) for any Note, Receipt or Coupon presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the thirtieth such day; or

(iv) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another paying agent in a Member State of the European Union; or

(v) (in the case of payments of principal and interest made by or on behalf of Mediobanca) where withholding or deduction is required by law pursuant to Decree No. 600; or

(vi) (with respect to the Senior Notes only) where such withholding or deductions is required by an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto; or

(vii) with respect to any Notes qualifying as "atypical" securities (*titoli* "*atipici"*) for Italian tax purposes subject to the regime provided for by Decree No. 512, for and on account of any withholding or deduction required by law pursuant to such decree; or

(viii) in any case, where in the Final Terms it is expressly specified under the section entitled "*Taxation*" that "*Gross Up*" will not apply with respect to any Note,

Receipt or Coupon pursuant to this point (viii) of Condition 6(a) (*Taxation – Gross Up*),

without prejudice to the option of the Issuer to redeem the Notes pursuant to, and subject to the conditions of, Condition 4(c) (*Redemption for taxation reasons*).

(b) **Taxing Jurisdiction**

If the Issuer or the Guarantor (where applicable) becomes subject at any time to any taxing jurisdiction other than the Grand Duchy of Luxembourg or the Republic of Italy respectively, references in these Conditions to Luxembourg or Italy shall be construed as references to the Grand Duchy of Luxembourg or (as the case may be) the Republic of Italy and/or such other jurisdiction.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the holders of Notes in accordance with Condition 12 (*Notices*) that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 4 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 3 (*Interest and Other Calculations*) or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts which may be payable under this Condition 6.

7. PRESCRIPTION

Claims against the Issuer and the Guarantor (where applicable) for payment in respect of the Notes, Receipts and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

8. EVENTS OF DEFAULT

(a) **Events of Default of the Senior Preferred Notes**

If any of the following events occurs and is continuing (except where one or more of the Events of Default (as defined below) are specified as not applicable in the applicable Final Terms), the holder of a Senior Preferred Note of any Series may give written notice to the Fiscal Agent at its specified office that such Senior Preferred Note is immediately repayable, whereupon the Early Redemption Amount of such Senior Preferred Note together with accrued interest to the date of payment shall become immediately due and payable:

(i) **Default in payment of principal or interest**: default is made for a period of five Business Days or more in the payment of any principal on any of the Senior Preferred Notes or for a period of fifteen Business Days or more in the payment of any interest due in respect of the Senior Preferred Notes or any of them;

(ii) **Failure to perform any other Obligation**: the Issuer or the Guarantor (where applicable) fails duly to perform any other obligation under or in respect of the Senior Preferred Notes, the Deed of Guarantee or the Issue and Paying Agency Agreement and such failure continues for more than 30 days after the service by a holder of a Senior Preferred Note of notice on the Issuer requiring the same to be remedied;

(iii) **General suspension of payments***:* the Issuer or the Guarantor (where applicable) suspends its payments generally;

(iv) **Bankruptcy, composition or similar event**: a court in the country of domicile of the Issuer or the Guarantor (where applicable) institutes bankruptcy proceedings or composition proceedings to avert a bankruptcy or the Issuer or the Guarantor (where applicable) applies for institution of such proceedings or any event occurs which under the laws of the Republic of Italy or Grand Duchy of Luxembourg has an analogous effect to such proceedings;

(v) **Cross-default***:* (i) any other present or future indebtedness of the Issuer or the Guarantor (where applicable) for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity as a result of any payment default thereon by the Issuer or, as the case may be, the Guarantor (where applicable), or (ii) any such indebtedness is not paid when due or, as the case may be, within an applicable grace period, or (iii) the Issuer or the Guarantor (where applicable) fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of any moneys borrowed or raised **provided that** an event of default pursuant to this Condition 8(v) shall only occur if: (A) the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one of the events mentioned in paragraphs (i), (ii) or (iii) above have occurred and is continuing exceeds €35,000,000 and (B) the Issuer or the Guarantor (where applicable) is not contesting in good faith in a competent court in a recognised jurisdiction that the relevant indebtedness or guarantee and/or indemnity is due and enforceable, as appropriate;

(vi) **Insolvency**: either the Issuer or the Guarantor (where applicable) is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or the Guarantor (where applicable);

(vii) **Winding-up**: an order is made or an effective resolution is passed for the winding-up or dissolution or administration of the Issuer or the Guarantor (where applicable), or the Issuer or the Guarantor (where applicable) applies or petitions for a winding-up or administration order in respect of itself or ceases or threatens to cease to carry on all or substantially all of its business or operations, in each case except for the purposes of and pursuant to or in connection with a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation, deconsolidation or disposal or contribution in kind of assets or branches of business;

(viii) **Ownership**: in respect of Senior Preferred Notes issued by Mediobanca International, Mediobanca International ceases to be controlled by Mediobanca (except in the case of a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation or similar transaction by which Mediobanca assumes the payment obligations of Mediobanca International under the Senior Preferred Notes).

(ix) **Illegality**: it is or will become unlawful for the Issuer or the Guarantor (where applicable) to perform or comply with any one or more of its obligations under any of the Senior Preferred Notes or the Deed of Guarantee (where applicable); or

(x) **Guarantee**: in respect of Senior Preferred Notes issued by Mediobanca International, the Deed of Guarantee (where applicable) ceases to be a valid and binding obligation of the Guarantor or it becomes unlawful for the Guarantor to perform its obligations under the Deed of Guarantee or the Deed of Guarantee is claimed by Mediobanca International or the Guarantor not to be in full force and effect (except in the case of a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation or similar transaction by which Mediobanca assumes the payment obligations of Mediobanca International under the Senior Preferred Notes).

If the applicable Final Terms specifies that one or more of the Events of Default are not applicable, then such relevant Events of Default shall not apply to such Senior Preferred Notes. However, in any case a Noteholder may, upon written notice to the Fiscal Agent, cause such Senior Preferred Notes to become due and payable, together with accrued interest thereon, if any, as of the date on which said notice is received by the Fiscal Agent, upon the occurrence of the Event of Default listed in this Condition 8(a), paragraph (vii) (*Winding-up*).

(b) **Events of Default of the Senior Non Preferred Notes**

If any of the following events occurs and is continuing, the holder of a Senior Non Preferred Note of any Series may give written notice to the Fiscal Agent at its specified office that such Senior Non Preferred Note is immediately repayable, whereupon the Early Redemption Amount of such Senior Non Preferred Note together with accrued interest to the date of payment shall become immediately due and payable:

Winding-up: Mediobanca is wound up or dissolved, except for the purposes of, and pursuant to, or in connection with, a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation, deconsolidation or disposal of assets.

In this Condition 8 "**Events of Default**" means any of the events listed in Conditions 8(a) (*Events of Default of the Senior Preferred Notes*) and/or 8(b) (*Events of Default of the Senior Non Preferred Notes*) as the case may be.

(c) **Events of Default of the Subordinated Notes**

If any of the following events occurs and is continuing, the holder of a Subordinated Note may give written notice to the Fiscal Agent at its Specified Office that such Subordinated Note is immediately repayable:

Winding-up: Mediobanca is wound up or dissolved, except for the purposes of, and pursuant to, or in connection with, a reconstruction, amalgamation, reorganisation, merger, de-merger, consolidation, deconsolidation or disposal of assets, whereupon the Early Redemption Amount of such Subordinated Note together with accrued interest to the date of payment shall become immediately due and payable. No remedy against Mediobanca other than as specifically provided by this Condition 8(c) shall be available to holders of the Subordinated Notes or Coupons for the recovery of amounts owing in respect of the Notes or Coupons.

9. MEETINGS OF HOLDERS OF NOTES AND MODIFICATIONS

(a) **Meetings of holders of Notes**

The Issue and Paying Agency Agreement contains provisions for convening meetings of holders of Notes to consider any matter affecting their interest, including modification by Extraordinary Resolution of the Notes (including these Conditions insofar as the same may apply to such Notes). An Extraordinary Resolution duly passed at any such meeting shall be binding on all the holders of Notes, whether present or not and on all relevant holders of Coupons, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereon, (ii) to reduce or cancel the principal amount or an Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in respect thereof, (iv) if a Minimum and/or a Maximum Interest Rate, Instalment Amount or Redemption Amount is shown in the Final Terms, to reduce any such Minimum and/or Maximum, (v) to change any method of calculating the Redemption Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions contained concerning the quorum required at any meeting of holders of Notes or any adjournment thereof or concerning the majority required to pass an Extraordinary Resolution, (viii) to modify the provisions which would have the effect of giving any authority, direction or sanction which under the Notes is required to be given pursuant to a meeting of holders of Notes to which the

special quorum provisions apply, (ix) to take any steps which as specified in the Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (x) to amend the foregoing exceptions in any manner, will only be binding if passed at a meeting of the holders of Notes (or at any adjournment thereof) at which a special quorum (provided for in the Issue and Paying Agency Agreement) is present.

(b) **Modification of Issue and Paying Agency Agreement**

The Issuer and the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Issue and Paying Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the holders of Notes.

(c) **Errors or inconsistencies**

The Issuer and, with respect to the Senior Preferred Notes only, the Guarantor may, without the prior consent of the holders of the Notes correct (i) any manifest and/or material error in the Conditions and/or in the Final Terms, (ii) any error of a formal, minor or technical nature in the Conditions and/or in the Final Terms or (iii) any inconsistency in the Conditions and/or in the Final Terms between the Conditions and/or the Final Terms and any other documents prepared in connection with the issue and/or offer of a Series of Notes (provided such correction is not materially prejudicial to the holders of the relevant Series of Notes). In addition, pursuant to Condition 3(o) (*Benchmark replacement*), certain changes may be made to the interest calculation provisions of the Notes in the circumstances and as otherwise set out in such Condition, without the requirement for consent of the Noteholders. Any such correction shall be binding on the holders of the relevant Notes and the Issuer and the Guarantor (if applicable) shall cause such correction to be notified to the holders of the Notes as soon as practicable thereafter pursuant to Condition 12 (*Notices*).

(d) **Modification following a MREL/TLAC Disqualification Event**

With respect to the Senior Notes only, if Modification following a MREL/TLAC Disqualification Event is specified as applicable in the applicable Final Terms, where a MREL/TLAC Disqualification Event has occurred and is continuing, then the Issuer may, without any requirement for the consent or approval of the Noteholders, modify the terms of the Senior Notes to the extent that such modification is necessary to ensure that no such MREL/TLAC Disqualification Event would exist after such modification, **provided that**, following such modification:

(i) the terms and conditions of the Senior Notes, as so modified (the "**modified Senior Notes**"), are no more prejudicial to Noteholders than the terms and conditions applicable to the Senior Notes prior to such modification (the "**existing Senior Notes**") **provided that** any modification may be made in accordance with paragraphs (ii) to (iv) below and any such modification shall not constitute a breach of this paragraph (i); and

(ii) the person having the obligations of the Issuer under the Senior Notes continues to be the Issuer; and

(iii) the modified Senior Notes rank at least equal to the existing Senior Notes and feature the same tenor, principal amount, interest rates (including applicable margins), interest payment dates and first call date as the existing Senior Notes; and

(iv) the modified Senior Notes continue to be listed on a regulated market (for the purposes of the MiFID II (Directive 2014/65/EU, as amended)) of an internationally recognised stock exchange as selected by the Issuer (**provided that** the existing Senior Notes were so listed prior to the occurrence of such MREL/TLAC Disqualification Event),

and **provided further that**:

(a) Mediobanca obtains approval of the proposed modification from the Relevant Authority (if such approval is required) or gives prior written notice (if such notice is required to be given) to the Relevant Authority and, following the expiry of all relevant statutory time limits, the Relevant Authority is no longer entitled to object or impose changes to the proposed modification;

(b) the modification does not give rise to a change in any published and solicited rating of the existing Senior Notes in effect at such time (to the extent the existing Senior Notes were rated prior to the occurrence of such MREL/TLAC Disqualification Event);

(c) the modification does not give rise to any right on the part of the Issuer to exercise any option to redeem the Senior Notes prior to their stated maturity, without prejudice to the provisions under Condition 4(f) (*Redemption at the option of the Issuer*); and

(d) the Issuer has delivered to the Fiscal Agent a certificate, substantially in the form shown in the Issue and Paying Agency Agreement, signed by two of the Issuer's executive officers stating that paragraphs (i) to (iv) and (a) to (c) above have been complied with, such certificate to be made available for inspection by Noteholders.

In connection with any modification as indicated in this Condition 9(d), the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Senior Non Preferred Notes are then listed or admitted to trading.

(e) **Modification following a Regulatory Event or a Tax Event**

With respect to the Subordinated Notes only, if modification following a Regulatory Event or a Tax Event is specified as applicable in the applicable Final Terms, where a Regulatory Event or a Tax Event has occurred and is continuing, then the Issuer may, without any requirement for the consent or approval of the Noteholders, modify the terms of the Notes to the extent that such modification is reasonably necessary to ensure that no such Regulatory Event or Tax Event would exist after such modification, **provided that**, following such modification:

(i) the terms and conditions of the Subordinated Notes, as so modified (the "**modified Notes**"), are no more prejudicial to Noteholders than the terms and conditions applicable to the Subordinated Notes prior to such modification (the "**existing Notes**") **provided that** any modification may be made in accordance with paragraphs (ii) to (iv) below and any such modification shall not constitute a breach of this paragraph (i); and

(ii) the person having the obligations of the Issuer under the Subordinated Notes continues to be the Issuer; and

(iii) the modified Subordinated Notes rank at least equal to the existing Subordinated Notes and feature the same tenor, principal amount, interest rates (including applicable margins), interest payment dates and first call date as the existing Subordinated Notes; and

(iv) the modified Subordinated Notes continue to be listed on a regulated market (for the purposes of the MiFID II (Directive 2014/65/EU, as amended)) of an internationally recognised stock exchange as selected by the Issuer (**provided that** the existing Notes were so listed prior to the occurrence of such Regulatory Event or Tax Event, as applicable),

and **provided further that**:

(a) Mediobanca obtains approval of the proposed modification from the Relevant Authority (if such approval is required) or gives prior written notice (if such notice is required to be given) to the Relevant Authority and, following the expiry of all relevant statutory time limits, the Relevant Authority is no longer entitled to object or impose changes to the proposed modification;

(b) the modification does not give rise to a change in any published and solicited rating of the existing Subordinated Notes in effect at such time (to the extent the existing Subordinated Notes were rated prior to the occurrence of such Regulatory Event or Tax Event, as applicable);

(c) the modification does not give rise to any right on the part of the Issuer to exercise any option to redeem the Subordinated Notes prior to their stated maturity, without prejudice to the provisions under Condition 4(f) (*Redemption at the option of the Issuer*);

(d) the Issuer has delivered to the Fiscal Agent a certificate, substantially in the form shown in the Issue and Paying Agency Agreement, signed by two of the Issuer's executive officers stating that paragraphs (i) to (iv) and (a) to (c) above have been complied with, such certificate to be made available for inspection by Noteholders; and

(e) in the case of any proposed modifications owing to a Tax Event, the Issuer has delivered to the Fiscal Agent an opinion of independent legal advisers of recognised standing to the effect that the Tax Event can be avoided by the proposed modifications.

In connection with any modification as indicated in this Condition 9(e), the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Notes are then listed or admitted to trading.

(f) **Modification to Notes distributed to a Single Noteholder**

In partial derogation to the provisions of Condition 9(a),(b),(c),(d) and (e) above, in case the Notes have been distributed to a single holder (the "**Single Holder**"), the approval for the amendments under Condition 9(a),(b),(c),(d) and (e) above shall be given by the Single Holder by way of binding approval letter with prior delivery of the relevant proof of ownership of the relevant Note.

10. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

If a Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws and stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to holders in accordance with Condition 12 (*Notices*), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. FURTHER ISSUES AND CONSOLIDATION

The Issuer may from time to time without the consent of the holders of Notes or Coupons create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Price, the Issue Date and/or the first payment of interest) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly.

The Issuer may also from time to time upon not less than 30 days' prior notice to Noteholders, without the consent of the holders of Notes or Coupons of any Series, consolidate the Notes with Notes of one or more other Series (the "**Other Notes**") issued by it, provided the Notes and the Other Notes have been redenominated into Euro (if not originally denominated in Euro), and otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Price, the Issue Date and/or the first payment of interest). Notice of any such consolidation will be given to the Noteholders in accordance with Condition 12 (*Notices*). The Fiscal Agent shall act as the consolidation agent.

With effect from their consolidation, the Notes and the Other Notes will (if listed prior to such consolidation) be listed on at least one European stock exchange on which either the Notes or the Other Notes were listed immediately prior to such consolidation.

The Issuer shall in dealing with holders of such Notes following a consolidation pursuant to this Condition 11 have regard to the interest of the holders and the holders of the Other Notes, taken together as a class, and shall treat them alike.

12. NOTICES

Notices to the holders of Notes will be valid if (i) until such time as any Definitive Notes are issued, the notice is delivered to the relevant Clearing System(s), for communication by them to the holders of Notes; and (ii) if and so long as the Notes are admitted to trading on the Euronext Dublin's regulated market and listed on the Official List of the Euronext Dublin, the notice is published in accordance with the rules and regulations of the Euronext Dublin (which shall include publication in a leading newspaper having general circulation in Ireland or on the website of the Euronext Dublin (*www.ise.ie*) or on the website of the relevant Issuer (*www.mediobanca.it* or *www.mediobancaint.lu*) and the Guarantor (*www.mediobanca.it*). If any such publication is not practicable, notice will be validly given if published in another leading daily English language newspaper of general circulation in Europe.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice to the holders of Notes in accordance with this Condition 12.

13. SUBSTITUTION OF THE ISSUER

(a) The Issuer and, in case of Senior Preferred Notes issued by Mediobanca International, the Guarantor may at any time, without the consent of the holders of Notes or Coupons, substitute Mediobanca in place of Mediobanca International or Mediobanca International in place of Mediobanca (each a "**Substitute**") upon notice by the Issuer, the Guarantor (in case of Senior Preferred Notes issued by Mediobanca International) and the Substitute to be given in accordance with Condition 12 (*Notices*), **provided that**;

(i) no payment in respect of the Notes, the Receipts or the Coupons or the Deed of Guarantee (as the case may be) is at the relevant time overdue;

(ii) the Substitute shall, by means of a deed poll in the form scheduled to the Programme Manual as Schedule 12 (the "**Deed Poll**"), agree to indemnify each holder of Notes and Coupons against any incremental tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon or Talon and which would not have been so imposed or otherwise suffered by any holder of Notes, Receipts or Coupons had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;

(iii) in respect of Senior Preferred Notes issued by Mediobanca International, where the Substitute is not the Guarantor, the obligations of the Substitute under the Deed Poll, the Notes, Receipts, Coupons and Talons shall be unconditionally guaranteed by the Guarantor by means of the Deed Poll, in accordance with the terms thereof;

(iv) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons and Talons represent valid, legally binding and enforceable obligations of the Substitute and, where applicable, of the Guarantor have been taken, fulfilled and done and are in full force and effect;

(v) the Substitute shall have become party to the Issue and Paying Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;

(vi) legal opinions shall have been delivered to the Fiscal Agent and Dealers from lawyers of recognised standing in each jurisdiction referred to in paragraph (ii) above, in Italy and in England as to the fulfilment of the requirements of this Condition 13 and the other matters specified in the Deed Poll and that the Notes, Receipts, Coupons and Talons are legal, valid and binding obligations of the Substitute;

(vii) each stock exchange on which the Notes are listed shall have confirmed that, following the proposed substitution of the Substitute, the Notes will continue to be listed on such stock exchange;

(viii) if applicable, the Substitute has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes.

(b) Upon the execution of the Deed Poll and the delivery of the legal opinions, the Substitute shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes and the Issue and Paying Agency Agreement with the same effect as if the Substitute had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Notes and under the Issue and Paying Agency Agreement.

(c) After a substitution pursuant to Condition 13(a), the Substitute may, without the consent of any holder, effect a further substitution. All the provisions specified in Conditions 13(a) and 13(b) shall apply *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute.

(d) After a substitution pursuant to Condition 13(a) or 13(c) any Substitute may, without the consent of any holder, reverse the substitution, *mutatis mutandis*.

(e) The Deed Poll and all documents relating to the substitution shall be delivered to, and kept by, the Fiscal Agent. Copies of such documents will be available free of charge at the specified office of the Paying Agent.

14. LAW AND JURISDICTION

(a) **Governing Law**: The Notes and any non-contractual obligations arising out of or in connection with the relevant Notes will be governed by, and shall be construed in accordance with Italian law, also in accordance with the provisions of the Rome II Regulation, except in case of Senior Preferred Notes issued by Mediobanca International, Conditions 2(b) (*Status of the Senior Preferred Notes*), 4(b) (*Maturities/Final Redemption*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) and Condition 15 (*Acknowledgment of the Italian / Luxembourg Bail-in Power*) of these Conditions, which are governed by, and shall be construed in accordance with, Luxembourgish law. For the avoidance of doubt, articles 470-3 to 470-19 of the

Luxembourg Company Law shall not apply to Senior Preferred Notes issued by Mediobanca International.

(b) **Jurisdiction**: The courts of Milan have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising from or connected with the Notes, whether arising out of or in connection with contractual or non-contractual obligations.

15. ACKNOWLEDGEMENT OF THE ITALIAN / LUXEMBOURG BAIL-IN POWER

A) *Acknowledgment of the Italian Bail-in Power*

Notwithstanding any provision of these Conditions or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Notes each holder (which, for the purposes of this Condition 15, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:

(c) the effects of the exercise of the Italian Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of these Conditions; (iii) the cancellation of the Notes or the principal amount in respect of the Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

(d) the variation of these Conditions, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Italian Bail-in Power by the Relevant Authority.

The exercise of the Italian Bail-in Power by the Relevant Authority shall not constitute an event of default and these Conditions shall remain in full force and effect save as varied by the Relevant Authority in accordance with this Condition 15.

B) *Acknowledgment of the Luxembourg Bail-in Power*

The provisions of this Condition 15(B) applies to Senior Preferred Notes only.

Notwithstanding any provision of these Conditions or any other agreements, arrangements, or understandings between the Issuers and the Guarantor (where applicable) and any holder, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Senior Preferred Notes each holder (which, for the purposes of this Condition 15, includes each holder of a beneficial interest in the Senior Preferred Notes) acknowledges, accepts, consents to and agrees to be bound by:

(c) the effects of the exercise of the Luxembourg Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Senior Preferred Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Senior Preferred Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of these

Conditions; (iii) the cancellation of the Senior Preferred Notes or the principal amount in respect of the Senior Preferred Notes together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Senior Preferred Notes or amendment of the amount of interest payable on the Senior Preferred Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

(d) the variation of these Conditions, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Luxembourg Bail-in Power by the Relevant Authority.

The exercise of the Luxembourg Bail-in Power by the Relevant Authority shall not constitute an event of default and these Conditions shall remain in full force and effect save as varied by the Relevant Authority in accordance with this Condition 15.

PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "**Noteholder**" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary (in the case of a CGN) or a common safekeeper (in the case of an NGN) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each, an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure:

(a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and (in the case of an NGN) effectuated, to the bearer of the Temporary Global Note; or

(b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global to or to the order of the Fiscal Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Talons and Receipts attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

If:

(a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (Luxembourg time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

(b) Definitive Notes have not been delivered by 5.00 p.m. (Luxembourg time) on the forty-fifth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or

(c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with

all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (Luxembourg time) on such seventh day (in the case of paragraph (a) above) or at 5.00 p.m. (Luxembourg time) on such forty-fifth day (in the case of paragraph (b) above) or at 5.00 p.m. (Luxembourg time) on such due date (in the case of paragraph (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deeds of Covenant. Under the Deeds of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Where the Notes are listed on the Euronext Dublin and its rules so require, the Issuer will give notice of the exchange of the Permanent Global Note for Definitive Notes pursuant to Condition 12 (*Notices*) of the Terms and Conditions of the English Law Notes and Condition 12 (*Notices*) of the Terms and Conditions of the Italian Law Notes, as the case may be.

Exchange of Permanent Global Notes

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and, where applicable, with Coupons, Talons and Receipts attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 45 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been delivered by 5.00 p.m. (Luxembourg time) on the forty-fifth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or

(b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (Luxembourg time) on such forty-fifth day (in the case of paragraph (a) above) or at 5.00 p.m. (Luxembourg time) on such due date (in the case of paragraph (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deeds of Covenant). Under the relevant Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Where the Notes are listed on the Euronext Dublin and its rules so require, the relevant Issuer will give notice of the exchange of the Permanent Global Note for Definitive Notes pursuant to Condition 12 (*Notices*) of the Terms and Conditions of the English Law Notes and Condition 12 (*Notices*) of the Terms and Conditions of the Italian Law Notes, as the case may be.

Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the relevant Issuer shall procure that, in respect of a CGN, the payment is noted on a schedule thereto and, in respect of an NGN, the payment is entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg.

Exercise of put option: In order to exercise the option contained in Condition 4(h) (*Redemption at the option of holders of Notes)* of the Terms and Conditions of the English Law Notes and Condition 4(h) (*Redemption at the option of holders of Notes)* of the Italian Law Notes, the bearer of the Permanent Global Note must, within the period specified in the relevant Conditions for the deposit of the relevant Note and Put Option Notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 4(f) (*Redemption at the option of the Issuer*) of the Terms and Conditions of the English Law Notes and Condition 4(f) (*Redemption at the option of the Issuer*) of the Terms and Conditions of the Italian Law Notes, as the case may be, in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the relevant Issuer in accordance with the relevant Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, at their discretion, as either a pool factor or a reduction in principal amount).

Notices: Notwithstanding Condition 12 (*Notices*) of the Terms and Conditions of the English Law Notes and Condition 12 (*Notices*) of the Terms and Conditions of the Italian Law Notes, as the case may be, while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary, common depositary or common safekeeper (as the case may be) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 12 (*Notices*) of the Terms and Conditions of the English Law Notes and Condition 12 (*Notices*) of the Terms and Conditions of the Italian Law Notes, as the case may be, on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system; **provided, however, that***,* so long as the Notes are listed on the Official List of the Euronext Dublin and its rules so require, notices will also be published in a leading newspaper having general circulation in Ireland or on the website of the Euronext Dublin (*www.ise.*ie).

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Notes will be used for the general corporate purposes of the relevant Issuer. If, in respect of any particular issue, there is a particular identified use of the proceeds, this will be stated in the applicable Final Terms, including in case an amount equivalent to the net proceeds of the issue of each Tranche of Notes will be used for the purposes of eligible Green and Sustainability Assets.

According to the definition criteria set out by the International Capital Market Association ("**ICMA**") green bond principles and sustainability bond guidelines, only Tranches of Notes financing or refinancing eligible Green and Sustainability Assets will be denominated "**Green and Sustainability Bonds**".

Eligible Green and Sustainability Assets have been defined in accordance with the broad categorisation of eligibility set out by ICMA.

For the purposes of this section:

"**Green and Sustainability Assets**" means projects with a positive environmental and social impact, in accordance with the broad categorisation of eligibility set out by ICMA, which prior to the relevant Issue Date will be (i) approved by the relevant Issuer and in respect of which a reputed sustainability rating agency has prepared an opinion on the relevant Issuer's alignment with the green bond principles and sustainability bond guidelines, the likely environmental benefits of the eligible categories (or by an approved verifier in case the relevant Issuer is seeking a Climate Bonds Initiative certified bond), and (ii) made available on the relevant Issuer's website (https://mediobanca.com) in the investor relations section.

INFORMATION ON MEDIOBANCA - BANCA DI CREDITO FINANZIARIO S.P.A.

This section of the Base Prospectus reflects the contents of certain information contained in the audited consolidated annual financial statements of Mediobanca and the audited non-consolidated annual financial statements of Mediobanca International as at and for the years ended 30 June 2019 and 2018.

History and development of Mediobanca

Legal status and information

Mediobanca – Banca di Credito Finanziario S.p.A. was set up on 10 April 1946 by virtue of a notarial deed drawn up by Notary public Arturo Lovato, file no. 3041/52378. Mediobanca is a joint stock company incorporated under Italian law registered in the Milan-Monza-Brianza-Lodi Companies' Register under Registration no. 00714490158 having its registered office and administrative headquarters in Piazzetta Enrico Cuccia 1, 20121 Milan, Italy, tel. No.: (0039) 02-88291. The LEI code of Mediobanca is: PSNL19R2RXX5U3QWHI44. Mediobanca operates under Italian law, and the court of Milan has jurisdiction over any disputes arising against it.

Important events in Mediobanca's recent history

Since 30 June 2019, there have been no negative changes either to the financial position or prospects of either Mediobanca or the Group headed up by it.

Neither Mediobanca nor any company in the Group have carried out transactions that have materially affected or that might be reasonably expected to materially affect, Mediobanca's ability to meet its obligations towards third parties.

On 12 November 2019, the Board of Directors of Mediobanca has approved and published the 2019/2023 strategic plan, setting out certain objectives to be achieved within June 2023, based on the growth of highly-profitable banking activities and the development of all the Mediobanca Group divisions (Wealth Management, Consumer Banking and Corporate & Investment Banking).

As at 26 July 2019, Fitch rated Mediobanca F3 (short-term debt), BBB (long-term debt) and negative (outlook) – see www.mediobanca.com/en/investor-relations/financing-rating/rating.html.

As at 15 July 2019, S&P rated Mediobanca A-2 (short-term debt), BBB (long-term debt) and negative (outlook) – see www.mediobanca.com/en/investor-relations/financing-rating/rating.html.

As at 23 October 2018, Moody's rated Mediobanca Baa1 (long-term debt) and stable (outlook) – see www.mediobanca.com/en/investor-relations/financing-rating/rating.html

For an explanation of the rating given by S&P please see below the S&P rating scale:

LONG TERM obligations with an original maturity of more than one year	**SHORT TERM** obligations with an original maturity of no more than one year
Investment grade	**Investment grade**
AAA The obligor's capacity to meet its financial commitment on the obligation is extremely strong.	A-1 The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.
AA The obligor's capacity to meet its financial commitment on the obligation is very strong. An obligation rated 'AA' differs from the highest-rated obligations only to a small degree.	A-2 The obligation is somewhat more susceptible to the adverse effects of changes in circumstances and

A The obligation is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong. BBB The obligation exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.	economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory. A-3 The obligation exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

(*Source: Standard & Poor's*)

LONG TERM obligations with an original maturity of more than one year	**SHORT TERM** obligations with an original maturity of less than one year
Speculative grade BB The obligation is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation. B The obligation is more vulnerable to nonpayment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation. CCC The obligation is currently vulnerable to nonpayment, and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation. CC The obligation is currently highly vulnerable to nonpayment.	**Speculative grade** B The obligation is regarded as having significant speculative characteristics. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation. B -1 The obligation is regarded as having significant speculative characteristics, but the obligor has a relatively stronger capacity to meet its financial commitments over the short-term compared to other speculative-grade obligors. B -2 The obligation is regarded as having significant speculative characteristics, and the obligor has an average speculative-grade capacity to meet its financial commitments over the short-term compared to other speculative-grade obligors. B -3 The obligation is regarded as having significant speculative characteristics, and the obligor has a relatively weaker capacity to meet its financial commitments over the short-term compared to other speculative-grade obligors. C

C A 'C' rating is assigned to obligations that are currently highly vulnerable to nonpayment, obligations that have payment arrearages allowed by the terms of the documents, or obligations of an issuer that is the subject of a bankruptcy petition or similar action which have not experienced a payment default. D The obligation is in payment default. The 'D' rating category is used when payments on an obligation, including a regulatory capital instrument, are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period.	The obligation is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation. D The obligation is in payment default. The 'D' rating category is used when payments on an obligation, including a regulatory capital instrument, are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period

*NB: ratings from "**AA**" to "**CCC**" inclusive can be modified by adding the "+" or "-" minus sign to specify the position.*

For an explanation of the rating given by Fitch please see below the Fitch rating scale:

LONG TERM obligations with an original maturity of more than one year	**SHORT TERM** obligations with an original maturity of no more than one year
Investment grade AAA Denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events. AA Denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events. A Denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings BBB Indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more	**Investment grade** F-1 Indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature. F-2 Good intrinsic capacity for timely payment of financial commitments. F-3 The intrinsic capacity for timely payment of financial commitments is adequate.

likely to impair this capacity.	

(*Source: Fitch Ratings*)

LONG TERM obligations with an original maturity of more than one year	**SHORT TERM** obligations with an original maturity of less than one year
Speculative grade BB Indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments. B Indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment. CCC Default is a real possibility. CC Default of some kind appears probable. C Default is imminent or inevitable, or the issuer is in standstill. RD Indicate an issuer that in Fitch Ratings' opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business.	**Speculative grade** B Minimal capacity for timely payment of financial commitments, plus heightened vulnerability to near term adverse changes in financial and economic conditions. C Default is a real possibility. RD Indicates an entity that has defaulted on one or more of its financial commitments, although it continues to meet other financial obligations. Applicable to entity ratings only. D Indicates a broad-based default event for an entity, or the default of a short-term obligation.

For an explanation of the rating given by Moody's please see below the Moody's rating scale:

LONG TERM obligations with an original maturity of more than one year
Aaa Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk.

Aa

Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

A

Obligations rated A are judged to be upper-medium grade and are subject to low credit risk.

Baa

Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Ba

Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.

B

Obligations rated B are considered speculative and are subject to high credit risk.

Caa

Obligations rated Caa are judged to be speculative of poor standing and are subject to very high credit risk.

Ca

Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

C

Obligations rated C are the lowest rated and are typically in default, with little prospect for recovery of principal or interest.

Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Additionally, a "(hyb)" indicator is appended to all ratings of hybrid securities issued by banks, insurers, finance companies, and securities firms.

(Source: Moody's)

S&P Global Ratings Europe Limited (formerly, Standard & Poor's Credit Market Services Italy S.r.l.) ("**S&P**"), Fitch Italia S.p.A. ("**Fitch**") and Moody's Investors Service Ltd. ("**Moody's**") are credit rating agencies which are established in the European Community and have been registered in accordance with Regulation (EC) No. 1060/2009 (as subsequently amended and supplemented) (the "**CRA**"). As such, S&P, Fitch and Moody's are included in the latest list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA – see www.esma.europa.eu/supervision/creditrating-agencies/risk.

Business Overview

Principal activities

As stated in Article 3 of Mediobanca's Articles of Association, the Mediobanca's purpose is to raise funds and provide credit in any of the forms permitted, especially medium- and long-term credit to corporates.

Within the limits laid down by current regulations, Mediobanca may execute all banking, financial and intermediation-related operations and services, and carry out any transaction deemed to be instrumental to or otherwise connected with the achievement of Mediobanca's purpose.

The Group's operations are segmented as follows:

- ***Wealth Management (WM):*** this new division brings together all asset management services offered to the following client segments:

  - *Affluent & Premier*, addressed by CheBanca!;

  - *Private & HNWI*, addressed in Italy by Mediobanca Private Banking and in the Principality of Monaco by Compagnie Monégasque de Banque including the fiduciary activity of Spafid.

  This division also comprises the factories: Cairn Capital (alternative AM), RAM AI (Alternative AM) and Mediobanca SGR.

- ***Corporate & Investment Banking (CIB)***: this division brings together all services provided to corporate clients:

  - *Wholesale Banking (WB)*: Client Business (lending, advisory, capital markets activity) and proprietary trading. This division also includes Messier Maris & Associés, a French company with its registered office in Paris and offices in New York;

  - *Specialty Finance*, which comprises factoring (MBFacta) and credit management (MB Credit Solution).

- ***Consumer Banking (CB)***: this division provides retail clients with the full range of consumer credit products, ranging from personal loans to salary-backed finance (Compass and Futuro);

- ***Principal Investing (PI)***: this division brings together the Group's portfolio of equity investments and holdings, including the stake in Assicurazioni Generali;

- ***Holding Functions***: this division houses the Group's Treasury and ALM activities (which previously were included in the CIB division), with the objective of optimizing management of the funding and liquidity processes; it also includes all costs relating to Group staffing and management functions, and continues to include the leasing operations.

In the course of FY 2018-19, Mediobanca acquired a 66% stake in Messier Maris & Associés, a French company with its registered office in Paris and offices in New York, specialized in providing M&A advisory services to medium and large companies, activities with financial sponsors, activities of debt and capital advisory, and in debt restructuring.

As at 30 June 2019, Mediobanca had a market capitalization of approx. €8.8 billions (hereinafter, "**bn**").

Consolidated financial information as at 30/06/19*

Profit and loss account (€m)	**Corporate & Investment Banking**	**Consumer**	**Wealth Management**	**Principal investing**	**Holding Functions**	**Total**
Net interest income	272.7	898.8	260.2	(7.1)	(47.1)	1,395.6
Total income	627.1	1,026.9	574.3	332.4	5.3	2,524.7
Profit before tax	394.9	495.6	102.4	324.0	(236.0)	1,084.1
Net profit	265.8	336.4	71.2	314.2	(167.5)	823.0

* *Source: Mediobanca audited consolidated annual financial statement as at and for the year ended on 30 June 2019*

Affluent & Premier - CheBanca!

Mediobanca has been operative in retail banking through CheBanca!. This subsidiary, launched in 2008, effectively served as retail deposit gatherer for the Mediobanca Group throughout the financial crisis. In the last four years it has developed a distribution model which is innovative, transparent and with high technology content, while at the same time refocusing its mission from deposit gather to asset gatherer, raising €10.3bn in AUM and breaking even at the operating level in 2017.

Today CheBanca! is distinguished by its:

- High brand recognition;
- Effective, innovative multi-channel distribution (internet, 110 own branches, 335 Financial Agents and 445 Relationship Managers);
- Simple, transparent products;
- Substantial customer base (approx. 800,000 customers);
- Strong commercial results: €15bn in deposits, €10.3bn in assets under management, and €9bn in mortgages disbursed.

At 30 June 2019 the company employs a total of 1,364 staff.

Private & HNWI

The range of services offered to clients is split between.

MB Private Banking, offering private banking services. The 127 bankers and fifteen branches at the same time will work to develop their asset management activity and the mid-cap platform. The Mediobanca Private Banking product offering for high net worth clients includes portfolio management, advisory and financing services. Independence, operational autonomy, focus on private banking activities, and excellence and quality of service, are the hallmarks of a bank which has approx. €10bn in assets under management at its branches in Bergamo, Bologna, Brescia, Cesena, Florence, Genoa, Milan, Padua, Parma, Rome, Turin and Treviso.

Compagnie Monégasque de Banque ("CMB") is 100%-owned by Mediobanca. CMB is market leader in the Principality of Monaco, with total deposits of approx. €7bn. Its geographical position, indepth knowledge of markets and absolute independence make it a player of primary importance, able to provide exclusive services to its clientèle, ranging from loans to asset management.

Spafid, 100%-owned by Mediobanca, this company provides fiduciary administration services in respect of equity investments, securities market investments and fiduciary services for issuers. Spafid currently has assets under administration worth some €3.7bn..

MB Asset Management

As part of the Wealth Management division, the product factories include Cairn Capital, RAM and Mediobanca SGR. In this division the individual companies' coordination units will be centralized and a dedicated sales force will be set up with responsibility for distribution of all product lines.

- **Cairn Capital**, a 51% stake having been acquired in this company in December 2015 (the current percentage is 60.8%, the remaining part has been purchased through the exercise of a call option on March/April 2019). Cairn Capital is the largest company in this division, and is an asset manager and advisor based in London specializing in credit products. Assets managed by the company total some €3.9bn.

- **RAM AI**, in which a 69% stake was acquired in March 2018, is one of the leading European systematic asset managers, offering a wide range of alternative funds to a vast range of institutional and professional investors. Assets under management of RAM AI worth some €3.1bn.

Consumer Credit – Compass

Mediobanca has operated in the consumer credit sector since the 1960s through its subsidiary Compass. Compass today is one of the leading consumer credit operators on the Italian market, with a market share of 12%.

Compass offers a wide range of products (personal loans, special purpose loans for acquisition of consumer durable goods, credit cards and salary-backed finance), using a highly diversified distribution network consisting of some 172 own branches and 27 branches managed by agents, distributing agreements with banking partners and retailers, and BancoPosta.

As at the balance-sheet date it had approx. €13bn in loans outstanding, plus a total of 1,427 staff on the books.

On 3 August 2018, Compass Banca S.p.A. has entered into an agreement to acquire 19.9% of PT. BFI Finance Indonesia TBK ("**BFI**") from the Trinugraha consortium. As at the date hereof, the deal is still subject to certain contractual obligations which needs o be fulfilled for the purposes of the Indonesian and the ECB authorization processes. The closing of the deal is expected to occur approximately within March 2020.

Corporate & Investment Banking

Mediobanca seeks to provide its corporate clients with advisory services and financial services to help them grow and develop.

The Corporate & Investment Banking division comprises three different units: Corporate Finance, Lending and Structured Finance, Capital Markets and Specialty Finance.

Corporate Finance

Mediobanca is the leader in Italy and has an increasingly significant role at the European level in financial advisory services through its branches in London, Paris, Frankfurt and Madrid. A client-based approach is adopted, backed by indepth knowledge of the financial issues and a consolidated track record in executing deals. The operating unit is organized into different industry teams covering individual industries in order to provide greater focus.

Corporate finance involves the following activities:

- defining strategic objectives for companies and identifying extraordinary financing transactions in order to help meet them;
- extraordinary financing transactions: mergers and acquisitions, joint ventures and partnerships, disposals and spinoffs;
- liability restructuring: earnings/financial analysis of companies/groups undergoing restructuring; working out financial rebalancing scenarios; negotiating with key creditors;
- corporate restructuring: LBOs, MBOs, spinoffs and tax-/inheritance-related issues;
- company valuations, on a standalone basis and for purposes of setting exchange ratios;
- relations with authorities: assistance in handling relations with market and regulatory authorities, principally CONSOB and Borsa Italiana.

On April 2019 Mediobanca acquired a 66% stake in Messier Maris & Associés, a French company that can count on the collaboration of approximately 40 professionals and is specialized in providing M&A advisory services to medium and large companies, activities with financial sponsors, activities of debt and capital advisory, and in debt restructuring. The transaction allows an increase of the commissions deriving from low-capital-absorption Investment Banking products improving the cross-selling in the French market.

Lending and Structured Finance

The Financing teams serve Mediobanca's Italian and international customers, through the branch offices located in Paris, Frankfurt, London and Madrid, to offer:

- advice in evaluating possible capital structures and financing solutions available from among a vast series of debt products, including considering possible implications in terms of rating;
- structuring and executing lending transactions;
- access to the international syndicated loans market;
- facility and security agent services for corporate and structured lending transactions.

The main products of the Lending and Structured Finance unit are:

- **Corporate Lending** (bilateral loans, club deals and syndicated loans): corporate loans aimed at supporting customers' financial requirements generated by investments or related to their companies' growth; the financial solutions offered are aimed primarily at medium-/large-sized firms operating on domestic and international markets, in industrial and service-based sectors.
- **Structured Finance** (acquisition finance, loans for LBO/MBOs, project finance, infrastructure finance, real estate finance): financial support to corporate counterparties and institutional investors as part of leveraged transactions to acquire stakes in listed and unlisted companies; a wide range of lending transactions are developed, arranged, structured, underwritten and executed based on complex structures, and because of their size these are often syndicated on the international market. On the back of its solid track record in various sectors, customers are provided with advisory services covering the entire process of structuring deals to support investment and infrastructure or industrial projects, including offering strategies, selection of the most effective debt instruments, hedging strategies, financial modelling and structuring contracts; and

Capital Markets

Mediobanca operates on both the primary and secondary markets, trading equities and fixed-income securities, foreign exchange products and credit risk, interest rate and exchange rate derivatives.

In the **equity** market (primary and secondary), activity is divided into the following areas:

- **Equity Capital Markets**: Mediobanca is the Italian leader and has a role of increasing importance internationally in structuring, co-ordinating and executing equity capital markets transactions, such as IPOs, rights issues, secondary offerings and ABOs, and bonds convertible into equity solutions (equity derivatives to manage investments and treasury shares): this unit structures and implements extraordinary financing transactions involving equity investments and treasury shares; using a dedicated trading platform, the team offers customers innovative, high value-added solutions, and also handles any legal, accounting, tax and regulatory issues;
- **Equity Finance** (securities lending, equity repos, collateralized financing): the unit offers tailored securities lending solutions, which range from simple loans to hedge short-/medium-term positions, to equity repos, to upgrades and collateralized financing;
- **Equity Derivatives Institutional Marketing:** a range of equity-linked investments are offered to banks, insurances, asset managers and family offices, from synthetic replications of simple underlying assets to sophisticated protection mechanisms and solutions for increasing the return on portfolios, funded or unfunded;
- **MB Securities:** this is Mediobanca's equity brokerage division, offering global access to equity markets and research on the Italian market (over 100 companies are covered), plus a pan-European focus on the financials sector (banks and insurances); a dedicated team also offers corporate broking services.

As for the **debt** market, the activity is divided into the following areas of operation:

- **Debt Capital Market**: this team originates, structures, executes and places corporate and financial bond issues, covered bonds and securitizations to meet its customers' financing needs.

- **CMS**: this area structures solutions based on interest rates, credit and alternative products; it targets corporate clients, banks and institutional investors who need to restructure their investment portfolios, increase asset liquidity and diversify their sources of funding. An activity of advisory services and structuring of ad hoc solutions on alternative investments focusing institutional investors.

Specialty Finance

Our Specialty Finance activities include managing and financing credit and working capital. We have operations in factoring with MBFacta and in the credit management sector with MBCredit Solutions.

- **MBCredit Solutions** has for many years performed credit recovery activities (on behalf of the Group companies and third parties) and NPL portfolio acquisitions.

- **MBFacta** provides trade receivables sale and discount services (with and without recourse, maturity, supply credit) to refinance corporate working capital. As well as the financial benefits, this service can also include an insurance component (guarantee against insolvency or delays in payments) and/or a management component (portfolio management, accounting, collection and recovery). The factoring platform's factoring offering will be tailored specifically to developing the Mid Corporate segment in synergy with the other services offered by CIB to this category of firm.

Principal Investing

Mediobanca has an equity portfolio of investments made over time, consisting of minority stakes in leading Italian and international companies, most of which are listed. As a result of the recent introduction of tighter regulations on regulatory capital and the Bank's desire to concentrate more on highly-specialized banking activities, this portfolio of investments is in the process of being reduced. In view of the size of the investments and the role played by Mediobanca in the governance of the companies concerned, the shareholdings in Generali is assigned to the Principal investing division.

Company	***Sector***	***% of share capital***	***Book value as at 30/6/19*** ***€m***
Assicurazioni Generali	*Insurance*	*12.9%*	*3,219*
RCS Mediagroup	*Publishing – media*	*6.6%*	*32*
Italmobiliare	*Investment holding*	*6.7%*	*61*

Leasing

Mediobanca owns a direct 60% stake in the SelmaBipiemme Leasing group, with the other 40% held by the Banca Popolare di Milano. The group operates in financial leasing. In the twelve months to 30 June 2019, the Group disbursed some €400m in leases, on leases outstanding totalling approx. €2bn. As at 30 June 2019, the headcount numbered 129 staff.

Treasury

The functions of Treasury and ALM of the Group are centralized with the purposes of optimizing the funding and liquidity management. This division is responsible for structuring, issuing and placing debt products, the revenues from which finance the Bank's own activities. Fund raising, supported by the Bank's high credit rating, takes place primarily through the issuance of securities, both plain vanilla and structured. Securities are placed with retail investors through public offers (executed using the CheBanca! owned network, and via networks of individual third banks – including that of BancoPosta – either on an exclusive basis or via groups of banks in syndicates), and direct sales are made over the screen-based bond market (MOT) operated by Borsa Italiana. Demand from institutional investors is met via public offers of securities on the Euromarket and private placements of products customized to meet the subscribers' specific needs.

New products or new activities

There are no significant new products and/or services that have been introduced and no development of new products and services has been disclosed.

Principal markets

The Mediobanca Group's activities are principally focused on the domestic market (from a geographical standpoint Italy accounts for approx. 80% of the Group's loan book). In particular:

- Corporate & Investment Banking (CIB): half the revenues and loan book for this division is originated by the Italian market, the other half by other countries (notably France, Germany, Spain and the United Kingdom): the division employs some 621 staff, around 168 of whom are based outside Italy;

- Consumer banking: activities focus exclusively on the Italian market, and employ approx. 1,427 staff at more than 199 branches;

- Wealth Management (WM): this division's activity is focused primarily on the Italian market, with the exception of CMB (which operates in the Principality of Monaco), RAM AI (which operates throughout Europe from its headquarters in Switzerland), and Cairn Capital (which operates in the United Kingdom); and employs 1,936 staff at 125 branches;

- Leasing activities chiefly target the domestic market.

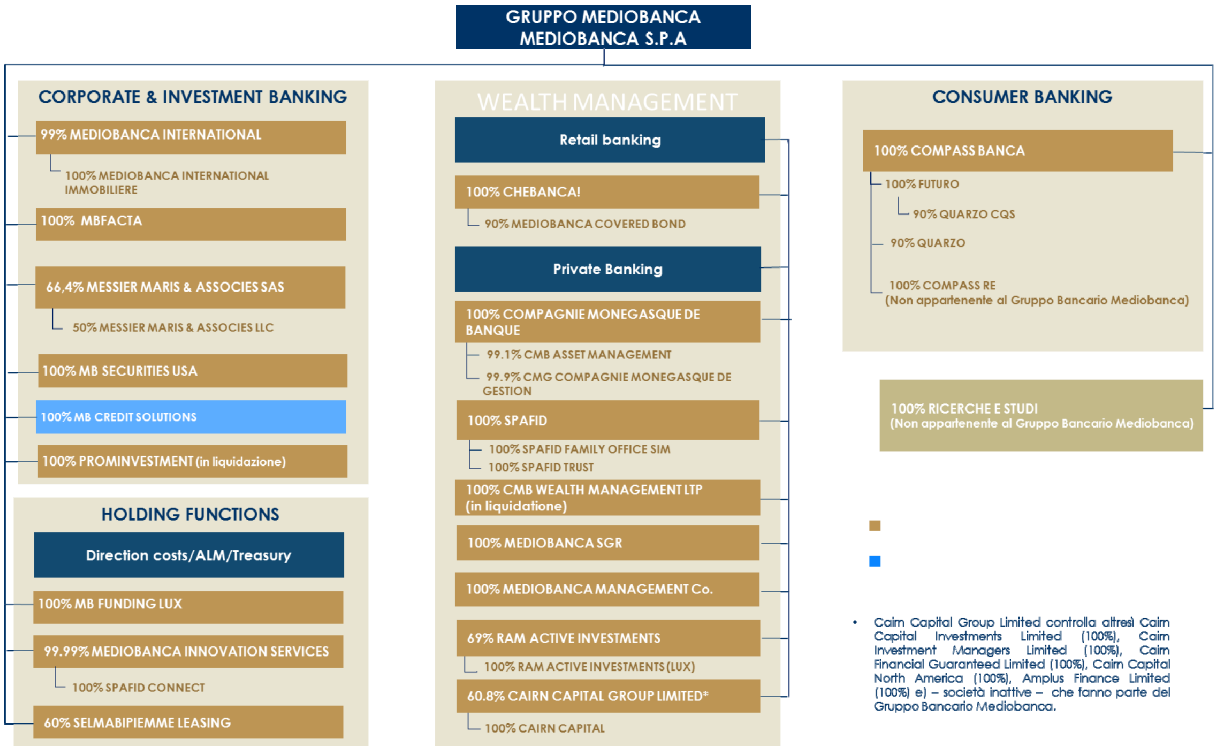
Organizational Structure

Description of organizational structure of group headed up by Mediobanca

Mediobanca is the parent company of the Mediobanca Banking Group.

The Mediobanca Group is registered as a banking group in the register instituted by the Bank of Italy.

The following diagram illustrates the structure of the Mediobanca Group as at the date hereof.



Subsidiaries and main investee companies

A list of the main Group companies included in the area of consolidation for the consolidated financial statements as at the date of this document is shown below:

Group companies

COMPASS Banca S.p.A.	Italy	100%	(dir)
CHEBANCA! S.p.A.	Italy	100%	(dir)
SELMABIPIEMME LEASING S.p.A.	Italy	60%	(dir)
Compagnie Monégasque de Banque S.A.M.	Principality of Monaco	100%	(dir)
MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.	Luxembourg	100%[1]	(dir)
SPAFID S.p.A.	Italy	100%	(dir)
SPAFID TRUST S.r.l.	Italy	100%	(indir)
SPAFID CONNECT S.p.A.	Italy	100%	(indir)

Group companies

MEDIOBANCA SECURITIES USA LLC	United States	100%	(dir)
Mediobanca SGR S.p.A.	Italy	100%	(dir)
Mediobanca Management Company S.A.	Luxembourg	100%	(dir)
MBCREDIT SOLUTIONS S.p.A.	Italy	100%	(indir)
RICERCHE E STUDI S.p.A.	Italy	100%	(dir)
Mediobanca Innovation Services S.c.p.A	Italy	99.99%	(dir)
FUTURO S.p.A.	Italy	100%	(indir)
PROMINVESTMENT S.p.A. in liquidation	Italy	100%	(dir)
MBFACTA S.p.A.	Italy	100%	(dir)
QUARZO S.r.l.	Italy	90%	(indir)
QUARZO CQS S.r.l.	Italy	90%	(indir)
MB COVERED BOND S.r.l.	Italy	90%	(indir)
C.M.B. ASSET MANAGEMENT S.A.M.	Principality of Monaco	99.10%	(indir)
C.M.G. COMP. MONEG. D.G. S.A.M.	Principality of Monaco	99.92%	(indir)
CMB WEALTH MANAGEMENT (in liquidation)	United Kingdom	100%	(dir)
COMPASS RE S.A.*	Luxembourg	100%	(indir)
MEDIOBANCA INTERNATIONAL IMMOBILIERE S.à r.l.	Luxembourg	100%	(indir)
CAIRN CAPITAL GROUP Ltd	United Kingdom	60.08%	(dir)
CAIRN CAPITAL Ltd	United Kingdom	60.08%	(indir)
CAIRN CAPITAL NORTH AMERICA Inc. (not operative)	United States	60.08%	(indir)
CAIRN FINANCIAL GUARANTEE Ltd. (not operative)	United Kingdom	60.08%	(indir)
CAIRN CAPITAL INVESTMENTS Ltd. (not operative)	United Kingdom	60.08%	(indir)
CAIRN INVESTMENTS MANAGERS Ltd. (not operative)	United Kingdom	60.08%	(indir)
AMPLUS FINANCE Ltd. (not operative)	United Kingdom	60.08%	(indir)
MB FUNDING LUX S.A.	Luxembourg	100%	(dir)
SPAFID FAMILY OFFICE SIM S.p.A.	Italia	100%	(indir.)
RAM Active Investments S.A.	Svizzera	69%	(dir.)
RAM Active Investments S.A. Luxembourg	Lussemburgo	69%	(ind.)

Group companies			
MESSIER MARIS & ASSOCIES S.A.S.	France	66.4%	(dir)
MESSIER MARIS & ASSOCIES LLC.	United States	50%	(indir)

[1]1% of Compass
[*] It is not part of the Mediobanca Banking Group

Forecasts or estimates of profits

No profit forecasts or estimates have been made in the Base Prospectus.

Information on recent trends

No substantial adverse changes have taken place in Mediobanca's or the Group's prospects since 30 June 2019.

Information on trends, uncertainties, requests, commitments or known facts which could reasonably be expected to have material repercussions on the Issuer's prospects for at least the current financial year

Mediobanca is not aware of any information on trends, uncertainties, requests, commitments or facts known which could reasonably have significant repercussions on Mediobanca's prospects for the current financial year.

Bodies Responsible for governance, management and supervision

Information on bodies responsible for governance, management and supervision

Information on the Bank's bodies responsible for governance, management and supervision is provided below, as updated following the Annual General Meeting held on 28 October 2019.

Changes in the composition of the governing bodies and other information related to them are published from time to time on the Issuer's website at www.mediobanca.it in the relevant section https://www.mediobanca.com/en/corporate-governance/index.html, without prejudice to the obligations set out under article 94, paragraph 7, of the Italian Legislative Decree 58/98 in respect of the drawing up of a supplement..

Board of Directors

The Board of Directors, appointed on 28 October 2017 for the 2018, 2019 and 2020 financial years and, following the resignation of two Directors on 20 September 2018, with new Directors co-opted (as subsequently confirmed by the shareholders at the Annual General Meeting held on 27 October 2018), as at 28 October 2019 consisted of fifteen members, eleven of whom qualify as independent under Article 148, paragraph 3 of Italian Legislative Decree 58/98, eight of which eleven also qualify as independent under Article 19 of the company's Articles of Association (the requisites for which definition are substantially aligned with those of the Code of Conduct in respect of listed companies[1]). Its composition also reflects the legal requirements in terms of gender balance.

Composition of Board of Directors

Name	Post held	Place and date of birth	Term of office expires	Independence	Principal activities performed outside the Issuer
Renato Pagliaro [2]	Chairman	Milan, 20/2/57	28/10/20		Director, Istituto Europeo di Oncologia

1) The definition considers parties holding an interest of more than 2% or which are significant representatives in their own groups as not independent, regardless of whether or not they are parties to shareholder agreements.

Name	Post held	Place and date of birth	Term of office expires	Independence	Principal activities performed outside the Issuer
Maurizia Angelo Comneno [1]	Deputy Chair	Rome, 18/6/48	28/10/20	b)	-
Alberto Pecci	Deputy Chairman	Pistoia, 18/9/43	28/10/20		Chairman, Pecci Filati Chairman, Tosco-Fin Director, El.En.
Alberto Nagel [1]	CEO	Milan, 7/6/65	28/10/20		-
Francesco Saverio Vinci [1]	General Manager	Milan, 10/11/62	28/10/20		-
Marie Bolloré [2]	Director	Neully sur Seine, 8/5/88	28/10/20	b)	Director, Bolloré Director, Financière de l'Odet Director, Bolloré Participations Director, Financière V Director, Omnium Bolloré Director, Blue Solutions Director, Societé Industrielle et Financière de l'Artois Member of Supervisory Board, Sofibol, Chairman of Supervisory Board, Compagnie du Cambodge CEO, System and Telecom Division of Bolloré Group
Maurizio Carfagna	Director	Milan, 13/11/47	28/10/20	a) b)	CEO, H-Invest; Director, FingProg Italia; Director, Futura Invest; Director, Istituto Europeo di Oncologia
Maurizio Costa	Director	Pavia, 29/10/48	28/10/20	a) b)	Director, Amplifon
Angela Gamba	Director	Palazzolo sull'Oglio (BS), 15/8/70	28/10/20	a) b)	Director, FPS Investments S.r.l. Director, Medical Technology and Devices SA
Valérie Hortefeux	Director	Aulnay (France), 14/12/67	28/10/20	a) b)	Director, Blue Solutions Director, Ramsay – Générale de Santé Director, Socfinasia
Maximo Ibarra	Director	Calì (Colombia), 13/12/68	28/10/20	a) b)	CEO, Sky Italia
Alberto Lupoi	Director	Rome, 29/03/70	28/10/20	a) b)	-
Elisabetta Magistretti	Director	Busto Arsizio, 21/7/47	28/10/20	a) b)	Director, Luxottica Group; Director, Smeg
Vittorio	Director	Rome,	28/10/20	a)	Director,Trilantic Capital

Name	Post held	Place and date of birth	Term of office expires	Independence	Principal activities performed outside the Issuer
Pignatti-Morano		14/9/57		b)	Management GP; Director, Trilantic Capital Partners Management; Director, Trilantic Capital Partners V Management; Director,Ocean Trade Lux Co; Director, Marex Group; Chairman of Board of Directors, Gamenet S.p.A.; Director, ICS Maugeri
Gabriele Villa [1]	Director	Milan, 18/6/64	28/10/20	b)	Standing Auditor, Edison

[1] Member of Executive Committee.
[2] Member of Mediobanca senior management
a) Qualifies as independent pursuant to Article 19 of the company's Articles of Association.
b) Qualifies as independent pursuant to Article 148, para. 3 of the Italian Finance Act.

All Board members are in possession of the requisites to hold such office set by the regulations in force at the time.

The address for all members of the Board of Directors for the duties they discharge is: Piazzetta E. Cuccia 1, Milan, Italy.

Statutory Audit Committee

Composition of Statutory Audit Committee:

Post held	Name	Place and date of birth	Term expires	Principal ativities performed outside the Issuer as significant with respect to the Issuer
Chairman	Natale Freddi	Rho, 6/6/52	28/10/20	-
Standing Auditor	Francesco di Carlo	Milan, 4/10/69	28/10/20	Chairman of Statutory Audit, Committee, Italmobiliare, Director, Milano Investment, Partners SGR
Standing Auditor	Laura Gualtieri	Reggio Emilia, 18/10/68	28/10/20	Standing Auditor, Prysmian Director, Cellularline Standing Auditor, Saipem Offshore Construction
Alternate Auditor	Alessandro Trotter	Vimercate, 09/06/40	28/10/20	Chairman, Credito Valtellinese Standing Auditor, Eurotlx SIM Standing Auditor, Salini-Impregilo

Post held	Name	Place and date of birth	Term expires	Principal ativities performed outside the Issuer as significant with respect to the Issuer
Alternate Auditor	Barbara Negri	Alessandria, 13/06/73	28/10/20	Standing Auditor, Burgo Distribuzione Standing Auditor, Edison Energy Solutions – Edison Exploration & Production – Edison International – Edison Partecipazioni Energie Rinnovabili
Alternate Auditor	Stefano Sarubbi	Milan, 6/12/65	28/10/20	Chairman of Statutory Audit Committee, Coca Cola Italia Chairman of Statutory Audit Committee, Infrastrutture Wireless Italiane – Inwiit CEO, Sigmagest and Chairman of Board of Directors, Sigmagest Financial Business Advisors

All Statutory Audit Committee members are in possession of the requisites to hold such office by law, in terms of fitness, professional qualifications and independence; and are all registered as auditors.

The address for all members of the Statutory Audit Committee for the duties they discharge is: Piazzetta E. Cuccia 1, Milan, Italy.

Conflicts of interest among bodies responsible for governance, management and supervision

A ban was instituted pursuant Article 36 of Italian Decree Law 201/11, as converted into Italian Law 214/11, on representatives of banks, insurers and financial companies from holding positions in companies which operate in the same sectors. Each year the Board of Directors assesses the positions of the individual directors, which may have changed as a result of changes in the activities or size of the other companies in which they hold posts. To this end, each director, including in order to avoid potential conflict of interest, shall inform the Board of any changes in the positions assumed by them in the course of their term of office.

Mediobanca also adopts the procedure recommended under Article 136 of the Italian Consolidated Banking Act for approval of transactions involving individuals who perform duties of management and control in other companies controlled by such parties.

Members of the bodies responsible for governance, management and supervision are also required to comply with the following provisions:

- Article 53 of the Italian banking act and implementing regulations enacted by the Bank of Italy, in particular the supervisory provisions on links with related parties;

- Article 2391 of the Italian Civil Code (Directors' Interests);

- Article 2391-bis of the Italian Civil Code (Transactions with Related Parties). Transactions with "related parties" are described in part H of the financial statements for the twelve months ended 30 June 2018.

Mediobanca and its governing bodies have adopted internal measures and procedures to ensure compliance with the provisions referred to above.

Main Shareholders

Information on ownership structure

No party controls Mediobanca according to the definition provided in Article 93 of the Italian banking act.

Based on the shareholders' register and publicly available information as at the 11 November, the following individuals and entities own directly or indirectly financial instruments representing share capital with voting rights in excess of 3% of the company's share capital, directly or indirectly, are listed below:

Shareholder	No. of shares	% of share capital
Leonardo Del Vecchio [(1)]	87,738,958	9.89%
Bolloré group[(2)]	59,690,987	6.73%
BlackRock group [(3)]	44,171,756	4.98%
Mediolanum group	29,095,110	3.28%[(4)]

[(1)] Indirect participation held via Delfin SARL (9.37%), Aterno SARL (0.20%) and DRF Investiment SARL (0.32%).
[(2)] The company holding a direct stake is FINANCIERE DU PERGUET SAS.
[(3)] BlackRockInc. (NY), via fifteen asset management subsidiaries, 0.514% of which by way of potential investment and 0.216% as contracts of differences (mod. 120B of 29/10/2018).
[(4)] Of which MEDIOLANUM VITA S.p.A. (0.73%) and BANCA MEDIOLANUM S.p.A. (2.55%)..

The information on the Issuer's main shareholders is updated from time to time on its website www.mediobanca.com in the relevant section https://www.mediobanca.com/it/governance/azionisti/index.html, without prejudice to the obligations set out under article 94, paragraph 7, of the Italian Legislative Decree 58/98 in respect of the drawing up of a supplement.

Description of any agreements known to the Issuer which may subsequently give rise to a change in the control of the Issuer.

On 20 December 2018, the shareholders of Mediobanca S.p.A. entered into a consultation agreement (under article 122 of the Italian Legislative Decree 58/98 and the CONSOB Regulation No. 11971 of 14 May 1999, as amended) that – following the sale of UniCredit S.p.A. of its entire stake on 6 November 2019 – gathers about 12.54% of the share capital of Mediobanca S.p.A. and does not provide for blocking or voting undertakings in respect of the contributing shares. Among the others, Mediolanum group, Schematrentatre (Edizione), Fininvest, Fin.Priv., Gavio group and Ferrero group entered into the agreement, for a total of 20 shareholders. The agreement sets forth the meetings procedures, in order to share views and thoughts in respect of the Group performance, in a context of equality with the market under an informational perspective. The underwriters of the agreement have acknowledged that the presentation of the list of Directors for the purposes of renewing the Board of Directors (as already provided for in Mediobanca's Articles of Association) is the preferable practice to follow. The agreement will expire on 31 December 2021 but provides for an automatic renewal for other 3-years-periods among the participants that will not give a 3 months notice before the expiry date (as potentially extended).

The agreement has been filed with the Milan-Monza-Brianza-Lodi Companies' Register and an excerpt of may be found on the website www.mediobanca.com in the relevant corporate section https://www.mediobanca.com/it/corporate-governance/azionisti/Accordo-tra-soci-Mediobanca.html.

Auditors of the Financial Statements

External auditors and auditors responsible for auditing the financial statements

At an annual general meeting held on 27 October 2012, the shareholders of Mediobanca appointed PricewaterhouseCoopers S.p.A. to audit the Bank's separate and consolidated full-year and interim financial statements up to and including the financial year ending 30 June 2021.

PricewaterhouseCoopers S.p.A. a company with its registered offices in via Monte Rosa 91, Milan, Italy, has audited the separate and consolidated financial statements of Mediobanca as at 30 June 2019 and 2018. PricewaterhouseCoopers S.p.A is registered under No. 119644 in the Register of Accounting Auditors (*Registro dei Revisori Legali*) maintained by MEF (*Ministero dell'Economia e delle Finanze*) in compliance with the provisions of Legislative Decree No. 39 of 27 January 2010 (the "**Decree 39/2010**").

External supervisory bodies other than the external auditors

There are no external supervisory bodies other than the external auditors.

Information regarding resignations, dismissals or failures to renew the appointment of the external auditors or the auditors responsible for auditing the financial statements

No resignations, dismissals or failures to renew the appointment of the external auditors have occurred during the period under review.

Judicial proceedings and inspections in course

As at the date hereof, none of Mediobanca and its consolidated subsidiaries is or has been involved in any governmental, legal, arbitration or administrative proceedings in the 12 months preceding the date of this document relating to claims or amounts of money which may have, or have had, a material impact on the Group's financial position or profitability.

As at 30 June 2019, the provisions for risks and charges amounts to €162.5m and includes €10.5m relating to undertakings to grant loans and issued financial guarantees (which were classified among the other liabilities in the previous FY), €5.7m of staffing costs and pensions (having been used €8.7m for the period) and €146.3m to cover litigation and other contingent liabilities.

A description of the main litigation pending is provided below:

Civil litigations - damage claims

The most significant litigation pending against Mediobanca is as follows:

- *Fondazione Monte dei Paschi di Siena* ("**FMPS**"): claims against former directors of FMPS and Mediobanca, jointly with another thirteen banks. The liability with which the banks are charged is non-contractual, for the alleged damages caused in connection with the execution of the Term Facility Agreement on 4 June 2011 and the consequent breach of FMPS's Articles of Association (20% limit on debt/equity ratio) in a total amount of €286m. The next hearing, being an oral hearing, is set for 12 November 2019.

- Lucchini S.p.A. in extraordinary administration ("**Lucchini**"): against twelve banks, including Mediobanca, for their alleged involvement in the financial disaster which affected the company on account of their having compiled and implemented a business and financial plan for Lucchini based on estimates alleged to have been unrealistic as well as a restructuring agreement pursuant to Article 182-bis of the Italian bankruptcy law which included guarantees too favorable for the banks, leading to a delay in Lucchini entering the extraordinary administration procedure. The dispute is currently pending before the Court of Milan; the next hearing for the taking of evidences is set for 19 November 2019.

Administrative and tax disputes

With reference to the disputes outstanding with the Italian revenue authorities, in the current FY it has been notified to the Mediobanca as parent company the alleged non-application of the taxation set out under the Controlled Foreign Company (CFC) legislation, in respect of the incomes generated by the Compagnie Monegasque de Banque and the Compagnie Monegasque de Gestion. In particular, the tax

assessment notice (*avviso di accertamento*) relates to the alleged missing taxation levied to Mediobanca with respect to the FY 2013/2014 and the 2013 profits of the controlled company, for a requested tax equal to €21.3m (plus sanctions and interests). The same case was included in a report of findings (*processo verbale di constatazione*) for the FY 2014/2015 with respect of the 2014 profits, which has not yet been followed by an assessment notice (*avviso di accertamento*). Mediobanca has challenged the tax assessment notice (*avviso di accertamento*) and is currently expecting for the hearing to be scheduled. Since 2016, both the controlled companies have paid income taxes in the Principality of Monaco, so to be excluded from the applicability of the CFC legislation.

Other tax disputes

In addition to the above, as at 30 June 2019, the Mediobanca Group had 18 pending tax disputes:

- 8 tax disputes regarding alleged inexistent transactions in the context of the leasing activity involving higher tax worth a notified amount of €12m and currently pending before the Supreme Court (*Corte di Cassazione*); in respect of 7 out of 8 disputes, Mediobanca Group is expecting the Italian revenue authorities to approve the rquest of voluntary agreement (*richiesta di adesione volontaria*) submitted by Mediobanca pursuant to article 6 of the Law Decree 119/2018 for the remaining part of the pending amount, since Mediobanca has already paid the disputed amount (€191,000). During the FY, the Supreme Court (*Corte di Cassazione*) has ruled in favour of Mediobanca one dispute;

- 2 tax disputes in connection with the alleged failure of CheBanca! to pay registration tax on the deed of purchase for its acquisition of Barclays' Italian operations in 2016; in respect of the first dispute - whose disputed amount was equal to €3.9m - the Italian courts in the first and second instances of the trial ruled in favour of Mediobanca; in respect of the second dispute - whose disputed amount was equal to €7.2m - the Italian courts in the first instance of the trial ruled in favour of Mediobanca and currently Mediobanca is currently expecting for the hearing o the second instance of the trial to be scheduled. In both cases, as at 30 June 2019 an amount equal to €9m has been paid by Mediobanca as taxes and interim collections;

- 1 tax dispute in connection with the alleged failure of the former Banca Esperia to report a money transfer to foreign countries in the context of a communication of tax monitoring, in respect of which sanctions equal to €5.9m have been imposed. The Italian courts in the first and second instances of the trial ruled against Mediobanca, which has paid the disputed amount; the trial is currently pending before the Supreme Court (*Corte di Cassazione*);

- 7 minor tax disputes in connection with direct and indirect taxes, for a total disputed amount equal to €1.1m.

Furthermore, Mediobanca SGR has been sued in its capacity as manager of the real estate fund "Marsupio" in connection with the alleged failure to pay substitute taxes on 3 transactions, involving higher tax worth a notified amount of €746,000; as at the date hereof, the court in the first instance of the trial ruled in favour of the company in relation to 2 cases, and against the company in the other one. The company is currently expecting for the hearing of the second instance of the trials to be scheduled.

On 26 June 2019, Mediobanca has received a tax demand (*cartella esattoriale*) in connection with an automatic control on the 2015 *Modello Unico* of Banca Esperia; Mediobanca has issued a self-protection petition (*istanza di autotutela*) and will challenge the tax demand before a Tax Committee.

On October 2019, Mediobanca has settled with the the Italian revenue authority a dispute relating to the application of transfer pricing between Mediobanca S.p.A. and Mediobanca International SA (having its registered office in Luxembourg) in respect of the FY starting from 2012/2013 to 2016/2017. The sellement has implied, on the one hand, additional costs equal to €21m, plus interests, which have been paid through the provisions for risks and charges and, on the other hand, through the application of the new transfer pricing methodology in respect of the following financial years.

The Supervisory Authorities constantly carry out inspections and supervisoty investigations on Mediobanca and its controlled companies. In this respect, there is no dispute that may have, or has had in the recent past, material effects on the Issuer's or the Mediobanca Group's financial position or profitability.

Significant changes in the Issuer's financial position

There have been no significant changes to financial or commercial position or to the financial performance of Mediobanca, Mediobanca International or the other companies forming part of the Group since the most recent financial information available was disclosed in the audited consolidated or non-consolidated, as the case may be, audited annual financial statements as at 30 June 2019.

Material Agreements

Neither Mediobanca nor any of the companies controlled by Mediobanca has entered into or participates in agreements outside of their normal course of business which could result an obligation or entitlement for Group members that would impact significantly on the Issuer's ability to meet its obligations in respect of the holders of financial instruments issued or to be issued.

Share Capital

As at the date hereof, the Issuer's fully subscribed and paid up share capital amounts to €443,608,088.50, made up of 887,216,177 ordinary par value €0.50 shares.

Any update of the share capital is published from time to tiem on the Issuer's website www.mediobanca.com in the relevant section https://www.mediobanca.com/it/dati-sociali-1.html, without prejudice to the obligations set out under article 94, paragraph 7, of the Italian Legislative Decree 58/98 in respect of the drawing up of a supplement.

FINANCIAL INFORMATION OF MEDIOBANCA - BANCA DI CREDITO FINANZIARIO S.P.A.

The consolidated annual financial statements of Mediobanca as at and for the years ended 30 June 2019 and 2018 were prepared in accordance with IFRS as adopted by the European Union.

All of the above consolidated financial statements, prepared in each case together with the notes thereto, are incorporated by reference in this Base Prospectus. See "*Documents Incorporated by Reference*".

The annual consolidated financial statements as at and for the years ended 30 June 2019 and 2018 have been audited by PricewaterhouseCoopers S.p.A., whose reports thereon are attached to such annual financial statements.

INFORMATION ON MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.

General Information

Name:	Mediobanca International (Luxembourg) S.A. ("**Mediobanca International**").
Date of Incorporation:	Mediobanca International was incorporated in 13 September 1990 and its registered office was transferred to Luxembourg by a resolution of the Shareholders before a notary on 21 December 2005 and the articles of incorporation were published in the *Mémorial Recueil des Sociétés et Associations* number 567 on 17 March 2006. The articles of association were amended on 5 October 2007 and were published in the *Mémorial Recueil des Sociétés et Associations* number 2995 on 24 December 2007. The articles of association were further amended on 30 January 2017 and were published in the *Recueil électronique des Sociétés et Associations* number RESA_2017_042 of 16 February 2017.
Legislation:	Mediobanca International operates under Luxembourg law.
Registered Office and Telephone Number:	4, Boulevard Joseph II, L-1840 Luxembourg, Grand Duchy of Luxembourg, Tel. No.: (00352) 267303-1.
Registration:	*Registre de Commerce et des Sociétés* Luxembourg number B 112885.
Financial Year:	Mediobanca International's financial year ends on 30th June of each year.
General Meetings:	General Meetings are held at least once a year.

Share Information

Authorised and Issued Capital:	EUR 10,000,000 divided into 1,000,000 ordinary shares of EUR 10.00 each.
Reserves:	EUR 328,247,674 as at 30 June 2019.
Controlling Shareholders:	Mediobanca - Banca di Credito Finanziario S.p.A.
Change of control:	Mediobanca International is not aware of any agreements aimed at bringing about future changes regarding the ownership structure of Mediobanca International.

Management

Board of Directors:	The Articles of Association provide for a Board of Directors consisting of at least three members elected by the general meeting of shareholders for a term of office not to exceed six years.
Directors:	The Board of Directors is responsible for setting authorisation levels, defining organisational structure, defining the system of internal control and reviewing it on a regular basis, and approving the bank's accounts and interim statements. The Board of Directors consists of the following seven Directors:

Director	*Place and date of birth*	*Posts held inside Mediobanca International*

Massimo Di Carlo	Rovereto on 25 June 1963	Director
Stefano Biondi	Rome on 6 April 1977	Managing Director
Peter Gerrard (Chairman)	New York on 21 October 1947	Chairman
Piero Pezzati	Milan on 23 March 1953	Director
Paola Schneider	Naples on 17 September 1961	Director
Stéphane Bosi	Monticelli d'Ongina on 27 April 1953	Director
Giovanni Mancuso	Turin on 5 December 1954	Director

The business address of each of the directors is 4, Boulevard Joseph II, L-1840 Luxembourg, Grand Duchy of Luxembourg with the exception of Massimo Di Carlo and Paola Schneider whose business address is 1 Piazzetta E. Cuccia, 20121 Milan.

There are no potential conflicts of interests between any of the Directors' duties to Mediobanca International and their private interests or other duties.

Authorised managers: Day-to-day management is entrusted to two authorised managers: Stefano Biondi (Managing Director and CEO) and Rocco Cosimo Damiano Di Leo (Chief Financial Officer).

Approved independent auditors: PricewaterhouseCoopers, *Société coopérative*, incorporated under the laws of Luxembourg, with its registered office at 2, rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Companies Register under number B.65477 ("**PwC Luxembourg**"), was designated, during a meeting of the Board of Directors held on 11 September 2012, the Mediobanca International's independent auditors (*réviseur d'entreprises agréé*). Their mandate was renewed by the Board of Directors on 14 December 2016 for a period ending at the shareholders' annual general meeting which will be held in 2021.

PwC Luxembourg, has audited the non-consolidated financial statements of Mediobanca International as at and for the years ended 30 June 2019 and 30 June 2018 and will audit the non-consolidated financial statements of Mediobanca International as at and for the year ending 30 June 2020.

PwC Luxembourg is registered as a *cabinet de révision* with the public register of company auditors drawn up by the Luxembourg Ministry of Justice and is a member of the Institute of Independent Auditors (*l'Institut des Réviseurs d'Entreprises*) and is approved by the Commission de Surveillance du Secteur Financier ("**CSSF**") in the context of the law dated 23 July 2016 on the audit profession, as amended.

Corporate governance: Mediobanca International is not subject to any compulsory corporate governance code of conduct or respective statutory legal provisions. The Luxembourg law dated 10 August 1915 on commercial companies, as amended, does not make the application of a corporate governance code mandatory to Mediobanca International. The Ten Principles of Corporate Governance of the Luxembourg Stock Exchange do not apply because the shares of Mediobanca International are not listed on a regulated market operated by the Luxembourg Stock Exchange.

Object and General Business Policy

Business Operations: Article 3 of Mediobanca International's Article of Association provides, among other things, that the sole object of Mediobanca International is to carry out, either within or outside the Grand Duchy of Luxembourg, any banking or financial operations authorised by the law relating to the financial sector.

Mediobanca International's principal activity consists of raising funds on international markets, by issues of bonds chiefly under a short and medium term notes programme guaranteed by Mediobanca. Mediobanca International is also engaged in corporate lending operations.

Risk Management: All interest rate, currency, credit and other risks are managed within the Mediobanca Group.

Tax Treatment: See "*Taxation - (B) Tax Regime for Mediobanca International issues – Luxembourg*".

Main financial information of Mediobanca International

Selected annual financial information. The summary audited balance sheet, profit and loss account and cash flow statement of Mediobanca International as at and for the year ended 30 June 2019 are shown below, along with comparative data as at and for the year ended 30 June 2018.

MAIN STATEMENT OF FINANCIAL POSITION ITEMS	**Year ended 30 June**		
	2019	**2018**	**CHANGES 2019/2018**
	€m	**€m**	**%**
Assets			
Financial assets valued at amortised cost – due from banks	3,287.1	2,774.9	18.5%
Financial assets valued at amortised cost – due from customers	4,506.1	4,090.4	10.2%
Financial assets*	74.1	34.1	117.3%
Total Assets	**7,888.6**	**7,014.3**	**12.5%**
Liabilities			
Financial liabilities valued at amortised cost – debt securities in issue	4,127.4	3,652.7	13.0%
Financial liabilities valued at amortised cost – due to banks	3,242.8	2,180.3	48.7%
Financial liabilities valued at amortised cost – due to customers	110.0	792.7	-86.1%
Financial liabilities valued at FVTPL	55.6	19.1	191.1%

Net equity**	338.2	328.6	2.9%
of which: share capital	10.0	10.0	-
Profit for the period	3.2	12.4	-74.2%
Total Liabilities	**7,888.6**	**7,014.3**	**12.5%**

* Includes financial assets valued at FVTPL and hedging derivatives (For 2018, includes financial assets held for trading, financial assets held to maturity and hedging derivatives).

** Includes reserves and share capital.

MAIN STATEMENT OF COMPREHENSIVE INCOME ITEMS	**Year ended 30 June**		
	2019	**2018**	**CHANGES 2019/2018**
	€m	**€m**	**%**
Net interest income	12.2	23.3	-47.6%
Net fee and commission income	5.0	5.2	-3.8%
Total income	17.9	25.8	-30.6%
Net income from financial operations	14.4	25.7	-44.0%
Administrative expenses	-10.1	-9.1	11.0%
Profit of the ordinary activity before tax	**4.3**	**16.8**	**-74.4%**
Profit for the year	**3.2**	**12.4**	**-74.2%**

CASH FLOW STATEMENT	**Year ended 30 June**	
CASH FLOW FROM OPERATING ACTIVITIES	**2019**	**2018**
	(€ thousands)	
Operating activities	35,213	159,546
Cash generated/(absorbed) by financial assets	-66,898	-2,675,616
Cash (generated)/absorbed by financial liabilities	-2,306	2,477,840
Cash flow from operating activities	-33,991	-38,230
CASH FLOW FROM INVESTING ACTIVITIES		
Cash flow from investing activities	-	50,000
CAPITAL MANAGEMENT		
Cash flow from capital management activities	15,000	-
NET CASH INFLOW (OUTFLOW) DURING THE YEAR	**-18,991**	**11,770**

FINANCIAL INFORMATION OF MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.

Mediobanca International only produces non-consolidated annual financial statements.

The non-consolidated annual financial statements of Mediobanca International as at and for the years ended 30 June 2019 and 2018, in each case together with the notes thereto, are incorporated by reference in this Base Prospectus. See "*Documents Incorporated by Reference*".

The non-consolidated annual financial statements of Mediobanca International as at and for the years ended 30 June 2019 and 2018 have been prepared in accordance with IFRS as adopted by the European Union.

The non-consolidated annual financial statements as at and for the year ended 30 June 2019 and 2018 have been audited by PricewaterhouseCoopers, *Société coopérative*, whose reports thereon are attached to such non-consolidated annual financial statements.

PLAN OF DISTRIBUTION

References in this Base Prospectus to "**Permanent Dealers**" are to the persons listed in the paragraph headed "**Dealers**" in the section headed "*General Description of the EUR 40,000,000,000 Euro Medium Term Note Programme*" above and to such additional persons which are appointed from time to time as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed from time to time as a dealer solely in respect of one or more Tranches.

Subject to the terms and conditions contained in an amended and restated dealer agreement dated 16 December 2019 as further amended or supplemented from time to time (the "**Dealer Agreement**") between each Issuer, the Guarantor, the Arranger and the Permanent Dealers, the Notes will be offered on a continuous basis by each Issuer to the Permanent Dealers. However, the relevant Issuer has reserved the right to sell Notes directly on its own behalf to Dealers which are not Permanent Dealers. The relevant Issuer may also offer and sell Notes directly to investors without the involvement of any Dealer. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the relevant Issuer through the Dealers, acting as agents of such Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers.

Pursuant to the terms and conditions of the Dealer Agreement, the relevant Issuer, failing whom, where applicable, the Guarantor, has agreed to reimburse the Dealers for certain liabilities (including fees and expenses) in connection with the establishment of the Programme, the offer and sale of the Notes and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Dealer Agreement may be terminated in relation to all the Dealers or any of them by Mediobanca and Mediobanca International, acting together or, in relation to itself and Mediobanca and Mediobanca International only, by any Dealer, at any time on giving not less than ten Business Days' notice.

General

The selling restrictions described below may be supplemented or modified by the agreement of the relevant Issuer, the Guarantor (where applicable) and the Dealers following a change in a relevant law, regulation or directive. Any such supplement or modification shall be set out in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws, regulations and directives in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense, 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 relevant Issuer, the Guarantor (where applicable), nor any other Dealer shall have responsibility therefor. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in this sub-section headed "*General*".

Ireland

Each Dealer has represented, warranted and agreed that it will not underwrite, offer, place or do anything with respect to the Notes:

(a) otherwise than in conformity with (i) the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 of Ireland, as amended (the "**MiFID II Regulations**"), including, without limitation, Regulation 5 (*Requirement for authorisation (and certain provisions concerning MTFs and OTFs*)) thereof and in connection with the MiFID II Regulations, any applicable codes of conduct or rules, any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland and (ii) the provisions of the Investor Compensation Act 1998 of Ireland, as amended;

(b) otherwise than in conformity with all applicable provisions of Directive 2014/65/EU, as amended, and Regulation (EU) No 600/2014, as amended, and in connection with the foregoing, all relevant implementing measures, delegated acts and guidance, and is operating within the terms of any authorisation thereunder;

(c) otherwise than in conformity with the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended, the Market Abuse Directive on criminal sanctions for market abuse (Directive 2014/57/EU), the European Union (Market Abuse) Regulations 2016 of Ireland, as amended, and any Irish market abuse law as defined in those Regulations or the Companies Act 2014 of Ireland, as amended, (the "**2014 Act**") and any rules made or guidance issued by the Central Bank of Ireland in connection with the foregoing, including any rules or guidelines issued by the Central Bank of Ireland under Section 1370 of the 2014 Act; and

(d) otherwise than in conformity with (i) the Prospectus Regulation (EU) 2017/1129 and any delegated or implementing acts adopted thereunder, the European Union (Prospectus) Regulations 2019 of Ireland, the Central Bank (Investment Market Conduct) Rules 2019 of Ireland, and any other rules made or guidelines issued under Section 1363 of the 2014 Act by the Central Bank of Ireland (ii) the provisions of the 2014 Act (iii) the Central Bank Acts 1942 to 2018 of Ireland and any code of conduct rules made under Section 117(1) of the Central Bank Act 1989 of Ireland, as amended, or any regulations issued pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 of Ireland, as amended, and (iv) every other enactment that is to be read together with any of the foregoing Acts,

as each of the forgoing may be amended, restated, supplemented and/or otherwise replaced from time to time.

United States of America

Neither the Notes nor the Guarantee thereof have been nor will they be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from 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 in bearer form 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. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

The applicable Final Terms will identify whether Regulation S Compliance Category 2, TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented, warranted and agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the relevant Issuer or the Fiscal Agent by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons,

and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto 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.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of 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 applicable 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 this Base Prospectus as completed by the Final Terms 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 Directive 2014/65/EU (as amended, "**MiFID II**"); or

  (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, 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 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 make an offer of such Notes to the public in that Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) 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

(c) 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 paragraphs (a) to (c) above shall require any of the Issuers 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;

It being understood that, any offer of Notes whose Final Terms specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable" could be subject to further selling restrictions to retail investors and consequently no key information document, under Regulation (EU) No 1286/2014 (as amended), may be available. Therefore, offering or selling the Notes, or otherwise making them available to any retail investor in the EEA may be unlawful.

*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

Each Dealer has represented, warranted and agreed that:

(a) ***No deposit-taking***: in relation to any Notes having 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:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) 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 Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;

(b) ***Financial promotion***: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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, or, in the case of the Issuer or the Guarantor would not, if it was not an authorised person, apply to the Issuer or the Guarantor; and

(c) ***General compliance***: 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.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented, warranted and agreed that, save as set out below, it has not offered or sold, and will not make an offer of any Notes to the public in the Republic of Italy and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Each of the Dealers has represented, warranted and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy except:

1. that each Dealer may make an offer of Notes to the public if the final terms in relation to the Notes specify that a Non-exempt Offer may be made in the Republic of Italy, including without limitation, by means of an offer of Notes to the public following the date of publication of a prospectus in relation to such Notes and **provided that** such prospectus has been (i) approved in another Member State and notified to CONSOB and (ii) completed by final terms expressly contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation and CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971/1999**"), in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;

2. to "**qualified investors**" (*investitori qualificati*), as referred to in Article 100, letter a), of the Financial Services Act as implemented by Article 34-*ter*, first paragraph, letter b) of Regulation No. 11971/1999 and the relevant applicable provisions set forth in CONSOB Regulation No. 20307 of 15 February 2018; or

3. in any other circumstances which are exempted from the rules on public offerings, as provided under Legislative Decree No. 58 of 24 February 1998, as amended ("**Financial Services Act**") or Regulation No. 11971/1999.

Any such 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 must be:

(a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended from time to time (the "**Italian Banking Act**"), Financial Services Act, the relevant applicable provisions set forth in CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and any other applicable laws and regulations;

(b) in compliance with Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, and/or by an Italian person outside the Republic of Italy; and

(c) in compliance with any other applicable laws and regulations or requirements imposed by CONSOB or the Bank of Italy or any other Italian regulatory authority.

Provisions relating to the secondary market

Potential investors should also note in connection with the subsequent distribution of Notes in the Republic of Italy, in accordance with Article 100-*bis* of the Financial Services Act, where no exemption from the rules on public offerings applies under paragraphs (2) and (3) above, the subsequent distribution of the Notes on the secondary market in the Republic of Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971/1999. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the intermediaries transferring the Notes being liable for any damages suffered by investors or potential investors.

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**" or the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented, warranted and agreed that it has not, directly or indirectly, and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Singapore

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**") and accordingly, the Notes may not be offered or sold, nor may the Notes be the subject of an invitation for subscription or purchase, nor may this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Notification under Section 309B(1)(c) of the SFA - Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

GENERAL CONSENT — THE AUTHORISED OFFEROR TERMS

These terms (the "**Authorised Offeror Terms**") will be relevant in the case of any Tranche of Notes, if (and only if) Part B of the applicable Final Terms specifies "**General Consent**" as "**Applicable**". They are the Authorised Offeror Terms which will be referred to in the "**Acceptance Statement**" to be published on the website of any financial intermediary which (a) is authorised to make such offers under MiFID II and (b) accepts such offer by publishing an Acceptance Statement on its website.

1. General

The relevant financial intermediary:

(a) *Applicable Rules*: acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**") including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential Investor;

(b) *Subscription and sale*: complies with the restrictions set out under "*Plan of Distribution*" in this Base Prospectus which would apply as if it were a relevant Dealer and with any further relevant requirements as may be specified in the applicable Final Terms;

(c) *Fees, commissions and benefits*: ensures that any fee, commission, benefits of any kind, rebate received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and is fully and clearly disclosed to Investors or potential Investors;

(d) *Licences, consents, approvals and permissions*: holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules;

(e) *Violation of Rules*: it will immediately inform the Issuer, the Guarantor and any relevant Dealer if at any relevant time it becomes aware or suspects that it is or may be in violation of any Rules;

(f) *Anti-money laundering, bribery and corruption*: complies with, and takes appropriate steps in relation to, applicable anti-money laundering, anti-bribery, prevention of corruption and "know your client" Rules, and does not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the purchase monies;

(g) *Record-keeping*: retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the Issuer, the Guarantor and the relevant Dealer or directly to the appropriate authorities with jurisdiction over the Issuer, the Guarantor and/or the relevant Dealer in order to enable the Issuer, the Guarantor and/or the relevant Dealer to comply with anti-money laundering, anti-bribery and "know your client" Rules applying to the Issuer, the Guarantor and/or the relevant Dealer;

(h) *Breach of Rules*: does not, directly or indirectly, cause the Issuer, the Guarantor or the relevant Dealer to breach any Rule or subject the Issuer, the Guarantor or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;

(i) *Publicity names*: does not use the legal or publicity names of the Issuer, the Guarantor or the relevant Dealer(s) or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest or in any statements (oral or written), marketing material or documentation in relation to the Notes;

(j) *Information*: does not give any information other than that contained in this Base Prospectus (as may be amended or supplemented by the Issuer from time to time) or

make any representation in connection with the offering or sale of, or the solicitation of interest in, the Notes;

(k) *Communications*: agrees that any communication in which it attaches or otherwise includes any announcement published by the Issuer (via any relevant applicable methods) at the end of the Offer Period will be consistent with the Base Prospectus, and (in any case) must be fair, clear and not misleading and in compliance with the Rules and must state that such Authorised Offeror has provided it independently from the Issuer and must expressly confirm that the Issuer has not accepted any responsibility for the content of any such communication;

(l) *Legal or publicity names*: does not use the legal or publicity names of the relevant Dealer, the Issuer or any other name, brand or logo registered by any entity within their respective groups or any material over which any such entity retains a proprietary interest or in any statements (oral or written), marketing material or documentation in relation to the Notes;

(m) *Any other conditions*: agrees to any other conditions set out in paragraph 10 of Part B of the relevant Final Terms.

2. Indemnity

The relevant financial intermediary agrees that if either of the Issuer or the Guarantor incurs any liability, damages, cost, loss or expense (including, without limitation, legal fees, costs and expenses and any value added tax thereon) (a "**Loss**") arising out of, in connection with or based on any inaccuracy of any of the foregoing representations and warranties or any breach of any of the foregoing undertakings then the relevant financial intermediary shall pay to the Issuer or the Guarantor (as the case may be) on demand an amount equal to such Loss.

3. Governing Law and Jurisdiction

The relevant financial intermediary agrees that:

(a) the contract between the Issuer, the Guarantor and the financial intermediary formed upon acceptance by the financial intermediary of the offer of the Issuer and the Guarantor to use this Base Prospectus with their consent in connection with the relevant Public Offer (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;

(b) the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) and accordingly the relevant financial intermediary submits to the exclusive jurisdiction of the English courts;

(c) each relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit but, subject to this, a person who is not a party to the Authorised Offeror Contract has no right to enforce any term of the Authorised Offeror Contract; and

(d) the parties to the Authorised Offeror Contract do not require the consent of any person not a party to the Authorised Offeror Contract to rescind or vary the Authorised Offeror Contract at any time.

FORM OF FINAL TERMS

(A) Form of Final Terms for Notes with a denomination less than EUR 100,000

The following form of Final Terms shall be used for the issue of Notes having a denomination of less than EUR 100,000 (or the equivalent amount in any other currencies in which the Notes are denominated).

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

***[PRIIPs Regulation / Prospectus Regulation / 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**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, 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.]*

***MIFID II product governance / Retail investors, professional investors and ECPS target market** - Solely for the purposes of 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, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate and (iii) the following channels for distribution of the Notes to retail clients are appropriate, including; investment advice, portfolio management and non-advised sales, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' 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 manufacturers' target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.*

[*Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the SFA)* - [*To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*]][2)]

Final Terms

[MEDIOBANCA - Banca di Credito Finanziario S.p.A.
Legal Entity Identifier (LEI): PSNL19R2RXX5U3QWHI44 /

MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.
Legal Entity Identifier (LEI): 549300DV870NBWY5W279] Issue of [*currency*] [*aggregate principal amount*] Notes due [*maturity*]

[guaranteed in the case of Notes issued by

MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.

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2) Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the relevant Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA

Legal Entity Identifier (LEI): 549300DV870NBWY5W279 by

MEDIOBANCA - Banca di Credito Finanziario S.p.A.
Legal Entity Identifier (LEI): PSNL19R2RXX5U3QWHI44] under the

Euro [40,000,000,000]

Euro Medium Term Note Programme

Issue Price: [•] per cent.

[Dealer(s)][•]]

The date of these Final Terms is [•]

[This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 16 December 2019 [and the supplement to the Base Prospectus dated [*insert date*] [*delete if not applicable*],] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (Regulation (EU) 2017/1129). 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 such Base Prospectus [as supplemented from time to time]. Full information on the Issuer [and the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement to the Base Prospectus] [is/are] available for viewing at [*address*] and [*website*] and copies may be obtained [upon request] from the [Issuer] [Dealer(s)]/ [Distributor(s)]. [For the purposes of article 23(3) of the Prospectus Regulation (Regulation (EU) 2017/1129), the Issuer [in its role of distributor] will set out the means through which the investors will be contacted [and assisted]].

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*]

[This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [11 January 2007][4 December 2007][12 December 2008][16 December 2009][13 January 2011][30 November 2011][23 January 2013][27 January 2014][19 December 2014][11 December 2015][22 December 2016][24 January 2018] [21 December 2018]. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation (Regulation (EU) 2017/1129) (the "**Prospectus Regulation**") and must be read in conjunction with the Base Prospectus dated 16 December 2019 [and the supplement to the Base Prospectus dated [•]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation, save in respect of the Conditions which are extracted from the Base Prospectus dated [*original date*] which is incorporated by reference to the Base Prospectus dated 16 December 2019. Full information on the Issuer [and the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [*date of original base prospectus*] and [•][and the supplement to the Base Prospectus dated [•]]. The Base Prospectuses [and the supplement to the Base Prospectus] [is/are] available for viewing at the registered office[s] of the Issuer [and of the Guarantor] [at [•].] The Base Prospectus and, in the case of Notes admitted to trading on the regulated market of the Euronext Dublin, the applicable Final Terms will also be published on the website of the Euronext Dublin (*http*://www.ise.ie/).] [For the purposes of article 23(3) of the Prospectus Regulation (Regulation (EU) 2017/1129), the Issuer [in its role of distributor] will set out the means through which the investors will be contacted [and assisted]]

[A summary of the individual issue is annexed to these Final Terms.]

[*Include whichever of the following apply or specify as "not applicable". Note that the numbering should remain as set out below, even if individual items are deleted.*]

[*When completing any final terms, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base*

Prospectus under Article 23 of the Prospectus Regulation]

[*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.*]

PART A – GENERAL

1.	(i)	Series Number:	[•]
	(ii)	Tranche Number:	[•]
	[(iii)]	Date on which the Notes will be consolidated and form a single Series:]	[The Notes will be consolidated and form a single Series with [*identify earlier tranches*] on [the Issue Date] [exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 24 below, which is expected to occur on or about [*date*]] [Not Applicable] (*Only relevant if the Notes are fungible with an existing Series*).
2.	**Specified Currency or Currencies:**		[•]
3.	**Aggregate Nominal Amount of Notes admitted to trading:**		
	(i)	Series:	[Up to] [•]
	(ii)	Tranche:	[Up to] [•] [The Aggregate Nominal Amount will not exceed [•] and will be determined at the end of the Offer Period (as defined in paragraph 10 of Part B below) and such final amount will be filed with the Central Bank of Ireland as competent authority and published on the website of the Euronext Dublin (www.ise.ie) pursuant to Articles 14(2) and Article 18(1) of the Prospectus Regulation. [**provided that**, during the Offer Period the Issuer will be entitled to increase the Aggregate Nominal Amount as more fully described under paragraph 10 of Part B below.]]
4.	Issue Price:		[[•] per Note] [[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]]
5.	(i)	Specified Denominations:	[•] [and integral multiples of [•] in excess thereof up to and including [•]. No Notes in definitive form will be issued with a denomination above [•].] (*Notes including Notes denominated in Sterling, in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of the Financial Services and Markets Act 2000 and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).)*

	(ii)	Calculation Amount:	[•] (*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. There must be a common factor in the case of two or more Specified Denominations.*)
6.	(i)	Issue Date:	[•]
	(ii)	Interest Commencement Date:	[*Specify/Issue Date/Not Applicable*]
7.	**Maturity Date:**		[*Specify date or (for Floating Rate Notes) Interest Payment Date falling in relevant month and year.*] (*N.B. Unless otherwise permitted by current laws, regulations, directives and/or the Bank of Italy's requirements applicable to the issue of Subordinated Notes by the Issuer must have a minimum maturity of five years.*) (*If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.)*
8.	**Interest Basis:**		[[•] per cent. Fixed Rate]
	(Condition 3(d) (*Interest Rate on Fixed Rate Notes*) or Condition 3(f) (*Interest Rate on Floating Rate Notes*) or Condition 3(m) (*Late payment on Zero Coupon Notes*) of the Terms and Conditions of the English Law Notes or (Condition 3(d) (*Interest Rate on Fixed Rate Notes*) or Condition 3(f) (*Interest Rate on Floating Rate Notes*) or Condition 3(m) (*Late payment on Zero Coupon Notes*) of the Terms and Conditions of the Italian Law Notes)		[Fixed Rate Notes] [[EURIBOR] [LIBOR] [LIBID] [LIMEAN] [CMS] [*specify relevant yield of Government securities*] +/- [•] per cent. per annum Floating Rate]
			[Zero Coupon]
9.	**Redemption/Payment Basis:**		[Redemption at par] [Instalment]
10.	**Change of Interest:**		[Applicable - Condition 3(n) (*Interest Rate Switch*) of the Terms and Conditions of the [English][Italian] Law Notes shall apply] [Not Applicable - Condition 3(n) (*Interest Rate Switch*) of the Terms and Conditions of the [English][Italian] Law Notes shall not apply]
	Interest Rate Switch Date:		[•] [Not Applicable]

			[*Insert description of change of interest rate*]
11.	**Put/Call Options:**		[Applicable/Not Applicable]
	((Condition 4(f) (*Redemption at the option of the Issuer*) or (Condition 4(h) (*Redemption at the option of holders of Notes*) of the Terms and Conditions of the English Law Notes or (Condition 4(f) (*Redemption at the option of the Issuer*) or (Condition 4(h) (*Redemption at the option of holders of Notes*) of the Terms and Conditions of the Italian Law Notes))		[Investor Put] [Issuer Call]
12.	(i)	Status of the Notes:	[Senior Preferred] [Senior Non Preferred] [Subordinated]
	(ii)	(In respect of Senior Preferred Notes only):	
		[Waiver of set-off rights:]	[Applicable/Not Applicable]
	[(iii)	[Date [Board] approval for issuance of Notes [and Guarantee] obtained:	[•] [and [•], respectively]] [Not Applicable] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related guarantee of the Notes*)
13.	**Method of distribution:**		[Syndicated] [Non-syndicated]
14.	**[Taxation:]**		[Gross Up is applicable pursuant to paragraph (viii) of Condition 6(a) (*Taxation - Gross Up*) of the Terms and Conditions of the [English][Italian] Law Notes] [Gross Up is not applicable pursuant to paragraph (viii) of Condition 6(a) (*Taxation - Gross Up*) of the Terms and Conditions of the [English][Italian] Law Notes]
15.	**Events of Default**		[In case of Senior Preferred Notes specify if there are Events of Default which are not applicable]

16.	**Governing Law:**	[English law applicable] [Italian law applicable], also in accordance with the provisions of Regulation (EC) no. 864/2007 of 11 July 2007 on the law applicable to non-contractual obligations (the "**Rome II Regulation**") [except for: **(I)** in case of Notes issued by Mediobanca, Conditions 2(b) (*Status of the Senior Preferred Notes*), 2(c) (*Status of the Senior Non Preferred Notes*), 2(d) (*Status of the Subordinated Notes*), 4(b) (*Maturities/Final Redemption*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*), 8(b) (*Events of Default of the Senior Non Preferred Notes*), 8(c) (*Events of Default of the Subordinated Notes*) and 16 (*Acknowledgment of the Italian / Luxembourg Bail-in Power*) of the Terms and Conditions of the English Law Notes, are governed by, and shall be construed in accordance with, Italian law; **(II)** in case of Senior Preferred Notes issued by Mediobanca International, Conditions 2(b) (*Status of the Senior Preferred Notes*), 4(b) (*Maturities/Final Redemption*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) and [15/16] (*Acknowledgment of the Italian / Luxembourg Bail-in Power*) of the [Terms and Conditions of the English Law Notes] [Terms and Conditions of the Italian Law Notes], are governed by, and shall be construed in accordance with, Luxembourgish law.] [For the avoidance of doubt, articles 470-3 to 470-19 of the Luxembourg Company Law shall not apply to Senior Preferred Notes issued by Mediobanca International.]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17.	**Fixed Rate Note Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph 17*)
	(i)	Interest Rate(s):	[•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii)	Interest Payment Date(s):	[•] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*] (*N.B. This will need to be amended in the case of long or short coupons*)
	(iii)	Interest Accrual Dates(s):	[The Interest Accrual Dates are [•] in each year up to and including the Maturity Date.] [The Interest Accrual Dates shall be the Interest Payment Dates.]
	(iv)	Fixed Coupon Amount[(s)]:	[[•] per Calculation Amount payable on [each Interest Payment Date] [the Interest Payment Date(s) falling [in/on] [•]] [Not applicable]
	(v)	Broken Amount(s):	[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•] [Not Applicable]
	(vi)	Business Day Convention:	[Following Business Day Convention [Modified Following Business Day Convention] [Preceding Business Day Convention] [adjusted] [unadjusted]
	(vii)	Day Count Fraction:	[1/1] [Actual/Actual] [Actual/Actual

		(ISDA)] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
18.	**Floating Rate Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph 18.*)
(i)	Interest Payment Dates:	[•]
(ii)	First Interest Payment Date:	[•]
(iii)	Interest Accrual Dates(s):	[The Interest Accrual Dates are [•] in each year up to and including the Maturity Date.] [The Interest Accrual Dates shall be the Interest Payment Dates.]
(iv)	Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [adjusted] [unadjusted]
(v)	Additional Business Centre(s):	[Not Applicable] [•]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination] [ISDA Determination]
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent):	[•] [*Name*] *shall be the Calculation Agent (no need to specify if the Fiscal Agent is to perform this function*)]
(viii)	Screen Rate Determination:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph (viii)*)
	• Reference Rate:	[EURIBOR] [LIBOR] [LIBID] [LIMEAN] [CMS] *[specify relevant yield of Government securities]*
	• Specified Duration:	[•] [Not Applicable]
	• Multiplier	[•] [Not Applicable]
	• Reference Rate Multiplier	[•] [Not Applicable]
	• Interest Determination Date(s):	[The Interest Determination Date in respect of each Interest Period is [the first day of each Interest Period] [the second day on which TARGET2 is open prior to the first day of each Interest Period] [the day falling two Banking Days prior to the first day of each Interest Period] [•]]*Typically second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second TARGET Settlement Day prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
	• Relevant Screen Page:	[*For example, Reuters page EURIBOR01)*]

	• Relevant Time	[*For example, 11.00 a.m. [London / Brussels] time*]
	• Relevant Financial Centre	[*For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)*]
(x)	ISDA Determination:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph (x)*)
	• Floating Rate Option:	[•] [Not Applicable]
	• Designated Maturity:	[•] [Not Applicable]
	• Reset Date:	[•] [Not Applicable]
(xi)	Margin(s):	[[+/-][•] per cent. per annum] [Not Applicable]
(xii)	Minimum Interest Rate:	[•] [Not Applicable]
(xiii)	Maximum Interest Rate:	[•] [Not Applicable]
(xiv)	Day Count Fraction:	[1/1] [Actual/Actual] [Actual/Actual (ISDA)] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
(xv)	Interest calculation method for short or long Interest Periods:	[Linear Interpolation, in respect of the Interest Period beginning on (and including) [•] and ending on (but excluding) [•]] [Not Applicable - there are no short or long Interest Periods]
19.	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph 19*)
(i)	Accrual Yield:	[•] per cent. per annum. Calculated as [*include details of method of calculation in summary form*] on the Issue Date on the basis of the Issue Price.
(ii)	Reference Price:	[•]

PROVISIONS RELATING TO REDEMPTION

20.	**Call Option**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph 20*)
(i)	**European Style**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph (i)*)
	• Notice Period(s):	[•] (*at least 5 business days prior notice*)

(ii)	American Style	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph (ii)*)
	• Exercise Period(s):	[•]
(iii)	Optional Redemption Date(s):	[•]
(iv)	Optional Redemption Amount(s) (*Call*):	[•] per Calculation Amount
(v)	Partial Redemption:	[*Not Applicable*] (*If not applicable, delete the remaining sub-paragraphs of this paragraph (v)*)
(vi)	Minimum Redemption Amount	[•] per Calculation Amount [*Not Applicable*]
(vii)	Maximum Redemption Amount:	[•] per Calculation Amount [*Not Applicable*]

21. Regulatory Call / Redemption for taxation reasons

(i)	Regulatory Call	[Applicable/Not Applicable] (*if not applicable delete sub-paragraphs (ii) and (iii) of this paragraph (i)*)
(ii)	Early Redemption Amount payable on redemption for regulatory reasons (subject to prior approval of the Relevant Authority) as contemplated by Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions of the English Law Notes or Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions of the Italian Law Notes (if required)	[[•] per Calculation Amount]
(iii)	Redemption for taxation reasons	[Applicable/Not Applicable]
(iv)	[Modification following a MREL/TLAC Disqualification Event / Regulatory Event or Tax Event]	[Applicable/Not Applicable]

22. Put Option [Applicable/Not Applicable]

		(*if not applicable, delete the remaining sub-paragraphs of this paragraph 22*)
(i)	**European Style**	[Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph (i)*)
	• Notice Period(s):	[•] (*at least 5 business days prior notice*)
(ii)	**American Style**	[Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph (ii)*)
	• Exercise Period(s):	[•]
(iii)	Optional Redemption Date(s):	[•]
(iv)	Optional Redemption Amount(s) (.Put):	[•] per Calculation Amount (*if not applicable, delete the remaining sub-paragraphs of this paragraph (iv)*)
(v)	Partial Redemption:	[*Not Applicable*] (*If not applicable, delete the remaining sub-paragraphs of this paragraph (v)*)
(vi)	Minimum Redemption Amount	[[•] per Calculation Amount] [*Not Applicable*]
(vii)	Maximum Redemption Amount	[[•] per Calculation Amount] [*Not Applicable*]
23.	**Final Redemption Amount of each Note**	[•] per Calculation Amount
24.	**Early Redemption Amount**	
	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default:	[•] per Calculation Amount [An amount in the Specified Currency being the Nominal Amount of the Notes] [An amount in the Specified Currency being the higher of (i) the Nominal Amount of the Notes and (ii) the fair economic value of the Notes at the date of redemption, as determined and calculated by the Calculation Agent in its sole discretion in good faith and in a commercially reasonable manner as representing the fair economic value of the Note at the date of redemption].

[An amount in the Specified Currency which the Calculation Agent will determine and calculate in its sole discretion in good faith and in a commercially reasonable manner as representing the fair economic value of the Note at the date of redemption, without making any reduction to such value by reason of the financial condition of the Issuer but taking into account (without duplication) any costs and expenses incurred by the Issuer in connection with the termination of any agreement or instrument entered into by the Issuer for the purposes of hedging the risk arising from the entering into and performance of its obligations under the Notes.]

[The Early Redemption Amount Payable on Event of Default shall be Euro [•] for each Note of Euro [•] Specified Denomination.]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	**Form of Notes:**	**Bearer Notes:** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.] [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice.] [Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]. [The Notes will be issued and held in book-entry form by [*Monte Titoli S.p.A/ include the name of any other custodian appointed by the Issuer*], as Centralised Custodian.]
26.	**New Global Note form:**	[Yes/No]
27.	**Additional Financial Centre(s) relating to Payment Business Dates:**	[Not Applicable] [•] [*Note that this item relates to the date and place of payment and not to interest period end dates*]
28.	**Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):**	[No] [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 left. The dates on which such Talons mature are [•].]
29.	**Details relating to Instalment Notes: (amount of each instalment, date on which each payment is to be made):**	[Not Applicable]

(i)	Instalment Date(s):	[•]
(ii)	Instalment Amount(s):	[•] per Calculation Amount
30.	**Total Repurchase Option / Partial Repurchase Option**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph 30*)
(i)	Total Repurchase Option date / Partial Repurchase Option date(s):	[•]
(ii)	Repurchase amount(s) and method(s):	[•] per Calculation Amount
(iii)	Notice period:	[•] (*at least 5 business days prior notice*)

RESPONSIBILITY [AND THIRD PARTY INFORMATION]

[The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms.][The third party information contained in these Final Terms [[•] has been extracted from [•].] [[Each of the] [The] Issuer [and the Guarantor] confirms that such third party information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.].]

Signed on behalf of the Issuer:

By: ..... By: .....
Duly authorised Duly authorised

[Signed on behalf of the Guarantor:

By: ..... By: .....
Duly authorised Duly authorised]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing:	[Official List of Euronext Dublin/Luxembourg Stock Exchange/Italian Stock Exchange/None]
(ii)	Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Euronext Dublin] [the Luxembourg Stock Exchange] [the Italian Stock Exchange] [*specify relevant regulated market*] 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 Euronext Dublin] [the Luxembourg Stock Exchange] [the Italian Stock Exchange] [*specify relevant regulated market*] with effect from [•].]

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

2. RATINGS

[Applicable / Not Applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph 2*)

Ratings: [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)*].

[*Depending on the status of the credit rating agency with respect to the CRA Regulation, the wording below should be considered.*]

[*Option 1 - CRA established in the EEA and registered under the CRA Regulation*]

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

Option 2 - CRA established in the EEA, not registered under the CRA Regulation but has applied for registration

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority]/[European Securities and Markets Authority].

Option 3 - CRA established in the EEA, not registered under the CRA Regulation and not applied for registration

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

3. NOTIFICATION

[Not applicable.] / [The Central Bank of Ireland [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] *the* [*Commissione Nazionale per la Società e la Borsa*] [*Commission de Surveillance du Secteur Financier*] [*names of competent authorities of host Member States*] with a certificate of approval attesting that the Base Prospectus [and the supplement thereto dated [•]] has been drawn up in accordance with the Prospectus Regulation][and, in the case of an offer to the public, the Base Prospectus [and the supplement thereto dated [•]] have been/will be filed with the competent authority of the host Member State.]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

[Save for the fees payable to the managers [and as discussed in [•],] so far as the Issuer is aware, no person involved in the issue/offer of the Notes has an interest material to the offer.] [*Amend as appropriate if there are other interests*]

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

[(i)	[Reasons for the offer:	[Not applicable] [•] [(*If the proceeds are intended to be used for the purposes of eligible Green and Sustainability Assets, specify details of the relevant eligible Green and Sustainability Asset*)]
[(ii)	Estimated net proceeds:	[Not applicable] [•] (*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)] *
(iii)	Estimated total expenses:	[Not applicable] [•] [*Include breakdown of expenses*.]

6. [*Fixed Rate Notes only*] YIELD

[Applicable / Not Applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph 6*)

Indication of yield: [•]

Yield is calculated on the basis of the Issue Price[,] [and] the Fixed Coupon [and the Broken Amount].

7. [*Floating Rate Notes only*] HISTORIC INTEREST RATES

[Applicable / Not Applicable]

(*If not applicable, delete the remaining sub-paragraphs of this paragraph 7*)

Details of historic [EURIBOR/LIBOR/LIBID/LIMEAN/CMS] rates can be obtained from [Reuters][•] [*insert relevant code of information providers*].]

[Benchmarks: Amounts payable under the Notes will be calculated by reference to [●] which is provided by [●]. As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) No. 2016/1011) (the "**Benchmarks Regulation**"). [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [●] is not currently required to obtain authorisation or registration.]]

8. OPERATIONAL INFORMATION

ISIN: [•]

Common Code: [•]

CFI	[•][[, as set out on the website of the Association of National Number Agencies (ANNA)/ [•]]] [Not applicable]
FISN	[•][[, as set out on the website of the Association of National Number Agencies (ANNA)/ [•]]]/[Not applicable]
New Global Note 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 registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered notes] and does not necessarily mean that the Notes will be recognized 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 [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered notes]. 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.]]
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[*Not Applicable/give name(s) number(s) and address(es)*]
Delivery:	Delivery [against/free of] payment
Initial Paying Agents:	[•]
Names and addresses of additional Paying Agent(s) (if any):	[•] [Not Applicable]

9. DISTRIBUTION

(i) If syndicated, names and addresses of Managers and underwriting commitments:	[Applicable / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph (i)*) (*if applicable give names and addresses and underwriting commitments*) (*Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.*)
[(ii) [Date of [Subscription]	[Not Applicable / [•]]

	Agreement:	
(iii)]	Stabilising Manager(s) (if any):))	[Not Applicable/*give name*]
	If non-syndicated, name of Dealer:	[Not Applicable/*give name*]
	US Selling Restrictions:	[Reg. S Compliance Category 2; TEFRA C/ TEFRA D/ TEFRA not applicable]
	Non-exempt offer:	[Not Applicable] [An offer of the Notes may be made by the Managers and [*specify if applicable*] other than pursuant to Article 1(4) of the Prospectus Regulation in [*specify relevant Member State(s) -which must be jurisdictions where the Prospectus and any supplements have been passported*] ("**Public Offer Jurisdictions**") during the period from [*specify date*] until [*specify date*] ("**Offer Period**"). See further Paragraph 10 (*Terms and Conditions of the Offer*) of Part B below.
	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, "**Applicable**" should be specified.*)

[**PRIIPs Regulation / Prospectus Regulation / 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**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, 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.]

MiFID II product governance / target market - *[appropriate target market legend to be included]*

10. TERMS AND CONDITIONS OF THE OFFER

	[Applicable / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph 10*)
Offer Period:	[•] to [•]
Offer Amount:	[•] [**provided that**, during the Offer Period, the Issuer will be entitled [(following consultation with the relevant Dealer(s)[Distributor(s))] to increase such Offer Amount up to [•]] [**provided [further] that**, during the Offer Period the Issuer will be entitled [(following consultation with the relevant Dealer(s) [Distributor(s)])] to extend the length of the Offer Period]. The Issuer [and the relevant Dealer(s) [Distributor(s)])] shall forthwith give notice of any such [increase] [and/or] [extension] pursuant to Condition 12

	(*Notices*) of the [Senior / Subordinated] Conditions and comply with any applicable laws and regulations.] [*specify*]
Offer Price:	[Issue Price][*specify*]
Conditions to which the offer is subject:	[Not Applicable] [•]
Description of the application process:	[Not Applicable] [•]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable] [•]
Details of the minimum and/or maximum amount of application:	[Not Applicable] [•]
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable] [•]
Manner in and date on which results of the offer are to be made public:	[Not Applicable] [•]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable] [•]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable] [•]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable] [•]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[None] [•]

11. CONSENT TO THE USE OF PROSPECTUS

	[Applicable / Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph 11*)
Consent to the use of Base Prospectus:	[The Issuer consents to the use of the Base Prospectus in [Italy] [and] [or] [Ireland] [and] [or] [Grand Duchy of Luxembourg] by all financial intermediaries (general consent).] [General consent for the subsequent resale or final placement of the Notes in [Italy] [and] [or] [Ireland] [and] [or] [Grand Duchy of Luxembourg] by the financial

intermediary[y][ies] is given in relation to [].]

[The Issuer consents to the use of the Base Prospectus in [Italy] [and] [or] [Ireland] [and] [or] [Grand Duchy of Luxembourg] by the following financial intermediary[y][ies] (individual consent): [*insert names] and address[es]]*.]

[Individual consent for the subsequent resale or final placement of the Notes in [Italy] [and] [or] [Ireland] [and] [or] [Grand Duchy of Luxembourg] by the financial intermediary[y][ies] is given in relation to [] to [*insert names] and address[es]*] and [give details].]

[The Issuer[s]'s consent to the use of the Base Prospectus by each [Dealer] [and] [financial intermediary] is subject to the condition that such [Dealer] [and] [financial intermediary] complies with the applicable selling restrictions as well as the terms and conditions of the offer.]

[Such Issuer[s]'s consent to the use of the Base Prospectus is also subject and given under condition that the [Dealers] [and] [financial intermediaries] using the Base Prospectus commit[s] [themselves] [itself] towards [their] [its] customers to a responsible distribution of the Notes. This commitment is made by the publication of the [Dealers] [and] [financial intermediaries] on [their] [its] website stating that the prospectus is used with the consent of the Issuer and subject to the conditions set forth with the consent].] [Beside, such consent is not subject to and given under any condition.]

[The subsequent resale or final placement of the Notes by financial intermediaries in [Italy] [and] [or] [Ireland] [and] [or] [Grand Duchy of Luxembourg] can be made [as long as the Base Prospectus is valid in accordance with Article 12 of the Prospectus Regulation] [•].]

PART C – SUMMARY OF THE SPECIFIC ISSUE

[*Insert Summary of the specific issue*]

(B) **Form of Final Terms for Notes with a denomination of at least EUR 100,000**

The following form of Final Terms shall be used for the issue of Notes having a denomination of at least EUR 100,000 (or the equivalent amount in any other currencies in which the Notes are denominated).

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

***[PRIIPs Regulation 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 (as amended, 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. 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.]*

***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**"); 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.*

[*Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the SFA)* - [*To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*]][3)]

Final Terms

[MEDIOBANCA - Banca di Credito Finanziario S.p.A.
Legal Entity Identifier (LEI): PSNL19R2RXX5U3QWHI44 /

MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.
Legal Entity Identifier (LEI): 549300DV870NBWY5W279]

Issue of [*currency*] [*aggregate principal amount*] Notes due [*maturity*]

[guaranteed in the case of Notes issued by MEDIOBANCA INTERNATIONAL (Luxembourg) S.A.
Legal Entity Identifier (LEI): 549300DV870NBWY5W279 by

MEDIOBANCA - Banca di Credito Finanziario S.p.A.
Legal Entity Identifier (LEI): PSNL19R2RXX5U3QWHI44]

under the

Euro [40,000,000,000]

3) Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the relevant Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA

Euro Medium Term Note Programme

Issue Price: [•] per cent.

[Dealer(s)][•]]

The date of these Final Terms is [•]

The Base Prospectus referred to below (as [supplemented by the supplement to the Base Prospectus dated [•] and] completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offer of the Notes. Accordingly any person making or intending to make an offer in that Member State of the Notes may only do so in circumstances in which no obligation arises for 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, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

[This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the [Senior / Subordinated] Conditions set forth in the Base Prospectus dated 16 December 2019 [and the supplement to the Base Prospectus dated [*insert date*] [*delete if not applicable*],] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (Regulation (EU) 2017/1129). 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 such Base Prospectus [as supplemented from time to time]. Full information on the Issuer [and the Guarantor] and the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplement to the Base Prospectus] [is/are] available for viewing at [*address*] and [*website*] and copies may be obtained [upon request] from [*address*]]

[The Notes cannot be sold, offered or distributed to any retail client as defined pursuant to point (11) of Article 4(1) of Directive 2014/65/EU, as amended, in any EEA Member State.]

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*]

[This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the [Senior / Subordinated] Conditions (the "**Conditions**") set forth in the Base Prospectus dated [11 January 2007][4 December 2007][12 December 2008][16 December 2009][13 January 2011][30 November 2011][23 January 2013][27 January 2014][19 December 2014][11 December 2015][22 December 2016][24 January 2018][21 December 2018]. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation (Regulation (EU) 2017/1129) (the "**Prospectus Regulation**") and must be read in conjunction with the Base Prospectus dated 16 December 2019 [and the supplement to the Base Prospectus dated [•]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation, save in respect of the Conditions which are extracted from the Base Prospectus dated [*original date*] which is incorporated by reference to the Base Prospectus dated 16 December 2019. Full information on the Issuer [and the Guarantor] and the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [*date of original base prospectus*] and 16 December 2019 [and the supplement to the Base Prospectus dated [•]]. The Base Prospectuses [and the supplement to the Base Prospectus] [is/are] available for viewing at the registered office[s] of the Issuer [and of the Guarantor] [at [•].] The Base Prospectus and, in the case of Notes admitted to trading on the regulated market of the Euronext Dublin, the applicable Final Terms will also be published on the website of the Euronext Dublin (*http://www.ise.ie*).]

[*Include whichever of the following apply or specify as "not applicable". Note that the numbering should remain as set out below, even if individual items are deleted.*]

[*When completing any final terms, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.*]

[*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.*]

PART A – GENERAL

1.	(i)	Series Number:	[•]
	(ii)	Tranche Number:	[•]
	[(iii)]	Date on which the Notes will be consolidated and form a single Series:]	[The Notes will be consolidated and form a single Series with [*identify earlier tranches*] on [the Issue Date] [exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 24 below, which is expected to occur on or about [*date*]] [Not Applicable] (*Only relevant if the Notes are fungible with an existing Series*).
2.	Specified Currency or Currencies:		[•]
3.	Aggregate Nominal Amount of Notes [admitted to trading]:		
	(i)	Series:	[•]
	(ii)	Tranche:	[•]
4.	Issue Price:		[[•] per Note] [[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (*in the case of fungible issues only, if applicable)*]]
5.	(i)	Specified Denominations:	[EUR 100,000] [•] [and integral multiples of [•] in excess thereof up to and including [•]. No [Senior Preferred] [Subordinated] Notes in definitive form will be issued with a denomination above [•].] (*[Senior Preferred] [Subordinated] Notes including [Senior Preferred] [Subordinated] Notes denominated in Sterling, in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of the Financial Services and Markets Act 2000 and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies)*.) [EUR 250,000] [•] [and integral multiples of [•] in excess thereof up to and including [•]. No Senior Non Preferred Notes in definitive form will be issued with a denomination above [•].]
	(ii)	Calculation Amount:	[•] (*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. There must be a common factor in the case of two or more Specified Denominations*.)
6.	(i)	Issue Date:	[•]

	(ii) Interest Commencement Date:	[Specify/Issue Date/Not Applicable]
7.	Maturity Date:	[*Specify date or (for Floating Rate Notes) Interest Payment Date falling in relevant month and year*.] (*N.B. Unless otherwise permitted by current laws, regulations, directives and/or the Bank of Italy's requirements applicable to the issue of Subordinated Notes by the Issuer must have a minimum maturity of five years*.) (*If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.*)
8.	Interest Basis: (Condition 3(d) (*Interest Rate on Fixed Rate Notes*) or Condition 3(f) (*Interest Rate on Floating Rate Notes*) or Condition 3(m) (*Late payment on Zero Coupon Notes*) of the Terms and Conditions of the English Law Notes or (Condition 3(d) (*Interest Rate on Fixed Rate Notes*) or Condition 3(f) (*Interest Rate on Floating Rate Notes*) or Condition 3(m) (*Late payment on Zero Coupon Notes*) of the Terms and Conditions of the Italian Law Notes)	[[•] per cent. Fixed Rate] [Fixed Rate Notes] [[•] per cent. to be reset on [•] [and [•]] and every [•] anniversary thereafter] [[EURIBOR] [LIBOR] [LIBID] [LIMEAN] [CMS] [*specify relevant yield of Government securities*] +/- [•]per cent. per annum Floating Rate] [Zero Coupon]
9.	Redemption/Payment Basis:	[Redemption at par] [Instalment]
10.	Change of Interest:	[Applicable - Condition 3(n) (*Interest Rate Switch*) of the Terms and Conditions of the [English][Italian] Law Notes shall apply] [Not Applicable - Condition 3(n) (*Interest Rate Switch*) of the Terms and Conditions of the [English][Italian] Law Notes shall not apply]
	Interest Rate Switch Date:	[•] [Not Applicable] [*Insert description of change of interest rate*]
11.	Put/Call Options:	[Applicable/Not Applicable]

		((Condition 4(f) (*Redemption at the option of the Issuer*) or (Condition 4(h) (*Redemption at the option of holders of Notes*) of the Terms and Conditions of the English Law Notes or (Condition 4(f) (*Redemption at the option of the Issuer*) or (Condition 4(h) (*Redemption at the option of holders of Notes*) of the Terms and Conditions of the Italian Law Notes)	[Investor Put] [Issuer Call]
12.	(i)	Status of the Notes:	[Senior Preferred Notes] [Senior Non Preferred Notes] [Subordinated Notes]
	(ii)	(In respect of Senior Preferred Notes only):	
		[Waiver of set-off rights:]	[Applicable/Not Applicable]
	[(iii)	[Date [Board] approval for issuance of Notes [and Guarantee] obtained:	[•] [and [•], respectively]] [Not Applicable] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related guarantee of the Notes*)
13.	Method of distribution:		[Syndicated] [Non-syndicated]
14.	[Taxation:]		[Gross Up is applicable pursuant to paragraph (viii) of Condition 6(a) (*Taxation - Gross Up*) of the Terms and Conditions of the [English][Italian] Law Notes] [Gross Up is not applicable pursuant to paragraph (viii) of Condition 6(a) (*Taxation - Gross Up*) of the Terms and Conditions of the [English][Italian] Law Notes]
15.	Business Day Convention		[Following Business Day Convention [Modified Following Business Day Convention] [Preceding Business Day Convention] [adjusted] [unadjusted]
16.	Events of Default		[In case of Senior Preferred Notes specify if there are Events of Default which are not applicable]

17.	Governing Law:	[English law applicable] [Italian law applicable] , also in accordance with the provisions of Regulation (EC) no. 864/2007 of 11 July 2007 on the law applicable to non-contractual obligations (the "**Rome II Regulation**") [except for: **(I)** in case of Notes issued by Mediobanca, Conditions 2(b) (*Status of the Senior Preferred Notes*), 2(c) (*Status of the Senior Non Preferred Notes*), 2(d) (*Status of the Subordinated Notes*), 4(b) (*Maturities/Final Redemption*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*), 8(b) (*Events of Default of the Senior Non Preferred Notes*), 8(c) (*Events of Default of the Subordinated Notes*) and 16 (*Acknowledgment of the Italian / Luxembourg Bail-in Power*) of the Terms and Conditions of the English Law Notes, are governed by, and shall be construed in accordance with, Italian law; **(II)** in case of Senior Preferred Notes issued by Mediobanca International, Conditions 2(b) (*Status of the Senior Preferred Notes*), 4(b) (*Maturities/Final Redemption*), 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) and [15/16] (*Acknowledgment of the Italian / Luxembourg Bail-in Power*) of the [Terms and Conditions of the English Law Notes] [Terms and Conditions of the Italian Law Notes], are governed by, and shall be construed in accordance with, Luxembourgish law.] [For the avoidance of doubt, articles 470-3 to 470-19 of the Luxembourg Company Law shall not apply to Senior Preferred Notes issued by Mediobanca International.]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

18.	**Fixed Rate Note Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph 18*)
	(i)	Interest Rate(s):	[•] per cent. [per annum] [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii)	Interest Payment Date(s):	[•] [in each year[]] starting from (and including)[] up to(and including)[] [and including the Maturity Date] / [specify other] [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted*] (*N.B. This will need to be amended in the case of long or short coupons*)
	[(iii)]	Interest Accrual Dates(s):	[The Interest Accrual Dates are [•] in each year up to and including the Maturity Date.] [The Interest Accrual Dates shall be the Interest Payment Dates.]
	(iv)	Fixed Coupon Amount[(s)]:	[[•] per Calculation Amount payable on [each Interest Payment Date] [the Interest Payment Date(s) falling [in/on] [•]] [Not applicable]

(v)	Broken Amount(s):	[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•] [Not Applicable]
(vi)	Business Day Convention:	[Following Business Day Convention [Modified Following Business Day Convention] [Preceding Business Day Convention] [adjusted] [unadjusted]
(vii)	Day Count Fraction:	[1/1] [Actual/Actual] [Actual/Actual (ISDA)] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
19.	**Reset Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph 19*)
(i)	Initial Rate of Interest:	[•] per cent. per annum payable in arrear [on each Interest Payment Date]
(ii)	First Margin:	[+/-][•] per cent. *per annum*
(iii)	Subsequent Margin:	[[+/-][•] per cent. *per annum*] [Not Applicable]
(iv)	Interest Payment Date(s):	[•] [and [•]] in each year up to and including the Maturity Date [until and excluding [•]]
(v)	Fixed Coupon Amount up to (but excluding) the First Reset Date:	[[•] per Calculation Amount][Not Applicable]
(vi)	Broken Amount(s):	[[•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•]][Not Applicable]
(vii)	First Reset Date:	[•]
(viii)	Second Reset Date:	[•]/[Not Applicable]
(ix)	Subsequent Reset Date(s):	[•] [and [•]]
(x)	Relevant Screen Page:	[●]/[Not Applicable]
(xi)	Mid-Swap Rate:	[Single Mid-Swap Rate/Mean Mid-Swap Rate]
(xii)	Mid-Swap Maturity:	[•]

(xiii)	Day Count Fraction:	[Actual/Actual / Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360/360/360/Bond Basis] [30E/360/Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual ICMA]
(xiv)	Determination Dates:	[•] in each year
(xv)	Business Centre(s):	[•]
(xvi)	Calculation Agent:	[the Agent] / [•]
20.	**Floating Rate Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph 20*)
(i)	Interest Payment Dates:	[•]
(ii)	First Interest Payment Date:	[•]
[(iii)]	Interest Accrual Dates(s):	[The Interest Accrual Dates are [•] in each year up to and including the Maturity Date.] [The Interest Accrual Dates shall be the Interest Payment Dates.]
(iv)	Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [adjusted] [unadjusted]
(v)	Additional Business Centre(s):	[Not Applicable] [•]
(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[[Screen Rate Determination] [ISDA Determination] *(for Senior Preferred Notes and Subordinated Notes)* / [Screen Rate Determination] *(for Senior Non Preferred Notes)*]
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent):	*[•] [Name] shall be the Calculation Agent (no need to specify if the Fiscal Agent is to perform this function*)]
(viii)	Screen Rate Determination:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph (viii)*)
	• Reference Rate:	[EURIBOR] [LIBOR] [LIBID] [LIMEAN] [CMS] [*specify relevant yield of Government securities*]
	• Specified Duration:	[•] [Not Applicable]
	• Multiplier	[•] [Not Applicable]
	• Reference Rate Multiplier	[•] [Not Applicable]

	• Interest Determination Date(s):	[The Interest Determination Date in respect of each Interest Period is [the first day of each Interest Period] [the second day on which TARGET2 is open prior to the first day of each Interest Period] [the day falling two Banking Days prior to the first day of each Interest Period] [•]]*Typically second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second TARGET Settlement Day prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
	• Relevant Screen Page:	[*For example, Reuters page EURIBOR01*]
	• Relevant Time	[*For example, 11.00 a.m. [London / Brussels] time*]
	• Relevant Financial Centre	[*For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro*)]
(x)	ISDA Determination:	[[Applicable/Not Applicable] *(for Senior Preferred Notes and Subordinated Notes) /* [Not Applicable] *(for Senior Non Preferred Notes)*] *(If not applicable, delete the remaining sub-paragraphs of this paragraph (x))*
	• Floating Rate Option:	[•] [Not Applicable]
	• Designated Maturity:	[•] [Not Applicable]
	• Reset Date:	[•] [Not Applicable]
(xi)	Margin(s):	[[+/-][•] per cent. per annum] [Not Applicable]
(xii)	Minimum Interest Rate:	[[•] [Not Applicable]*(for Senior Preferred Notes and Subordinated Notes)/*Not Applicable*(for Senior Non Preferred Notes)*]
(xiii)	Maximum Interest Rate:	[[•] [Not Applicable]*(for Senior Preferred Notes and Subordinated Notes)/*Not Applicable*(for Senior Non Preferred Notes)*]
(xiv)	Day Count Fraction:	[1/1] [Actual/Actual] [Actual/Actual (ISDA)] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
(xv)	Interest calculation method for short or long Interest Periods:	[Linear Interpolation, in respect of the Interest Period beginning on (and including) [•] and ending on (but excluding) [•]] [Not Applicable - there are no short or long Interest Periods]
21.	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph 21*)

(i)	Accrual Yield:	[•] per cent. per annum. Calculated as [*include details of method of calculation in summary form*] on the Issue Date on the basis of the Issue Price.
(ii)	Reference Price:	[•]

PROVISIONS RELATING TO REDEMPTION

22.	**Call Option**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph 22*)
(i)	**European Style**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph (i)*)
	• Notice Period(s):	[•] (*at least 5 business days prior notice*)
(ii)	**American Style**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph (ii)*)
	• Exercise Period(s):	[•]
(iii)	Optional Redemption Date(s):	[•]
(iv)	Optional Redemption Amount(s) (*Call*) and method, if any, of calculation of such amount(s):	[•] per Calculation Amount
(v)	Partial Redemption:	[Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph (v)*)
(vi)	Minimum Redemption Amount	[•] per Calculation Amount
(vii)	Maximum Redemption Amount:	[•] per Calculation Amount
23.	**Regulatory Call / Redemption for taxation reasons**	
(i)	Regulatory Call	[Applicable/Not Applicable] (*If not applicable, delete sub-paragraph (ii)of this paragraph (i)*)

(ii)	Early Redemption Amount payable on redemption for regulatory reasons (subject to the prior approval of the Relevant Authority) as contemplated by Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions of the English Law Notes or by Condition 4(g) (*Redemption for regulatory reasons (Regulatory Call)*) of the Terms and Conditions of the Italian Law Notes	[[•] per Calculation Amount]
(iii)	Redemption for taxation reasons	[Applicable/Not Applicable]
(iv)	Modification following a [MREL/TLAC Disqualification Event / Regulatory Event or Tax Event]	[Applicable/Not Applicable]
24.	**Put Option**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph 24*)
(i)	**European Style**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph (i)*)
	• Notice Period(s):	[•] (*at least 5 business days prior notice*)
(ii)	**American Style**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph (ii)*)
	• Exercise Period(s):	[•]
(iii)	Optional Redemption Date(s):	[•]
(iv)	Optional Redemption Amount(s) (*Put*):	[•] per Calculation Amount
(v)	Partial Redemption:	[*Not Applicable*] (*If not applicable, delete the remaining sub-paragraphs of this paragraph (v)*)
(vi)	Minimum Redemption Amount:	[•] per Calculation Amount
(vii)	Maximum Redemption Amount:	[•] per Calculation Amount
25.	**Final Redemption Amount of each Note**	[•] per Calculation Amount
26.	**Early Redemption Amount**	
	Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default:	[•] per Calculation Amount

[An amount in the Specified Currency being the Nominal Amount of the Notes]

[An amount in the Specified Currency being the higher of (i) the Nominal Amount of the Notes and (ii) the fair economic value of the Notes at the date of redemption, as determined and calculated by the Calculation Agent in its sole discretion in good faith and in a commercially reasonable manner as representing the fair economic value of the Note at the date of redemption].

[An amount in the Specified Currency which the Calculation Agent will determine and calculate in its sole discretion in good faith and in a commercially reasonable manner as representing the fair economic value of the Note at the date of redemption, without making any reduction to such value by reason of the financial condition of the Issuer but taking into account (without duplication) any costs and expenses incurred by the Issuer in connection with the termination of any agreement or instrument entered into by the Issuer for the purposes of hedging the risk arising from the entering into and performance of its obligations under the Notes.]

[The Early Redemption Amount Payable on Event of Default shall be Euro [•] for each Note of Euro [•] Specified Denomination.]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27. Form of Notes: **Bearer Notes:**

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]

[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice.]

[Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].

[*the Permanent Global Note representing the Notes shall only be exchangeable for Definitive Notes in the limited circumstances of (1) closure of the ICSDs; and (2) default of the Issuer*]

[The Notes will be issued and held in book-entry form by [*Monte Titoli S.p.A/ include the name of any other custodian appointed by the Issuer*], as Centralised Custodian.]

28. New Global Note form: [Yes/No]

29.	Additional Financial Centre(s) relating to Payment Business Dates:	[Not Applicable] [•] [*Note that this item relates to the date and place of payment and not to interest period end dates*]
30.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[No] [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 left. The dates on which such Talons mature are [•].]
31.	Details relating to Instalment Notes: (amount of each instalment, date on which each payment is to be made):	[Not Applicable]
	(i) Instalment Date(s):	[•]
	(ii) Instalment Amount(s):	[•] per Calculation Amount
32.	**Total Repurchase Option / Partial Repurchase Option**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph 32*)
	(i) Total Repurchase Option date / Partial Repurchase Option date(s):	[•]
	(ii) Repurchase amount(s) and method(s):	[•] per Calculation Amount
	(iii) Notice period:	[•] (*at least 5 business days prior notice*)
33.	US Selling Restrictions:	[Reg. S Compliance Category 2; TEFRA C/ TEFRA D/ TEFRA not applicable]
34.	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, "Applicable" should be specified.*)

[**PRIIPs Regulation 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 (as amended, 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. 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.]

MiFID II product governance / target market - *[appropriate target market legend to be included]*

RESPONSIBILITY [AND THIRD PARTY INFORMATION]

[The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms.] [The third party information contained in these Final Terms [[•] has been extracted from [•].] [[Each of the] [The] Issuer [and the Guarantor] confirms that such third party information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.].]

Signed on behalf of the Issuer:

By: ..... By: .....
Duly authorised Duly authorised

[Signed on behalf of the Guarantor:

By: ..... By: .....
Duly authorised Duly authorised]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing:	[Official List of Euronext Dublin/Luxembourg Stock Exchange/Italian Stock Exchange/None]
(ii)	Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Euronext Dublin] [the Luxembourg Stock Exchange] [the Italian Stock Exchange] [*specify relevant regulated market*] 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 Euronext Dublin] [the Luxembourg Stock Exchange] [the Italian Stock Exchange] [*specify relevant regulated market*] with effect from [•].] (*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.*)
(iii)	Estimate of total expenses related to admission to trading:	[•]

2. RATINGS

[Applicable / Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph 2)

Ratings: [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)*].

[*Depending on the status of the credit rating agency with respect to the CRA Regulation, the wording below should be considered.*]

[[*Insert the legal name of the relevant credit rating agency entity*] is established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended). As such [*insert the legal name of the relevant credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation – see www.esma.europa.eu/page/List-registered-and-certified-CRAs.]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and it is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended). [*Insert the legal name of the relevant non-EU credit rating agency entity*] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). The ratings [[have been]/[are expected to be]] endorsed by [*insert the legal name of the relevant EU-registered credit rating agency entity*] in accordance with the CRA Regulation. [*Insert the legal name of the relevant EU-registered credit rating agency entity*] is established in the European Union and registered under the CRA Regulation. As such [*insert the legal name of the relevant EU credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation – see www.esma.europa.eu/page/List-registered-and-certified-CRAs.]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"), but it [is]/[has applied to be] certified in accordance with such Regulation [and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation see www.esma.europa.eu/page/List-registered-and-certified-CRAs]/[although notification of the corresponding certification decision has not yet been provided by the relevant competent authority and [*insert the legal name of the relevant non-EU credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its

website in accordance with the CRA Regulation].]

[[*Insert the legal name of the relevant credit rating agency entity*] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority and [*insert the legal name of the relevant credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). However, the application for registration under the CRA Regulation of [*insert the legal name of the relevant EU credit rating agency entity that applied for registration*], which is established in the European Union, disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-EU credit rating agency entity*][, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority and [*insert the legal name of the relevant EU credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

3. NOTIFICATION

[Not applicable] / [The Central Bank of Ireland [has been requested to provide/has provided – *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues]* the [*Commissione Nazionale per la Società e la Borsa*] [*Surveillance du Secteur Financier*] *[names of competent authorities of host Member States]* with a certificate of approval attesting that the Base Prospectus [and the supplement thereto dated [•]] has been drawn up in accordance with the Prospectus Regulation.]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[Save for the fees payable to the managers [and as discussed in [•],] so far as the Issuer is aware, no person involved in the issue/offer of the Notes has an interest material to the issue/offer.] [*Amend as appropriate if there are other interests*]

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

[(i)	[Reasons for the offer:	[Not applicable] [•] [(*If the proceeds are intended to be used for the purposes of eligible Green and Sustainability Assets, specify details of the relevant eligible Green and Sustainability Asset*)]
[(ii)	Estimated net proceeds:	[Not applicable] [•]

		(*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)] *
[(iii)	Estimated total expenses:	[•] [*Include breakdown of expenses.*]
6.	**[*Fixed Rate Notes only*] YIELD**	[Applicable / Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph 6)*
	Indication of yield:	[•]
7.	**[*Floating Rate Notes only*] HISTORIC INTEREST RATES**	[Applicable / Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph 7)*

Details of historic [EURIBOR/LIBOR/LIBID/LIMEAN/CMS] rates can be obtained from [Reuters][•] [*insert relevant code of information providers*].]

[Benchmarks:	Amounts payable under the Notes will be calculated by reference to [●] which is provided by [●]. As at [●], [●] [appears/does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation (Regulation (EU) No. 2016/1011) (the "**Benchmarks Regulation**"). [As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [●] is not currently required to obtain authorisation or registration.]]

8. OPERATIONAL INFORMATION

ISIN:	[•]
Common Code:	[•]
CFI	[•][[, as set out on the website of the Association of National Number Agencies (ANNA)/ [•]]]/[Not applicable]
FISN	[•][[, as set out on the website of the Association of National Number Agencies (ANNA)/ [•]]]/[Not applicable]
New Global Note 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 registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered notes] and does not necessarily mean that the Notes will be recognized 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 [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered notes]. 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.]]
	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable/*give name(s) number(s) and address(es)*]
	Initial Paying Agents:	
	Names and addresses of additional Paying Agent(s) (if any):	[•] [Not Applicable]
9.	**SECONDARY MARKET PRICING**	[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraph of this paragraph 9)* [In the event that the Issuer decides to purchase the Notes from the Noteholder prior to the Maturity Date, the secondary market pricing provided by the Issuer on the Notes will reflect [•] *(give details of hedge unwinding costs and/or loss of profit related to such hedging portfolio)*]
10.	**SPECIFIC BUY BACK PROVISIONS**	[Applicable] [Not Applicable] *(If not applicable, delete the remaining sub-paragraph of this paragraph 10)* [The value of the Notes shall reflect and shall be calculated on the basis of the Market Value of the Underlying Transactions. The Market Value of the Underlying Transactions affects the repurchase price (Buy Back Price), if any, of the Notes, before their maturity.]
	• Underlying Transactions:	Information on the composition (*unbundling*) of the Interest Basis, in particular the Extra-Yield with respect to the yield of Notes with equal payoff but without Specific Buy Back Provisions, and the composition of the Underlying Transactions, and any relevant changes thereof, shall be published on

[the website of Mediobanca www.mediobanca.it] [the website of Mediobanca International www.mediobanca.it] [the website of the Luxembourg Stock Exchange] [the website of the Euronext Dublin] [*specify alternative method of publication*]].]

TAXATION

The following is a general overview of certain Italian, Luxembourg and Irish tax aspects of the purchase, the ownership and the disposal of the Notes. It does not purport to be a comprehensive description of all the tax issues which 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 and of Notes, some of which may be subject to special rules.

Prospective purchasers of the Notes are advised to consult in any case their own tax advisers concerning the overall tax regime of their purchase, ownership and disposal of the Notes.

This overview assumes that Mediobanca and Mediobanca International are resident for tax purposes in the Republic of Italy and in the Grand Duchy of Luxembourg respectively and are structured and conduct their business in the manner outlined in this Base Prospectus. Changes in Mediobanca and/or Mediobanca International's organisational structure, tax residence or the manner in which each of them conducts its business, as well as in case of substitution of the relevant Issuer or the Guarantor as more fully set out in Condition 13 (Substitution of the Issuer) of the Terms and Conditions of the Senior Notes and of the Subordinated Notes, may invalidate this overview. This overview also assumes that each transaction with respect to the Notes is at arm's length.

Where in this overview English terms and expressions are used to refer to Italian, Luxembourg and Irish concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Italian, Luxembourg and Irish concepts under Italian, Luxembourg and Irish tax laws.

This overview is based upon the laws and/or practice in force as at the date of this Base Prospectus, which are subject to any changes in law and/or practice occurring after such date, which could be made on a retroactive basis.

Neither Mediobanca nor Mediobanca International will update this summary to reflect changes in law and/or practice. If any such change should occur, the information in this overview could become obsolete.

*References to "***Noteholders***" herein are references to the holders of the Subordinated Notes and/or the Senior Non Preferred Notes and/or the Senior Preferred Notes.*

(A) Italian Taxation of the Notes issued by Mediobanca

Tax on interest, premiums and other proceeds

Decree No. 239 regulates the tax treatment of interest, premiums and other income including the difference between the redemption amount and the issue price from certain securities issued, *inter alia*, by Italian resident banks (hereinafter collectively referred to as "**Interest**"). The provisions of Decree No. 239 only apply to Notes which qualify as *obbligazioni* (bonds) or *titoli similari alle obbligazioni* (securities similar to bonds) pursuant to Article 44 of Decree No. 917.

1. Notes qualifying as bonds or similar securities.

Italian resident investors

Pursuant to Decree No. 239, payments of Interest accrued on Notes issued by Mediobanca will be subject to a substitute tax (*imposta sostitutiva*) at the rate of 26 per cent. in the Republic of Italy if made to beneficial owners who are:

(1) individuals resident in the Republic of Italy for tax purposes, holding the Notes not in connection with entrepreneurial activities;

(2) Italian resident partnerships (other than "*società in nome collettivo*", "*società in accomandita semplice*" or similar partnerships), *de facto* partnerships not carrying out commercial activities;

(3) professional associations;

(4) Italian resident public and private entities, other than companies, not carrying out commercial activities; and

(5) Italian resident entities exempt from corporate income tax,

(unless the relevant Noteholder has entrusted the management of its financial assets, including the Notes, to an authorised intermediary and has opted for the so-called *risparmio gestito* regime (the "**Asset Management Option**"), according to Article 7 of Decree No. 461).

In the event that the Noteholders described above under (1) and (4) are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax. As a consequence, Interest on the Notes is subject to ordinary final income tax and the substitute tax may be recovered as a deduction from the final income tax due.

Pursuant to Decree No. 239, the 26 per cent. *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (so-called "**SIMs**"), fiduciary companies, *società di gestione del risparmio*, stockbrokers and other qualified entities resident in Italy ("**Intermediaries**" and each an "**Intermediary**") or by permanent establishments in Italy of banks or intermediaries resident outside Italy that intervene in any way in the collection of the Interest or, also as transferees, in the transfers or, disposals of the Notes. Interest payments will not be subject to the 26 per cent. substitute tax if made to beneficial owners who are:

(1) Italian resident corporations or permanent establishments in Italy of non resident corporations to which the Notes are effectively connected;

(2) Italian resident undertakings for collective investment (i.e., investment funds, SICAVs, and SICAFs other than real estate funds and real estate SICAFs), Italian resident pension funds subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005 (the "**Pension Funds**"), Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 (the "**Real Estate Fund**") and Italian resident SICAFs to which the provisions of Article 9 of Legislative Decree No. 44 of 4 March 2014 (the "**Decree No. 44**") apply;

(3) Italian residents holding Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an Italian authorised financial intermediary and have opted for the Asset Management Option.

To ensure payment of Interest in respect of the Notes without the application of substitute tax, the investors indicated here above under (1) to (3) must be the beneficial owners of payments of Interest on the Notes and timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with an Italian authorised financial Intermediary.

Special rules apply if the Notes are part of an investment portfolio managed on a discretionary basis by an authorised intermediary and the beneficial owners of the Notes opt for the Asset Management Option and if the Notes are in the portfolio of Italian undertakings for collective investment, Pension Funds, Real Estate Funds and real estate SICAFs.

Italian residents holding Notes not in connection with entrepreneurial activity who have opted for the Asset Management Option in connection with their investment in the Notes are subject to a 26 per cent. annual substitute tax (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes during the holding period). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

Payments of Interest in respect of the Notes made to Italian resident undertakings for collective investment are subject neither to substitute tax nor to any other income tax in the hands of the undertaking. A withholding tax of 26 per cent. applies on proceeds distributed by the undertaking or received by certain categories of unit holders or shareholders upon redemption or disposal of the units or shares.

Italian resident Pension Funds subject to the regime set forth by Article 17, paragraph 2, of Legislative Decree No. 252 of 5 December 2005 are subject to a 20 per cent. tax (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes during the holding period).

Payments of Interest in respect of the Notes made to Italian resident Real Estate Funds and to Italian resident SICAFs to which the provisions of Article 9 of the Decree No. 44 apply are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund. A withholding tax may apply in certain circumstances at the current rate of 26% on distributions made by Real Estate Funds and real estate SICAFs.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity and social security entities or Pension Fund 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, premium and other income 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 set forth in Article 1 (100-114) of Law No. 232 of 11 December 2016 (the "**Finance Act 2017**") as amended by Law No. 145 of 30 December 2018 (the "**Finance Act 2019**").

Interest accrued on the Notes by beneficial owners who are Italian resident corporations and permanent establishments in Italy of foreign corporations to which the Notes are effectively connected or Italian resident individual engaged in an entrepreneurial activity to which the Notes are connected are subject to tax in Italy in accordance with ordinary tax rules and would be included, respectively, in the taxable income for (a) corporate income tax purposes (IRES) currently applicable at a rate of 24 per cent. (27.5 per cent. in case the Noteholder is a credit or a financial institution other than a management company of an undertaking for collective investment or a SIM), or (b) personal income taxation as business income (IRPEF), as the case may be. In certain circumstances, depending on the status of the Noteholder, Interest may also have to be included in the taxable base for regional income tax on the value of production (IRAP), currently applicable at a rate of 3.9 per cent. (which may be increased by each Italian Region by up to 0.92 per cent.) or at the increased of 4.65 per cent. and 5.90 per cent. for the categories of companies indicated, respectively, under Article 6 (banks and other financial institutions) and Article 7 (insurance companies) of Legislative Decree No. 446 of 15 December 1997).

Where the Notes and the relevant coupons are not deposited with an Intermediary, the substitute tax is applied and withheld by any Italian intermediary (or permanent establishment in Italy of foreign intermediary) that intervenes in the payment of Interest to any Noteholder or by the Issuer and Noteholders who are Italian resident companies or permanent establishments in Italy of foreign corporations to which the Notes are effectively connected are entitled to deduct the substitute tax suffered from income taxes due.

Non-Italian resident investors

Pursuant to Decree No. 239, payments of Interest accrued on Notes issued by Mediobanca will be subject to a substitute tax at the rate of 26 per cent. in the Republic of Italy if made to beneficial owners who are non-Italian resident entities or individuals without a permanent establishment in Italy to which the Notes are effectively connected, which are not eligible for the exemption from substitute tax and/or do not timely and properly comply with the requirements set forth in Decree No. 239 and the relevant application rules in order to benefit from the exemption from substitute tax. As to non-Italian resident beneficial owners, the substitute tax may apply at lower or nil rate under double taxation treaties entered into by Italy, where applicable, and in any case subject to proper compliance with relevant subjective and procedural requirements.

The 26 per cent. (or the lower rate provided for by the relevant applicable double taxation treaty) substitute tax will be generally applied by any Italian resident qualified financial intermediaries that will intervene, in any way, in the collection of Interest on the Notes or in the transfer of the Notes.

Interest will not be subject to the 26 per cent. substitute tax if made to beneficial owners who are non- Italian resident beneficial owners of Notes not having a permanent establishment in Italy to which the Notes are effectively connected, **provided that**:

- such non-Italian resident beneficial owners are resident for tax purposes in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information, as indicated below; and

- all the requirements and procedures set forth in Decree No. 239 and the relevant implementing rules in order to benefit from the exemption from the substitute tax have been promptly and properly complied with.

Decree No. 239, as amended and restated, also provides for additional exemptions from the substitute tax for payments of Interest in respect of the Notes made to:

- international bodies and organisations established in accordance with international agreements ratified in Italy;

- foreign institutional investors set up in countries which allow for an adequate exchange of information with Italy as indicated below, even if they do not have the "*status*" of taxpayer; and

- Central Banks or entities managing official State reserves.

To ensure payment of Interest in respect of the Notes without the application of the substitute tax, non Italian resident investors must:

- be the beneficial owners of payments of Interest on the Notes or foreign institutional investors not subject to tax;

- timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with an Italian authorised financial Intermediary or with a non-Italian resident entity participating in a centralised securities management system which is in contact, via computer, with the Italian Ministry of Economics; and

- promptly file with the relevant depository a self-declaration stating, *inter alia*, to be resident, for tax purposes, or established, as the case may be, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information. Such self-declaration - which is requested neither for international bodies nor for entities set up in accordance with international agreements ratified by Italy nor for foreign Central Banks or entities managing official State reserves - must comply with the requirements set forth by Italian Ministerial Decree of 12 December 2001 and is valid until withdrawn or revoked. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

For the purposes of the above, the currently applicable "white list" of countries allowing for an adequate exchange of information with Italy is provided for by Italian Ministerial Decree 4 September 1996, as recently amended by Ministerial Decree of 9 August 2016 (the "**White List Decree**"). Pursuant to Article 11, para. 4, let. c) of Decree 239, the Ministry of Finance should update the White List Decree on a semi-annual basis.

2. Notes qualifying as atypical securities

Interest payments relating to Notes issued by Mediobanca that are not deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*), but qualify as atypical securities (*titoli atipici*) for Italian tax purposes, may be subject to a withholding tax, levied at the rate of 26 per cent.. For this purpose, as indicated above, pursuant to Article 44 of Decree No. 917, securities similar to bonds are securities that (i) incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and (ii) do not grant to the relevant holders any right to directly or indirectly participate to the

management of the issuer or of the business in relation to which they are issued or to control the same management.

Where the Noteholder is (i) an Italian resident individual engaged in an entrepreneurial activity to which the Notes are connected, (ii) an Italian resident company or a similar Italian resident commercial entity, (iii) a permanent establishment in Italy of a foreign entity to which the Notes are effectively connected, (iv) an Italian resident commercial partnership or (v) an Italian resident commercial private or public institution, the above-mentioned 26 per cent. withholding tax applies as 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. Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax in case of payments to non Italian resident Noteholders, subject to proper compliance with relevant subjective and procedural requirements.

3. Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable business income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian resident company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not engaged in an entrepreneurial activity to which the Notes are connected and certain other persons, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to a substitute tax (*imposta sostitutiva*), levied at the current rate of 26 per cent.. Noteholders may generally set-off capital losses with gains of the same nature.

For the purposes of determining the taxable capital gain, 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 such substitute tax, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss of the same nature, realised by the Italian resident individual Noteholder 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. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss of the same nature, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains of the same nature realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes under the *risparmio amministrato* regime. Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries (or permanent establishments in Italy of foreign intermediaries) and (ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes, net of any incurred capital loss of the same nature, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime,

where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains of the same nature subsequently realised, within the same securities management relationship, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in the annual tax return.

Any capital gains on Notes held by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the Asset Management Option will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. Asset Management Tax, to be paid by the managing authorised intermediary. Under the Asset Management Option, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the Asset Management Option, the Noteholder is not required to declare the capital gains realised in the annual tax return.

Any capital gains on Notes held by Noteholders who are Italian undertakings for collective investment will not be subject to taxation in the hands of the undertakings. A withholding tax of 26 per cent. may apply on proceeds distributed by the undertakings or received by certain categories of unit holders or shareholders upon redemption or disposal of the units or shares.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not engaged in an entrepreneurial activity and 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 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 individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1(100-114) of Finance Act 2017, as amended by Finance Act 2019.

Any capital gains on Notes held by Noteholders who are Italian Pension Funds will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. Pension Fund Tax.

Any capital gains realised by Italian resident Real Estate Funds or by Italian resident SICAFs to which the provisions of Article 9 of the Decree No. 44 apply on the Notes are not taxable at the level of the same Real Estate Funds or real estate SICAFs.

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 traded on regulated markets in Italy or abroad are not subject to the *imposta sostitutiva*, regardless of whether the Notes are held in Italy. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the Asset Management Option or are subject to the *risparmio amministrato* regime according to Article 6 of Decree No. 461, may be required to produce in due time to the Italian authorised financial intermediary an appropriate self-declaration that they are not resident in Italy for tax purposes.

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 not traded on regulated markets issued by an Italian or non-Italian resident issuer may in certain circumstances be taxable in Italy, if the Notes are held in Italy.

However, non-Italian resident beneficial owners of Notes without a permanent establishment in Italy to which the Notes are effectively connected are not subject to the imposta sostitutiva on capital gains realised upon sale or redemption of the Notes, provided that the effective beneficiaries: (i) are resident in a country which allows for an adequate exchange of information with Italy; or (ii) are international entities or bodies set up in accordance with international agreements which have entered into force in Italy; or (iii) are Central Banks or entities which manage, inter alia, the official reserves of a foreign State; or (iv) are institutional investors which are set up in a country included in the White List Decree, even if they do not have the "status" of

taxpayer. In such cases, in order to benefit from the exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the Asset Management Option or are subject to the risparmio amministrato regime according to Article 6 of Decree No. 461, may be required to produce in due time to the Italian authorised financial Intermediary an appropriate self-declaration stating that they meet the subjective requirements indicated above. Additional statements may be required for non-Italian resident Noteholders who are institutional investors.

For the purposes of the above, the currently applicable "white list" of countries allowing for an adequate exchange of information with Italy is provided for by the White List Decree, as recently amended by Ministerial Decree of 9 August 2016. Pursuant to Article 11, para. 4, let. c) of Decree No. 239, the Ministry of Finance should update the White List Decree on a semi-annual basis.

Moreover, in any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to *imposta sostitutiva* in Italy on any capital gains realised upon the sale or redemption of Notes. In such a case, in order to benefit from this exemption from Italian taxation on capital gains, non-Italian resident Noteholders who hold the Notes with an Italian authorised financial intermediary and elect to be subject to the Asset Management Option or are subject to the *risparmio amministrato* regime according to Article 6 Decree No. 461, may be required to produce in due time to the Italian authorised financial intermediary appropriate documents which include, *inter alia*, a statement of residence from the competent tax authorities of the country of residence of the non-Italian resident.

Please note that for a non-Italian resident, the *risparmio amministrato* regime provided for by Article 6 of Decree No. 461 shall automatically apply, unless it expressly waives this regime, where the Notes are deposited in custody or administration with an Italian resident authorised financial intermediary or permanent establishment in Italy of a foreign intermediary.

(B) **Tax regime of the Senior Preferred Notes issued by Mediobanca International**

1. Tax treatment of the Senior Preferred Notes issued by Mediobanca International in Luxembourg

Luxembourg tax residency of the holders of the Senior Notes

A holder of the Senior Notes will not become resident, or be deemed to be resident, in the Grand Duchy of Luxembourg by reason only of the holding of the Senior Notes, or the execution, performance, delivery and/or enforcement of the Senior Notes (holding of the Notes includes receipt of interest and repayment of the principal).

Withholding tax

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Senior Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however:

(i) with respect to Luxembourg resident investors, to the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005, as modified, which foresees a 20% final withholding tax (which is final when Luxembourg resident individuals are acting in the context of the management of their private wealth) on interest payments made by Luxembourg paying agents to Luxembourg individual residents. This withholding tax also applies on accrued interest received upon sale, redemption or repurchase of the Senior Notes. Luxembourg resident investors not holding Senior Notes as a business assets may benefit, under conditions, from such final 20% withholding tax for interest payments that are made through a paying agent

established in another EU-Member State or in a Member State of the European Economic Area; and

(ii) responsibility for the withholding of tax in application of the above-mentioned Luxembourg modified law of 23 December 2005, as modified, is assumed by the Luxembourg paying agent within the meaning of these laws.

Income taxation of the holders of the Senior Notes

Taxation of Luxembourg non-residents

Holders of the Senior Notes who are non-residents of Luxembourg and who do not have a permanent establishment or a permanent representative in the Grand Duchy of Luxembourg to which the Senior Notes are attributable are not liable to any Luxembourg income tax, whether they receive payments of principal, payments of interest (including accrued but unpaid interest), payments received upon the redemption of the Senior Notes, or realize capital gains on the sale of any Senior Notes.

Holder of the Senior Notes who are non-resident of the Grand Duchy of Luxembourg and who have a permanent establishment or a permanent representative in the Grand Duchy of Luxembourg to which the Senior Notes are attributable on the sale or disposal, in any form whatsoever, of the Senior Notes are subject to Luxembourg income tax and municipal business tax.

Taxation of Luxembourg residents

Interest Income

Holders of the Senior Notes who are residents of the Grand Duchy of Luxembourg, or non-resident holders of the Senior Notes who have a permanent establishment or a permanent representative in the Grand Duchy of Luxembourg to which the holding of the Senior Notes is attributable, must, for income tax purposes, include any interest received in their taxable income. They will not be liable to any Luxembourg income tax on repayment of principal.

For individuals resident in the Grand Duchy of Luxembourg, the 20% tax withheld at source constitutes a final taxation to the extent the Senior Notes do not constitute business assets.

Capital Gains

Luxembourg resident individuals

Luxembourg resident individuals who are holders of the Senior Notes and who are acting in the course of the management of their private wealth are not subject to taxation on capital gains upon the disposal of the Senior Notes, unless the disposal of the Senior Notes precedes the acquisition of the Senior Notes or the Senior Notes are disposed of within six months of the date of acquisition of these Senior Notes. Upon redemption of the Senior Notes, individual Luxembourg resident holders of the Senior Notes must however include the portion of the redemption price corresponding to accrued but unpaid interest in their taxable income except if (a) withholding tax has been levied on such payments in accordance with the law of 23 December 2005, as amended, or (b) the individual holder of the Senior Notes has opted for the application of a 20% tax in full discharge of income tax in accordance with the law of 23 December 2005, as amended, which applies if a payment of interest has been made or ascribed by a paying agent established in an EU Member State (other than Luxembourg), or in a Member State of the European Economic Area.

Luxembourg resident individuals who are holders of the Senior Notes and who are acting in the course of the management of their professional or business undertaking to which the Senior Notes are attributable, on the sale or disposal, in any form whatsoever, of the Senior Notes are subject to Luxembourg income tax and municipal business tax.

Luxembourg resident companies – Luxembourg permanent establishment of foreign entreprises

Luxembourg resident companies (*sociétés de capitaux*) that are holders of the Senior Notes or foreign entreprises which have a permanent establishment in Luxembourg to which the Senior Notes are attributed, must include in their taxable income the difference between the disposal price (including accrued but unpaid interest) and the book value of the Senior Notes disposed of.

Luxembourg resident entities benefiting from a special tax regime

Holders of the Senior Notes who are undertakings for collective investment governed by the amended law of 17 December 2010, specialized investment funds governed by the amended law of 13 February 2007, family wealth management companies governed by the amended law of 11 May 2007 or reserved alternative investment funds organized similarly to special investment funds and governed by the law of 23 July 2016, are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg direct taxes (i.e. corporate income tax, municipal business tax and net wealth tax) with respect to the Senior Notes.

Companies subject to the amended law of 15 June 2004 on venture capital investment companies and or reserved alternative investment funds organized similarly to venture capital investment companies and subject to the law of 23 July 2016 might enjoy an exemption on income and gains from the Senior Notes in accordance with, and subject to, the requirements of such laws.

Net Wealth Tax

Luxembourg net wealth tax will not be levied on a holder of a Note unless: (i) such holder is, or is deemed to be, resident in Luxembourg for the purpose of the relevant provisions; or (ii) such Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in the Grand Duchy of Luxembourg.

As from 1 January 2016 the minimum corporate income tax regime has been replaced by a minimum net wealth tax levied either at a fixed amount of EUR 4,815 as from 1 January 2017 (EUR 3,210 as from 1 January 2017) for Luxembourg corporate taxpayers holding financial assets exceeding 90% of their balance sheet and a total balance sheet of EUR 350,000 or at a progressive scale (the "**Minimum Net Wealth Tax**"). Effective as from that date the Minimum Net Wealth Tax also applies to securitization companies, undertakings for collective venture capital investments (SICAR) and reserved alternative investment funds organized similarly to venture capital investment companies.

A corporate holder of a Note, whether resident of the Grand Duchy of Luxembourg for tax purposes or maintaining a permanent establishment or a permanent representative in the Grand Duchy of Luxembourg to which such Notes are attributable, is not subject to Luxembourg wealth tax if the holder is governed by the law of 11 May 2007 on family estate companies, as amended, by the law of 17 December 2010 on undertakings for collective investment (except for the Minimum Net Wealth Tax), as amended, by the law of 13 February 2007 on specialised investment funds, as amended, or is a securitisation company governed by the law of 22 March 2004 on securitisation (except for the Minimum Net Wealth Tax), as amended, or a capital company governed by the law of 15 June 2004 on venture capital vehicles, as amended, or a reserved alternative investment fund organized governed by the law of 23 July 2016 (except for the. Minimum Net Wealth Tax if the fund is organized similarly to a venture capital investment company).

In respect of individuals, the Luxembourg law of 23 December 2005 has abolished the net wealth tax with effect from 1 January 2006.

Other Taxes

1. *Registration duties*

   It is not compulsory that the Notes be filed, recorded, enrolled or subject to any other formality in Luxembourg with any notary, any court or other authority in the Grand Duchy of Luxembourg in order to ensure the legality, validity, enforceability or admissibility as evidence of any of the Notes in Luxembourg, or that registration tax,

transfer tax, capital tax, stamp duty or any other similar tax or duty be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Notes, in accordance therewith, except that, in case the Notes are registered (or lodged with a notary's records), either voluntarily or by order of a Luxembourg court in case of legal proceedings or a Luxembourg official authority, or if they are attached(*annexés*) to any document subject to mandatory registration in the Grand Duchy of Luxembourg (such as a public deed), a fixed or an *ad valorem* registration duty of 0.24% calculated on the amounts of loans or other obligations of sums of money mentioned in the Notes will be due. In practice such kind of registration is rarely ordered.

2. *VAT*

There is no Luxembourg value-added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of Notes, provided that Luxembourg value-added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value-added tax purposes such services are rendered, or are deemed to be rendered, in the Grand Duchy of Luxembourg and an exemption from Luxembourg value-added tax does not apply with respect to such services.

3. *Inheritance and gift tax*

No Luxembourg inheritance tax is levied on the transfer of Senior Notes upon the death of a Noteholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes.

Luxembourg gift tax will be levied in the event that the gift is made pursuant to a notarial deed signed before a Luxembourg notary.

2. Tax treatment of the Senior Preferred Notes issued by Mediobanca International in Italy

Tax on interest, premium and other proceeds

(i) ***Senior Notes qualifying as bonds or similar securities***

Italian resident Noteholders

Pursuant to Decree No. 239, a substitute tax at a rate of 26 per cent. is applied on Interest on Senior Notes qualifying as bonds (*obbligazioni*) or securities similar to bonds (titoli similari alle obbligazioni) within the meaning of Article 44 of Decree No. 917 issued by a non-Italian resident issuer accrued during the relevant holding period, if received by:

(1) an Italian resident individual not engaged in an entrepreneurial activity to which the Senior Notes are connected;

(2) Italian resident non-commercial partnerships;

(3) Italian resident non-commercial private or public entities; or

(4) Italian resident investors exempt from Italian corporate income taxation;

If the Noteholders described under paragraphs (1) and (3) above are engaged in an entrepreneurial activity to which the Senior Notes are connected, the substitute tax applies as a provisional tax. As a consequence, the Interest is subject to the ordinary income tax and the substitute tax may be recovered as a deduction from the final income tax due.

Substitute tax is generally applied by an Intermediary.

Where the Senior Notes and the relevant coupons are not deposited with an Intermediary, the substitute tax is applied and withheld by any Italian intermediary (or permanent establishment in Italy of foreign intermediary) that intervenes in the payment of Interest to any Noteholder. Where Interest on Senior Notes beneficially owned by the subjects from paragraphs (1) to (4) above are not collected through the intervention of an Italian resident intermediary and as such no substitute tax is applied, the above Italian resident beneficial owners will be required to declare Interest in their yearly income tax return and subject them to final substitute tax at a rate of 26 per cent. (only limited to those Noteholders not engaged in a business activity to which the Senior Notes are effectively connected), unless option for a different regime is allowed and made. Italian resident Noteholders that are individuals not engaged in entrepreneurial activity may elect instead to pay ordinary personal income taxes at the progressive rates applicable to them in respect of Interest on such Senior Notes: if so, the beneficial owners should be generally entitled to a tax credit for withholding taxes applied outside Italy, if any.

Where an Italian resident Noteholder is an individual who has not qualified as an Italian tax resident for at least 9 of the past 10 years, who transferred the tax residence to Italy and who opted for the application of a yearly € 100,000 substitute tax on the foreign-sourced income pursuant to Article 24-bis of Decree No. 917/1986, as introduced by the Law No. 232 of 11 December 2016 (the "**2017 Budget Law**"), the payment of such substitute tax will replace any income tax on the foreign-sourced income, including Interest on Senior Notes.

Where an Italian resident Noteholder who is beneficial owner of the Senior Notes is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Senior Notes are effectively connected and the Senior Notes and relevant coupons are timely deposited with an Intermediary, Interest from the Senior Notes will not be subject to the substitute tax, but must be included in the relevant Noteholder's annual income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to IRAP). In such cases, the beneficial owners should be generally entitled to a tax credit for withholding taxes applied outside Italy, if any.

For those categories of Noteholders not specifically mentioned in this paragraph and for Noteholders who are Italian Pension Funds, Italian undertakings for collective investment please refer to paragraph "Italian Taxation of Notes issued by Mediobanca – Tax on interest, premium and other proceeds – Notes qualifying as bonds or similar securities - Italian resident investors" above.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity and social security entities or Pension Fund 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, premium and other income 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 set forth in Article 1 (100-114) of Finance Act 2017 as amended by Finance Act 2019.

Non-Italian resident Noteholders

No Italian substitute tax is applied on payments to a non-Italian resident Noteholder not having a permanent establishment in Italy to which the Senior Notes are effectively connected of Interest relating to Senior Notes issued by a non-Italian resident issuer.

If Senior Notes issued by a non-Italian resident issuer and beneficially owned by non-Italian residents are deposited with an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or are sold through an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or in any case an Italian resident intermediary (or permanent establishment in Italy of foreign intermediary) intervenes in the payment of Interest on such Senior Notes, to ensure payment of Interest without application of Italian taxation a non-Italian

resident Noteholder may be required to produce to the Italian bank or other intermediary a self-declaration stating that he or she is not resident in Italy for tax purposes.

Capital gains tax

Any gain obtained from the sale or redemption of the Senior Notes would be subject to the same tax regime as described under (A).3. "Capital gains tax", above.

Where an Italian resident Noteholder is an individual who has not qualified as an Italian tax resident for at least 9 of the past 10 years, who transferred the tax residence to Italy and who opted for the application of a yearly € 100,000 substitute tax on the foreign-sourced income pursuant to art. 24-*bis* of Decree No. 917/1986, as introduced by the 2017 Budget Law, the payment of such substitute tax will replace any income tax on the foreign-sourced income, including capital gains on the sale or redemption of Senior Notes held out of the Italian territory.

(ii) ***Notes qualifying as atypical securities***

Interest payments to Italian resident Noteholders relating to Senior Notes issued by a non-Italian resident issuer that are not deemed to fall within the category of bonds (*obbligazioni*) or securities similar to bonds (*titoli similari alle obbligazioni*), but qualify as atypical securities (*titoli atipici*) for Italian tax purposes, may be subject to Italian withholding tax, levied at the rate of 26 per cent.. For this purpose, as indicated above, pursuant to Article 44 of Decree No. 917, securities similar to bonds are securities that (i) incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value and (ii) do not grant to the relevant holders any right to directly or indirectly participate to the management of the issuer or of the business in relation to which they are issued or to control the same management.

If the Senior Notes are issued by a non-Italian resident issuer, a 26 per cent. "entrance" withholding tax may apply in Italy if the Senior Notes are placed ("collocate") in Italy and Interest payments on the Notes are collected through an Italian bank or other qualified financial intermediary. However, the 26 per cent. "entrance" withholding tax does not apply to Interest payments made:

(a) to a non-Italian resident Noteholder. If Senior Notes issued by a non-Italian resident issuer and beneficially owned by non-Italian residents are deposited with an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or are sold through an Italian bank or other resident intermediary (or permanent establishment in Italy of foreign intermediary) or in any case an Italian resident intermediary (or permanent establishment in Italy of foreign intermediary) intervenes in the payment of Interest on such Senior Notes, to ensure payment of Interest without application of Italian taxation a non-Italian resident Noteholder may be required to produce to the Italian bank or other intermediary a self- declaration stating that he or she is not resident in Italy for tax purposes; and

(b) to an Italian resident Noteholder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities to which the Senior Notes are effectively connected), (ii) a commercial partnership, or (iii) a commercial private or public institution. In particular, in such cases, Interest must be included in the relevant Noteholder's annual income tax return, to be therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to IRAP) according to the ordinary rules and the beneficial owners should be generally entitled to a tax credit for withholding taxes applied outside Italy, if any.

Where an Italian resident Noteholder is an individual who has not qualified as an Italian tax resident for at least 9 of the past 10 years, who transferred the tax residence to Italy and who opted for the application of a yearly € 100,000 substitute tax on the foreign-sourced income pursuant to art. 24-*bis* of Decree No. 917/1986, as introduced by the

2017 Budget Law, the payment of such substitute tax will replace any income tax on the foreign-sourced income, including Interest payments relating to Senior Notes.

With respect to the other categories of Italian resident Noteholders, if Interest payments on Senior Notes issued by a non-Italian resident issuer are not collected through an Italian resident bank or other qualified financial intermediary, and as such no "entrance" withholding tax is required to be levied, such Noteholders will be required to report the payments in their yearly income tax return and subject them to a final substitute tax at rate of 26 per cent. (only limited to those Noteholders not engaged in a business activity to which the Senior Notes are effectively connected). Italian resident individual beneficial owners holding Senior Notes not in connection with a business activity may elect instead to pay ordinary personal income tax at the progressive rates applicable to them in respect of Interest payments: if so, the beneficial owners should generally benefit from tax credit for withholding taxes applied outside Italy, if any.

In case Senior Notes issued by a non-Italian resident issuer are held by an Italian resident individual engaged in a business activity and are effectively connected with same business activity, the Interest will be subject to the 26 per cent. "entrance" withholding tax on a provisional basis and will be included in the relevant income tax return. As a consequence, the Interest will be subject to the ordinary income tax and the withholding tax may be recovered as a deduction from the income tax due.

3. Payments made by the Guarantor under the Guarantee

There is no authority directly regarding the Italian tax regime of payments on notes made by an Italian resident guarantor. Accordingly, there can be no assurance that the Italian tax authorities will not assert an alternative treatment of such payments than that set forth herein or that the Italian courts would not support such an alternative treatment.

With respect to payments on the Senior Notes made to Italian resident Noteholders by an Italian resident guarantor, in accordance with one interpretation of Italian tax law, any such payments may be subject to Italian withholding tax at the rate of 26 per cent. levied as a final tax or a provisional tax ("a titolo d'imposta o a titolo di acconto") depending on the "status" of the Noteholder, pursuant to Decree No. 600. Double taxation treaties entered into by Italy may apply allowing for a lower (or, in certain cases, nil) rate of withholding tax in case of payments to non-Italian residents, subject to proper compliance with relevant subjective and procedural requirements. In accordance with another interpretation, any such payment made by the Italian resident guarantor should be treated, in certain circumstances, as a payment by the relevant issuer and should thus be subject to the tax regime described in the previous paragraphs of this section.

(C) **Inheritance and gift taxes**

Pursuant to Law Decree No. 262 of 3 October 2006, as converted in law, with amendments, pursuant to Law No. 286 of 24 November 2006, transfers of Notes as a result of death or donation of Italian residents and of non-Italian residents, but in such latter case limited to Notes held within the Italian territory (which, for presumption of law, includes bonds issued by Italian resident issuers), are generally taxed in Italy as follows:

(i) 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 €1,000,000.00 for each beneficiary;

(ii) 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;

(iii) 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 €100,000.00 for each beneficiary; and

(iv) any other transfer is 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.

If the beneficiary has a serious disability recognised by law, inheritance and gift taxes apply on its portion of the net asset value exceeding €1,500,000.00.

A tax credit may be available for the inheritance and gift tax paid in Italy under the applicable double tax treaty on inheritance and gift, if any.

(D) **Transfer tax**

Contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to a fixed registration tax at a rate of € 200.00; (ii) private deeds are subject to registration tax at a rate of € 200.00 only if they are voluntary registered or if the so- called "caso d'uso" or "enunciazione" occurs.

(E) **Stamp Duty**

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 ("**Decree No. 201**"), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries, carrying out their business activity within the Italian territory, to their clients for the Notes deposited therewith. The stamp duty applies at the current rate of 0.2 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 can be no lower than € 34.20. If the Noteholder is not an individual, the stamp duty cannot exceed € 14,000.00.

(F) **Wealth tax on Notes deposited abroad**

Pursuant to Article 19(18) of Decree No. 201, Italian resident individuals holding the Notes outside the Italian territory are required to pay an additional tax at the current rate of 0.2 per cent.

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 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).

(G) **Tax Monitoring**

Pursuant to Law Decree No. 167 of 28 June 1990 ("**Decree No. 167**"), as amended by Law of 6 August 2013, No. 97 (*Legge Europea* 2013), individuals, non-commercial institutions and non-commercial partnerships resident in Italy, under certain conditions, will be required to report in their yearly income tax return, for tax monitoring purposes, the amount of investments (including the Notes) directly or indirectly held abroad during each tax year. Inbound and outbound transfers and other transfers occurring abroad in relation to investments should not be reported in the income tax return.

This obligation does not exist in case the financial assets are given in administration or management to Italian banks, SIMs, fiduciary companies or other professional intermediaries, indicated in Article 1 of Decree No. 167, or if one of such intermediaries intervenes, also as a counterpart, in their transfer, **provided that** income deriving from such financial assets is collected through the intervention of such an intermediary.

(H) **Irish Taxation of the Notes issued by Mediobanca and Mediobanca International**

The following is a summary of the Irish withholding tax treatment of the Notes. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes.

The summary is based upon the laws of Ireland and the published practices of the Revenue Commissioners of Ireland as in effect on the date of this Base Prospectus. Prospective investors in the Notes should consult their own advisers as to the Irish or other tax consequences of the purchase, beneficial ownership and disposition of the Notes including, in particular, the effect of any state or local law taxes, if applicable.

1. Irish Withholding Tax

Irish withholding tax applies to certain payments including payments of:

- Irish source yearly interest (yearly interest is interest that is capable of arising for a period in excess of one year);
- Irish source annual payments (annual payments are payments that are capable of being made for a period in excess of one year and are pure income-profit in the hands of the recipient); and
- Distributions (including interest that is treated as a distribution under Irish law) made by companies that are resident in Ireland for the purposes of Irish tax;

at the standard rate of income tax (currently 20 per cent to be increased to 25 per cent with effect from 1 January 2020 with respect to distributors only).

On the basis that the relevant Issuer is not resident in Ireland for the purposes of Irish tax, nor does the relevant Issuer operate in Ireland through a branch or agency with which the issue of the Notes is connected, nor are the Notes held in Ireland through a depository or otherwise located in Ireland, then to the extent that payments of interest or annual payments arise on the Notes, such payments should not be regarded as payments having an Irish source for the purposes of Irish taxation.

Accordingly, the relevant Issuer or any paying agent acting on behalf of the relevant Issuer should not be obliged to deduct any amount on account of Irish tax from payments made in connection with the Notes.

Separately, for as long as the Notes are quoted on a stock exchange, an investor should not be obliged to deduct any amount on account of Irish tax from a payment made by it in connection with the purchase of the Notes.

2. Irish Encashment Tax

Payments on any Notes paid by a paying agent in Ireland or collected or realised by an agent in Ireland acting on behalf of the beneficial owner of Notes will be subject to Irish encashment tax at the standard rate of Irish tax (currently 20 per cent), unless it is proved, on a claim made in the required manner to the Revenue Commissioners of Ireland, that the beneficial owner of the Notes entitled to the interest or distribution is not resident in Ireland for the purposes of Irish tax and such interest or distribution is not deemed, under the provisions of Irish tax legislation, to be income of another person that is resident in Ireland.

(I) Exchange of information under Directive on Administrative Cooperation in the field of Taxation

On 3 June 2003, the EU Council of Economic and Finance Ministers ("**ECOFIN**") adopted a directive regarding the taxation of savings income ("**EU Savings Directive**" or the "**Directive**"). Under the Directive each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State. A number of non-EU countries and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such person for, an individual resident in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person from, an individual resident in one of those territories.

Italy originally implemented the Directive through Legislative Decree No. 84 of 18 April 2005 ("**Decree 84**").

On 10 November 2015, the EU Council Directive 2015/2060/EU, under proposal of the European Commission, repealed the EU Savings Directive which was replaced by the DAC, as amended and supplemented from time to time, on administrative cooperation in the field of taxation. This is to prevent overlap between the EU Savings Directive and the new automatic exchange of information regime to be implemented under the DAC.

The new regime under DAC is in accordance with the Global Standard released by the Organisation for Economic Co-operation and Development in July 2014. It is worth mentioning that the range of payments to be automatically reported under the DAC is broader than the scope of the automatic information previously foreseen by the EU Savings Directive. Moreover, unlike the EU Saving Directive, the DAC does not impose withholding taxes.

The DAC has been implemented in Italy through Legislative Decree No. 29 of 4 March 2014, as amended and supplemented from time to time, and with Ministerial Decree of 28 December 2015 issued by the Minister of Economy and Finance, as amended and supplemented from time to time, (published in the Official Gazette No. 303 of 31 December 2015). Accordingly, Legislative Decree No. 84 of 18 April 2005 (implementing in Italy the EU Saving Directive) has been repealed with effect from 1 January 2016 by Article 28 of Law No. 122 of 7 July 2016.

Finally, on 25 May 2018 the EU Council Directive 2018/822 (the "**DAC 6**") has been adopted. Under the DAC 6 intermediaries which meet certain EU nexus criteria and taxpayers are required to disclose to the relevant Tax Authorities certain cross-border arrangements, which contain one or more of a prescribed list of hallmarks, performed from 25 June 2018 onwards.

GENERAL INFORMATION

1. Listing and Admission to Trading

This Base Prospectus has been approved by the Central Bank of Ireland as competent authority under the Prospectus Regulation. Application has also been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for Notes issued under the Programme to be listed on the Official List of the Euronext Dublin and admitted to trading on the regulated market of the Euronext Dublin. The Euronext Dublin's regulated market is a regulated market for the purposes of the MiFID II (Directive 2014/65/EU, as amended).

However, Notes may be issued pursuant to the Programme which will not be listed or admitted to trading on the Euronext Dublin or any other stock exchange or which will be listed or admitted to trading on such stock exchange as the Issuers and the relevant Dealer(s) may agree.

The Central Bank of Ireland may, at the request of the relevant Issuer, send to the competent authority of another European Economic Area Member State: (i) a copy of this Base Prospectus; (ii) and a Certificate of Approval of a Prospectus.

2. Each Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in Ireland and the Republic of Italy in connection with the establishment and update of the Programme and the issue and performance of the Notes and the guarantee relating to the Senior Notes. The update of the Programme, including the giving of the Guarantee with respect to the Senior Preferred Notes issued by Mediobanca International, was authorised by a circular resolution of the Board of Directors of Mediobanca International passed on 15 November 2019, resolutions adopted by the Executive Committee of Mediobanca passed on 19 September 2019 and the decision (*determina*) assumed by the Managing Director (*Direttore Generale*) of Mediobanca on 2 December 2019.

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

4. Save as disclosed in this Base Prospectus at page 161 and 162, Mediobanca International (where Mediobanca International is the Issuer) is not and none of Mediobanca and its consolidated subsidiaries (where Mediobanca is the Issuer or the Guarantor) is or has been involved in any governmental, legal or arbitration proceedings in the 12 months precedeing the date of this document relating to claims or amounts of money which may have, or have had in the recent past, significant effects on each of the Group's financial position or profitability and, so far as Mediobanca or, as the case may be, Mediobanca International is aware, no such governmental, legal or arbitration proceedings is pending or threatened.

5. Neither Mediobanca nor Mediobanca International nor any of Mediobanca's subsidiaries has 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 such Issuer's ability to meet its obligations to Noteholders.

6. In the case of Mediobanca, since 30 June 2019 (being the last day of the financial period in respect of which the most recent audited annual financial statements of Mediobanca have been prepared) there has been no material adverse change in the prospects of Mediobanca or its subsidiaries.

7. In the case of Mediobanca International, since 30 June 2019 (being the last day of the financial period in respect of which the most recent and available audited financial statements of Mediobanca International have been prepared) there has been no material adverse change in the prospects of Mediobanca International.

8. There have been no significant changes to the financial or trading position <u>or to the financial performance</u> of Mediobanca or the other companies forming part of the Group since the most recent financial information available was disclosed in the financial statements as at 30 June 2019.

9. There have been no significant changes to the financial or trading position or to the financial performance of Mediobanca International since the most recent financial information available was disclosed in the non-consolidated financial statements as at 30 June 2019.

10. For so long as the Programme remains in effect or any Notes remain outstanding, the following documents will be available in electronic form (unless the investor requests physical copies), and in the case of paragraphs (vi), (vii), (viii) and (ix) below, may be obtained free of charge during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent and the Paying Agent:

(i) the Issue and Paying Agency Agreement;

(ii) the Deeds of Covenant;

(iii) the Deed of Guarantee. A copy of the Deed of Guarantee will be electronically available for viewing on the Issuers' websites: www.mediobanca.it (in respect of Mediobanca – Banca di Credito Finanziario S.p.A.) and www.mediobancaint.lu (in respect of Mediobanca International (Luxembourg) S.A.);

(iv) the Programme Manual (being a manual signed for the purposes of identification by the Issuers and the Fiscal Agent, containing suggested forms and operating procedures for the Programme, including the forms of the Notes in global and definitive form);

(v) the By-laws (*Statuto*) of Mediobanca and articles of incorporation of Mediobanca International. A copy of the By-laws (*Statuto*) of Mediobanca and articles of incorporation of Mediobanca International will be electronically available for viewing on the Issuers' websites: www.mediobanca.it (in respect of Mediobanca – Banca di Credito Finanziario S.p.A.) and www.mediobancaint.lu (in respect of Mediobanca International (Luxembourg) S.A.);

(vi) the published annual financial statements of Mediobanca International as at and for the years ended 30 June 2019 and 2018;

(vii) the consolidated annual financial statements of Mediobanca as at and for the years ended 30 June 2019 and 2018;

(viii) Final Terms for Notes which are listed on the Official List of the Euronext Dublin or any other stock exchange;

(ix) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus.

A copy of this Base Prospectus will also be electronically available for viewing on Euronext Dublin's website (www.ise.ie).

In compliance with Article 21(3) of the Prospectus Regulation, a copy of this Base Prospectus along with the documents incorporated by reference in this Base Prospectus and any applicable supplement and final terms will be electronically available for viewing on on Euronext Dublin website.

11. Physical copies of the latest annual consolidated financial statements of Mediobanca and annual financial statements of Mediobanca International may be obtained upon request at the specified office of the Paying Agent during normal business hours, so long as any of the Notes is outstanding.

12. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The appropriate Common Code, the International Securities Identification Number (ISIN), the Classification of Financial Instrument (CFI) Code, and the Financial Instrument Short Name (FISN) 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.

13. The Legal Entity Identifier (LEI) of Mediobanca is: PSNL19R2RXX5U3QWHI44.

14. The Legal Entity Identifier (LEI) of Mediobanca International is: 549300DV870NBWY5W279.

15. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg, the Grand Duchy of Luxembourg. The address of Monte Titoli S.p.A. is Piazza degli Affari 6, 20123 Milan, Italy.

16. The websites of the Issuers are, respectively: www.mediobanca.it (in respect of Mediobanca – Banca di Credito Finanziario S.p.A.) and www.mediobancaint.lu (in respect of Mediobanca International (Luxembourg) S.A.). For the avoidance of doubts, unless specifically incorporated by reference in this Base Prospectus, information contained on any website indicated herein does not form part of this Base Prospectus.

17. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, Mediobanca and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their affiliates 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 Mediobanca or Mediobanca's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with Mediobanca routinely hedge their credit exposure to Mediobanca consistent with their customary risk management policies. Typically, such Dealers and their affiliates 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 positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates 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. For the purpose of this paragraph 14 the term "affiliates" includes also parent companies.

18. With respect to Article 5(1) of the Prospectus Regulation the Issuers consent, to the extent and under the conditions, if any, indicated in the Final Terms, to the use of the Base Prospectus as long as the Base Prospectus is valid in accordance with the Prospectus Regulation and accepts responsibility for the content of the Base Prospectus also with respect to subsequent resale or final placement of the Notes by any Dealer and/or financial intermediary which was given consent to use the prospectus.

Such consent may be given to all (general consent) or only one or more (individual consent) specified Dealers and/or financial intermediaries and/or for a limited or indefinite period, as stated in the Final Terms, and for Italy, Ireland and/or the Grand Duchy of Luxembourg as member states in which the Base Prospectus has been passported and which will be indicated in the relevant Final Terms.

Such consent by the Issuers is subject to each Dealer and/or financial intermediary complying with the terms and conditions described in this Base Prospectus and the relevant Final Terms as well as any applicable selling restrictions. The distribution of this Base Prospectus, any supplement to this Base Prospectus, if any, and the relevant Final Terms as well as the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law.

Each Dealer and/or each financial intermediary, if any, and/or each person into whose possession this Base Prospectus, any supplement to this Base Prospectus, if any, and the relevant Final

Terms come are required to inform themselves about and observe any such restrictions. The Issuers reserve the right to withdraw its consent to the use of this Base Prospectus in relation to certain Dealers and/or each financial intermediary.

In case of an offer being made by a Dealer or a financial intermediary, such Dealer or financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.

If the Final Terms state that the consent to use the Base Prospectus is given to all Dealers or financial intermediaries (general consent), any Dealer or financial intermediary using the Base Prospectus is required to state on its website that it uses the Base Prospectus in accordance with the consent and the conditions attached thereto.

If the Final Terms state that the consent to use the prospectus is given to one or more specified Dealers or financial intermediaries (individual consent), any new information with respect to Dealers or financial intermediaries unknown at the time of the approval of the Base Prospectus or the filing of the Final Terms will be published on the website www.mediobanca.it.

INDEX OF DEFINED TERMS

$ vii
£ vii
1/1 ..... 53, 98
2017 Budget Law 225
30/360 ..... 53, 98
30E/360 ..... 54, 99
30E/360 (ISDA) 54, 99
360/360 ..... 53, 98
A 60, 105
Acceptance Statement ..... iii, 176
Accountholder 139
Accrual Yield 52, 97
Actual/360 ..... 53, 98
Actual/365 (Fixed) 53, 98
Actual/Actual 53, 98
Actual/Actual (ICMA) 53, 98
Actual/Actual (ISDA) 53, 98
Additional Business Centre(s) 52, 97
Additional Financial Centre 81, 126
Additional Financial Centre(s) 52, 97
Administrative Action 73, 118
Applicable Banking Regulations 70, 115
Asset Instruments 78, 123
Asset Management Option 216
Asset Management Tax 216
Authorised Offeror Contract 177
Authorised Offeror Terms 176
Authorised Offerors iii
AY 57, 102
Bank of Italy 50, 95
Bond Basis 53, 98
Broken Amount 52, 97
BRRD 75, 120
Business Day 52, 97
Buy Back Price 77, 122
Buy-Back Price 77, 122
C 60, 105
Calculation Agent 52, 97
Calculation Amount 52, 97
Calculation Period 53, 97
Cash Instrument 78, 123
Cash-CDS Arbitrage 78, 123
CBL 45
CDS Components 78, 123
Centralised Custodian 45
CGN 45
Classic Global Note 45
Clearstream, Luxembourg 45
CMS 52, 97
Conditions ..... i, 179, 197
CONSOB 7
Coupons 49, 94
CRA 147
CRA Regulation 3, 70, 115, 190, 210, 211
CRD IV 71, 116
CRD IV Directive 71, 116
CRD IV Implementing Measure 71, 116
Credit Index 78, 123
CRR 71, 116
CSSF 166
D1 ..... 54, 55, 99, 100
D2 ..... 54, 55, 99, 100
Day Count Fraction 53, 97
Dealer Agreement 170
Dealers 170
Decree 39/2010 161
Decree No. 167 228
Decree No. 201 228
Decree No. 239 38
Decree No. 44 216
Decree No. 461 ..... 83, 128
Decree No. 512 38
Decree No. 600 38
Deed of Covenant 49
Deed of Guarantee ..... i, 49, 94
Deed Poll 90, 135
Deeds of Covenant 49
Definitive Notes 46
Determined Rate 64, 108
Dispute 92, 137
distributor 178, 196
Drawdown Prospectus ..... i, 44
Early Redemption Amount 70, 115
ECB 45
EEA 178, 193, 196, 208
Eligible Green Projects 24, 142
EURIBOR 55, 100
Euro vii
Eurobond Basis 54, 99
Euroclear 45
Eurosystem 45
Events of Default 86, 131
Exercise Notice 76, 121
Exercise Period 74, 76, 119, 121
existing Notes 88, 133
existing Senior Notes 87, 132
Extra-Yield 77, 122
FCA Announcement 23
FIEA 174
Final Redemption Amount 70, 115
Final Terms ..... i, iii, 49, 94
Financial Instruments and Exchange Act 174
Financial Services Act 14, 174
First Margin 55, 100
First Reset Date 55, 100
First Reset Period 55, 100
First Reset Rate of Interest 55, 100
Fiscal Agent 49, 94
Fitch 3, 147
Fixed Coupon Amount 55, 100
FSMA 173
GBP vii
General Funded Arbitrage 78, 123
Global Note 45

Green Bonds 24, 142
Group i
Guarantee of the Notes 49, 94
Guarantor ..... iii, 49, 94
holder 50, 95
ICMA 24, 142
IGAs 11
Index-Components Arbitrage 78, 123
Initial Rate of Interest 55, 100
Instalment Amount 70, 115
Instalment Date(s) 55, 100
Insurance Distribution Directive172, 178, 193, 196, 208
interest 84, 129
Interest 215
Interest Accrual Date 55, 100
Interest Amount 55, 100
Interest Commencement Date 56, 100
Interest Determination Date 56, 101
Interest Payment Date 56, 101
Interest Period 56, 101
Interest Rate 56, 101
Interest Rate Switch Date 56, 101
Intermediaries 216
Intermediary 216
Investor i
Investor's Currency 27
ISDA Definitions 56, 101
ISDA Rate 64, 109
Issue Date 56, 101
Issue Price 56, 101
Issuer ..... iii, 49, 94
Issuers 49, 94
Italian Bail-in Power 71, 116
Italian Banking Act 14, 50, 95, 174
Italian Paying Agent 49, 94
Japanese Person 174
LIBID 56, 101
LIBOR 56, 101
LIMEAN 56, 101
Linear Interpolation 56, 101
Liquidazione Coatta Amministrativa 50, 95
Loss 177
M1 ..... 54, 98, 99
M2 ..... 54, 55, 99
Margin 56, 101
Market Value 77, 122
Maturity Date 72, 117
Maturity Period 72, 117
Mediobanca 49, 94
Mediobanca Group i
Mediobanca International 49, 94, 165
Member State vii
Mid-Market Swap Rate 56, 101
Mid-Market Swap Rate Quotation 57, 102
Mid-Swap Floating Leg Benchmark Rate 57, 102
Mid-Swap Rate 57, 102
MiFID ii
MiFID II 172, 178, 193, 196, 208
MiFID II Regulations 171
Minimum Net Wealth Tax 223
modified Notes 88, 133
modified Senior Notes 87, 132
Monte Titoli 30
MREL/TLAC Disqualification Event 75, 120
MREL/TLAC Requirements 75, 120
Multiplier 57, 63, 64, 102, 108, 109
n 60, 105
necessary information 44
New Global Note 45
NGN 45
Noteholder 139
Noteholders 215
Notes ..... iii, 49, 89, 94, 134
offer of Notes to the public 173
Offer Period 193
Optional Redemption Amount 57, 102
Optional Redemption Amount (Call) 70, 115
Optional Redemption Amount (Put) 70, 115
OTC 5
Other Notes 90, 135
P 60, 105
Partial Repurchase Option 73, 118
Paying Agents 49, 94
Payment Business Day 58, 82, 103, 127
Pension Fund Tax 217
Pension Funds 216
Permanent Dealers 170
Permanent Global Note 45
Plan of Distribution 40
Pounds Sterling vii
PRIIPs Regulation 178, 193, 196, 208
principal 84, 129
Principal Financial Centre 58, 103
Proceedings 92
Programme 49, 94
Public Offer i
Public Offer Jurisdiction i
Public Offer Jurisdictions 193
PwC Luxembourg 166
qualified investors 15, 173
r 60, 105
Rate of Interest 58, 103
Receipts 49, 94
Redemption Amount 72, 117
Reference Banks 58, 62, 103, 107
Reference Price 58, 103
Reference Rate 58, 103
Reference Rate Multiplier 59, 64, 103, 109
Regular Date 59, 104
Regular Period 59, 104
Regulation No. 11971/1999 173
Regulatory Event 14, 15, 16
Relevant Authority 72, 117
Relevant Currency 59, 104
Relevant Date 84, 129
Relevant Financial Centre 59, 104
Relevant Member State 173
Relevant Screen Page 59, 104

Relevant Time 59, 104
Replicating CDS..... 78, 123
Replicating Derivatives 78, 123
Reset Date 59, 104
Reset Determination Date..... 59, 104
Reset Period..... 60, 104
retail investor..... 172
RP..... 57, 102
Rules..... 176
S&P 3, 147
Second Reset Date..... 60, 105
Senior Non Preferred Notes..... 34, 49, 94
Senior Notes 34
Senior Preferred Notes 34, 49, 94
Series ..... vii, 49, 94
SIMs 216
Specified Currency 60, 105
Specified Duration..... 60, 105
Specified Office..... 49, 94
SRM Regulation..... 71, 116
Stabilising Manager(s) vii
Subordinated Notes 34, 49, 94
Subsequent Margin..... 60, 105
Subsequent Reset Date 60, 105
Subsequent Reset Period..... 60, 105
Subsequent Reset Rate of Interest..... 13, 60, 105
Substitute 90, 135
Talons 49, 94
TARGET Settlement Day 60, 105
TARGET System..... 60, 105
TEFRA C Rules 45
TEFRA D Rules..... 45
Temporary Global Note 45
Tier II Capital..... 75, 120
Total Repurchase Option 73, 118
Tranche ..... vii, 49, 94
U.S.$ vii
Underlying Transactions..... 77, 122
unit 65, 110
US Dollars..... vii
USD vii
White List Decree 218
y 57, 102
Y1 ..... 53, 54, 98, 99
Y2 ..... 53, 54, 98, 99
Yen..... vii
Yield 60, 105

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