

BASE PROSPECTUS



UNIPOLSAI ASSICURAZIONI S.p.A.

(incorporated with limited liability in the Republic of Italy)

€3,000,000,000

Euro Medium Term Note Programme

Under this €3,000,000,000 Euro Medium Term Note Programme (the **Programme**), UnipolSai Assicurazioni S.p.A. (**UnipolSai** or the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). Notes may be issued as unsubordinated Notes (**Senior Notes**), dated subordinated Notes (**Dated Subordinated Notes**), or as undated subordinated Notes, ranking junior to the Dated Subordinated Notes (**Undated Subordinated Notes** and, together with the Dated Subordinated Notes, the **Subordinated Notes**). References in this Base Prospectus to the **Terms and Conditions of the Notes** shall be to (i) the Terms and Conditions of the Senior Notes and/or (ii) the Terms and Conditions of the Dated Subordinated Notes and/or (iii) the Terms and Conditions of the Undated Subordinated Notes, as the context may require. The Issuer is the company resulting from the merger by way of incorporation of Unipol Assicurazioni S.p.A. (**Unipol Assicurazioni**), Milano Assicurazioni S.p.A. (**Milano Assicurazioni**) and Premafin Finanziaria S.p.A. – Holding di Partecipazioni (**Premafin**) into Fondiaria-SAI S.p.A. (**Fondiaria-SAI** and, together with Unipol Assicurazioni, Milano Assicurazioni and Premafin, the **Companies Participating in the Merger**). The merger of Unipol Assicurazioni, Milano Assicurazioni and Premafin into Fondiaria-SAI became effective on 6 January 2014 (the **Merger**) and, concurrently, the shares of the Issuer commenced trading on the *Mercato Telematico Azionario*, the Italian automated screen-based trading system managed by Borsa Italiana S.p.A.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

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

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors" beginning on page 9.

Application has been made to the Commission de Surveillance du Secteur Financier (the **CSSF**) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities (the **Prospectus Act 2005**) to approve this document (the **Base Prospectus**) as a base prospectus. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information not contained herein which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which will be filed with the CSSF. Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Issuer has been rated "BBB/negative" (counterparty credit rating and financial strength rating) by Standard & Poor's Rating Services, a division of the McGraw Hill Companies Inc. (**Standard & Poor's**) and "Baa2/stable" (insurance financial strength rating) by Moody's Investors Service Ltd (**Moody's**). The subordinated debt rating of the Issuer assigned by Standard & Poor's and Moody's are "BB+" and "Ba1/stable", respectively. The rating of certain Series or Tranches of Notes to be issued under the Programme may be specified in the applicable Final Terms. Each of Standard & Poor's and Moody's is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such, each of Standard & Poor's and Moody's is included in the list of credit ratings agencies published by the European Securities and Markets Authority on its website (at www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation. **A security rating and an issuer's corporate rating are 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.**

Arrangers

J.P. Morgan

Mediobanca

Dealers

J.P. Morgan

Mediobanca

UniCredit Bank

The date of this Base Prospectus is 10 June 2014.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 5.4 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU (the 2010 PD Amending Directive) to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the Prospectus Directive) and for the purposes of the Prospectus Act 2005.

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

Copies of Final Terms will be available from the registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined below).

In respect of information in this Base Prospectus that has been extracted from a third party, the Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Although the Issuer believes that the external sources used are reliable, the Issuer has not independently verified the information provided by such sources.

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

No representation, warranty or undertaking, express or implied, is made by any of the Dealers or any of their respective affiliates and no responsibility or liability is accepted by any of the Dealers or by any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus or of any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

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

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and its consolidated subsidiaries (the Group) and of the rights attaching to the relevant Notes and reach its own view, based upon its own judgement and upon advice from such financial, legal and tax advisers as it has deemed necessary, prior to making any investment decision. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or

invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

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

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the Securities Act) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

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

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, the Republic of Italy and the Grand Duchy of Luxembourg) and Japan, see "*Subscription and Sale*".

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes in that Relevant Member State 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 Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, 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 circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

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

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

- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to 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 (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

PRESENTATION OF INFORMATION

All references in this document to U.S. dollars, U.S.\$ and \$ refer to United States dollars, and references to euro, Euro and € refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

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

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

Unaudited Pro Forma Consolidated Financial Information

The Companies Participating in the Merger did not exist as a single entity before the Merger and, as such, no historical financial statements of the UnipolSai Group are available as of and for the financial year ended 31 December 2013, or for prior periods. The unaudited pro forma consolidated financial information of UnipolSai as at and for the year ended 31 December 2013 (the **Unaudited Pro Forma Consolidated Financial Information**) and the explanatory notes thereto together with the report thereon issued by PricewaterhouseCoopers S.p.A. (see "*Unaudited Pro Forma Consolidated Financial Information*" below) has therefore been prepared to represent the theoretical effects of the Merger on the consolidated balance sheet, as if the Merger and the relating transactions had taken place on 31 December 2013, and on the income statement and cash flow statement, as if they had taken place on 1 January 2013, in each case based on available information and on certain assumptions, described in the explanatory notes within the Unaudited Pro Forma Consolidated Financial Information.

As pro-forma information is prepared to illustrate retrospectively the effects of the Merger that will occur subsequently using generally accepted regulations and reasonable assumptions, there are limitations that are inherent to the nature of pro-forma information. In particular:

- had the Merger been implemented on the dates taken as a reference for the preparation of the Unaudited Pro Forma Financial Information, rather than on the actual effective date of the Merger, not all historical figures would necessarily have been identical to the pro forma figures provided; and
- pro forma figures do not reflect prospective figures as they have been prepared in such a way as to only represent the effects of the Merger that may be isolated and measured with objective criteria, without taking into account the potential effects due to possible management initiatives adopted as a result of the Merger.

Furthermore, in consideration of the different purposes of the pro-forma financial information as compared to the historical financial statements and the different methods of calculation of the effects of the Merger on the unaudited pro forma consolidated balance sheet, on the unaudited consolidated income statement and on the unaudited pro forma consolidated cash flow statement, the pro forma balance sheet, income and cash flow statements should be read and analysed separately from the historic data without attempting to reconcile or compare the two. Investors should not place undue reliance on the Unaudited Pro Forma Consolidated Financial Information. The Unaudited Pro Forma Consolidated Financial Information should be read and considered together with the other information contained or incorporated by reference in this Base Prospectus.

The Unaudited Pro Forma Consolidated Information does not attempt to predict or restate the future results of the UnipolSai Group and should not be used for this purpose.

The Unaudited Pro Forma Consolidated Financial Information (which is included in this Base Prospectus under "*Unaudited Pro Forma Consolidated Financial Information*") should be read together with the audited consolidated financial statements of Premafin and of Unipol Assicurazioni as at and for the year ended 31 December 2013, and the explanatory notes thereto, which are incorporated by reference in this Base Prospectus.

Historical financial data: Basis of preparation

For the purpose of presenting the historical financial data of the UnipolSai Group included in the section "*Description of the Issuer*", certain historical consolidated financial data of the Companies Participating in the Merger as of and for the year ended 31 December 2013 has been aggregated together (hereinafter "**Consolidated UnipolSai post-Merger structure**") as described in the notes below.

These aggregated data differ from the Unaudited Pro Forma Consolidated Financial Information because they do not represent all the pro-forma adjustments but, being an aggregation of historical data, they only consider the actual effects of:

- the alignment of the values of assets and liabilities to the corresponding book value of such items in the consolidated financial statements of UGF in connection with the accounting of the Merger as a business combination under common control, as explained further below; and
- the effect of the put option on the shares of Unipol Banca granted by UGF to UnipolSai in connection with the Merger.

The balance sheet data of the Consolidated UnipolSai post-Merger structure have been extracted from the balance sheet interim consolidated financial statements of UnipolSai as at 31 March 2014. The income statement figures of the Consolidated UnipolSai post-Merger structure have been extracted from the press release dated 20 March 2014 entitled "*2013 UnipolSai consolidated operating results post-merger structure*".

It should be recalled that as of 31 December 2013, the shareholding structure of the Companies Participating in the Merger was as follows:

- the Companies Participating in the Merger were all under the control of UGF. In particular, UGF directly controlled Premafin and Unipol Assicurazioni, and indirectly controlled Fondiaria-SAI and Milano Assicurazioni;

- Premafin directly controlled Fondiaria-SAI, and indirectly Milano Assicurazioni; and
- Fondiaria-SAI directly controlled Milano Assicurazioni.

In light of this, the consolidated financial data of the Premafin group (the group to which Fondiaria-SAI and Milano Assicurazioni belong) also include the financial data of Fondiaria-SAI (the Issuer and the surviving entity from the Merger) and of the companies consolidated within the Fondiaria-SAI group. In addition, in view of the shareholding structure indicated above, the consolidated financial data of Premafin (that includes the consolidated financial data of Fondiaria-SAI) also indirectly includes the consolidated financial data of Milano Assicurazioni.

On the basis of the above, for the purpose of presenting the historical data of the UnipolSai Group (which is derived from the integration of the Premafin group and the Unipol Assicurazioni group), this Base Prospectus reports the historical consolidated data of the Premafin group and the Unipol Assicurazioni group.

In accordance with IAS/IFRS, the Merger is accounted for as a business combination under common control, which is excluded from the scope of IFRS 3 as well as from other IFRS. The business combination was therefore recognized in the consolidated financial statements of UnipolSai at the net book value resulting from the consolidated financial statements of UGF, as such representation is, in the opinion of the Issuer, the most appropriate in accordance with IAS 8.10 and the IAS / IFRS framework. Therefore, following the Merger, the values of the assets and liabilities of the Premafin group have been adjusted to their respective values in the consolidated financial statements of UGF. For further information, please refer to the Pro Forma Financial Information appearing elsewhere in this Base Prospectus,

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)) 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, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. 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 be ended 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 persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry(ies) in which it operates together with all other information contained in this Base Prospectus, including, in particular, the risk factors described below, including any document incorporated by reference herein.

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes issued under the Programme and the risks or uncertainties deriving from the merger by way of incorporation of Premafin, Unipol Assicurazioni and Milano Assicurazioni into Fondiaria-SAI (the **Merger**) are also described below.*

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer, based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including, without limitation, any documents incorporated by reference herein) and reach their own views prior to making any investment decision, based upon their own judgement and upon advice from such financial, legal and tax advisers as they have deemed necessary.

References in these "Risk Factors" to the "relevant Terms and Conditions" are to the Terms and Conditions of the Senior Notes, the Terms and Conditions of the Dated Subordinated Notes or the Terms and Conditions of the Undated Subordinated Notes, as the case may be, in each case appearing elsewhere in this Base Prospectus and as completed by the applicable Final Terms of the relevant Tranche of Notes, and references to "Subordinated Notes" are to Dated Subordinated Notes and/or Undated Subordinated Notes, as the context may require. Words and expressions defined in "Applicable Final Terms", "Terms and Conditions of the Notes" or elsewhere in this Base Prospectus have the same meaning in this section. Prospective investors should read the entire Base Prospectus.

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

Financial results may be affected by volatility of the financial markets

General economic, financial and other business conditions and factors, such as consumer spending, business investment, government spending, the volatility and strength of the capital markets and inflation, all affect the business and economic environment and, ultimately, the amount and profitability of the Issuer's and the Group's business.

Fluctuations in the financial markets such as the fixed income or equity markets can also have a material effect on the business, financial condition, consolidated results of operations, market levels and investment returns of the Issuer and the Group.

In an economic downturn, characterised by higher unemployment, lower family income, lower corporate earnings, lower business investment and lower consumer spending, the demand for the Group's insurance and investment products could be adversely affected.

Changes in these factors can be very difficult to predict. Any adverse changes in the economies and/or financial markets could have a material adverse effect on the Group's consolidated financial condition, results of operations and cash flows.

Fluctuations in interest rates may also affect returns on fixed income investments and their market value. Generally, investment income may be reduced during sustained periods of lower interest rates as higher yielding fixed income securities are called, mature or are sold and the proceeds are reinvested at lower rates even though prices of fixed income securities tend to rise and gains realised upon their sale tend to increase. During periods of rising interest rates, prices of fixed income securities tend to fall and gains made upon their sale are lower or the losses made are greater.

In addition, the Group invests a portion of its assets in equity securities and real estate, which are generally subject to greater risks and more volatility than fixed income securities. General economic conditions, stock market conditions, level of disposable income and many other factors beyond the control of the Group can adversely affect the equity and property markets.

Investment returns are also susceptible to changes in the general creditworthiness of the issuers of the debt securities and equity securities held in the Group's portfolios. The value of fixed income securities may be affected by, amongst other things, changes in the credit rating of these issuers. Where the credit rating of a debt security drops, the value of the security may also decline.

The current instability in the global and Italian capital markets and credit conditions has led to the most severe examination in recent history of the banking system's capacity to absorb sudden significant changes in the funding and liquidity environment, and has had an impact on the wider economy. Should the Issuer and/or the Group be unable to continue to source a sustainable funding profile which can absorb these sudden shocks, the Issuer's ability to fund its financial obligations at a competitive cost, or at all, could be adversely affected.

The Group has substantial exposure to fixed income securities, equities and real estate within its assurance portfolios. Fluctuations in the fixed income and equity markets will directly or indirectly affect the financial results of life assurance operations, in particular through its impact on the levels of charges made on investment policies which, in most cases, are related to the value of the assets backing the policy liabilities. In addition, such fluctuations will affect the capital requirements of the Group.

The ability of the Group to make a profit on insurance products and investment products, including fixed and guaranteed products, depends in part on the returns on specific investments supporting its obligations under these products which may fluctuate substantially depending on general economic conditions. Certain types of insurance and investment products that the Group offers expose it to risks associated with fluctuations in financial markets, including certain types of interest-sensitive or variable products such as guaranteed annuities, which have guaranteed rates. Although the Group uses hedging techniques to manage its exposure under certain of these guaranteed products, increased volatility in the financial markets, combined with unanticipated policyholders' behaviour, may increase the cost of these hedges and/or negatively affect its ability to hedge certain of these risks, which may adversely affect profitability.

In addition, the Group's insurance portfolios may experience an elevated incidence of lapses or surrenders of policies, and its policyholders may choose to defer paying insurance premiums or stop paying insurance premiums altogether. These developments could have a material adverse effect on the Issuer's and the Group's business, results of operations and financial condition.

The Group is marginally active in the banking sector through Banca SAI and as a result of its 32.26 per cent. shareholding in Unipol Banca. During recessionary periods, there may be less demand for loan products and a greater number of customers may default on their loans or other obligations. Interest rate rises may also impact the demand for mortgages and other loan products. The credit quality of the borrowers and counterparties and, consequently, the ability of the Group companies operating in banking activities to recover loans and amounts due from counterparties may also be adversely affected by the economic and financial climate.

At the date of this Base Prospectus, the activities aimed at analysing the feasibility of the integration between Banca SAI and Unipol Banca have commenced. Subject to satisfaction of the conditions and in compliance with the relevant methodology to be defined, such integration may be completed before the end of 2014, subject to obtaining the necessary authorisations from the competent authorities and approval by the competent bodies of the banks.

Financial results may be affected by changes in interest rates

Significant changes in interest rates could materially and adversely affect the Group's business and financial performance. The level of, and changes in, interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) may affect the Group's life and non-life insurance businesses as well as interest payable on debt. In particular, a change in interest rates can affect the availability of disposable income for investment in assurance products and other savings products, asset values, levels of bad debts, levels of investment income gains and losses on investments, funding costs and interest margins. Interest rates increases are likely to result in a decrease in fixed income asset values for insurance companies. Generally, the impact of rising interest rates on investment portfolios is driven by the change in value of investments.

Fluctuations in interest rates and returns from equity markets also have an impact on consumer behaviour, especially in the asset accumulation (e.g. pension funds) and life assurance businesses, where demand for fixed income products may decline when interest rates fall and equity markets are performing well. The demand for general insurance products, particularly commercial lines, can also vary with the overall level of economic activity.

Protracted market declines can reduce liquidity in the markets, making it harder to sell assets and leading to material losses

Protracted adverse market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if the Issuer and the Group cannot close out deteriorating positions in a timely fashion. In particular this may be the case for those assets of the Issuer and the Group for which there are relatively illiquid markets under normal market conditions. Monitoring the deterioration in value of assets like these is difficult and failure to do so effectively could lead to losses that the Issuer did not anticipate or that were higher than those anticipated. This, in turn, could adversely affect the Group's results of operations and financial condition.

Risks relating to regulatory compliance and regulatory changes

The Group is subject to government regulation primarily in the Republic of Italy, where most of its business is conducted.

Given the financial nature of the Group, the group companies are subject to several regulatory provisions and have been in the past, and might be in the future, subject to inspections and stress tests by the competent supervisory authorities, including, without limitation, the Italian insurance supervisory authority (*Istituto per la Vigilanza sulle Assicurazioni*, **IVASS**), the Italian Securities and Exchange Commission (*Commissione Nazionale per le Società e la Borsa*, **CONSOB**), the European Banking Authority and the Bank of Italy. As the applicable regulatory framework is constantly being revised and updated, the Issuer is not able to foresee all potential changes; moreover, the policies adopted by the Group companies to ensure compliance with such framework might become obsolete, thus requiring the Group to constantly monitor and adapt such policies to the changing regulatory environment.

The Issuer is a listed company and accordingly is subject to extensive regulation and supervision by CONSOB. Regulatory authorities, in particular, IVASS, the Italian antitrust authority (*Autorità Garante della Concorrenza e del Mercato*, **AGCM**) and the Bank of Italy, have broad jurisdiction over many aspects of the businesses of the Issuer and Group companies, including capital adequacy, marketing and selling practices, advertising, licensing agents, policy forms, terms of business and permitted investments.

In the European Union, risk-based capital requirements for insurance companies are being introduced pursuant to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) as amended by Directive 2012/23/EU adopted by the European Parliament and the Council of the European Union on 12 September 2012 and Directive 2013/58/EU adopted by the European Parliament and the Council on 11 December 2013 (the **Solvency II Directive**). The Solvency II Directive was expected to be implemented by Member States prior to 30 June 2013 and apply from 1 January 2014. According to Directive 2013/58/EU of the European Parliament and of the Council of 11 December 2013, the deadline for transposition of the Solvency II Directive by the Member States has been extended to 31

March 2015, while the deadline for the entry into force of the relevant provisions has been extended to 1 January 2016.

On 19 January 2011, the European Commission proposed the adoption of a directive (**Omnibus II**) that introduces a number of changes to the Solvency II regime. Omnibus II will also allow the European Commission to apply more flexible transitional provisions for insurance undertakings affected by Solvency II, and grant extended powers to the new European Insurance and Occupational Pensions Authority (**EIOPA**, which replaced CEIOPS, the Committee of European Insurance and Occupational Pensions Supervisors on 1 January 2011). Omnibus II has been adopted as Directive 2014/51/EU of the European Parliament and of the Council of 16 April 2014. Omnibus II was published in the Official Journal of the EU on 22 May 2014, and entered into force on 23 May 2014, save for article 2(25), (43) and (82) which shall apply from 31 March 2015.

The Solvency II Directive has been enacted using the EU's Lamfalussy Process as a Level 1 Directive. Under the Lamfalussy Process, the details required for application of the principles set out in a Level 1 Directive will be developed and formulated as part of Level 2 implementing measures (**Level 2**). The European Commission has already initiated the process of developing detailed Level 2 implementation measures that will complement the high level principles set out in the Solvency II Directive. These implementation measures are subject to a consultation process in the context of which EIOPA has already published a number of consultation papers covering advice to the European Commission. The Level 2 implementing measures are expected to take the form of a regulation which will have direct effect in Member States, and will therefore not require implementation into national legislation.

The Omnibus II also provides for the development of binding technical implementing standards by EIOPA following public consultation by the European Commission. Level 3 of the Lamfalussy Process envisages the development of the non-binding standards and guidance. While selected European stakeholders will participate in pre-consultations, the formal Level 3 consultation process will not happen until after the Level 2 text has been published by the European Commission.

There is significant uncertainty regarding the final contents of the Solvency II Directive implementation measures, technical implementing standards and guidance. Pending finalisation of these implementation measures, standards and guidances, the potential future impact on available resources and capital requirements of the Group cannot be fully assessed.

More broadly, turmoil in the financial markets may well result in significant regulatory changes affecting financial institutions, including insurance and reinsurance undertakings, as well as reforms aimed at addressing the issue of systemic risk and the perceived gaps in the regulatory framework viewed to have contributed to the financial crisis. New regulatory initiatives could increase the cost of doing business, limit the scope of permissible activities or affect the competitive balance in general.

All financial service groups face the risk that regulators may find that they have failed to comply with applicable regulations or have not undertaken corrective action as required. Regulatory proceedings could result in adverse publicity for, or negative perceptions regarding, the Group, as well as diverting management's attention away from the day-to-day management of the business. A significant regulatory action against a member of the Group could have a material adverse effect on the business of the Group, its results of operations and/or its financial condition.

In addition, changes in government policy, legislation or regulatory interpretation applicable to the financial services industry in the markets in which the Group operates may adversely affect its product range, distribution channels, capital requirements and, consequently, its results and financing requirements. These changes, which may occur at any time, include possible changes in government pension requirements and policies, the regulation of selling practices and solvency requirements.

Risks related to the concentration of the Group's business in the Italian market

The Group carries out nearly all its activities in the Italian market. Therefore, economic trends in Italy have had and will continue to have a significant impact on the profitability of the Group. The Group's non-life businesses are particularly sensitive to conditions in the general Italian economy.

Adverse developments in the Italian economy and insurance market might result in a decrease of the Group's profitability and could potentially have a material adverse effect on its business, financial condition and results of operations.

Risks related to concentration in the non-life business and motor vehicle insurance businesses

The non-life business and the motor vehicle third party liability insurance, in particular, are key sources of the Group's profits.

A reduction in average tariffs and premiums or an increase in the average cost of claims, as a result of, among other things, regulatory changes, or an increase in claims frequency, or an adverse change in pay-out periods could have an adverse impact on the Group's profitability and, consequently, on the Group's financial condition, results of operations and cash flows.

In addition, given the Group's significant presence in the motor vehicle third party liability insurance, negative trends in the automotive market, such as a continued decline in new car registrations, with a resulting shrinkage of the pool of insured cars, could have an adverse impact on the Group's financial condition, results of operations and cash flows.

Risks related to default under certain financing agreements entered into by the Group

The Issuer (as successor of the Companies Participating in the Merger) and certain of its subsidiaries are party to several long-term financing arrangements in the form of subordinated notes, subordinated loan agreements and unsubordinated loan agreements, certain of which contain provisions for negative pledge, events of default, cross default and/or acceleration (for further information see "*Description of the Issuer – Material Contracts*").

If the Group's cash flows are insufficient to meet obligations related to its financial indebtedness, or if one or more lender(s) demand accelerated repayment in accordance with the terms and conditions governing the indebtedness in question, there could be an adverse impact on the Group's financial condition, results of operations and cash flows.

The Group is subject to risks concerning the adequacy of its technical reserves, which could have a negative impact on its results in case these provisions prove to be insufficient

The technical reserves of the Group's insurance businesses serve to cover the current and future liabilities towards its policyholders and originate from the collection of the insurance premiums. Technical reserves are established with respect to both the Group's life and non-life insurance businesses and are divided in different categories depending on the type of insurance business (life or non-life) to which they relate. These technical reserves and the assets backing them represent the major part of the Group's balance sheet. Depending on the actual realisation of the future liabilities (*i.e.* the claims as actually experienced), the current technical reserves may prove to be inadequate. For example, the Group's life and health insurance technical reserves are derived from actuarial practices and assumptions, including an assessment of mortality, morbidity rates, expenses and interest rates. If the actual future mortality and morbidity rates deviate from those used in the projections, this may lead to inadequate reserving. Inadequate reserving can also occur due to other factors that are beyond the control of insurers, such as unexpected legal developments, advances in medicine and changes in social attitudes. Although the Group has the necessary actuarial tools (such as liability adequacy testing) in place to closely monitor and manage reserve risk, a residual risk still exists, and to the extent that technical reserves are insufficient to cover the Group's actual insurance losses, expenses or future policy benefits, the Group would have to add to these technical reserves and incur a charge to its earnings, which could adversely impact its results and financial condition.

The Group is subject to credit risk

The Group has counterparty risk in relation to third parties. A failure by its counterparties to meet their obligations could have a material impact on its financial position. The Group is exposed to credit risk, amongst other things, through holdings of fixed income instruments.

A default by an institution, or even concerns as to its credit-worthiness, could lead to significant liquidity problems or losses and defaults by other institutions due to the close links on credit, trading, clearing and other related areas that financial institutions share. This risk may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with which the Group interacts on a daily basis and therefore could adversely affect the business, the financial condition and the results of operations of the Group.

A significant portion of the Group's investment portfolio is represented by bonds issued by sovereign governments and financial and industrial companies.

Although the Group's investment policy targets diversification and the selection of companies with high credit ratings, a default by one or more of the issuers of securities held by the Group could have an adverse effect on the Group's financial condition, results of operations and cash flows.

Additionally, the Group's life assurance and non-life insurance have substantial exposure to reinsurers through reinsurance arrangements. Under such arrangements, other insurers assume a portion of the costs, losses and expenses associated with policy claims and maturities, and reported and unreported losses in exchange for a portion of policy premiums. The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly year to year. Any decrease in the amount of reinsurance coverage will increase the Group's risk of loss. When reinsurance is obtained, the Group is still liable for those transferred risks if the reinsurer does not meet its obligations. Therefore, the inability or failure of the reinsurers to meet their financial obligations could materially affect the Group's operations and financial condition. For further information see "*Reinsurance may not be adequate to protect the Group against losses*".

In addition, the Group is subject to the downgrading of the counterparties with which they operate or to which they have an exposure. These exposures arise from re-insurance and co-insurance activities, cash deposits and derivative transactions with banks, activities with insurance intermediaries and insured parties.

Reinsurance may not be adequate to protect the Group against losses

In the normal course of business, the Group transfers exposure to certain risks in its non-life and life insurance businesses to others through reinsurance arrangements. Under these arrangements, reinsurers assume a portion of the Group's losses and expenses associated with reported and unreported claims in exchange for a portion of the premiums. The availability, amount and cost of reinsurance depend on general market conditions and may vary significantly. If reinsurance is not available at commercially attractive rates and if the resulting additional costs are not compensated by premiums paid to the Group, this could adversely affect the Group's results. Also, increasing concentration in the reinsurance market reduces the number of major reinsurance providers and, therefore, could hamper the Group's efforts to diversify in its reinsurance risk.

Any decrease in the amount of the Group's reinsurance cover relative to its primary insurance liability could increase its risk of loss. Reinsurance arrangements do not eliminate the Group's obligation to pay claims and introduce credit risk with respect to the Group's ability to recover amounts due from the reinsurers. While the Group monitors the solvency of its reinsurers through a periodic review of their financial statements, the risk of default by a reinsurer cannot be excluded. Any inability of the Group's reinsurers to meet their financial obligations could materially adversely affect its insurance businesses results.

Risks relating to asset liability management

The Issuer plans its investments with the objective of matching returns and maturities to the commitments made to its clients and the liabilities recorded. Any maturities mismatch between such assets and liabilities may have an adverse impact on the Group's financial condition, results of operations and cash flows.

In addition, in case of a liquidity crisis in the sectors in which the Group operates or in the broader financial market, proceeds from the sale of highly liquid instruments held by the Group may not be sufficient to meet the Group's obligations. Therefore, should the Group need to dispose of illiquid financial instruments, it could be forced to

make sales at lower prices than expected, which may have an adverse effect on its solvency as well as its financial condition, results of operations and cash flows.

Financial results may be affected by insurance claims

Insurance claims are an important part of the Group's overall profitability and fluctuations in the frequency and severity of incurred and reported claims can have a material effect on the consolidated results of operations. The current frequency of incurred and reported insurance claims in civil liability insurance for motor vehicles is at its historical lowest for technical reasons (*e.g.*, because of the economic downturn fewer people use private cars and those who use private cars tend to cover shorter distances on a yearly basis, all of which results in fewer claims), but this could change in coming years. Changes in these factors can be very difficult to predict.

Risks arising from fraud

The insurance business is exposed to risks generated by false claims and inaccurate representations of events and damage incurred following accidents suffered or caused by insured persons. The Group has developed a corporate structure designed to prevent, report and fight insurance fraud and other similar types of behaviour as well as a corporate structure based on specific internal procedures aimed at taking, if necessary, the most suitable legal actions.

Nonetheless, the Group is exposed to risks resulting from false claims or inaccurate declarations of events and harm suffered by clients or third parties, which can result in a rise in the number of claims and their average cost, and consequently, a reduction in the profitability of the insurance business and, possibly, a negative effect on the Group's economic and/or financial position.

Risk management policies, procedures and methods may leave the Group exposed to unidentified or unanticipated risks

The Group has devoted significant resources to developing policies, procedures and assessment methods to manage market, credit, liquidity and operating risk and intends to continue to do so in the future. Nonetheless, the Group's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all market environments or against all types of risks, including risks that the Group fails to identify or anticipate. If existing or potential customers, shareholders or stakeholders (including lenders) believe that the Group's risk management policies and procedures are inadequate, the Issuer's reputation as well as its revenues and profits may be negatively affected.

Risks relating to the impairment of goodwill

The Group has made relevant goodwill impairments over the last two years. There can be no assurance that future events related to trends in the general economy, in the regulatory framework and in the market will not require further goodwill impairment charges, which could materially adversely affect the Group's financial condition and results of operations.

The Group is subject to operational risk

The Group, like all financial services groups, is exposed to many types of operational risk, including the risk of fraud by employees and outsiders, unauthorised transactions by employees or operational errors, including errors resulting from faulty computer or telecommunication systems. The Group's systems and processes are designed to ensure that the operational risks associated with the Group's activities are appropriately monitored. Any failure or weakness in these systems, however, could adversely affect the Group's financial performance and business activities.

The Group may be affected by increased competition

The Italian insurance market has experienced significant changes in recent years due to the introduction of several laws and regulations as a result of the implementation of a number of insurance directives issued by the European Union. Consequently, direct marketing of non-life and life insurance may be carried out on a cross-border basis and, therefore, it is much easier for insurance companies to operate outside their home State. The development of a single European market, together with the reduction of regulatory restrictions, is also facilitating the growth of new distribution systems, partially replacing the traditional reliance on insurance intermediaries such as agents. Changes in the regulatory regime – including (a) the prohibition of exclusivity in distribution agreements in violation of the anti-trust provisions on "restrictive agreements", such prohibition, first introduced by the so called Bersani Decree with reference to compulsory civil liability insurance for motor vehicles, was subsequently extended by the so called Bersani Decree-bis to all branches of non-life insurance services; and (b) the introduction of new article 170bis to the Italian Code of Private Insurance which limits the maximum duration of civil liability insurance for motor vehicles (in the absence of specific request by the policy holder) to one year with no automatic renewal – have also increased competitive pressure on insurance companies in the Italian market in general. Continued consolidation of the insurance industry could lead to market-wide price reductions resulting in pressure on margins. Such competitive pressure may lead to adjustments to policy terms, withdrawal from or reduction of capacity in certain business lines or reduction of prices resulting in decreased margins.

There is no assurance that the Group will be able to compete successfully in the future against existing or potential competitors or that the Group's business, financial condition and results of operations will not be adversely affected by increased competition.

Risks associated with the Group's life insurance business

Longevity and surrenders

Life expectancies continue to increase in the world's developed areas. If mortality estimates prove to be inaccurate, liabilities to the Group's policyholders in connection with pensions and annuity products will increase at a rate faster than expected. This may lead to significant unexpected losses.

Surrenders of deferred annuities and life insurance products can result in losses and decreased revenues if surrender levels differ significantly from assumed levels.

Pandemic

Assumptions about mortality used in pricing products are based on information deriving from company statistics and market information. These assumptions reflect best estimate of UnipolSai or the relevant subsidiary for any given year. However, a global pandemic, such as bird flu or swine flu, may produce an increase in mortality in excess of assumptions and the number of claims to be paid being greater than planned. These types of events are considered when assessing and reviewing a variety of financial cover options, such as reinsurance, but such cover may not meet all or even a majority of the Group's liabilities in the event of a pandemic.

Claims experience may be inconsistent with the assumptions used to price products and establish reserves

In the life insurance businesses, the earnings of the Group depend significantly upon the extent to which their actual claims experience is consistent with the assumptions used in setting product prices and establishing liability for technical provisions and claims. The Group's insurance companies use both their own experience and industry data to develop estimates of future policy benefits, including information used in pricing the insurance products and establishing the related actuarial liabilities. However, there can be no assurance that actual experience will match these estimates.

Guaranteed minimum returns

A significant part of the life insurance policies sold by the Group to customers provides a guaranteed minimum return. A reduction of the return on investments made by the Group could result in losses in the event that the effective return is lower than the return guaranteed to customers. In addition, higher interest rates might determine an increase in life policy redemptions, which could materially adversely affect the Group's cash flows, financial condition and results of operations.

Natural and man-made catastrophe risk

General insurance companies frequently experience losses from catastrophes. Catastrophes may have a material adverse effect on the financial condition, results of operations and cash flows of the Group.

Natural catastrophes include, but are not limited to, hurricanes, floods, windstorms, tidal waves, earthquakes, tornadoes, fires, severe hail and severe winter weather, and are inherently unpredictable in terms of both their occurrence and severity. Catastrophes can also be man-made, such as terrorist attacks, explosions, fires and oil spills. The incidence and severity of these catastrophes in any given period are inherently unpredictable.

Adequacy of resources to meet pension obligations

There is a risk that provisions for future obligations under customers' pension plans and other defined post-employment benefits offered by the Group to its customers may not be adequate. In assessing the liability of the Group to policyholders for defined benefit pension plans and other post-employment plans, critical judgments include estimates of mortality rates, rates of employment turnover, disability, early retirement, discount rates, expected long-term rates of return on plan assets, future salary increases, future pension increases and increases in long-term healthcare costs. These assumptions may differ from actual results due to changing economic conditions, higher or lower withdrawal rates or longer or shorter life spans of participants. These differences may result in changes to pension income or expense recorded in future years.

The property and casualty insurance business is cyclical

The property and casualty insurance business is cyclical. Although no two cycles are the same, these cycles have typically lasted for periods ranging from two to six years and are comprised of periods of intense price competition due to excessive underwriting capacity, periods of shortages of underwriting capacity permitting more favourable rates, consequent fluctuations in underwriting results and the occurrence of other losses. Historically, property and casualty insurers have experienced significant fluctuations in operating results due to volatile and sometimes unpredictable developments, many of which are beyond the direct control of the insurer, including competition, frequency or severity of catastrophic events, levels of capacity, general economic conditions and other factors. This may cause a decline in revenues during certain cycles if the Issuer and its subsidiaries operating in the property and casualty insurance business choose not to reduce their product prices in order to maintain their market position and profitability. The Issuer may therefore experience the effects of such cyclicity, changes in customer expectations of appropriate premium levels, the frequency or severity of claims or other loss events, or other factors affecting the property and casualty insurance business, all of which could have an adverse effect on the Issuer's results of operations and financial condition.

Risks relating to the failure to adapt to the new trends of the market

Consumer demand for the Group's products may be affected by changes to market conditions and trends. Any major change in the markets and/or any failure to anticipate, identify or react successfully or at reasonable cost to these changes could result in reduced demand for the Group's products, which would in turn cause income to suffer. If the Group does not succeed in offering products that reflect the market trends and appeal to customers its sales and market share will decrease, and its profitability will suffer. Such failure could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks arising from the performance of the real estate market

UnipolSai, through some of its subsidiaries, also operates in the real estate business segment (secondary to its core insurance business) with a portfolio consisting mainly of retail and hotel properties owned through direct and indirect investments.

Today, the real estate business segment is impacted by (i) a highly stagnant market both in Italy and in Europe and (ii) a series of macroeconomic variables, including the balance of supply and demand, linked, in turn, to further variables such as the overall condition of the economy, interest rate levels, inflation, the tax system, liquidity in the market, the widespread difficulty experienced by potential investors in obtaining credit and alternative investments offering greater remuneration.

The feasibility, timing, profitability and, therefore, the success of these projects depend on a large number of factors including the availability of sources of finance (particular reference to bank loans and/or the financial means of the project partners etc.), administrative aspects (such as obtaining the necessary authorisations from the competent authorities), unexpected events on building sites (*e.g.*, delays related to unforeseen problems concerning geology, the environment, climate, projects, third party claims or action), supplies (*e.g.*, trends in terms of the cost of raw materials and lead times) and the state of the real estate market during the marketing stage (*e.g.*, the dynamics of the supply and demand of developments in terms of viability and means of transport, the ease of obtaining credit and the level of interest rates).

Given that the main factors described above are liable to change over time and are not completely predictable during the stage of evaluation/investment or disinvestment decision, it cannot be excluded that the feasibility and/or profitability of such projects may change in terms of time and/or conditions, with respect to the original forecasts, which may have a negative effect on the economic and/or financial position of the Group.

Risks arising from companies operating in sectors other than insurance and real estate

Certain subsidiaries of UnipolSai also operate directly in sectors other than insurance (which remains their core business) and real estate, through investments arising from the lines of business of the Group companies operating in the hotel, healthcare, farming and, on a marginal basis, banking industries.

The crisis in the hotel segment required intervention in the form of a shareholder capitalisation in Atahotels shortly after it was acquired in 2009. Despite initiatives introduced to restructure management and the company's indebtedness, a further recapitalisation may be needed in order to repay debts, to finance ongoing restructuring work and to cover losses incurred in 2013. While it is believed that initiatives that have already been taken and those planned should enable Atahotels to turnaround, it cannot be excluded that the time required for value enhancement will be longer than expected as a consequence of macro-economic trends and the operating results of the Group's hotel activities may not become profitable in the immediate future.

UnipolSai is therefore also exposed to risks related to the general economic situation and risks specific to these industries both in terms of the financial results of subsidiaries, and with regard to potential fluctuations in the value of real estate investments made by Group companies operating in these sectors.

A downgrade of any of UnipolSai's credit ratings may impact its funding ability and client portfolio retention

Standard & Poor's Rating Services, a division of the McGraw Hill Companies Inc. (**Standard & Poor's**) assigned to UnipolSai a "BBB" counterparty credit rating and financial strength rating with a "negative outlook" and a "BB+" on its subordinated notes currently issued and outstanding, while Moody's Investors Services Inc. (**Moody's**) issued a "Baa2" insurance financial strength rating to UnipolSai with a "stable outlook" and a "Ba1" (hyb) subordinated debt rating with a "stable outlook". A downgrade of any of the ratings of UnipolSai (for any reason) may result in higher funding and refinancing costs for UnipolSai in the capital markets, which in turn may have an adverse effect on UnipolSai's competitive position, and may have a negative effect on its standing in the market.

In January 2012, Italy's sovereign debt rating was downgraded by Standard and Poor's, Fitch Ratings and Moody's, reflecting their views as to Italy's increasing vulnerability to external financing risks and the negative implications these could have for economic growth and public finances, as well as fragile market confidence and deterioration in Italy's near-term economic outlook. A further downgrade of the Italian sovereign could create additional economic uncertainty and could have an adverse effect on the credit ratings of Italian financial institutions, including UnipolSai.

Risks arising from complaints by category "A" savings shareholders of Fondiaria-SAI

The common representative of the holders of the "category A" savings shares of Fondiaria-SAI started proceedings against Fondiaria-SAI to challenge a number of decisions taken in June 2012 in relation to the share capital of Fondiaria-SAI that allegedly prejudiced such shareholders. See further "*Description of the Issuer – Litigation – Complaints by Fondiaria-SAI's category "A" savings shareholders*". Although UnipolSai considers the claim to be unfounded, as at the date of this Base Prospectus, the final outcome of such legal proceedings is uncertain.

Risks related to administrative, civil, judicial and tax proceedings

As part of the ordinary course of business, companies within the Group are subject to a number of administrative, civil and tax proceedings and/or judicial or regulatory investigations relating to their activities, the outcomes of which cannot be predicted. UnipolSai regularly reviews its ongoing litigation and makes what it considers to be appropriate provisions in its consolidated financial statements for losses which are certain or probable and reasonably estimable in accordance with applicable accounting principles. Notwithstanding the foregoing, it cannot be excluded that the occurrence of new developments that are not predictable as at the date of this Base Prospectus may result in such provisions being inadequate or that the ongoing assessment of the level of provisions in relation to certain proceedings could require additional provisions to be made. In addition companies within the Group are involved in certain proceedings which in future years may result in significant losses. To the extent UnipolSai is not successful in any one or more proceedings and/or investigations that is (are) pending or that may be initiated in the future (including potential class actions), the financial position of UnipolSai and its subsidiaries may be adversely affected. In relation to the latest judicial investigations concerning the Merger described in "*Description of the Issuer – Recent Developments*", the Issuer cannot predict when the judicial authorities will conclude their investigations or the ultimate outcome thereof, or how the investigations for alleged market manipulation by certain officers currently holding key positions in UnipolSai may evolve. For further information, see "*Description of the Issuer – Litigation*" and "*Description of the Issuer – Recent Developments*".

Risks relating to judicial investigations and criminal proceedings concerning the pre-Merger financial statements of Fondiaria-SAI

Certain former executives and major shareholders of Fondiaria-SAI were involved in judicial investigations and criminal proceedings relating to, *inter alia*, the pre-Merger consolidated financial statements of Fondiaria-SAI for the year ended 31 December 2010.

A negative outcome of the foregoing investigations and proceedings, including potential civil and administrative liability of UnipolSai deriving, *inter alia*, from the application of Italian Legislative Decree No. 231 of 8 June 2001, could have a negative impact on the economic and financial conditions of UnipolSai. For further information on these investigations and proceedings, see "*Description of the Issuer – Litigation – Proceedings relating to previous financial statements of certain Premafin-Fondiaria-SAI Group companies*" below.

The European sovereign debt crisis has adversely affected, and may continue to, adversely affect the Group's results of operations, business and financial condition

The deterioration of the merit of credit of various countries, including, among others, Greece, Ireland, Portugal and Cyprus, together with the potential for contagion to spread to other countries in Europe, mainly Spain and Italy, has exacerbated the severity of the global financial crisis. Such developments have posed a significant risk to the stability and *status quo* of the European Monetary Union.

Rising market tensions might negatively affect the funding costs and economic outlook of some Euro member countries, as per the four bailed out countries (Greece, Ireland, Portugal and Cyprus). This, together with the risk that some countries (even if not especially significant in terms of GDP) might leave the Euro area, could have a material and negative impact on UnipolSai and on its customers, with potential negative implications for the business, results and financial condition of the Group.

Lingering market tensions might affect negatively the global economy and hamper the recovery of the Euro area. Moreover, the tightening fiscal policy by some countries might weigh on households disposable income and on corporate profits with negative implications for the Group's business, results and financial condition. This trend is likely to continue in the coming quarters.

Any further deterioration of the Italian economy would have a material adverse effect on the business of the Group, in light of its exposure to the Italian economy.

In addition, financial instruments held by the Group include, to a significant extent, Italian government bonds. As such, these financial investments, particularly bonds, are strongly impacted by the markets' perception of the risks associated with these securities.

Any renewed volatility that the prices of other Eurozone peripheral government bonds may experience, such as those issued by Portugal, Ireland, Greece and Spain, could have further implications for Italian government bonds and materially and adversely affect their market value. Given that the Group's portfolio is heavily invested in Italian government bonds, such volatility may have a material adverse impact on the Group's financial condition.

The above factors have had, and may continue to have, a negative effect on the businesses and asset values of the Group and could result in additional losses as a result of write-downs and impairments, which could adversely impact the Group's future operating performance, financial condition and its ability to distribute dividends.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE RISKS OR UNCERTAINTIES DERIVING FROM THE MERGER

Risks arising from the failure to fully implement the Joint Business Plan

On 20 December 2012, the boards of directors of Fondiaria-SAI, Milano Assicurazioni, Premafin and Unipol Assicurazioni approved a joint business plan containing the strategic guidelines and the economic and financial objectives, and/or assets, of UnipolSai (the **Joint Business Plan**).

All the Companies Participating in the Merger were involved in preparing the Joint Business Plan, with the support of a leading independent business consultant in order to update the business guidelines of the Integration Plan first announced to the market on 22 June 2012.

The Joint Business Plan is based on (i) assumptions of a general, hypothetical and discretionary nature and (ii) a series of estimates and hypotheses of a discretionary nature, relating to the performance of specific actions due to be implemented during the 2013-2015 timeframe, or concerning future events with regard to which the directors may only have a partial influence and which may not happen or could vary during the timeframe of the Joint Business Plan.

In consideration of the subjective, hypothetical and discretionary nature of the assumptions of the Joint Business Plan, should one or more of the assumptions not occur or only be partially met, the pre-determined objectives may not be achieved, in whole or in part, thus meaning that the results of UnipolSai may differ, possibly in a significant manner, compared to what is set out in the Joint Business Plan, with potential negative consequences in relation to the financial and economic situation and/or assets of UnipolSai.

The provisional data contained in the Joint Business Plan is based on future events, subject to uncertainty, and beyond the control of the directors of the Companies Participating in the Merger; as a result of the uncertain nature

arising from the performance of any future event, the gap between final values and budgeted values may be significant.

Risks resulting from the failure to grant withdrawal rights to certain former majority shareholders of Premafin

On 25 June 2012, Premafin and Unipol Gruppo Finanziario S.p.A. (UGF, the parent company of UnipolSai) publicly announced that they had reached an agreement to restrict the exercise of rights of withdrawal in connection with the Merger by certain "former majority shareholders" of Premafin. Such exclusion was deemed necessary to comply with the requests of CONSOB. Furthermore, the rationale for such exclusion was based on the involvement of such "former majority shareholders" in the Merger.

Notwithstanding the above, certain "former majority shareholders" of Premafin notified Premafin of their intention to exercise withdrawal rights in connection with the Merger.

On 25 November 2013, Premafin challenged the exercise of withdrawal rights by such shareholders arguing that they were not entitled to withdrawal rights principally because they took part directly, or through other controlled entities, in the approval process of the Merger (for example, they contributed through a number of activities to the approval of Premafin's resolutions in connection with the Merger). In addition, Premafin also argued that such exercise of withdrawal rights was procedurally flawed.

During the month of December 2013, UGF and Premafin initiated proceedings before the Court of Bologna aimed at obtaining a decision by the court attesting the unlawful exercise of withdrawal rights by the above mentioned "former majority shareholders". The first hearing is scheduled for 30 September 2014.

As of the date of this Base Prospectus, the outcome of such litigation is uncertain. Should such litigation have a negative outcome, this may have an adverse impact on the economic and financial conditions of UnipolSai.

Risks related to the impact of the Merger on the Group's internal structure and policies

Following the Merger, UnipolSai adopted the governance structure of Fondiaria-SAI, amended to take into account certain observations from IVASS, and kept unchanged Fondiaria-SAI's geographical distribution. For further information see "*Description of the Issuer*".

As UnipolSai is the result of the merger of four different companies each of which had its own organisational and governance structure prior to the Merger, UnipolSai might face difficulties in arranging uniform and efficient governance and decision-making guidelines and policies throughout the different business units, and in ensuring that such guidelines and policies be complied with, which might have an impact on the Group's financial condition and results of operations.

Risks arising from the failure to achieve the forecasted synergies resulting from the Merger

The Merger presents the risks generally related with operations involving the integration of a group of companies and therefore the difficulties concerning the coordination of the management and personnel, the integration of the information systems, existing structures and services/departments as well as the risk of loss of customers and key personnel for the Companies Participating in the Merger.

Despite the aforementioned risks, it is expected that UnipolSai will benefit from significant synergies generated, from, amongst other things, the sharing and consolidation of some areas and processes currently compliant with industry best practices. The possible synergies can be divided up into: (i) "Operating Costs", (ii) "Cost of Claims and Reinsurance" and (iii) "Earnings and Finance".

Accomplishing synergies will depend, amongst other things, on the ability to efficiently integrate the various entities and to increase productivity while reducing costs at the same time. The interventions needed in order to accomplish such synergies will involve the incurrence of integration costs, the full amount of which cannot be

precisely estimated at the date of this Base Prospectus. For the 2013 financial year, approximately Euro 204 million has been incurred by way of integration costs.

Failure to achieve such synergies, wholly or partially, could therefore result in a lost opportunity to make cost-savings, with consequent impact on the economic and/or financial conditions, and/or assets, of UnipolSai and on the Group.

The Group may be unable to successfully or efficiently integrate its operations and realise the benefits of the Merger

In order to realise the benefits of the Merger, the Group will need to integrate certain operations, procedures, personnel and information systems of the Companies Participating in the Merger.

In addition to being complex and time consuming, the process of integration may also cause an interruption of, or loss of momentum in, the activities of one or more of the Companies Participating in the Merger and therefore of UnipolSai, including:

- the loss of key personnel, customers or contractual relationships;
- the diversion of management's attention from day-to-day operations;
- difficulties in integrating accounting, management information, human resources and other administrative systems; and
- delays or difficulties encountered in connection with the integration of the Companies Participating in the Merger,

each of which could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks relating to the impact on sales

The Merger is aimed at, amongst other things, creating an integrated insurance group comprising some of the Italian market leaders in the non-life insurance and in particular, in motor insurance, with one of the broadest and most widespread distribution networks in the country.

With reference to the aforementioned integration process, it could reasonably be deemed necessary to take appropriate actions in order to streamline the product range, to improve the organisation and distribution of the network and the agency structures, as well as to review and coordinate product distribution policies in addition to bearing increased costs, for an amount that cannot be estimated at the date of this Base Prospectus, related, for example, to integration of the information systems and structures or modification of the terms and conditions of the agency mandates. Furthermore, it cannot be excluded that it may prove necessary to conduct a review of the terms and conditions of existing agency contracts with various subsidiaries with a view to rationalising these contracts, which could result in a loss in efficiency in the immediate term.

With regard to the foregoing, during and/or following the Merger, there could be significant consequences for the current agency network and/or the current premium collection of UnipolSai as a result, for example, of a reduced number of agencies and/or an increase in the number of agencies with multiple mandates. Moreover, further possible initiatives related to the integration and aimed at the harmonisation of the product portfolio (for example sharing products and common sales strategies, optimising the organisation of the agency network or ensuring more efficient distribution across Italy following the geographical concentration that would inevitably occur in some areas of the country following the Merger), might involve implementation time, expenditure of costs and adoption of methodologies different from those originally planned, with a possible negative impact, even significant, on the economic and financial conditions of the Group.

Risks arising from the failure to comply with the AGCM Decision

The Italian antitrust authority (*Autorità Garante della Concorrenza e del Mercato* or **AGCM**) subjects its authorisation of the acquisition by UGF of control over Premafin (which controlled Fondiaria-SAI and its subsidiaries) and the subsequent Merger to a number of conditions, among which: (i) reduction of the dominant position which would have been acquired by the Group in each of the life and non-life national and local insurance market (in particular in the motor-vehicle business segment), through the divestiture of certain insurance assets so that the market share of the Group does not exceed 30 per cent. and (ii) reduction and subsequent elimination of the UnipolSai Group's financial exposure towards Mediobanca – Banca di Credito Finanziario S.p.A. (**Mediobanca**) in accordance with the AGCM Decision. In particular, Euro 100 million of such indebtedness should be reduced in the context of the disposal of insurance assets, with a further reduction of indebtedness towards Mediobanca in the amount of Euro 250 million to be achieved by 2015.

On 19 February 2014, the AGCM issued a ruling in which it resolved to contest to UnipolSai Assicurazioni S.p.A. and Unipol Gruppo Finanziario S.p.A. the breach of article 19(1) of the Italian Antitrust Law for failure to comply with the obligation to divest certain insurance assets, including part of the financial exposure towards Mediobanca, by 19 December 2013, this being the deadline stipulated by AGCM for the divestiture. If the alleged violation is ascertained, pecuniary administrative fines may be imposed by the AGCM in an amount ranging from 1 per cent. to 10 per cent. of the aggregate turnover relating to the insurance business of the UGF Group in 2013. The imposition of such fines by the AGCM could have a material adverse effect on the Group's business, financial condition and results of operations. UnipolSai and UGF have filed their defence with AGCM asking for a revision of AGCM's position.

UnipolSai entered into an agreement with Allianz S.p.A. on 15 March 2014 for the disposal of the property and casualty insurance business including premiums portfolio of former Milano Assicurazioni. For further information see the paragraph headed "*The AGCM Decision*" in "*Description of the Issuer – Recent Developments*" below.

Risk related to the exercise of the put/call option on UnipolSai's participation in Unipol Banca

In the context of the Merger, UGF granted UnipolSai (formerly Fondiaria-SAI) a put option on the interest held at the time by Unipol Assicurazioni in Unipol Banca, equal to 32.26 per cent. of the relevant share capital, to be exercised at a price equal to Euro 299.4 million (which corresponds to the entry value of said interest at the time of the agreement) on the fifth anniversary following the effective date of the Merger (i.e. 6 January 2019). At the same time, UGF has been granted a call option on the same investment at the same price, that can be exercised throughout the period between the effective date of the Merger and the fifth anniversary thereof.

The price at which UnipolSai will sell its participation in Unipol Banca, whether further to its exercise of the put option or following exercise of the call option by UGF, may be significantly different from the market value of such participation at the time of exercise of the put (or call) option.

Investors must not place undue reliance on the pro forma financial information incorporated by reference herein

The Companies Participating in the Merger did not exist as a single entity before the Merger and, as such, no historical financial statements of the UnipolSai Group are available as of and for the financial year ended 31 December 2013, or for prior periods. The unaudited pro forma consolidated financial information of UnipolSai as at and for the year ended 31 December 2013 (the **Unaudited Pro Forma Consolidated Financial Information**) has been prepared to represent the theoretical effects of the Merger on the consolidated balance sheet, as if the Merger and the relating transactions had taken place on 31 December 2013, and on the income statement and cash flow statement, as if they had taken place on 1 January 2013, in each case based on available information and on certain assumptions, described in the explanatory notes within the Unaudited Pro Forma Consolidated Financial Information. As pro-forma information is prepared to illustrate retrospectively the effects of the Merger that will occur subsequently using generally accepted regulations and reasonable assumptions, there are limitations that are inherent to the nature of pro-forma information. Investors should not place undue reliance on the Unaudited Pro Forma Consolidated Financial Information. The Unaudited Pro Forma Consolidated Financial Information should

be read and considered together with the other information contained or incorporated by reference in this Base Prospectus. See further “*Presentation of Information – Unaudited Pro Forma Consolidated Financial Information*”.

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

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes issued at a substantial discount or premium

The market values of securities 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 securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

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, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in the light of other investments available at that time.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert 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.

Reset Notes

Reset Notes will initially earn interest at the Initial Rate of Interest until (but excluding) the Reset Date (or, if there is more than one Reset Period, the first Reset Date). On the first Reset Date and on each subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Reset Reference Rate and the applicable Reset Margin (the **Reset Rate**), which could be less than the Initial Rate of Interest or the Reset Rate for prior Reset Periods, and could affect the market value of an investment in the Reset Notes.

Maximum/Minimum Rate of Interest

To the extent that a Minimum Rate of Interest applies, investors should consider that where the interest rate does not rise above the level of 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 Notes. Under those conditions, investors in the Notes might find it difficult to sell their Notes on the secondary market (if any) or might only be able to realise the Notes at a price which may be substantially lower than the nominal amount.

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

Redemption of Senior Notes for tax reasons

In the event that the Issuer has or will become obliged - as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the relevant Notes (a **Tax Law Change**) - to pay additional amounts in respect of such Senior 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 Italy, or any political subdivision thereof or any authority therein or thereof having power to tax, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may redeem all outstanding Senior Notes in accordance with the Terms and Conditions of the Senior Notes.

In the event that the Senior Notes are redeemed for tax reasons, as described above, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes. See also "*Notes subject to optional redemption by the Issuer*".

Subordinated Notes are subject to optional redemption upon the occurrence of a Tax Event, a Regulatory Event or a Rating Event.

The Issuer may redeem all outstanding Subordinated Notes of the relevant Series in accordance with their Terms and Conditions upon the occurrence of a Tax Event and, if specified as being applicable in the relevant Final Terms, a Regulatory Event or a Rating Event, as the case may be.

A Tax Event will occur if, as a result of a Tax Law Change, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) of the Dated Subordinated Notes and Condition 9 (*Taxation*) of the Undated Subordinated Notes or, as a result of a change in, or amendment to, the laws or regulations or applicable accounting standards of the Tax Jurisdiction, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws and regulations, which change or amendment becomes effective on or after the date of issuance of the Subordinated Notes, deductibility of interest payable by the Issuer in respect of the Subordinated Notes is materially reduced for income tax purposes and the foregoing cannot be avoided by the Issuer taking reasonable measures available to it.

A Regulatory Event will occur if (i) the Issuer is no longer subject to the consolidated regulatory supervision of the Lead Regulator; or (ii) the Issuer is not permitted under the applicable rules and regulations adopted by the Lead Regulator, or an official application or interpretation of those rules and regulations including a decision of any court or tribunal at any time whilst any of the Subordinated Notes are outstanding to treat the Subordinated Notes (in whole or in part) as own funds for the purposes of the determination of its Required Solvency Margin under Italian Legislation on Solvency Margin prior to implementation of Future Regulations; or (iii) the Issuer is notified by the Lead Regulator that, as a result of (A) new or amended requirements for available own funds eligible to meet up to 50 per cent. of solvency margin (in the case of Undated Subordinated Notes) or (B) new or amended requirements for available own funds eligible to meet up to 25 per cent. of solvency margin or new or amended Tier 2 Capital Requirements (in the case of Dated Subordinated Notes), the relevant Subordinated Notes (in whole or in part) do not meet such requirements; or (iv) under Italian Legislation on Solvency Margin following implementation of the Future Regulations, (A) Undated Subordinated Notes (in whole or in part) fail to be grandfathered as Tier 1 basic own-funds or, after having initially been grandfathered, subsequently cease to benefit from the grandfathering provisions other than as a result of the lapse of the grandfathering period, and (B) Dated Subordinated Notes (in whole or in part) do not qualify as Tier 2 basic own-funds, subject, in the case of (ii), (iii) and (iv) above to the exceptions set out in Condition 8.4 (*Optional Redemption due to a Regulatory Event*) of the Undated Subordinated Notes and Condition 7.4 (*Optional Redemption due to a Regulatory Event*) of the Dated Subordinated Notes.

A Rating Event will occur if there is a change in the rating methodology (or the interpretation thereof) by a recognised international statistical rating organisation as such methodology is in effect on the Issue Date of the relevant Subordinated Notes and, as a consequence of such change, the capital treatment of the Subordinated Notes as obtained upon issuance by such organisation for the Issuer shall be amended in such a way that is, in the reasonable opinion of the Issuer, materially unfavourable to the Issuer.

In the event that the Subordinated Notes are redeemed due to a Tax Event, a Regulatory Event or a Rating Event, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Subordinated Notes. See also "*Notes subject to optional redemption by the Issuer*".

Deferral of Interest Payments

If the relevant Final Terms specify Optional Deferral of Interest and/or Mandatory Deferral of Interest as being applicable, the Subordinated Notes may be subject to special provisions which entitle (and in some cases require) the Issuer to defer payments to Noteholders of interest upon the occurrence of the Relevant Trigger Events specified as being applicable in the relevant Final Terms.

In particular, if Trigger Event B is specified as being applicable in the relevant Final Terms, the Issuer will (in the case of Mandatory Deferral of Interest) be required to defer payments where a Solvency Capital Event has occurred. A Solvency Capital Event will occur where the Solvency Margin of the Issuer falls below the Required Solvency Margin or the Lead Regulator has given notice that it has determined that the Solvency Margin is likely to fall below the Required Solvency Margin in the short term, as described in more detail in Condition 3.3 (*Relevant Trigger Events*) of the Dated Subordinated Notes and Condition 3.3 (*Relevant Trigger Events*) of the Undated Subordinated Notes. Any such decline or perceived decline in the Issuer's solvency levels may also significantly affect the trading price of the Notes.

Furthermore, the Terms and Conditions of the Dated Subordinated Notes provide that, following the introduction in Italy of regulations to implement the Solvency II Directive, the Required Solvency Margin shall be as calculated under such future regulations. As discussed in greater detail in "*Risks relating to regulatory compliance and regulatory changes*" above it is not yet known what the impact of the implementation of the Solvency II Directive will be on the calculation of the Issuer's regulatory solvency levels. The implementation of the Solvency II Directive could have a material adverse impact on the issuer's calculations of its regulatory solvency levels and it will be difficult to predict when, if at all, a Solvency Capital Event will occur. Accordingly, investors may be unable to accurately predict if and when the Issuer will be required to defer payments under the Dated Subordinated Notes.

If, in relation to Dated Subordinated Notes, Trigger Event C is specified as being applicable in the relevant Final Terms, the Issuer will (in the case of Mandatory Deferral of Interest) be required to defer payments on Dated Subordinated Notes where, with reference to an Interest Payment Date if (i) the aggregate reported net income as shown in the consolidated income statement of UnipolSai for the relevant accounting period specified in the relevant Final Terms is less than zero; (ii) the total shareholders' equity before minorities as shown in the consolidated balance sheet of UnipolSai minus/plus certain items (as set out in the definition of Adjusted Equity Amount in the Terms and Conditions of the Subordinated Notes) (the **Adjusted Equity Amount**) as at the date specified in the relevant Final Terms has declined by more than a percentage specified in the relevant Final Terms as compared to such item as at a prior date specified in the relevant Final Terms; and (iii) the sum of (a) the Adjusted Equity Amount of UnipolSai as at the date specified in the relevant Final Terms plus (b) the net proceeds received by UnipolSai or any other member of the Group from the external issuance and/or sale of ordinary shares and/or savings shares from a date specified in the relevant Final Terms up to the relevant Interest Payment Date, has declined by more than a percentage specified in the relevant Final Terms as compared to such item as at a prior date specified in the relevant Final Terms.

If, in relation to Undated Subordinated Notes, Trigger Event C is specified as being applicable in the relevant Final Terms, the Issuer will (in the case of Mandatory Deferral of Interest) be required to defer payments on Undated Subordinated Notes if (i) the Issuer at any time suffers losses (taking into account profits and losses relating to previous financial years); and (ii) such losses would result in the Solvency Margin being reduced below the

Required Solvency Margin. This deferral of the Issuer's obligations to make payments in respect of interest on the Undated Subordinated Notes will be necessary in order to comply with the relevant Italian Legislation on Solvency Margin and more specifically with the provisions of article 17(2)(c) of ISVAP Regulation no. 19 of 14 March 2008 and article 45(8)(e) of Italian Legislative Decree no. 209 of 7 September 2005 and therefore to enable UnipolSai to absorb the above mentioned losses and to continue to carry on its activities in accordance with applicable regulatory requirements.

See further Condition 3.1 (*Optional Deferral of Interest*), Condition 3.2 (*Mandatory Deferral of Interest*) and Condition 3.3 (*Relevant Trigger Events*) of the Dated Subordinated Notes and Condition 3.1 (*Optional Deferral of Interest*), Condition 3.2 (*Mandatory Deferral of Interest*) and Condition 3.3 (*Relevant Trigger Events*) of the Undated Subordinated Notes. See also "Payments made under some equally ranking instruments will not result in an obligation for the Issuer to make payments under the Subordinated Notes" below.

Grandfathering of Subordinated Notes following implementation of the Future Regulations

Subordinated Notes issued under the Programme are expected to be eligible for a regulatory treatment of up to 25 per cent. (in the case of Dated Subordinated Notes) or 50 per cent. (in the case of Undated Subordinated Notes) of the Required Solvency Margin pursuant to Italian Legislation on Solvency Margin in force at the time of their issuance although the actual regulatory treatment is subject to confirmation by IVASS at the time of the issuance of the Subordinated Notes. As discussed in greater detail in "*Risks relating to regulatory compliance and regulatory changes*" above, the EU is introducing a full scale revision of the solvency framework and prudential regime applicable to insurance and reinsurance companies and insurance groups known as Solvency II which, amongst other things, will set out features which any instrument (including subordinated notes) must have in order to qualify as regulatory capital. These features may be different and/or more onerous than those currently applicable to insurance companies in Italy and contained in the terms and conditions of the Subordinated Notes. The details of these features remain subject to change until the publication, in final form, of the Solvency II level 2 implementing measures. The Solvency II Directive is expected to apply to insurers with effect from 2016. Accordingly, there is a risk that Subordinated Notes (in whole or in part) will fail to be recognised by IVASS as Tier 2 basic own-funds (in the case of Dated Subordinated Notes) or (in the case of Undated Subordinated Notes) grandfathered as Tier 1 basic own-funds or, after having initially been grandfathered, will subsequently cease to benefit from the grandfathering provisions other than as a result of the lapse of the grandfathering period which would trigger a Regulatory Event which, in turn, would entitle the Issuer, subject to the Terms and Conditions of the Subordinated Notes, to redeem such Subordinated Notes or to substitute such Subordinated Notes or to vary their terms. See "*Subordinated Notes are subject to optional redemption upon the occurrence of a Tax Event, a Regulatory Event or a Rating Event.*" and "*Modification and/or exchange following a Regulatory Event, a Tax Event or a Rating Event*".

Loss Absorption of Undated Subordinated Notes

If Loss Absorption is specified as being applicable in the relevant Final Terms, to the extent that the Issuer at any time suffers losses (also taking into account profits and losses relating to previous financial years) which would result in the Solvency Margin being reduced below the Required Solvency Margin (a **Solvency Margin Event**), the principal amount of the Undated Subordinated Notes shall be available to absorb losses in accordance with article 17(2)(c) of ISVAP Regulation no. 19 of 14 March 2008 and article 45(8)(e) of Legislative Decree no. 209 of 7 September 2005, and, therefore, the payment obligations of the Issuer relating to the principal amount of the Notes will be suspended to the extent necessary to enable the Issuer to continue to carry on its activities in accordance with applicable regulatory requirements. Such payment obligations will only be reinstated in the circumstances described in Condition 4 (*Loss Absorption*) of the Undated Subordinated Notes.

Suspension of Redemption of Dated Subordinated Notes

Following implementation of the Future Regulations, Dated Subordinated Notes will be subject to special provisions, driven by regulatory capital requirements, which require the Issuer to suspend redemption of the Notes and postpone the scheduled maturity date, and/or an early redemption, of Dated Subordinated Notes as more fully described in Condition 8 (*Conditions for Redemption*) of the Terms and Conditions of the Dated Subordinated Notes.

Payments made under some equally ranking instruments will not result in an obligation for the Issuer to make payments under the Subordinated Notes

In relation to any Subordinated Notes in respect of which the relevant Final Terms state that Optional or, as the case may be, Mandatory Deferral of Interest applies with reference to Trigger Event A, the Issuer may elect, or may be required, to defer payment of interest accrued on the Subordinated Notes to an Interest Payment Date if, *inter alia*, no dividend or other distribution has been declared, made or approved or set aside for payment by the Issuer during the relevant Look Back Period in respect of any Parity Securities or Junior Securities. Investors should note that as defined, **Parity Securities** include only (A) with reference to Dated Subordinated Notes, subordinated notes or bonds; and (B) with reference to Undated Subordinated Notes, subordinated notes or bonds, preferred or preference shares or other securities, in each case, which rank equally with the relevant Subordinated Notes. Therefore the Optional or, as the case may be, Mandatory Deferral Conditions can be deemed to be met by the Issuer regardless of any payment by UnipolSai during the Look Back Period of interest on instruments which – although they rank equally with the relevant Subordinated Notes – fall outside the definition of Parity Securities such as, in the case of the Undated Subordinated Notes, those subordinated loan agreements entered into with Mediobanca which currently qualify to be computed among the constituent elements of UnipolSai's solvency margin within the limit of 50 per cent. See further "*Description of the Issuer – Material Contracts - Subordinated loan agreements*".

Modification and/or exchange following a Regulatory Event, a Tax Event or a Rating Event

In relation to any series of Subordinated Notes, if the relevant Final Terms specify that the Modification Provisions and/or Exchange Provisions are applicable, then the Issuer may in certain circumstances modify the terms and conditions of such Subordinated Notes and/or exchange such Subordinated Notes for Qualifying Securities (as applicable) without any requirement for the consent or approval of the Noteholders to the extent, *inter alia*, that such modification and/or exchange is reasonably necessary to ensure that no Regulatory Event, Tax Event or, as applicable, Rating Event would exist after such modification, provided that the relevant conditions set forth in Condition 16.4 (*Modification and/or Exchange following a Regulatory Event, a Tax Event or a Rating Event*) of the Dated Subordinated Notes or Condition 16.4 (*Modification and/or Exchange following a Regulatory Event, a Tax Event or a Rating Event*) of the Undated Subordinated Notes are satisfied.

The obligations of the Issuer under the Subordinated Notes are subordinated

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

In particular, in the event of winding-up, dissolution, liquidation or bankruptcy of UnipolSai, the Subordinated Notes will rank prior to claims of holders of all classes of share capital of UnipolSai (including all categories of savings shares and preference shares) and will rank prior to claims of holders of the Mandatory Convertible Notes, save for interest on such Mandatory Convertible Notes the payment of which, pursuant to the terms and conditions of the Mandatory Convertible Notes, constitutes unsubordinated obligations of UnipolSai. See further "*Description of the Issuer – Material Contracts – UnipolSai Assicurazioni 2014-2015 6.971 per cent. Mandatory Convertible Notes*".

Undated Subordinated Notes will be deeply subordinated obligations

Undated Subordinated Notes will be undated, unsecured and subordinated obligations of the Issuer. Upon the occurrence of any winding-up proceedings of the Issuer, payments on Undated Subordinated Notes will be subordinated in right of payment to the prior payment in full of all other liabilities of the Issuer (including dated subordinated obligations), except those liabilities which rank *pari passu* with, or junior to, Undated Subordinated Notes. In liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer, holders of Undated Subordinated Notes may recover proportionally less than the holders of unsubordinated obligations of the Issuer and of subordinated obligations of the Issuer which rank senior to the Undated Subordinated Notes.

No Events of Default for Subordinated Notes

The Terms and Conditions of the Subordinated Notes do not provide for events of default allowing acceleration of the Subordinated Notes if certain events occur. However, each Subordinated Note shall become immediately due and payable together with accrued interest thereon to the date of payment in the event that an order is made by a competent court or a resolution is passed for the winding-up or dissolution of the Issuer. Accordingly, if the Issuer fails to meet any obligations under the Subordinated Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Subordinated Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

RISKS RELATED TO THE NOTES GENERALLY

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

Modification and waivers

The Terms and Conditions of the Notes 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.

Withholding under the EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

U.S. Foreign Account Tax Compliance Act Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution.

Whilst the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Notes are discharged once it has paid the clearing systems and the Issuer therefore has no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries. For the avoidance of doubt, the Issuer does not assume any gross-up or indemnification duties of whatever nature deriving from any possible application of FATCA or any law, directive or agreement implementing FATCA. Prospective investors should refer to the section "*Taxation – Taxation in the Republic of Italy – Foreign Account Tax Compliance Act*".

The US Treasury Department has released the official text of the intergovernmental agreement (**IGA**) that the United States signed with Italy on 10 January 2014 for implementation of the Foreign Account Tax Compliance Act (FATCA). Article 10(1) of the US-Italy IGA provides that the agreement will enter into force on the date of Italy's written notification to the United States that Italy has completed its necessary internal procedures for entry into force of the IGA.

On 23 April 2014, the Italian Ministry of Economy and Finance issued Press Release No. 108, announcing a public consultation on the draft legislation to ratify the Italy - United States FATCA Agreement, signed on 10 January 2014. The consultation period expired on 8 May 2014.

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

The Terms and Conditions of the Notes are based on English law in effect as at the date of this Base Prospectus, save that provisions concerning the status of the Subordinated Notes are governed by Italian law and provisions for convening meetings of Noteholders and the appointment of a Noteholders' Representative in respect of any Series of Notes are subject to compliance with mandatory provisions of Italian law. No assurance can be given as to the impact of any possible judicial decision or change to English law and/or Italian law (where applicable) or administrative practice after the date of this Base Prospectus and any such change could materially adversely affect the value of any Notes affected by it. Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

Italian insolvency law

Italian insurance companies are subject to a special regime on insolvency, designed to ensure, *inter alia*, control by IVASS over the proceedings.

Italian law provides for a variety of measures which may be ordered by IVASS in relation to insurance companies in the event of serious infringements of regulatory provisions, including in relation to breach of minimum

regulatory capital requirements or similar situations indicative of financial distress. In these situations, an insurance company may be subject to measures such as an obligation to produce a financial plan, a prohibition against undertaking new business and/or an order freezing assets covering the technical reserves. In some circumstances, one or more commissioners (*commissari*) may be appointed to accomplish specific administrative actions and/or replace existing management of the insurance company. However, since these measures do not purport to affect the rights of creditors to an insurance company or to result in an acceleration of obligations of the insurance company generally, they will not automatically result in amounts under the Notes becoming immediately due and payable and are not further addressed below.

The only insolvency proceeding in relation to the Issuer which will, of itself, result in an acceleration of amounts under the Notes is *liquidazione coatta amministrativa* (compulsory administrative liquidation, the **Liquidation Proceeding**), as governed by Article 245 of Italian Legislative Decree No. 209/2005, as amended (*Codice delle Assicurazioni Private*, the **Italian Code of Private Insurance**). The Liquidation Proceeding may be initiated by the Italian Minister of Economic Development on proposal by IVASS. Due to the public interest at stake in the regulation of insurance companies, it is not possible for the Liquidation Proceeding to be initiated directly by court order upon petition by one or more creditors. Creditors may, however, petition the court for a declaration of insolvency on the basis of unpaid claims or evident and material financial insufficiency and, if issued by the court, the declaration of insolvency will result in acceleration of the obligations of the Issuer under the Senior Notes as a result of application of Article 1186 of the Italian Civil Code. In addition, a declaration of insolvency would certainly be brought to the attention of the Italian Minister of Economic Development and IVASS for formal commencement of the Liquidation Proceeding. In the case of Subordinated Notes, holders thereof may only declare their Subordinated Notes due and payable if an order is made by any competent court or resolution is passed for the winding-up or dissolution of the Issuer and save where such winding up or dissolution is for the purpose of a Permitted Resolution or a reorganisation on terms previously approved by an Extraordinary Resolution. See further Condition 11 (*Enforcement Event*) of the Dated Subordinated Notes and Condition 11 (*Enforcement Event*) of the Undated Subordinated Notes.

As from the date of commencement of the Liquidation Proceeding, creditors are prohibited from undertaking or continuing enforcement measures against the debtor or its assets. Furthermore, any legal action resulting from commencement of the Liquidation Proceedings, including in relation to payment of amounts due under the Notes, must be brought before the courts of the place where the Issuer has its registered office.

In the event of a Liquidation Proceeding, one or more liquidators (*commissari liquidatori*) will be appointed by IVASS, in addition to a supervisory committee composed of between three to five members. These appointments will be effective for a period of three years, renewable for an indefinite period if necessary in order to complete the procedure. At any time during the proceedings, IVASS may issue regulations or guidelines of general application or specifically addressed to the Issuer in connection with the conduct of the Liquidation Proceeding and may authorise the continuation of specifically identified transactions deemed necessary or useful for the conduct of the Liquidation Proceeding. Within 60 days of their appointment, the liquidators are obliged to notify all creditors of the commencement of the Liquidation Proceeding as well as the amount of claims resulting from the books and records of the Issuer. The liquidators will then have a further 90 days to submit to IVASS a list of creditors admitted to the Liquidation Proceeding and the amount recognised as owing to each. Creditors not admitted or whose claims are not fully recognised will have the right to challenge the list presented to IVASS.

The Italian Code of Private Insurance provides the liquidators with all powers necessary to realise the assets of the Issuer, settle outstanding claims and/or enter into loans or other forms of financing, subject in each case to authorisation where applicable by the supervisory committee and/or IVASS. In particular, the liquidators may be empowered to sell the assets and liabilities of the Issuer, as well as the business or any line of business of the Issuer or assets and legal relationships identified on a block basis. Such transfers may occur at any point during the Liquidation Proceedings. The liquidators may likewise transfer the whole or any portion of the insurance portfolio of the Issuer.

At any point during the Liquidation Proceeding, the liquidators or shareholders of the Issuer may propose a composition with creditors, indicating the percentage of claims to be offered to unsecured creditors, as well as the time frame for payment and any security to be provided. The composition must be authorised by IVASS before

being filed with the presiding court. No voting procedure is contemplated in relation to the composition plan, although any creditor is entitled to file opposition, in which case it will be up to the presiding Court to decide whether or not to authorise its execution.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or 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 Clearstream, Luxembourg 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 Clearstream, Luxembourg. 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 Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg 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 Clearstream, Luxembourg to appoint appropriate proxies.

Investors who purchase Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Notes are subsequently required to be issued

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

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

RISKS RELATED TO THE MARKET GENERALLY

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

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.

Delisting of the Notes

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

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

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the Investor's Currency) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (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 or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

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

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

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

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

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

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. Financial institutions 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.

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a supplemental Base Prospectus will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

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

Issuer: UnipolSai Assicurazioni S.p.A.

Risk Factors: There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under "Risk Factors – Factors that may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme" above and include, among others, Financial results may be affected by the volatility of the financial markets, Risks relating to regulatory compliance and regulatory changes, Risks associated with the Group's life insurance business, The property and casualty insurance business is cyclical and Risks relating to judicial investigations and criminal proceedings concerning the pre-Merger financial statements of Fondiaria-SAI. The Issuer is also subject to a number of risks and uncertainties deriving from the Merger, as further described under "Risk Factors – Factors which are material for the purpose of assessing the risks or uncertainties deriving from the Merger". In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "Risk Factors – Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme" and include certain risks relating to the structure of particular Series of Notes and certain market risks.

Description: Euro Medium Term Note Programme

Arrangers: J.P. Morgan Securities plc
Mediobanca – Banca di Credito Finanziario S.p.A.

Dealers: J.P. Morgan Securities plc, Mediobanca – Banca di Credito Finanziario S.p.A. and UniCredit Bank AG and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions: Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale") including the following restrictions applicable at the date of this Base Prospectus.

Issuing and Paying Agent: BNP Paribas Securities Services, Luxembourg Branch

Listing Agent: BNP Paribas Securities Services, Luxembourg Branch

Programme Size: Up to €3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Distribution: Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies: Notes may be denominated in, subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.

Maturities: Any maturity or no fixed maturity date, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

In the case of Dated Subordinated Notes, their redemption on maturity or early redemption is subject to satisfaction of the conditions set out in, and the scheduled maturity date or redemption date may be postponed in accordance with, Condition 8 (*Conditions for Redemption*) of the Terms and Conditions of the Dated Subordinated Notes.

Issue Price: Notes will be issued on a fully-paid basis and at any issue price, as specified in the relevant Final Terms.

Form of Notes: The Notes will be issued in bearer form as described in "*Form of the Notes*".

Fixed Rate Notes: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

(b) on the basis of a reference rate referred to in the applicable Final Terms.

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

Other provisions in relation to Floating Rate Notes: Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

Zero Coupon Notes: Zero Coupon Notes will be offered and sold at a discount to their nominal

amount and will not bear interest.

- Reset Notes: Reset Notes will bear interest at a rate equal to the Initial Rate of Interest which will be reset, on any Reset Date specified in the applicable Final Terms, to the sum of the applicable Reset Reference Rate and the applicable Reset Margin specified in the applicable Final Terms.
- Deferral of Interest for Subordinated Notes: If the applicable Final Terms of the relevant Subordinated Notes state that Optional Deferral of Interest and/or Mandatory Deferral of Interest is applicable, the Issuer may elect to defer payment of all (or some only), and in some cases shall defer payment of all, of the interest accrued on the relevant Subordinated Notes on an Interest Payment Date subject to certain conditions, all as described in further detail in the Terms and Conditions of the Subordinated Notes.
- Loss Absorption: In the case of Undated Subordinated Notes, if the applicable Final Terms state that Loss Absorption applies, the principal amount of the Notes shall be available to absorb losses in accordance with article 17(2)(c) of ISVAP Regulation no. 19 of 14 March 2008 and article 45(8)(e) of Legislative Decree no. 209 of 7 September 2005, and, therefore, the payment obligations of the Issuer relating to the principal amount of the Notes will be suspended to the extent necessary to enable UnipolSai to continue to carry on its activities in accordance with applicable regulatory requirements. In any such case, interest will continue to accrue on the nominal value of the Notes. See further Condition 4 (*Loss Absorption*) of the Undated Subordinated Notes.
- Redemption: The relevant Final Terms will specify the redemption amount.
- The Final Terms relating to each Tranche of Notes will indicate either that the Notes of that Tranche cannot be redeemed prior to their stated maturity or that such Notes will be redeemable prior to such stated maturity at the option of the relevant Issuer on such terms as are indicated in the Terms and Conditions of the Notes and the applicable Final Terms.
- The Notes may be redeemed at the option of the Issuer for tax reasons. In addition, if specified in the relevant Final Terms, the Notes may be redeemed by the Issuer where Issuer Call or, in the case of Subordinated Notes, Optional Redemption due to a Regulatory Event or Rating Event is specified.
- Redemption of Subordinated Notes is subject to satisfaction of the conditions set out in the relevant Terms and Conditions.
- Issuer Call: If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, subject to the provisions of the relevant Terms and Conditions, redeem all but not some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount (Call) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.
- Investor Put: If Investor Put is specified as being applicable in the applicable Final Terms, holders of Senior Notes will have the right, subject to the provisions of the relevant Terms and Conditions, to require redemption of the Senior Notes.
- Denomination of Notes: The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by

the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation: All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in the Terms and Conditions of the Notes. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in the Terms and Conditions of the Notes, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge: The terms of the Senior Notes will contain a negative pledge provision (as further described in Condition 3 (*Negative Pledge*) of the Senior Notes.

Cross Default: The terms of the Senior Notes will contain a cross default provision as further described in Condition 9(c) of the Terms and Conditions of the Senior Notes.

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

Dated Subordinated Notes and Undated Subordinated Notes will be issued on a subordinated basis as provided in Condition 2 (*Status of the Notes*) of the Dated Subordinated Notes, and Condition 2 (*Status of the Notes*) of the Undated Subordinated Notes, respectively.

Rating: Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing, admission to trading and approval: Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be admitted to the Official List of the Luxembourg Stock Exchange. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

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

Governing Law: The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law. Condition 2 (*Status of the Notes*) of the Undated Subordinated

Notes and Condition 2 (*Status of the Notes*) of the Dated Subordinated Notes shall be governed by Italian law. Condition 14 (*Meetings of Noteholders*) of the Senior Notes, Condition 16 (*Meetings of Noteholders*) of the Dated Subordinated Notes, Condition 16 (*Meetings of Noteholders*) of the Undated Subordinated Notes and the provisions of the Agency Agreement concerning the meetings of Noteholders and the appointment of the Noteholders' Representative are subject to compliance with the laws of the Republic of Italy.

Selling Restrictions:..... There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom, the Republic of Italy and the Grand Duchy of Luxembourg) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".

DOCUMENTS INCORPORATED BY REFERENCE

The information set out in the cross-reference tables below, which is contained in the following documents which have previously been published and have been filed with the CSSF, shall be incorporated by reference in, and form part of, this Base Prospectus. The information incorporated by reference that is not included in the cross-reference tables is considered as additional information and is not required by the relevant schedules of Commission Regulation (EC) No 809/2004.

(a) **the unaudited consolidated interim report of the Group as of and for the three months ended 31 March 2014:**

Consolidated Statement of Financial Position	Pages 58-59
Consolidated Income Statement	Page 60
Comprehensive Income Statement	Page 61

(b) **the auditors' report and audited consolidated annual financial statements of Premafin as of and for the financial year ended 31 December 2013:**

Balance Sheet.....	Pages 125-127
Income Statement.....	Page 128
Comprehensive Income Statement.....	Page 129
Consolidated Statement of Changes in Shareholders' Equity	Pages 131-132
Cash Flow Statement	Page 134
Notes to the Financial Statements	Pages 135-271
Independent Audit Report.....	Pages 299-303

(c) **the auditors' report and audited consolidated annual financial statements of Premafin as of and for the financial year ended 31 December 2012:**

Consolidated Statements of Financial Position	Pages 153-155
Consolidated Income Statement	Page 156
Statement of Comprehensive Income	Page 157
Consolidated statement of changes in Shareholders' Equity.....	Pages 159-160
Statement of Cash Flows	Page 162
Explanatory Notes	Pages 163-320
Independent Auditors' Report.....	Pages 345-348

(d) **the auditors' report and audited consolidated annual financial statements of Fondiaria-SAI¹ as of and for the financial year ended 31 December 2013:**

Balance Sheet.....	Pages 137-138
Income Statement.....	Page 139
Comprehensive Income Statement.....	Page 140
Consolidated statement of changes in Shareholders' Equity	Pages 141-142
Consolidated cash flow statement	Page 143-144
Notes to the Financial Statements	Pages 145-301
Independent Audit Report.....	Pages 327-331

¹ Please note the consolidated annual financial statements of Fondiaria-SAI as of and for the financial year ended 31 December 2013 incorporated by reference in this Base Prospectus are named "UnipolSai Assicurazioni 2013 Consolidated Financial Statements" because Fondiaria-SAI changed its name to UnipolSai Assicurazioni following the Merger.

(e) **the auditors' report and audited consolidated annual financial statements of Fondiaria-SAI for the financial year ended 31 December 2012:**

Balance Sheet.....	Pages 182-183
Income Statement.....	Page 184
Consolidated statement of changes in Shareholders' Equity	Pages 186-187
Consolidated cash flow statement.....	Pages 188-189
Explanatory Notes	Pages 191-376
Independent Auditors' Report	Pages 400-403

(f) **the auditors' report and audited consolidated annual financial statements of Unipol Assicurazioni as of and for the financial year ended 31 December 2013:**

Consolidated statement of financial position	Pages 5-6
Consolidated Income Statement.....	Page 7
Consolidated Statement of Comprehensive Income.....	Page 8
Consolidated Statement of changes in equity	Page 9
Statement of Cash Flows.....	Page 10
Notes to the financial statements	Pages 12-110
Independent Auditors' Report	Pages 129-131

(g) **the auditors' report and audited consolidated annual financial statements of Unipol Assicurazioni as of and for the financial year ended 31 December 2012:**

Consolidated statement of financial position	Pages 5-6
Consolidated Income Statement.....	Page 7
Consolidated Statement of Comprehensive Income.....	Page 8
Consolidated Statement of Changes in Equity	Page 9
Consolidated Statement of Cash Flows.....	Page 10
Notes to the Financial Statements	Pages 11-87
Independent Auditors' Report	Pages 105-107

In addition, UnipolSai 's press release dated 20 March 2014 "*2013 UnipolSai consolidated operating results post-merger structure*" is incorporated by reference in this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg and will also be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes. Any websites included in this Base Prospectus are for information purposes only and do not form part of this Base Prospectus.

FORM OF THE NOTES

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

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

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

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

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

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9 (*Enforcement Events*) of the Senior Notes) or an Enforcement Event (as defined in Condition 11 (*Enforcement Event*) of the Terms and Conditions of the Dated Subordinated Notes or Condition 11 (*Enforcement Event*) of the Terms and Conditions of the Undated Subordinated Notes) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 (*Notices*) of the Terms and Conditions of the Senior Notes, Condition 15 (*Notices*) of the Terms and Conditions of the Dated Subordinated Notes and Condition 15 (*Notices*) of the Terms and Conditions of the Undated Subordinated Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the

Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Permanent Global Notes and definitive Notes and on all interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

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

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

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

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

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

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9 (*Enforcement Events*) of the Terms and Conditions of the Senior Notes, Condition 11 (*Enforcement Event*) of the Terms and Conditions of the Dated Subordinated Notes and Condition 11 (*Enforcement Event*) of the Terms and Conditions of the Undated Subordinated Notes. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 10 June 2014 and executed by the Issuer.

APPLICABLE FINAL TERMS

(SENIOR NOTES)

Set out below is the form of Final Terms which will be completed for each Tranche of Senior Notes issued under the Programme with a denomination of at least €100,000 (or its equivalent in another currency).

[Date]

UNIPOLSAI ASSICURAZIONI S.p.A.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the €3,000,000,000

Euro Medium Term Note Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Senior Notes (the **Conditions**) set forth in the base prospectus dated 10 June 2014 (the **Base Prospectus**) [and the supplement[s] to the Base Prospectus dated [] and []] which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) as amended (which includes the amendments made by Directive 2010/73/EU (the **2010 PD Amending Directive**) to the extent that such amendments have been implemented in a relevant Member State). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] published on the Issuer's website at [www.unipolsai.com] and [is] [are] available for viewing during normal business hours at the registered office of the Issuer and the Issuing and Paying Agent for the time being in Luxembourg. The Final Terms are published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

1. (a) Series Number: []

(b) Tranche Number: []

(if fungible with an existing Series:)

[(c) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with [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 20 below, which is expected to occur on or about [date]]]

2. Specified Currency or Currencies: []

3. Aggregate Nominal Amount:

(a) Series: []

(b) Tranche: []

4. **Issue Price:** [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
5. (a) Specified Denominations: []
- (N.B. Notes must have a minimum denomination of €100,000 (or equivalent))*
- (Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*
- "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]".)*
- (a) Calculation Amount: []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. (a) Issue Date: []
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable] *(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
- (c) Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month]]
7. **Interest Basis:** [[] per cent. Fixed Rate]
- [[[] month [LIBOR/EURIBOR]] +/- [] per cent. Floating Rate]
- [Zero coupon]
- (see further particulars below)
8. **Change of Interest Basis:** [Applicable/Not Applicable]
- [[] per cent. Fixed Rate in respect of the Interest Period(s) ending on (but excluding) [] calculated in accordance with paragraph 12 below, then [] Floating Rate in respect of the Interest Period(s) commencing from (and including) [] calculated in accordance with paragraph 13 below.]
- [[] Floating Rate in respect of the Interest Period(s) ending on (but excluding) [] calculated in accordance with paragraph 13 below, then [] per cent. Fixed Rate in respect of the Interest Period(s) commencing from (and including) [] calculated in accordance with paragraph 12

below.]

9. Put and Call Options:

[Issuer Call]
[Investor Put]

[(see paragraph(s) [18]/[19] below)]

10. Status:

Senior Notes

11. Date of [Board] approval for issuance of Notes obtained:

[]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. Fixed Rate Note Provisions (Condition 4.1 (Interest on Fixed Rate Notes)):

[Applicable/Not Applicable]

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

(a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date

(b) Interest Payment Date(s): [] in each year
(Amend appropriately in the case of irregular coupons)

(c) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form.)

(d) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
(Applicable to Notes in definitive form.)

(e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]

(f) [Determination Date(s): [[] in each year][Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date in the case of a long or short first coupon)

13. Floating Rate Note Provisions (Condition 4.2 (Interest on Floating Rate Notes)):

[Applicable/Not Applicable]

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

(a) Specified Period(s)/Specified Interest Payment Dates: []

(b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]

- (c) Additional Business Centre(s): []/[Not Applicable]
- (d) Manner in which the [Initial] Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (f) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: Reference Rate: [] month [LIBOR/EURIBOR]
 - Interest Determination Date(s): []
(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 day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (g) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)
- (h) Linear Interpolation: [Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)] [+/-] [] per cent. per annum
- (i) Margin(s): [+/-] [] per cent. per annum
- (j) Minimum Rate of Interest: [[] per cent. per annum]/[Not Applicable]
- (k) Maximum Rate of Interest: [[] per cent. per annum]/[Not Applicable]
- (l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]

14. Zero Coupon Notes Provisions [Applicable/Not Applicable]

(Condition 6.5 (Early Redemption Amounts)):

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

- (a) Accrual Yield: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Reference Price: [] in each year up to and including the date of redemption of the Notes
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

15. Final Redemption Amount (Condition 6.1 (Redemption at Maturity)):

[]

16. Early Redemption Amount (Condition 6.2 (Redemption for tax reasons), Condition 9 (Enforcement Events)):

[] per Calculation Amount

(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par. If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)

17. Notice period for Condition 6.2 (Redemption for tax reasons):

Minimum period: [] days

Maximum period: [] days

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

18. Issuer Call (Condition 6.3 (Redemption at the option of the Issuer)):

[Applicable/Not Applicable]

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

- (a) Optional Redemption Date(s): [] (the **Optional Redemption Date (Call)**) [and thereafter, []]
- (b) Optional Redemption Amount (Call): [[] [per Calculation Amount]
- (c) Notice periods: Minimum period: [] days
Maximum period: [] days

(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems

(which require a minimum of five business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

(d) Minimum Redemption Amount: [[]/Not Applicable]

Maximum Redemption Amount: [[]/Not Applicable]

19. Investor Put (Condition 6.4 (*Redemption at the option of the Noteholders*)):

[Applicable/Not Applicable]

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

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

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

(c) Notice periods: Minimum period: [] days
Maximum period: [] days

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

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. Form of Notes:

(a) [Form:]

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]". Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for

Definitive Notes.)

- (b) New Global Note: [Yes][No]
21. Additional Financial Centre(s): [Not Applicable/give details]
(Note that this paragraph relates to the place of payment and not Interest Period end dates to which subparagraph 13(c) relates)
22. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

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

Signed on behalf of UnipolSai Assicurazioni S.p.A.:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listing on the Official List of the Luxembourg Stock Exchange with effect from [].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [others] and listing on [others] with effect from [].]
- [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- [insert details] by [insert the legal name of the relevant credit rating agency entit[y/ies] and associated defined terms].
- Each of [defined terms] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - Amend as appropriate if there are other interests]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

4. YIELD (*Fixed Rate Notes only*)

[Not Applicable]

Indication of yield: []

5. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Details of historic [LIBOR/EURIBOR/*specify other Reference Rate*] rates can be obtained from [Reuters].

6. OPERATIONAL INFORMATION

- | | | |
|-------|--|--|
| (i) | ISIN Code: | [] |
| (ii) | Common Code: | [] |
| (iii) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | [Not Applicable/ <i>give name(s), address(es) and number(s)</i>] |
| (iv) | Delivery: | Delivery [against/free of] payment |
| (v) | Names and addresses of additional Paying Agent(s) (if any): | [] |
| (vi) | Deemed delivery of clearing system notices for the purposes of Condition 13 (<i>Notices</i>): | Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg. |
| (vii) | [Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]] |

7. DISTRIBUTION

- | | | |
|-------|-----------------------------------|--------------------------------------|
| (i) | Method of distribution: | [Syndicated/Non-syndicated] |
| (ii) | If syndicated, names of Managers: | [Not Applicable/ <i>give names</i>] |
| (iii) | Date of [Subscription] | [] |

Agreement:

- (iv) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
- (v) If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- (vi) U.S. Selling Restrictions: Reg. S Compliance Category [1/2]; [TEFRA D/TEFRA C/TEFRA not applicable]

APPLICABLE FINAL TERMS

(DATED SUBORDINATED NOTES)

Set out below is the form of Final Terms which will be completed for each Tranche of Dated Subordinated Notes issued under the Programme with a denomination of at least €100,000 (or its equivalent in another currency).

[Date]

UNIPOLSAI ASSICURAZIONI S.p.A.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the €3,000,000,000

Euro Medium Term Note Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Dated Subordinated Notes (the **Conditions**) set forth in the base prospectus dated 10 June 2014 (the **Base Prospectus**) [and the supplement[s] to the Base Prospectus dated [] and []] which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) as amended (which includes the amendments made by Directive 2010/73/EU (the **2010 PD Amending Directive**) to the extent that such amendments have been implemented in a relevant Member State). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] published on the Issuer's website at [www.unipolsai.com] and [is] [are] available for viewing during normal business hours at the registered office of the Issuer and the Issuing and Paying Agent for the time being in Luxembourg. The Final Terms are published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. *Italics denote directions for completing the Final Terms.*]

1. (a) Series Number: []
- (b) Tranche Number: []

(if fungible with an existing Series:)

- | | |
|--|--|
| <p>[(c) Date on which the Notes will be consolidated and form a single Series:</p> | <p>[The Notes will be consolidated and form a single Series with <i>[identify earlier Tranches]</i> on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 25 below, which is expected to occur on or about <i>[date]</i>]</p> |
|--|--|

- 2. Specified Currency or Currencies:** []

- ### 3. Aggregate Nominal Amount:

- (a) Series: []

- (b) Tranche: []
4. **Issue Price:** [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
5. (a) Specified Denominations: []
- (N.B. Notes must have a minimum denomination of €100,000 (or equivalent))*
- (Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*
- "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]".)*
- (b) Calculation Amount: []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
6. (a) Issue Date: []
- (b) Interest Commencement Date: *[specify/Issue Date/Not Applicable]*
- (c) Maturity Date: *[Fixed rate – specify date]*
- [Floating rate – Interest Payment Date falling in or nearest to [specify month]]*
7. **Interest Basis:** *[[] per cent. Fixed Rate]*
- [[[] month [LIBOR/EURIBOR]] +/- [] per cent. Floating Rate]*
- (see further particulars below)*
8. **Change of Interest Basis:** *[Applicable/Not Applicable]*
- [[] per cent. Fixed Rate in respect of the Interest Period(s) ending on (but excluding) [] calculated in accordance with paragraph [12 / (if Initial and Post Call Interest Provisions apply) 15.1(i)] below, then [] Floating Rate in respect of the Interest Period(s) commencing from (and including) [] calculated in accordance with paragraph [13 / (if Initial and Post Call Interest Provisions apply) 15.2(ii)] below.] /*
- [[[] Floating Rate in respect of the Interest Period(s) ending on (but excluding) [] calculated in accordance with paragraph [13 / (if Initial and Post Call Interest Provisions*

apply) 15.1(ii)] below, then [] per cent. Fixed Rate in respect of the Interest Period(s) commencing from (and including) [] calculated in accordance with paragraph [12 / (if Initial and Post Call Interest Provisions apply) 15.2(i)] below.]

9. Call Options:

[Issuer Call]

[Optional Redemption due to a Regulatory Event]

[Optional Redemption due to a Rating Event]

[(see paragraph(s) [20]/[21]/[22]/ below)]

10. Status:

Dated Subordinated Notes

11. Date of [Board] approval for issuance of Notes obtained:

[]

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE (if Initial and Post-Call Interest Provisions are applicable, the relevant interest provisions will be set out directly under paragraph 15 below)

12. Fixed Rate Note Provisions (Condition 4.1 (Interest on Fixed Rate Notes)):

[Applicable/Not Applicable]

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

(a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date

(b) Interest Payment Date(s): [] in each year
(Amend appropriately in the case of irregular coupons)

(c) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form.)

(d) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
(Applicable to Notes in definitive form.)

(e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]

(f) [Determination Date(s): [[] in each year][Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date in the case of a long or short first coupon)

13. Floating Rate Note Provisions (Condition 4.3 (Interest on Floating Rate Notes)):

[Applicable/Not Applicable]

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

(a) Specified Period(s)/Specified []

Interest Payment Dates:

- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
- (c) Additional Business Centre(s): []
- (d) Manner in which the [Initial] Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (f) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: Reference Rate: [] month [LIBOR/EURIBOR]
 - Interest Determination Date(s): []
(*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 day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
 - Relevant Screen Page: []
(*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
- (g) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
(*In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period*)
- (h) Linear Interpolation: [Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)] [+/-] [] per cent. per annum
- (i) Margin(s): [+/-] [] per cent. per annum
- (j) Minimum Rate of Interest: [[] per cent. per annum]/[Not Applicable]
- (k) Maximum Rate of Interest: [[] per cent. per annum]/[Not Applicable]

	(l) Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]
14.	Reset Note Provisions (Condition 4.2 (Interest on Reset Notes)):	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(a) Initial Rate of Interest:	[] per cent. per annum payable in arrear on each Interest Payment Date
	(b) Interest Payment Date(s):	[] in each year up to and including the date of redemption of the Notes
	(c) Day Count Fraction:	[30/360] [Actual/Actual (ICMA)]
	(d) Reset Date(s):	[]
	(e) Reset Reference Rate(s):	[Mid Swaps/Reference Bond]
	(f) Principal Financial Centre for the purposes of Condition 4.2:	[[]/Not Applicable]
	(g) Reset Margin:	[]
	(h) Reset Rate Screen Page:	[]
	(i) Mid Swap Maturity:	[]
	(j) Reset Determination Date:	[]
	(k) Reset Rate Time:	[]
	(l) Day Count Fraction:	[30/360] [Actual/Actual (ICMA)]
	(m) Party responsible for calculating the Reset Rate and Interest Amount (if not the Agent):	[]
15.	Initial and Post-Call Interest Provisions (Condition 5 (Initial and Post-Call Interest Provisions)):	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
15.1	Initial Rate of Interest	
	(i) Fixed Rate Note Provisions (Condition 4.1 (Interest on Fixed Rate Notes)):	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this subparagraph)</i>
	(a) Initial Rate of Interest:	[] per cent. per annum payable in arrear on each Initial Interest Payment Date

- (b) Initial Interest Payment Date(s): [] in each year up to and including the Optional Redemption Date (Call), commencing on []
- (Amend appropriately in the case of irregular coupons)*
- (c) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form.)
- (d) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
(Applicable to Notes in definitive form.)
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) [Determination Date(s): [] in each year][Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date in the case of a long or short first coupon)
- (ii) Floating Rate Note Provisions (Condition 4.3 *(Interest on Floating Rate Notes)*): [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this subparagraph)
- (a) Initial Rate of Interest: The sum of:
- (i) Reference Rate
- (ii) [+/-] [] per cent. per annum (**Margin**)
- (b) Specified Period(s)/Specified Interest Payment Dates: [] in each year from and including the Issue Date up to and including the Optional Redemption Date (Call) **(Initial Interest Payment Dates)**
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
- (d) Additional Business Centre(s): []
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (f) Party responsible for calculating the Rate of Interest (Post-Call) and Interest Amount (if not the Agent): []
- (g) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: Reference Rate: [] month [LIBOR/EURIBOR]
 - Interest Determination Date(s): []
(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 day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)

- Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (h) ISDA Determination: [Applicable/Not Applicable]
 - Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)
- (i) Minimum Rate of Interest: [[] per cent. per annum]/[Not Applicable]
- (j) Maximum Rate of Interest: [[] per cent. per annum]/[Not Applicable]
- (k) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]

15.2 Rate of Interest (Post-Call)

- (i) Fixed Rate Note Provisions (Condition 4.1 (Interest on Fixed Rate Notes)): [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this subparagraph)
- (a) Rate of Interest (Post-Call): [] per cent. per annum payable in arrear
- (b) Interest Payment Date(s): [] in each year from and including [] up to and including the redemption of the Notes, if the Issuer does not redeem the Notes on the Optional Redemption Date (Call)

(Amend appropriately in the case of irregular coupons)
- (c) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form.)
- (d) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
(Applicable to Notes in definitive form.)
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) [Determination Date(s): [[] in each year][Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual

(ICMA). In such a case, insert regular interest payment dates, ignoring issue date in the case of a long or short first coupon)

- (ii) Floating Rate Note Provisions (Condition 4.3 (*Interest on Floating Rate Notes*)): [Applicable / Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this subparagraph)
- (a) Rate of Interest (Post-Call): The sum of:
- (i) Reference Rate
- (ii) [+/-] [] per cent. per annum (**Margin (Post-Call)**)
- (b) Specified Period(s)/Specified Interest Payment Dates: [] in each year commencing on and including [] up to and including the redemption of the Notes, if the Issuer does not redeem the Notes on the Optional Redemption Date (Call)
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
- (d) Additional Business Centre(s): []
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (f) Party responsible for calculating the Rate of Interest (Post-Call) and Interest Amount (if not the Agent): []
- (g) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: Reference Rate: [] month [LIBOR/EURIBOR]
 - Interest Determination Date(s): []
(*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 day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
 - Relevant Screen Page: []
(*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
- (h) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: []
 - Designated Maturity: []

- Reset Date: []
(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)
- (i) Minimum Rate of Interest: [[] per cent. per annum]/[Not Applicable]
- (j) Maximum Rate of Interest: [[] per cent. per annum]/[Not Applicable]
- (k) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]

PROVISIONS RELATING TO INTEREST DEFERRAL

16. **Optional Deferral of Interest (Condition 3.1 (*Optional Deferral of Interest*)):** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

Relevant Trigger Event(s): [Trigger Event A/Trigger Event B]

(If Trigger Event A applies)
Look Back Period [A/B]
17. **Mandatory Deferral of Interest (Condition 3.2 (*Mandatory Deferral of Interest*)):** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

Relevant Trigger Event(s): [Trigger Event A/Trigger Event B]

(If Trigger Event A applies)
Look Back Period [A/B]

PROVISIONS RELATING TO REDEMPTION

18. **Final Redemption Amount (Condition 7.1 (*Redemption at Maturity*), Condition 8 (*Conditions for redemption*)):** []
19. **Notice period for Condition 7.2 (*Redemption for tax reasons*):**

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

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

- **Early Redemption Amount (Tax):** *(if Issuer Call is applicable:)*
 [] / [Make Whole Amount] if the redemption date falls before the Optional Redemption Date (Call), [or Optional Redemption Amount if the redemption date falls on or after the Optional Redemption Date (Call)]
(N.B. if the Early Redemption Amount (Tax) is the same if redemption falls before and after the Optional Redemption Date (Call), indicate simply the relevant amount)

(if Issuer Call is not applicable:)
 []/[Make Whole Amount]
20. **Issuer Call (Condition 7.3 (*Redemption at the option of the Issuer*), Condition 7.9 (*Authorisation*), Condition 8 (*Conditions for redemption*)):** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [] (the **Optional Redemption Date (Call)**) [and thereafter, []]
- (b) Optional Redemption Amount: [[] [per Calculation Amount]
- (c) Notice periods: Minimum period: [] days
 Maximum period: [] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
21. **Optional Redemption due to a Regulatory Event (Condition 7.4 (*Optional Redemption due to a Regulatory Event*), Condition 7.9 (*Authorisation*), Condition 8 (*Conditions for redemption*)):** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- **Notice period:** Minimum period: [] days
 Maximum period: [] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
- **Early Redemption Amount (Regulatory):** *(if Issuer Call is applicable:)*
 []/[Make Whole Amount] if the redemption date falls before the Optional Redemption Date (Call), [or Optional Redemption Amount if the redemption date falls on or after

- the Optional Redemption Date (Call)]
(N.B. if the Early Redemption Amount (Regulatory) is the same if redemption falls before and after the Optional Redemption Date (Call), indicate simply the relevant amount)
- (if Issuer Call is not applicable:)*
 []/[Make Whole Amount]
- 22. Optional Redemption due to a Rating Event (Condition 7.5 (*Optional Redemption due to a Rating Event*), Condition 7.9 (*Authorisation*), Condition 8 (*Conditions for redemption*)):**
- Notice period:** Minimum period: [] days
 Maximum period: [] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
- Early Redemption Amount (Rating):** *(if Issuer Call is applicable:)*
 [] / [Make Whole Amount] if the redemption date falls before the Optional Redemption Date (Call), [or Optional Redemption Amount if the redemption date falls on or after the Optional Redemption Date (Call)]
(N.B. if the Early Redemption Amount (Rating) is the same if redemption falls before and after the Optional Redemption Date (Call), indicate simply the relevant amount)
- (if Issuer Call is not applicable:)*
 []/[Make Whole Amount]
- 23. Make Whole Amount**
- [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- Redemption Margin:** []
- Reference Bond:** []
- Quotation Time:** []
- 24. Early Redemption Amount (Enforcement Event) (Condition 11 (*Enforcement Event*)):**
- [] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:

(a) [Form:] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]". Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

(b) New Global Note: [Yes][No]

26. Additional Financial Centre(s): [Not Applicable/give details]
(Note that this paragraph relates to the place of payment and not Interest Period end dates to which subparagraph 13(c) relates)

27. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

28. Modification Provisions (Condition 16.4 (*Modification and/or Exchange following a Regulatory Event, Tax Event or Rating Event*)): [Not Applicable/The modification provisions set out in Condition 16.4 (b)(A) apply to [identify relevant events]]

29. Exchange Provisions (Condition 16.4 (*Modification and/or Exchange following a Regulatory Event, Tax Event or Rating Event*)): [Not Applicable/The exchange provisions set out in Condition 16.4(b)(B) apply to [identify relevant events]]

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

Signed on behalf of UnipolSai Assicurazioni S.p.A.:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listing on the Official List of the Luxembourg Stock Exchange with effect from [].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [others] and listing on [others] with effect from [].]
- [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- [insert details]] by [insert the legal name of the relevant credit rating agency entit[y/ies] and associated defined terms].
- Each of [defined terms] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - Amend as appropriate if there are other interests]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

4. YIELD (*Fixed Rate Notes only*)

[Not Applicable]

Indication of yield: []

5. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Details of historic [LIBOR/EURIBOR/*specify other Reference Rate*] rates can be obtained from [Reuters].

6. OPERATIONAL INFORMATION

- | | | |
|-------|--|---|
| (i) | ISIN Code: | [] |
| (ii) | Common Code: | [] |
| (iii) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | [Not Applicable/ <i>give name(s), address(es) and number(s)</i>] |
| (iv) | Delivery: | Delivery [against/free of] payment |
| (v) | Names and addresses of additional Paying Agent(s) (if any): | [] |
| (vi) | Deemed delivery of clearing system notices for the purposes of Condition 15 (<i>Notices</i>): | Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg. |
| (vii) | [Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]] |

7. DISTRIBUTION

- | | | |
|-------|-----------------------------------|--------------------------------------|
| (i) | Method of distribution: | [Syndicated/Non-syndicated] |
| (ii) | If syndicated, names of Managers: | [Not Applicable/ <i>give names</i>] |
| (iii) | Date of [Subscription] | [] |

Agreement:

- | | | |
|------|---|--|
| (iv) | Stabilising Manager(s) (if any): | [Not Applicable/ <i>give name</i>] |
| (v) | If non-syndicated, name of relevant Dealer: | [Not Applicable/ <i>give name</i>] |
| (vi) | U.S. Selling Restrictions: | Reg. S Compliance Category [1/2]; [TEFRA D/TEFRA C/TEFRA not applicable] |

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Undated Subordinated Notes issued under the Programme with a denomination of at least €100,000 (or its equivalent in another currency).

[Date]

UNIPOLSAI ASSICURAZIONI S.p.A.

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Undated Subordinated Notes (the **Conditions**) set forth in the base prospectus dated 10 June 2014 (the **Base Prospectus**) [and the supplement[s] to the Base Prospectus dated [] and []] which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) as amended (which includes the amendments made by Directive 2010/73/EU (the **2010 PD Amending Directive**) to the extent that such amendments have been implemented in a relevant Member State). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] published on the Issuer's website at [www.unipolsai.com] and [is] [are] available for viewing during normal business hours at the registered office of the Issuer and the Issuing and Paying Agent for the time being in Luxembourg. The Final Terms are published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. *Italics denote directions for completing the Final Terms.*]

- | | | | |
|----|---|--|---|
| 1. | (a) | Series Number: | [] |
| | (b) | Tranche Number: | [] |
| | <i>(if fungible with an existing Series:)</i> | | |
| | [(c) | Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series with [<i>identify earlier Tranches</i>] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 26 below, which is expected to occur on or about [<i>date</i>]] |
| 2. | Specified Currency or Currencies: | | [] |
| 3. | Aggregate Nominal Amount: | | |
| | (a) | Series: | [] |
| | (b) | Tranche: | [] |

4. **Issue Price:** [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
5. (a) Specified Denominations: []
- (N.B. Notes must have a minimum denomination of €100,000 (or equivalent))
- (Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:
- "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]".)
- (b) Calculation Amount: []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
6. (a) Issue Date: []
- (b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
7. **Interest Basis:** [[] per cent. Fixed Rate]
- [[[] month [LIBOR/EURIBOR]] +/- [] per cent. Floating Rate]
- (see further particulars below)
8. **Change of Interest Basis:** [Applicable/Not Applicable]
- [[] per cent. Fixed Rate in respect of the Interest Period(s) ending on (but excluding) [] calculated in accordance with paragraph [12 / (if Initial and Post Call Interest Provisions apply) 15.1(i)] below, then [] Floating Rate in respect of the Interest Period(s) commencing from (and including) [] calculated in accordance with paragraph [13 / (if Initial and Post Call Interest Provisions apply) 15.2(ii)] below.] /
- [[] Floating Rate in respect of the Interest Period(s) ending on (but excluding) [] calculated in accordance with paragraph [13 / (if Initial and Post Call Interest Provisions apply) 15.1(ii)] below, then [] per cent. Fixed Rate in respect of the Interest Period(s) commencing from (and including) [] calculated in accordance with paragraph [12 / (if Initial and Post Call Interest Provisions apply) 15.2(i)] below.]

9. **Call Options:** [Issuer Call]
[Optional Redemption due to a Regulatory Event]
[Optional Redemption due to a Rating Event]

[(see paragraph(s) [21]/[22]/[23] below)]
10. **Status:** Undated Subordinated Notes
11. **Date of [Board] approval for issuance of Notes obtained:** []
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE (if Initial and Post-Call Interest Provisions are applicable, the relevant interest provisions will be set out directly under paragraph 15 below)

12. **Fixed Rate Note Provisions (Condition 5.1 (*Interest on Fixed Rate Notes*)):** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) **Rate(s) of Interest:** [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) **Interest Payment Date(s):** [] in each year
(Amend appropriately in the case of irregular coupons)
- (c) **Fixed Coupon Amount(s):** [] per Calculation Amount
(Applicable to Notes in definitive form.)
- (d) **Broken Amount(s):** [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
(Applicable to Notes in definitive form.)
- (e) **Day Count Fraction:** [30/360] [Actual/Actual (ICMA)]
- (f) **[Determination Date(s):** [[] in each year][Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date in the case of a long or short first coupon)
13. **Floating Rate Note Provisions (Condition 5.3 (*Interest on Floating Rate Notes*)):** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) **Specified Period(s)/Specified Interest Payment Dates:** []
- (b) **Business Day Convention:** [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day

		Convention/ Preceding Business Day Convention]
(c)	Additional Business Centre(s):	[]
(d)	Manner in which the [Initial] Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[]
(f)	Screen Rate Determination:	[Applicable/Not Applicable]
	• Reference Rate:	Reference Rate: [] month [LIBOR/EURIBOR]
	• Interest Determination Date(s):	[] (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 day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
	• Relevant Screen Page:	[] (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
(g)	ISDA Determination:	[Applicable/Not Applicable]
	• Floating Rate Option:	[]
	• Designated Maturity:	[]
	• Reset Date:	[] (In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)
(h)	Linear Interpolation:	[Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
(i)	Margin(s):	[+/-] [] per cent. per annum
(j)	Minimum Rate of Interest:	[[] per cent. per annum]/[Not Applicable]
(k)	Maximum Rate of Interest:	[[] per cent. per annum]/[Not Applicable]
(l)	Day Count Fraction:	[Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]

- 14. Reset Note Provisions (Condition 5.2 (Interest on Reset Notes)):** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Initial Rate of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
 - (b) Interest Payment Date(s): [] in each year up to and including the date of redemption of the Notes
 - (c) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
 - (d) Reset Date(s): []
 - (e) Reset Reference Rate(s): [Mid Swaps/Reference Bond]
 - (f) Principal Financial Centre for the purposes of Condition 5.2: [[]/Not Applicable]
 - (g) Reset Margin: []
 - (h) Reset Rate Screen Page: []
 - (i) Mid Swap Maturity: []
 - (j) Reset Determination Date: []
 - (k) Reset Rate Time: []
 - (l) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
 - (m) Party responsible for calculating the Reset Rate and Interest Amount (if not the Agent): []
- 15. Initial and Post-Call Interest Provisions (Condition 6 (Initial and Post-Call Interest Provisions)):** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- 15.1 Initial Rate of Interest**
- (i) Fixed Rate Note Provisions (Condition 5.1 (Interest on Fixed Rate Notes)):
- [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this subparagraph)*
- (a) Initial Rate of Interest: [] per cent. per annum payable in arrear on each Initial Interest Payment Date
 - (b) Initial Interest Payment Date(s): [] in each year up to and including the Optional Redemption Date (Call), commencing on []
- (Amend appropriately in the case of irregular coupons)*

- (c) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form.)
- (d) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
(Applicable to Notes in definitive form.)
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) [Determination Date(s): [] in each year][Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date in the case of a long or short first coupon)
- (ii) Floating Rate Note Provisions (Condition 5.3 (Interest on Floating Rate Notes)): [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this subparagraph)
- (a) Initial Rate of Interest: The sum of:
- (i) Reference Rate
- (ii) [+/-] [] per cent. per annum (**Margin**)
- (b) Specified Period(s)/Specified Interest Payment Dates: [] in each year from and including the Issue Date up to and including the Optional Redemption Date (Call) (**Initial Interest Payment Dates**)
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
- (d) Additional Business Centre(s): []
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (f) Party responsible for calculating the Rate of Interest (Post-Call) and Interest Amount (if not the Agent): []
- (g) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: Reference Rate: [] month [LIBOR/EURIBOR]
 - Interest Determination Date(s): []
(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 day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)

- Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (h) ISDA Determination: [Applicable/Not Applicable]
 - Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)
- (i) Minimum Rate of Interest: [[] per cent. per annum]/[Not Applicable]
- (j) Maximum Rate of Interest: [[] per cent. per annum]/[Not Applicable]
- (k) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]

15.2 Rate of Interest (Post-Call)

- (i) Fixed Rate Note Provisions (Condition 5.1 (Interest on Fixed Rate Notes)): [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this subparagraph)
 - (a) Rate of Interest (Post-Call): [] per cent. per annum payable in arrear
 - (b) Interest Payment Date(s): [] in each year from and including [] up to and including the redemption of the Notes, if the Issuer does not redeem the Notes on the Optional Redemption Date (Call)

(Amend appropriately in the case of irregular coupons)
 - (c) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form.)
 - (d) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []][Not Applicable]
(Applicable to Notes in definitive form.)
 - (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
 - (f) [Determination Date(s): [[] in each year][Not Applicable]
(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date in the case of a long or short first coupon)

- (ii) Floating Rate Note Provisions (Condition 5.3 (*Interest on Floating Rate Notes*)): [Applicable / Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this subparagraph)*
- (a) Rate of Interest (Post-Call): The sum of:
- (i) Reference Rate
- (ii) [+/-] [] per cent. per annum (**Margin (Post-Call)**)
- (b) Specified Period(s)/Specified Interest Payment Dates: [] in each year commencing on and including [] up to and including the redemption of the Notes, if the Issuer does not redeem the Notes on the Optional Redemption Date (Call)
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention]
- (d) Additional Business Centre(s): []
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (f) Party responsible for calculating the Rate of Interest (Post-Call) and Interest Amount (if not the Agent): []
- (g) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: Reference Rate: [] month [LIBOR/EURIBOR]
 - Interest Determination Date(s): []
(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 day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (h) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)

- (i) Minimum Rate of Interest: [[] per cent. per annum]/[Not Applicable]
- (j) Maximum Rate of Interest: [[] per cent. per annum]/[Not Applicable]
- (k) Day Count Fraction: [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]

PROVISIONS RELATING TO INTEREST DEFERRAL

16. **Optional Deferral of Interest (Condition 3.1 (*Optional Deferral of Interest*)):** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- Relevant Trigger Event(s): [Trigger Event A/Trigger Event B/Trigger Event C]
- (If Trigger Event A applies)*
Look Back Period [A/B]
17. **Mandatory Deferral of Interest (Condition 3.2 (*Mandatory Deferral of Interest*)):** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- Relevant Trigger Event(s): [Trigger Event A/Trigger Event B/Trigger Event C]
- (If Trigger Event A applies)*
Look Back Period [A/B]

PROVISIONS RELATING TO LOSS ABSORPTION

18. **Loss Absorption (Condition 4 (*Loss Absorption*)):** [Applicable/Not Applicable]

PROVISIONS RELATING TO REDEMPTION

19. **Final Redemption Amount (Condition 8.1 (*Redemption*)):** []
20. **Notice period for Condition 8.2 (*Redemption for tax reasons*):**
- Minimum period: [] days
Maximum period: [] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the*

- **Early Redemption Amount (Tax):** (if Issuer Call is applicable:)
[] / [Make Whole Amount] if the redemption date falls before the Optional Redemption Date (Call), [or Optional Redemption Amount if the redemption date falls on or after the Optional Redemption Date (Call)]
(N.B. if the Early Redemption Amount (Tax) is the same if redemption falls before and after the Optional Redemption Date (Call), indicate simply the relevant amount)
- (if Issuer Call is not applicable:)
[]/[Make Whole Amount]
21. **Issuer Call (Condition 8.3 (*Redemption at the option of the Issuer*), Condition 8.9 (*Authorisation*)):** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [] (the **Optional Redemption Date (Call)**) [and thereafter, []]
- (b) Optional Redemption Amount: [[] [per Calculation Amount]
- (c) Notice periods: Minimum period: [] days
Maximum period: [] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
22. **Optional Redemption due to a Regulatory Event (Condition 8.4 (*Optional Redemption due to a Regulatory Event*), Condition 8.9 (*Authorisation*)):** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- **Notice period:** Minimum period: [] days
Maximum period: [] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
- **Early Redemption Amount (Regulatory):** (if Issuer Call is applicable:)
[]/[Make Whole Amount] if the redemption date falls before the Optional Redemption Date (Call), [or Optional Redemption Amount if the redemption date falls on or after the Optional Redemption Date (Call)]

(N.B. if the Early Redemption Amount (Regulatory) is the same if redemption falls before and after the Optional Redemption Date (Call), indicate simply the relevant amount)

(if Issuer Call is not applicable:)

[]/[Make Whole Amount]

23. Optional Redemption due to a Rating Event (Condition 8.5 (*Optional Redemption due to a Rating Event*), Condition 8.9 (*Authorisation*)):

[Applicable/Not Applicable]

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

- Notice period:

Minimum period: [] days

Maximum period: [] days

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

- Early Redemption Amount (Rating):

(if Issuer Call is applicable:)

[] / [Make Whole Amount] if the redemption date falls before the Optional Redemption Date (Call), [or Optional Redemption Amount if the redemption date falls on or after the Optional Redemption Date (Call)]

(N.B. if the Early Redemption Amount (Rating) is the same if redemption falls before and after the Optional Redemption Date (Call), indicate simply the relevant amount)

(if Issuer Call is not applicable:)

[]/[Make Whole Amount]

24. Make Whole Amount

[Applicable/Not Applicable]

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

- Redemption Margin:

[]

- Reference Bond:

[]

- Quotation Time:

[]

25. Early Redemption Amount (Enforcement Event) (Condition 11 (*Enforcement Event*)):

[] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26. Form of Notes:

(a) [Form:] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 5 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]". Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

(b) New Global Note: [Yes][No]

27. Additional Financial Centre(s):

[Not Applicable/give details]

(Note that this paragraph relates to the place of payment and not Interest Period end dates to which subparagraph 13(c) relates)

28. Talons for future Coupons to be attached to Definitive Notes:

[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

29. Modification Provisions (Condition 16.4 (*Modification and/or Exchange following a Regulatory Event, Tax Event or Rating Event*)):

[Not Applicable/The modification provisions set out in Condition 16.4 (b)(A) apply to [identify relevant events]]

30. Exchange Provisions (Condition 16.4 (*Modification and/or Exchange following a Regulatory Event, Tax Event or Rating Event*)):

[Not Applicable/The exchange provisions set out in Condition 16.4(b)(B) apply to [identify relevant events]]

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

Signed on behalf of UnipolSai Assicurazioni S.p.A.:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listing on the Official List of the Luxembourg Stock Exchange with effect from [].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [others] and listing on [others] with effect from [].]
- [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- [insert details]] by [insert the legal name of the relevant credit rating agency entit[y/ies] and associated defined terms].
- Each of [defined terms] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

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

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business - Amend as appropriate if there are other interests]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

4. YIELD (*Fixed Rate Notes only*)

[Not Applicable]

Indication of yield: []

5. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Details of historic [LIBOR/EURIBOR/*specify other Reference Rate*] rates can be obtained from [Reuters].

6. OPERATIONAL INFORMATION

- | | | |
|-------|--|---|
| (i) | ISIN Code: | [] |
| (ii) | Common Code: | [] |
| (iii) | Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | [Not Applicable/ <i>give name(s), address(es) and number(s)</i>] |
| (iv) | Delivery: | Delivery [against/free of] payment |
| (v) | Names and addresses of additional Paying Agent(s) (if any): | [] |
| (vi) | Deemed delivery of clearing system notices for the purposes of Condition 15 (<i>Notices</i>): | Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second] [business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg. |
| (vii) | [Intended to be held in a manner which would allow Eurosystem eligibility: | [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]] |

7. DISTRIBUTION

- | | | |
|-------|-----------------------------------|--------------------------------------|
| (i) | Method of distribution: | [Syndicated/Non-syndicated] |
| (ii) | If syndicated, names of Managers: | [Not Applicable/ <i>give names</i>] |
| (iii) | Date of [Subscription] | [] |

Agreement:

- (iv) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
- (v) If non-syndicated, name of
relevant Dealer: [Not Applicable/*give name*]
- (vi) U.S. Selling Restrictions: Reg. S Compliance Category [1/2]; [TEFRA D/TEFRA
C/TEFRA not applicable]

TERMS AND CONDITIONS OF SENIOR NOTES

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

This Note is one of a Series (as defined below) of Notes issued by UnipolSai Assicurazioni S.p.A. (**UnipolSai** or the **Issuer**) pursuant to the Agency Agreement (as defined below).

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

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

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 10 June 2014 and made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**) for the purposes of this Note. References to the applicable Final Terms are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

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

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 10 June 2014 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing at the registered office of the Issuer and of the Agent and copies may be obtained from those offices save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

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

1. Form, Denomination and Title

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

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

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

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

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions Noteholder and holder of Notes and related expressions shall be construed accordingly.

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

2. Status of the Notes

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

3. Negative Pledge

So long as any of the Notes remains outstanding, the Issuer will not create or permit to subsist any Security Interest (other than Permitted Encumbrances) upon, or with respect to, any of its present or future business, undertaking, assets or revenues, present or future, to secure any Relevant Indebtedness unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (a) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
- (b) such other Security Interest or other arrangement is provided as is approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

As used herein:

Permitted Encumbrances means:

- (a) any Security arising pursuant to any mandatory provision of law other than as a result of any action taken by the Issuer; or
- (b) any Security in existence as at the date of issuance of the Notes;

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

Security Interest means any mortgage, lien, pledge, charge or other security interest.

4. Interest

4.1 Interest on Fixed Rate Notes

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

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

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

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

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

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

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

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

In the Conditions:

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

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

4.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

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

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

Such interest will be payable in respect of each Interest Period.

In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date);

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

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

In these Conditions:

Business Day means a day which is both:

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

(b) *Rate of Interest*

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

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), ISDA Rate for an **Interest Period** means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as calculation agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

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

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

Calculation Agent means the Agent or such other person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amounts as may be specified in the relevant Final Terms.

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

(ii) Screen Rate Determination for Floating Rate Notes

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

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

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

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of subparagraph (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- "M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
 - "D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and
 - "D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;
- (vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

- "Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;
- "Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- "M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;
- "M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- "D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and
- "D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(e) *Linear Interpolation*

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

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

(f) *Notification of Rate of Interest and Interest Amounts*

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest

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

4.3 *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of Condition 4.2 (*Interest on Floating Rate Notes*) by the Calculation Agent shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.4 *Accrual of interest*

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

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

5. Payments

5.1 *Method of payment*

Subject as provided below:

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

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

5.2 *Presentation of definitive Notes and Coupons*

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

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

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

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

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

5.3 *Payments in respect of Global Notes*

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

5.4 *General provisions applicable to payments*

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of

Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

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

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

5.5 *Payment Day*

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

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

5.6 *Interpretation of principal and interest*

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

- (a) any additional amounts which may be payable with respect to principal under Condition 6 (*Redemption and Purchase*);
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes (as defined in Condition 6.5 (*Early Redemption Amounts*));

- (d) the Optional Redemption Amount (Call) or Optional Redemption Amount (Put) (if any) of the Notes;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.5 (*Early Redemption Amounts*)); and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 6 (*Redemption and Purchase*).

6. Redemption and Purchase

6.1 *Redemption at Maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount together with accrued interest in the relevant Specified Currency on the Maturity Date.

Final Redemption Amount means the amount specified in the applicable Final Terms.

6.2 *Redemption for tax reasons*

- (a) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 13 (*Notices*), the Noteholders (which notice shall be irrevocable), if (x) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and (y) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, *provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.
- (b) Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders: (i) a certificate signed by a duly authorised representative of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.
- (c) Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount (as defined in Condition 6.5 (*Early Redemption Amounts*)) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

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

- (a) This Condition 6.3 applies to Notes only and if Issuer Call is specified in the applicable Final Terms as being applicable.

- (b) If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (or some only) of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount (Call) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

Optional Redemption Date means each date indicated as such in the applicable Final Terms.

Optional Redemption Amount (Call) means the amount specified in the applicable Final Terms.

- (c) Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.
- (d) In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the Selection Date).

In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 (*Notices*) at least five days prior to the Selection Date.

6.4 *Redemption at the option of the Noteholders (Investor Put)*

- (a) This Condition 6.4 applies to Notes only and if Investor Put is specified in the applicable Final Terms as being applicable.
- (b) Upon the holder of any Note giving to the Issuer in accordance with Condition 13 (*Notices*) not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms the Issuer will, upon the expiry of such notice, redeem such Note on an (the) Optional Redemption Date (Put) and at the Optional Redemption Amount (Put) together, if appropriate, with interest accrued to (but excluding) such Optional Redemption Date (Put).

To exercise the right to require redemption of the Note, the holder of the Note must, if the Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by the Note or evidence satisfactory to the Paying Agent that the Note will, following delivery of the Put Notice, be held to its order or under its control. If the Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of the Note the holder of the Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depository or commonsafekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

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

Optional Redemption Date (Put) means each date (or, if there is only one such date, the date) indicated as such in the applicable Final Terms.

Optional Redemption Amount (Put) means the amount specified in the applicable Final Terms.

6.5 Early Redemption Amounts

For the purpose of Condition 6.2 (*Redemption for tax reasons*) and Condition 9 (*Enforcement Events*):

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

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

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

Early Redemption Amount means the amount specified in the applicable Final Terms.

6.6 Purchases

The Issuer or any of its Subsidiary may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Where permitted by applicable law and regulation, all Notes purchased pursuant to this Condition 6.6 may be cancelled or held, reissued or resold at the discretion of the relevant purchaser.

6.7 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 6.6 (*Purchases*) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

6.8 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1 (*Redemption at Maturity*), Condition 6.2 (*Redemption for tax reasons*), Condition 6.3 (*Redemption at the option of the Issuer (Issuer Call)*), Condition 6.4 (*Redemption at the option of the Noteholders (Investor Put)*) or upon its becoming due and repayable as provided in Condition 9 (*Enforcement Events*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (b) of Condition 6.5 (*Early Redemption Amounts*) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

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

7. Taxation

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

- (a) presented for payment in the Republic of Italy;
- (b) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon;
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.5 (*Payment Day*));
- (d) where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (e) 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 or Coupon to another Paying Agent in a Member State of the European Union;

- (f) presented for payment by or on behalf of a holder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority;
- (g) presented for payment by or on behalf of a non-Italian resident, to the extent that interest or any other amounts is paid to a non-Italian resident which is resident in a country that does not allow for a satisfactory exchange of information with the Republic of Italy;
- (h) for or on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996 (Decree No. 239) as amended and/or supplemented or any regulations implementing or complying with such Decree
- (i) with respect to any Notes qualifying as "atypical" securities (*titoli atipici*), where such withholding or deduction is required pursuant to Italian Law Decree No. 512 of 30 September 1983, converted with amendments by Law No. 649 of 25 November 1983, as subsequently amended and/or supplemented; or
- (j) where such withholding or deduction is required pursuant to Sections 1471 through 1474 of the Code, any laws, regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein:

- (i) **Tax Jurisdiction** means the Republic of Italy and/or such other taxing jurisdiction to which the Issuer becomes subject or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 8 (*Prescription*).

8. Prescription

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

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

9. Enforcement Events

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

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest;
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next

following the service by a Noteholder on the Issuer of a written notice requiring the same to be remedied;

- (c) if either (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any of its Material Subsidiaries becomes capable of being declared due and repayable prematurely by reason of an event of default (however described), or (ii) the Issuer or any of its Material Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment (as extended by any originally applicable grace period), or (iii) any security given by the Issuer or any of its Material Subsidiaries becomes enforceable and steps are taken to enforce the same, or (iv) default is made by the Issuer or any of its Material Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person (as extended by any originally applicable grace period), provided that an Enforcement Event shall not occur pursuant to any of subparagraphs (i), (ii), (iii) and (iv):
 - (A) if and for so long as the Issuer or the relevant Material Subsidiary, as the case may be, is contesting in good faith in a competent court in a recognised jurisdiction that the relevant Indebtedness for Borrowed Money or such security, guarantee or indemnity shall be due and enforceable, as appropriate; or
 - (B) unless the aggregate Indebtedness for Borrowed Money relating to all such events which shall have occurred and be continuing shall exceed Euro 50,000,000;
- (d) an order is made by any competent court or resolution is passed for the winding-up or dissolution of the Issuer or any of its Material Subsidiaries, otherwise than for the purpose of (i) a Permitted Reorganisation; or (ii) a reorganisation on terms previously approved by an Extraordinary Resolution (as defined in the Agency Agreement);
- (e) if the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of (i) a Permitted Reorganisation or (ii) a reorganisation on terms previously approved by an Extraordinary Resolution, or the Issuer or any of its Material Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent, provided that, for the purposes of this paragraph (e), a **substantial part** of an entity's business shall mean a part of the relevant entity's business which accounts for 20 per cent. or more of the Group's consolidated assets and/or revenues as evidenced by its most recently available and duly approved audited consolidated financial statements;
- (f) if (A) proceedings are initiated against the Issuer or any of its Material Subsidiaries under any applicable liquidation (*liquidazione coatta*), insolvency (*fallimento*), composition (*concordato preventivo*), reorganisation (*amministrazione straordinaria*) or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver (*curatore*), manager, administrator (*commissario straordinario o liquidatore*) or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Material Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged within 60 days, provided that, for the purposes of this paragraph (f), a **substantial part** of an entity's business shall mean a part of the relevant entity's business which accounts for 20 per cent. or more of the Group's consolidated assets and/or revenues as evidenced by its most recently available and duly approved audited consolidated financial statements; or

- (g) if the Issuer or any of its Material Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation (save for the purposes of a Permitted Reorganisation or other similar laws (including the obtaining of a moratorium)) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors),

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

Indebtedness for Borrowed Money means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any money borrowed or raised;

Material Subsidiary means at any time a Subsidiary of the Issuer:

- (a) whose net revenues or net assets (in each case, consolidated in the case of a Subsidiary which itself has Subsidiaries) represent in each case (or, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, are equal to) not less than 10 per cent. of the consolidated net revenues of the Issuer, or, as the case may be, consolidated net assets, of the Issuer and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its Subsidiaries, provided that in the case of a Subsidiary of the Issuer acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Issuer and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the Issuer; or
- (b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer which immediately prior to such transfer is a Material Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Material Subsidiary and the transferee Subsidiary shall, upon such transfer, become a Material Subsidiary in each case pursuant to this Condition 9 (*Enforcement Events*); provided further that the provisions of paragraph (a) above shall apply, commencing on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period in which such transfer has occurred have been prepared and audited as described in paragraph (a) above, to determine whether such Subsidiaries become or remain Material Subsidiaries.

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

Permitted Reorganisation means:

- (a) in respect of the Issuer, any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind, restructuring or reconstruction whilst solvent or other similar arrangements (including, without limitation, leasing of the assets or going concern) of the Issuer which is part of a related sequence of events whereby, during or upon completion of the sequence, all or

substantially all of the assets and liabilities of the Issuer, including the rights and obligations of the Issuer under or in respect of the Notes, the Agency Agreement and the Deed of Covenant, will be assumed in accordance with applicable law by a Person which, immediately after such assumption, is a member of the group consisting of the Issuer and its consolidated Subsidiaries; and

- (b) in respect of any Material Subsidiary, any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind, restructuring or reconstruction whilst solvent or other similar arrangements (including, without limitation, leasing of the assets or going concern) of the relevant Material Subsidiary under which all or substantially all of its assets and liabilities are transferred, sold, contributed, assigned or otherwise vested in the Issuer or any of its other Subsidiaries in accordance with applicable law,

which, in any such case, does not result in a Ratings Downgrade;

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

Rating Agencies means Moody's Investors Services Inc (**Moody's**), Standard & Poor's Rating Services, a division of the McGraw Hill Companies Inc. (**S&P**) and Fitch Ratings (**Fitch**), or any of their successors;

A **Ratings Downgrade** will be deemed to have occurred if, immediately prior to a Reorganisation Period, the Notes carry:

- (a) an investment grade credit rating (BBB-/Baa3/BBB-, or equivalent, or better) from any Rating Agency and such rating is, during the Reorganisation Period, either downgraded to a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse) or withdrawn and such rating is not, within the Reorganisation Period, subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by the relevant Rating Agency or (in the case of a withdrawal) replaced by an investment grade credit rating from any other Rating Agency;
- (b) a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse) from any Rating Agency and such rating is, during the Reorganisation Period, either downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) or withdrawn and such rating is not, within the Reorganisation Period, subsequently (in the case of a downgrade) upgraded by such Rating Agency to a credit rating that is equivalent or better to the credit rating that was applicable immediately prior to the Reorganisation Period or (in the case of a withdrawal) replaced by a credit rating from any other Rating Agency that is equivalent to or better than the credit rating that was applicable immediately prior to the Reorganisation Period; or
- (c) no credit rating and no Rating Agency assigns to the Notes within 60 days of the end of the Reorganisation Period a credit rating that is equivalent to or better than the Issuer's credit rating from any one or more Rating Agencies immediately prior to the Reorganisation Period;

Reorganisation Period shall mean the period from the date of the first public announcement of an agreement, arrangement or proposal that could result in any event or transaction described in paragraphs (a) and (b) of the definition of Permitted Reorganisation until the end of a 60-day period following public notice of the completion of the relevant transaction (or such longer period as the rating of the Notes is under publicly announced consideration for rating review); and

Subsidiary means, in respect of any Person (the **first Person**) at any particular time, any other Person (the **second Person**):

- (a) if a majority of votes in ordinary shareholders' meetings of the second Person is held by the first Person;

- (b) in which the first Person holds a sufficient number of votes to give it a dominant influence in ordinary shareholders' meetings of the second Person; or
- (c) which is under the dominant influence of the first Person by virtue of certain contractual relationships between the first Person and the second Person,

pursuant to the provisions of Article 2359 of the Italian Civil Code.

10. Replacement of Notes Coupons and Talons

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

11. Paying Agents

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

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

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (d) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

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

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

12. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further

Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

13. Notices

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

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg. Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. Meetings of Noteholders

14.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution (as defined in the Agency Agreement) of the Notes, the Coupons, any of these Conditions or any of the provisions of the Agency Agreement.

In relation to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution (as defined in the Agency Agreement), the following provisions shall apply in respect of the Notes but are subject to compliance with mandatory laws, legislation, rules and regulations of Italy (including, without limitation, Legislative Decree No. 58 of 24 February 1998 as amended) and the by-laws of the Issuer in force from time to time and shall be deemed to be amended, replaced and supplemented to the extent that such laws, legislation, rules and regulations and the by-laws of the Issuer are amended at any time while the Notes remain outstanding. Italian law currently provides that any such meeting may be convened by the Issuer or the Noteholders' Representative (as defined below) at their discretion and, in any event, shall be convened by either of them upon the request of Noteholders holding not less than one-twentieth of the aggregate principal amount of the Notes of any Series for the time being outstanding. If the Issuer or the Noteholders' Representative defaults in convening such a meeting following such request or requisition by the Noteholders representing not less than one-twentieth of aggregate principal amount of the Notes of any Series for the time being outstanding, the same may be

convened by decision of the competent Court upon request by such Noteholders. Every such meeting shall be held at such time and place as provided pursuant to Article 2363 of the Italian Civil Code.

Such a meeting will be validly held (subject to compliance with mandatory laws, legislation, rules and regulations of Italy in force from time to time) if (i) in the case of a sole call meeting, there are one or more persons present being or representing Noteholders holding at least one-fifth of the principal amount of the outstanding Notes, or (ii) in the case of multiple call meetings, (a) in the case of a first meeting, there are one or more persons present being or representing Noteholders holding at least one-half of the aggregate principal amount of the outstanding Notes, (b) in the case of a second meeting, there are one or more persons present being or representing Noteholders holding more than one-third of the aggregate principal amount of the outstanding Notes and (c) in the case of a third meeting or any subsequent meeting following a further adjournment, there are one or more persons present being or representing Noteholders holding at least one-fifth of the aggregate principal amount of the outstanding Notes, provided however that the Issuer's by-laws may in each case (to the extent permitted under the applicable Italian law) provide for a higher quorum. For the avoidance of doubt, each meeting will be held as a sole call meeting or as a multiple call meeting depending on the applicable provisions of Italian law and the Issuer's by-laws as applicable from time to time. The majority required to pass a resolution at any meeting convened to vote on any resolution will be one or more persons holding or representing at least two-thirds of the aggregate principal amount of the Notes represented at the meeting; provided, however, that (A) certain proposals, as set out in Article 2415 of the Italian Civil Code (including any proposal to modify the maturity of the Notes or the dates on which interest is payable on them; to reduce or cancel the principal amount of, or interest on, the Notes; or to change the currency of payment of the Notes) may only be sanctioned by a resolution passed at a meeting of Noteholders (including any adjourned meeting) by the higher of (i) one or more persons holding or representing not less than one-half of the aggregate principal amount of the outstanding Notes, and (ii) one or more persons holding or representing not less than two-thirds of the Notes represented at the meeting, provided that a different majority (higher or lower depending on the circumstances and the amount of Notes represented at the meeting) may be required pursuant to Article 2369 paragraph 7, of the Italian Civil Code and (B) the Issuer's by-laws may in each case (to the extent permitted under applicable Italian law) provide for higher majorities. An Extraordinary Resolution (as defined in the Agency Agreement) passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

14.2 *Noteholder's Representative*

A joint representative of the Noteholders (*rappresentante comune*) (the **Noteholders' Representative**), subject to applicable provisions of Italian law, will be appointed pursuant to Article 2417 of the Italian Civil Code in order to represent the Noteholders' interests under these Conditions and to give effect to resolutions passed at a meeting of the Noteholders. If the Noteholders' Representative is not appointed by a meeting of such Noteholders, the Noteholders' Representative shall be appointed by a decree of the competent Court where the Issuer has its registered office at the request of one or more Noteholders or at the request of the directors of the Issuer. The Noteholders' Representative shall remain appointed for a maximum period of three years but may be reappointed again thereafter.

14.3 *Modification*

The Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

15. *Further Issues*

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the

same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

16. Substitution

The Issuer may, at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons, any duly incorporated Subsidiary of the Issuer (each a **Substituted Debtor**) as Issuer (the **Substitution**), subject to the following:

- (a) immediately prior to the Substitution, no payment in respect of the Notes and the Coupons being overdue and no Enforcement Event having occurred and being continuing in respect of the Notes and the Coupons;
- (b) the execution by the Substituted Debtor and, where applicable, by the other parties to the Agency Agreement and the Deed of Covenant, of a deed poll and such other documents (if any) as may be necessary to give full effect to the Substitution (together, the **Documents**) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder and Couponholder to be bound by these Conditions, the Deed of Covenant and the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes, the Deed of Covenant and the Agency Agreement as the principal debtor in respect of the Notes in place of the Issuer;
- (c) the execution by the Issuer of a deed of guarantee (the **Guarantee**), substantially in the form attached to the Agency Agreement, in favour of the Noteholders and Couponholders in respect of all the obligations of the Substituted Debtor under the Notes and the Coupons;
- (d) the agreement by the Substituted Debtor in the Documents to indemnify each Noteholder and Couponholder against:
 - (i) any tax, duty, assessment or governmental charge which is imposed on such Noteholder and Couponholder by (or by any authority in or of) in the Republic of Italy with respect to any Note or Coupon and which would not have been so imposed had the Substitution not been made; and
 - (ii) any tax, duty, assessment or governmental charge, and any cost or expense payable in connection with the Substitution;
- (e) the Documents containing a representation and warranty by each of the Issuer and the Substituted Debtor that:
 - (i) it is validly incorporated and in good standing under the laws of its jurisdiction of incorporation;
 - (ii) it has obtained all necessary governmental and regulatory approvals and consents for the Substitution and for the performance or of its obligations under the Documents and that all such approvals and consents are in full force and effect;
 - (iii) all other actions, conditions and things required to be taken, fulfilled and done to ensure that the Documents, the Notes and the Coupons (and, in the case of the Issuer, the Guarantee) and the obligations assumed by it thereunder represent legal, valid and binding obligations of the Substituted Debtor or the Issuer, as the case may be, enforceable by each Noteholder and Couponholder in accordance with their respective terms and subject to applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally, have been taken, fulfilled and done and are in full force and effect; and

- (iv) the Noteholders and Couponholders will not become subject to any tax, duty, assessment, governmental charge or other adverse tax consequences as a result of the Substitution, except as may be subject to the indemnity provided for in Condition 16(d) above;
- (f) the delivery of legal opinion(s) addressed to the Agent, to be made available upon request to the Noteholders and Couponholders, from a lawyer or firm(s) of lawyers with a leading securities practice in the Republic of Italy, confirming that (i) the conditions contained in Conditions 16(b), 16(c), 16(d) and 16(e) above have been fulfilled and (ii) the Documents and the Guarantee, where applicable, constitute legal, valid, binding and enforceable obligations of each of the Issuer and the Substituted Debtor and that each of the Issuer and the Substituted Debtor has the power to enter into and perform the obligations to be assumed by it pursuant to the Documents and the Guarantee, to the extent applicable to it;
- (g) confirmation from the relevant stock exchange (if any) that, following the proposed Substitution, the Notes will continue to be listed on such stock exchange;
- (h) the giving by the Issuer of at least 14 days' prior notice of the Substitution to the Noteholders, in accordance with Condition 13 (*Notices*), stating that "copies, or, pending execution, the agreed text, of all documents in relation to the Substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents";
- (i) if the existing Notes were rated by a Rating Agency prior to the Substitution, written confirmation from such Rating Agency that, after giving effect to the Substitution, (i) the Notes shall continue to be rated the same as immediately prior to the Substitution or (ii) in the case of Notes which have not been assigned a credit rating, the relevant Substituted Debtor or the Notes will be assigned at least the same credit rating as the credit rating of the Issuer immediately prior to whichever is the earlier of (I) the Substitution, (II) the first public announcement of the Substitution or (III) the first public announcement of any proposal, agreement or arrangement that resulted, directly or indirectly, in the Substitution; and
- (j) the delivery to the Agent of a certificate of solvency of the Substituted Debtor addressed to the Noteholders and signed by two directors of the Substituted Debtor.

By subscribing to, or otherwise acquiring the Notes, the Noteholders expressly consent to the substitution of the Issuer in accordance with the provisions of this Condition 16 and to the release of the Issuer from any and all obligations in respect of the Notes and any relevant agreements and are expressly deemed to have accepted such substitution and the consequences thereof.

17. Contracts (Rights of Third Parties) Act 1999

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

18. Governing Law and Submission to Jurisdiction

18.1 Governing law

The Agency Agreement, the Deed of Covenant, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

Condition 14 (*Meetings of Noteholders*) and the provisions of the Agency Agreement concerning the meetings of Noteholders and the appointment of a Noteholders' Representative in respect of any Series of Notes are subject to compliance with the laws of the Republic of Italy.

18.2 *Submission to jurisdiction*

- (a) Subject to Condition 18.3 (*Appointment of Process Agent*), the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 18.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction, and (ii) concurrent proceedings in any number of jurisdictions.

18.3 *Appointment of Process Agent*

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

TERMS AND CONDITIONS OF DATED SUBORDINATED NOTES

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

This Note is one of a Series (as defined below) of Notes issued by UnipolSai Assicurazioni S.p.A. (**UnipolSai** or the **Issuer**) pursuant to the Agency Agreement (as defined below).

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

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

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 10 June 2014 and made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**) for the purposes of this Note. References to the applicable Final Terms are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

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

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 10 June 2014 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing at the registered office of the Issuer and of the Agent and copies may be obtained from those offices save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

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

1. Form, Denomination and Title

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

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

Definitive Notes are issued with Coupons attached.

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

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions Noteholder and holder of Notes and related expressions shall be construed accordingly.

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

2. Status of the Notes

2.1 Subordination

The Notes and any relative Coupons are direct, unconditional, subordinated and unsecured obligations of the Issuer, and rank *pari passu* among themselves and:

- (a) junior to (x) any Senior Notes and (y) any other unsubordinated obligations of the Issuer (including policyholders of the Issuer);
- (b) at least equally with all other subordinated obligations of the Issuer having a specified maturity date and any other subordinated obligations of the Issuer which – but for any applicable limitation on the amount of such capital – are eligible for a regulatory treatment (x) before implementation of the Future Regulations, of up to 25 per cent. of the Required Solvency Margin (or such other fraction of the Required Solvency Margin as will apply to dated instruments or liabilities, as opposed to perpetual instruments or liabilities) or (y) after implementation of the Future Regulations, as Tier 2 Own Funds (or whatever the terminology employed by the Future Regulations), including as a result of grandfathering; and
- (c) senior to the Issuer's payment obligations in respect of (x) any Junior Securities (y) any Undated Subordinated Notes and (z) any other subordinated obligation of the Issuer which – but for any applicable limitation on the amount of such capital – are eligible for a regulatory treatment (aa) before implementation of the Future Regulations, of up to 50 per cent. of the Required Solvency Margin (or such other fraction of the Required Solvency Margin as will apply to perpetual instruments or liabilities, as opposed to dated instruments or liabilities) or (bb) after implementation of the Future Regulations, as Tier 1 Own Funds (or whatever the terminology employed by the Future Regulations), including as a result of grandfathering,

in each case, save for certain obligations required to be preferred by law.

Future Regulations means the solvency margin, regulatory capital or capital regulations (if any) to be introduced in Italy in implementation of the Solvency II Directive and which are applicable to UnipolSai.

Italian Legislation on Solvency Margin means provisions of Italian law in force from time to time governing the instruments or liabilities taken into account in calculating the Solvency Margin.

Junior Securities means (a) all classes of share capital of UnipolSai (including all categories of savings shares and any preference shares); (b) any preferred securities or similar instruments or other securities issued by the Issuer which rank or are expressed to rank junior to the Notes; or (c) any preferred securities or similar instruments or other securities issued by a Subsidiary of the Issuer which have the benefit of a guarantee or similar instrument from UnipolSai, which guarantee or instrument ranks or is expressed to rank junior to the Notes.

Lead Regulator means the *Istituto per la Vigilanza sulle Assicurazioni* (IVASS), or any successor entity of IVASS, or any other competent lead regulator to which UnipolSai becomes subject.

Omnibus II Directive means Directive 2014/51/EU of the European Parliament and of the Council of 16 April 2014 amending Directives 2003/71/EC and 2009/138/EC and Regulations (EC) No. 1060/2009, (EU) No. 1094/2010 and (EU) No. 1095/2010 in respect of the powers of the European Supervisory

Authority (European Insurance and Occupational Pensions Authority) and the European Supervisory Authority (European Securities and Markets Authority).

Senior Notes means unsubordinated notes issued by UnipolSai that are expressed to be Senior Notes in the relevant Final Terms.

Solvency II Directive means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking up and pursuit of the business of insurance and reinsurance (Solvency II), as amended by the Omnibus II Directive and any applicable implementing provisions.

Solvency Margin means:

- (i) UnipolSai's consolidated and non-consolidated solvency margins (*margini di solvibilità*), determined pursuant to the rules of the Lead Regulator; and
- (ii) following the implementation of the Solvency II Directive and the Future Regulations, the Solvency Capital Requirement of the Issuer or of the Group (as applicable) and/or, as the context requires, the Minimum Capital Requirement of the Issuer or of the Group (as applicable), each term as defined in the Solvency II Directive.

Required Solvency Margin means the Solvency Margin(s) required from time to time by the Lead Regulator under Italian Legislation on Solvency Margin (i) before the implementation of the Solvency II Directive and the Future Regulations, *margini di solvibilità richiesti* as defined in article 2(1)(i) of ISVAP Regulation no. 19 of 14 March 2008; (ii) following the implementation of the Solvency II Directive and the Future Regulations, as calculated in accordance with the applicable provisions under the Solvency II Directive and the Future Regulations.

Tier 1 Own Funds means own funds which have the necessary features to be classified as Tier 1 (or whatever the terminology employed by the Future Regulations) under the Future Regulations.

Tier 2 Own Funds means own funds which have the necessary features to be classified as Tier 2 (or whatever the terminology employed by the Future Regulations) under the Future Regulations.

Undated Subordinated Notes means subordinated notes issued by UnipolSai that do not have a specified maturity date and are expressed to be Undated Subordinated Notes in the relevant Final Terms.

2.2 Waiver of set-off

Each Noteholder and Couponholder unconditionally and irrevocably waives any right of set-off, counterclaim, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising from, the Notes or the Coupons.

3. Deferral of Interest

3.1 Optional Deferral of Interest

- (a) This Condition 3.1 shall apply if the applicable Final Terms state Optional Deferral of Interest applies.
- (b) The Issuer may elect, by giving notice to the Noteholders pursuant to Condition 3.5 (*Notice of Interest Deferral*) below, to defer payment of all (or some only) of the interest accrued to an Interest Payment Date in respect of the Notes if the Optional Deferral Conditions are met on such Interest Payment Date.

Optional Deferral Conditions shall be met on an Interest Payment Date if a Relevant Trigger Event indicated in the relevant Final Terms for the purposes of optional deferral of interest under this Condition 3.1 has occurred with reference to such Interest Payment Date.

- (c) If the Issuer elects to defer an interest payment pursuant to this Condition 3.1, it shall not have any obligation to make such interest payment on the relevant Interest Payment Date and the failure to pay such interest shall not constitute a default of the Issuer or any other breach of obligations under the Conditions or for any purpose.

3.2 *Mandatory Deferral of Interest*

- (a) This Condition 3.2 shall apply to Notes in respect of which the applicable Final Terms state Mandatory Deferral of Interest applies.
- (b) The Issuer shall, by giving notice to the Noteholders pursuant to Condition 3.5 (*Notice of Interest Deferral*) below, defer payment of all of the interest accrued to an Interest Payment Date in respect of the Notes if the Mandatory Deferral Conditions are met on such Interest Payment Date.

Mandatory Deferral Conditions shall be met on an Interest Payment Date if a Relevant Trigger Event indicated in the relevant Final Terms for the purposes of mandatory deferral of interest under this Condition 3.2 has occurred with reference to such Interest Payment Date.

- (c) If the Issuer is required to defer an interest payment pursuant to this Condition 3.2 as a result of a Solvency Capital Event, it will be required to defer accrued interest (and arrears of interest, if any) that would be due on successive Interest Payment Date(s) until such time that the Solvency Capital Event has been cured and the payment of interest would not lead to a Solvency Capital Event.
- (d) Notwithstanding the provisions of paragraphs (b) and (c) above, the Issuer may pay interest accrued to an Interest Payment Date (and arrears of interest, if any) which, but for this paragraph (d), it is required to defer, provided that the following conditions are satisfied:
 - (i) the Lead Regulator has consented to the payment of such interest (or has authorised waiver of its deferral), if and to the extent that the then applicable regulations provide that the deferral of interest may be waived by the Lead Regulator;
 - (ii) the payment does not further weaken the solvency position of the Issuer; and
 - (iii) following implementation of the Solvency II Directive and the Future Regulations, the Minimum Capital Requirement is complied with after the interest payment is made.

Such interest payment shall be made on the relevant Interest Payment Date or, if later, on the date notified by the Issuer to the Noteholders forthwith after it has obtained the Lead Regulator's consent referred to in subparagraph (i) above.

- (e) If the Issuer is required to defer an interest payment pursuant to this Condition 3.2, it shall not have any obligation to make such interest payment on the relevant Interest Payment Date, and the failure to pay such interest shall not constitute a default of the Issuer or any other breach of obligations under the Conditions or for any purpose.

3.3 *Relevant Trigger Events*

For the purposes of Condition 3.1 (*Optional Deferral of Interest*) and Condition 3.2 (*Mandatory Deferral of Interest*):

- (a) **Relevant Trigger Events** means the Trigger Events indicated in the applicable Final Terms as being the Relevant Trigger Events for the purpose of optional deferral of interest under Condition 3.1 (*Optional Deferral of Interest*) or mandatory deferral of interest under Condition 3.2 (*Mandatory Deferral of Interest*), and **Relevant Trigger Event** means any one of such events or, if only one Trigger Event is indicated in the applicable Final Terms, such Trigger Event.

- (b) **Trigger Event** means Trigger Event A, Trigger Event B or, as the case may be, Trigger Event C.
- (c) **Trigger Event A** shall be deemed to have occurred with reference to an Interest Payment Date:
 - (i) if during the Look Back Period:
 - 1. no dividend or other distribution has been declared, made or approved or set aside for payment in respect of any Relevant Securities (other than a Permitted Distribution); and
 - 2. neither UnipolSai nor any of its Subsidiaries has redeemed, repurchased or acquired any Relevant Securities (other than a Permitted Repurchase); or
 - (ii) if and to the extent that during the Look Back Period a partial distribution has been declared, made, approved or set aside for payment in respect of any Relevant Securities (provided that in this case, interest on the Notes shall be deferred only partially and in the same proportion that the distribution on such Relevant Security bears to the full amount of distribution scheduled to be paid on such Relevant Security),

in each case, save for any declaration, payment or distribution on, or redemption, repurchase or acquisition of, Relevant Securities which is itself mandatory in accordance with the terms and conditions of such security or any redemption, repurchase or acquisition made below par, where:

Look Back Period means, as indicted in the applicable Final Terms, either Look Back Period A or Look Back Period B;

Look Back Period A means the six-month (or three-month for Relevant Securities (other than shares) where remuneration is paid every three months) period prior to the relevant Interest Payment Date;

Look Back Period B means the 12-month (or six-month or three-month, respectively, for Relevant Securities (other than shares) where remuneration is paid every 6 months or 3 months, respectively) period prior to the relevant Interest Payment Date;

Relevant Securities means the Junior Securities and the Parity Securities;

Junior Securities means (a) all classes of share capital of UnipolSai (including all categories of savings shares and any preference shares); (b) any preferred securities or similar instruments or other securities issued by the Issuer which rank or are expressed to rank junior to the Notes; or (c) any preferred securities or similar instruments or other securities issued by a Subsidiary of the Issuer which have the benefit of a guarantee or similar instrument from UnipolSai, which guarantee or instrument ranks or is expressed to rank junior to the Notes;

Parity Securities means (a) any subordinated note or bond issued by the Issuer or other securities issued by the Issuer which rank or are expressed to rank equally with the Notes; or (b) any subordinated note or bond issued by the Issuer or other securities issued by a Subsidiary of the Issuer which have the benefit of a guarantee or similar instrument from the Issuer, which guarantee or instrument ranks or is expressed to rank equally with the Notes;

Permitted Distribution means payment of interest on any Parity Security or on any *pari passu* claim rateably and in proportion to the respective amounts as at such Interest Payment Date of (x) accrued and unpaid interest on such Parity Security or, as the case may be, such *pari passu* claim, on the one hand; and (y) accrued and unpaid interest on the Notes, on the other hand;

Permitted Repurchase means any redemption, repurchase or other acquisition relating to or as a result of (1) any redemption, repurchase or other acquisition of Relevant Securities held by any member of the UnipolSai Group; (2) a reclassification of the equity share capital of UnipolSai or any of its Subsidiaries, or the exchange or conversion of one class or series of equity share capital of UnipolSai or any of its Subsidiaries for another class or series of equity share capital; (3) the purchase of fractional interests in the share capital of UnipolSai or any of its Subsidiaries pursuant to the conversion or exchange provisions of such security being converted or exchanged; (4) any redemption or other acquisition of Junior Securities of UnipolSai in connection with a levy or execution for satisfaction of a claim by UnipolSai or any of its Subsidiaries; or (5) any redemption or other acquisition of Junior Securities of UnipolSai in connection with the satisfaction by UnipolSai or any of its Subsidiaries of obligations under any employee benefit plan or similar arrangement;

(d) **Trigger Event B** shall be deemed to have occurred with reference to an Interest Payment Date if:

- (A) a Solvency Capital Event has occurred and such Solvency Capital Event will be continuing on such Interest Payment Date, or would be caused by the payment by the Issuer of interest and/or arrears of interest on the relevant date; or
- (B) payment of the relevant interest and/or arrears of interest would result in the Issuer becoming insolvent in accordance with provisions of the relevant insolvency laws and rules and regulations thereunder (including any applicable decision of a court) applicable to the Issuer from time to time.

A **Solvency Capital Event** is deemed to have occurred if:

- (i) the Solvency Margin of UnipolSai, on a consolidated or non-consolidated basis, as calculated in accordance with applicable laws and regulations, and either (x) as reported to the Lead Regulator; or (y) as determined by the Lead Regulator and communicated to UnipolSai, falls below the Required Solvency Margin; or
- (ii) the Lead Regulator has given (and has not withdrawn) notice to UnipolSai that it has determined that UnipolSai's financial and solvency condition is deteriorating in such a manner that its Solvency Margin is likely to fall below the Required Solvency Margin in the short term,

provided that following the implementation of Future Regulations, the Required Solvency Margin shall be the Solvency Capital Requirement or, as applicable, the Minimum Capital Requirement, the breach of which would require the Issuer to defer interest for the purposes of Condition 3 (*Deferral of Interest*) or, as the case may be, suspend the redemption of principal for the purposes of Condition 8 (*Conditions for redemption*), if the Notes were to qualify as Tier 2 Own Funds.

(e) **Trigger Event C** shall be deemed to have occurred with reference to an Interest Payment Date if (i) the aggregate Net Income of UnipolSai for the Relevant Reporting Period ending on the Lagged Reporting Date is less than zero; (ii) the Adjusted Equity Amount of UnipolSai as at the Lagged Reporting Date has declined by more than the Relevant Percentage as compared to the Prior Adjusted Equity Amount; and (iii) the Adjusted Capital Amount of UnipolSai as at the Current Reporting Date has declined by more than the Relevant Percentage as compared to the Prior Adjusted Capital Amount, where:

Adjusted Capital Amount means the Adjusted Equity Amount plus the New Capital Amount, in each case as determined in accordance with Applicable Accounting Standards;

Adjusted Equity Amount means, as at the relevant date, total shareholders' equity before minorities as shown in the consolidated balance sheet of UnipolSai minus/plus foreign currency translation adjustments and minus/plus net unrealised gains/losses included in the consolidated balance sheet of UnipolSai, as determined in accordance with Applicable Accounting Standards;

Applicable Accounting Standards means the accounting standards applied by UnipolSai for its published consolidated financial statements as applicable at the relevant dates and for the relevant periods;

Current Reporting Date means the most recent Reporting Date;

Lagged Reporting Date means the Reporting Date immediately prior to the Current Reporting Date;

Net Income means, for the relevant period, reported net income as shown in the consolidated income statement of UnipolSai, for any Reporting Period of UnipolSai, as determined in accordance with Applicable Accounting Standards;

New Capital Amount means the net proceeds received by UnipolSai or any other member of the Group from the external issuance and/or sale of ordinary shares and/or savings shares from the Lagged Reporting Date up to the relevant Interest Payment Date;

Prior Adjusted Capital Amount means the Adjusted Capital Amount as at the Reporting Date indicated in the applicable Final Terms;

Prior Adjusted Equity Amount means the Adjusted Equity Amount as at the Reporting Date indicated in the applicable Final Terms;

Relevant Reporting Period means the number of consecutive six-month periods ending on the Lagged Reporting Date as indicated in the applicable Final Terms;

Relevant Percentage means the percentage indicated in the applicable Final Terms; and

Reporting Date means 30 June or 31 December in any year.

3.4 *Arrears of Interest*

Any unpaid amounts of interest that have been deferred pursuant to Condition 3.1 (*Optional Deferral of Interest*) or Condition 3.2 (*Mandatory Deferral of Interest*) will constitute arrears of interest (**Deferred Interest**). Deferred Interest does not accrue interest.

3.5 *Notice of Interest Deferral*

- (a) The Issuer shall give not less than five days' prior notice to the Paying Agents and to the Noteholders in accordance with Condition 15 (*Notices*) of any Interest Payment Date on which, pursuant to the provisions of Condition 3.1 (*Optional Deferral of Interest*), it elects to defer interest and such notice shall include a confirmation of the Issuer's entitlement to defer interest, together with details of the amount of interest to be deferred on such Interest Payment Date and the amount of interest (if any) to be paid on such Interest Payment Date.
- (b) The Issuer shall give notice to the Paying Agents and to the Noteholders in accordance with Condition 15 (*Notices*) of any Interest Payment Date on which, pursuant to the provisions of Condition 3.2 (*Mandatory Deferral of Interest*), it is required to defer interest and such notice shall include a confirmation of the Issuer's obligation to defer, together with details of the amount of interest to be deferred on such Interest

Payment Date. Such notice shall be given by the Issuer as soon as reasonably practicable and, in any event, no later than ten days following the relevant Interest Payment Date on which interest is deferred.

3.6 Settlement of Arrears of Interest

(a) Optional payment of Deferred Interest

Deferred Interest may, at any time at the option of the Issuer, be paid in whole or in part, provided that the Lead Regulator has given and has not withdrawn its prior consent to payment of the relevant amounts (to the extent such prior consent is required at the time in accordance with then applicable regulations in order for the Notes to qualify as regulatory capital).

(b) Mandatory payment of Deferred Interest

Deferred Interest shall become due and payable on the earliest of:

- (x) the Interest Payment Date following upon the occurrence of a Deferred Interest Mandatory Payment Event, unless the Issuer is otherwise required to defer interest in accordance with Condition 3.2 (*Mandatory Deferral of Interest*);
- (y) the date fixed for the early redemption of the Notes pursuant to Condition 7.2 (*Redemption for tax reasons*), Condition 7.3 (*Redemption at the option of the Issuer (Issuer Call)*), Condition 7.4 (*Optional Redemption due to a Regulatory Event*) or Condition 7.5 (*Optional Redemption due to a Rating Event*); or
- (z) the date on which any winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of UnipolSai is commenced or on which the Issuer becomes subject to a liquidation order,

provided that the Lead Regulator has given and has not withdrawn its prior consent to payment of the relevant amounts (to the extent such prior consent is required at the time in accordance with then applicable regulations in order for the Notes to qualify as regulatory capital).

Deferred Interest Mandatory Payment Events means any of the following events:

- (i) UnipolSai makes payment in part or in respect of amounts of interest on or in relation to any other *pari passu* claims (other than Permitted Distributions);
- (ii) dividends or other distributions on any Relevant Securities of UnipolSai have been declared or paid (other than Permitted Distributions), unless such declaration, payment or distribution is itself mandatory in accordance with the terms and conditions of such security;
- (iii) any Relevant Securities of UnipolSai are redeemed, repurchased or acquired by UnipolSai or any of its Subsidiaries (other than Permitted Repurchases), unless redeemed, repurchased or acquired below par;
- (iv) where the Relevant Trigger Event as a result of which Deferred Interest has been deferred is a Solvency Capital Event, such Solvency Capital Event has been cured and payment of Deferred Interest will not lead to a Solvency Capital Event; or
- (v) where the Relevant Trigger Event as a result of which Deferred Interest has been deferred is a Trigger Event C, such Trigger Event C has been cured and payment of Deferred Interest will not lead to Trigger Event C.

Relevant Securities means the Junior Securities and the Parity Securities.

4. Interest

4.1 *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable – subject to the provisions of Condition 3.1 (*Optional Deferral of Interest*) and Condition 3.2 (*Mandatory Deferral of Interest*) – in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

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

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

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

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

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

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

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

number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(b) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

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

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

4.2 Interest on Reset Notes

(a) *Initial Interest Provisions*

Reset Notes bear interest from, and including, the Interest Commencement Date to, but excluding, the Reset Date (or, if there is more than one Reset Period, the first Reset Date occurring after the Issue Date), at the Initial Rate of Interest payable – subject to the provisions of Condition 3.1 (*Optional Deferral of Interest*) and Condition 3.2 (*Mandatory Deferral of Interest*) – in arrear on the Interest Payment Date(s) specified in the Final Terms.

(b) *Interest Basis Reset Provisions*

The Notes will bear interest in respect of the Reset Period (or, if there is more than one Reset Period, each successive Reset Period thereafter) at the relevant Reset Rate (as will be determined by the Calculation Agent on the relevant Reset Determination Date in accordance with this Condition 4.2) payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) specified in the Final Terms.

Calculation Agent means the Agent or such other person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amounts as may be specified in the relevant Final Terms.

(c) *Accrual of interest*

Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 4.2 (as well after as before judgment) until 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 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).

As used in these Conditions:

Mid Swap 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 Maturity has the meaning specified in the Final Terms.

Mid Swap Rate means for any Reset Period the arithmetic 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 (a) has a term equal to the relevant Reset Period commencing on the relevant Reset Date; (b) 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 (c) has a floating leg based on the Mid Swap Benchmark Rate for the Mid Swap Maturity as specified in the Final Terms (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent).

Reference Bond means for any Reset Period a government security or securities issued by the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) selected by the Issuer on the advice of an investment bank of international repute as having an actual or interpolated maturity comparable with the relevant Reset Period that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the relevant Reset Period.

Reference Bond Price means, with respect to any Reset Determination Date (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations; or (B) if the Calculation Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations.

Reference Government Bond Dealer means each of five banks (selected by the Issuer on the advice of an investment bank of international repute), or their affiliates, which are (A) primary government securities dealers, and their respective successors; or (B) market makers in pricing corporate bond issues.

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and the relevant Reset Determination Date, the arithmetic average, as determined by the Calculation Agent, of the bid and offered prices for the relevant Reference Bond (expressed in each case as a percentage of its nominal amount) at or around the Reset Rate Time on the relevant Reset Determination Date quoted in writing to the Calculation Agent by such Reference Government Bond Dealer.

Reset Date(s) means the date(s) specified in the Final Terms.

Reset Determination Date means, for each Reset Period, the date as specified in the Final Terms falling on or before the commencement of such Reset Period on which the rate of interest applying during such Reset Period will be determined.

Reset Margin means the margin specified as such in the Final Terms.

Reset Period means the period from (and including) the first Reset Date to (but excluding) the Maturity Date (if any) if there is only one Reset Period or, if there is more than one Reset Period, each period from (and including) one Reset Date (or the first Reset Date) to (but excluding) the next Reset Date up to (but excluding) the Maturity Date (if any).

Reset Rate for any Reset Period means the sum of (i) the applicable Reset Reference Rate and (ii) the applicable Reset Margin (rounded down to four decimal places, with 0.00005 being rounded down).

Reset Rate Screen Page has the meaning specified in the Final Terms.

Reset Rate Time has the meaning specified in the Final Terms.

Reset Reference Rate means either:

- (A) if "Mid Swaps" is specified in the Final Terms, the Mid Swap Rate displayed on the Reset Rate Screen Page at or around the Reset Rate Time on the relevant Reset Determination Date for such Reset Period; or
- (B) if "Reference Bond" is specified in the Final Terms, the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the relevant Reference Bond, assuming a price for such Reference Bond (expressed as a percentage of its nominal amount) equal to the relevant Reference Bond Price.

(d) *Reset Rate Screen Page*

If the Reset Rate Screen Page is not available, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reset Reference Rate at approximately the Reset Rate Time on the Reset Determination Date in question if two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Reset Rate for the relevant Reset Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the applicable Reset Margin (if any), 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 an offered quotation as provided in the foregoing provisions of this Condition 4.2, the Reset Rate shall be determined as at the last preceding Reset Determination Date or, in the case of the first Reset Determination Date, the Reset Rate shall be the Initial Rate of Interest.

For the purpose of this Condition 4.2, **Reference Banks** means four (or, if the Principal Financial Centre is Helsinki, five) major banks selected by the Calculation Agent in the swap, money, securities or other market most closely connected with the Reset Reference Rate.

(e) *Calculation of Interest Amount*

The Calculation Agent will calculate the Interest Amount payable on the Reset Notes for each relevant period (in the case of Interest Periods falling after the Reset Date, as soon as practicable after the time at which the Reset Reference Rate is to be determined in relation to such Reset Interest Period) by applying the Initial Rate of Interest or the applicable Reset Rate (as the case may be) to the Calculation Amount and multiplying the product by the relevant Day Count Fraction (as defined in Condition 4.1 (*Interest on Fixed Rate Notes*)) and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a **sub-unit** means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent. Where the Specified Denomination of a Note comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

(f) *Publication*

The Calculation Agent will cause the Reset Rate and each Interest Amount for each Reset Period to be notified to the Issuer, the Paying Agents and each competent authority, stock exchange and/or quotation

system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders.

4.3 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable – subject to the provisions of Condition 3.1 (*Optional Deferral of Interest*) and Condition 3.2 (*Mandatory Deferral of Interest*) in arrear on either:

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

Such interest will be payable in respect of each Interest Period.

In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date);

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

- (A) in any case where Specified Periods are specified in accordance with Condition 4.3(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred;
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day;
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions:

Business Day means a day which is both:

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

(b) *Rate of Interest*

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

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), ISDA Rate for an **Interest Period** means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as calculation agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

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

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

Calculation Agent means the Agent or such other person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amounts as may be specified in the relevant Final Terms.

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

(ii) Screen Rate Determination for Floating Rate Notes

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

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

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

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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

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

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

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

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

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

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

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

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 4.3:

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

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

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

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

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

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

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

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

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

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

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

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

- "M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;
- "M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- "D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and
- "D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;
- (vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

- "Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;
- "Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- "M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;
- "M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- "D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and
- "D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(e) *Linear Interpolation*

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

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

(f) *Notification of Rate of Interest and Interest Amounts*

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 15 (*Notices*) as soon as possible after their determination but in no event later than the fourth Luxembourg Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 15 (*Notices*). For the purposes of this paragraph, the expression **Luxembourg Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Luxembourg.

4.4 *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of Condition 4.2 (*Interest on Reset Notes*) or Condition 4.3 (*Interest on Floating Rate Notes*), by the Calculation Agent shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.5 *Accrual of interest*

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

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*).

5. Initial and Post-Call Interest Provisions

- (a) This Condition 5 applies to Notes in respect of which the applicable Final Terms state (a) Issuer Call and (b) Initial and Post-Call Interest Provisions apply.
- (b) The Notes bear interest from and including the Issue Date to but excluding the Optional Redemption Date (Call) at the Initial Rate of Interest payable, subject as provided in these Conditions, in arrear on the Initial Interest Payment Date(s), in each case as specified in the Final Terms.
- (c) If the Issuer does not redeem the Notes in accordance with Condition 7.3 (*Redemption at the option of the Issuer (Issuer Call)*) on the Optional Redemption Date (Call), the Notes will bear interest for each Interest Period falling after the Optional Redemption Date (Call) at such Rate of Interest (Post-Call) as will be indicated in the relevant Final Terms payable, subject as provided in these Conditions, in arrear on each Interest Payment Date falling after the Optional Redemption Date (Call).

6. Payments

6.1 Method of payment

Subject as provided below:

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

Payments will be subject in all cases to: (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

6.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 6.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 9 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

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

such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

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

6.3 *Payments in respect of Global Notes*

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

6.4 *General provisions applicable to payments*

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

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

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

6.5 *Payment Day*

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 10 (*Prescription*)) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):
 - (i) in the case of Notes in definitive form only, in the relevant place of presentation;

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

6.6 *Interpretation of principal and interest*

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

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

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

Early Redemption Amount means, as applicable, the Early Redemption Amount (Tax), Early Redemption Amount (Regulatory), Early Redemption Amount (Rating) or Early Redemption Amount (Enforcement Event).

7. **Redemption and Purchase**

7.1 *Redemption at Maturity*

- (a) Unless previously redeemed or purchased and cancelled, the Notes will – subject to the provisions of Condition 8 (*Conditions for redemption*) – be redeemed at their Final Redemption Amount together with accrued interest by the Issuer in the relevant Specified Currency on the Maturity Date.
- (b) The Notes may not be redeemed at the option of Noteholders.

Final Redemption Amount means the amount specified in the applicable Final Terms.

7.2 *Redemption for tax reasons*

- (a) The Notes may, subject to the provisions of Condition 8 (*Conditions for redemption*), be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 15 (*Notices*), to the Noteholders (which notice shall – subject to the provisions of Condition 8 (*Conditions for redemption*) and Condition 7.9 (*Authorisation*) – be irrevocable), if:

- (i) (x) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and (y) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
- (ii) (x) deductibility of interest payable by the Issuer in respect of the Notes is materially reduced for income tax purposes as a result of any change in, or amendment to, the laws or regulations or applicable accounting standards of the Tax Jurisdiction, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issuance of the Notes; and (y) such non-deductibility cannot be avoided by the Issuer taking reasonable measures available to it,

(each of (A) and (B) a **Tax Event**),

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or, in the case of (B), the Issuer is unable to deduct such amounts for income tax purposes.

- (b) Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders: (i) a certificate signed by a duly authorised representative of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts or, in the case of (B), the Issuer is unable to deduct such amounts for income tax purposes, in each case, as a result of such change or amendment.
- (c) Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount (Tax) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Early Redemption Amount (Tax) means the amount specified in the applicable Final Terms (where if Make Whole Amount is specified, it shall have the meaning given in Condition 7.6 (*Early Redemption Amounts*) below), provided that if the Issuer Call is specified in the applicable Final Terms as being applicable and the scheduled redemption date of the Notes falls on or after the Optional Redemption Date (Call), the Early Redemption Amount (Tax) shall equal the Optional Redemption Amount.

- (d) Any redemption pursuant to this Condition 7.2 shall not occur during the Restricted Period if the right to such early redemption during such period would prevent the Notes from qualifying as at least Tier 2 Own Funds.

Restricted Period means the period that commences on the date of implementation of the Future Regulations and ending on the date that falls on the fifth anniversary of the Issue Date.

7.3 *Redemption at the option of the Issuer (Issuer Call)*

- (a) This Condition 7.3 applies to Notes only and if Issuer Call is specified in the applicable Final Terms as being applicable.
- (b) If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, subject to the prior approval of the Lead Regulator, if applicable, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders (which

notice shall – subject to the provisions of Condition 8 (*Conditions for redemption*) and Condition 7.9 (*Authorisation*) – be irrevocable and shall specify the date fixed for redemption), redeem all but not some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

Optional Redemption Date means each date indicated as such in the applicable Final Terms, the first such date being the **Optional Redemption Date (Call)**.

Optional Redemption Amount means the amount specified in the applicable Final Terms.

7.4 *Optional Redemption due to a Regulatory Event*

- (a) This Condition 7.4 applies to Notes only and if Regulatory Event is specified in the applicable Final Terms as being applicable.
- (b) If at any time UnipolSai determines that a Regulatory Event has occurred with respect to the Notes, such Notes will be redeemable in whole but not in part at the option of the Issuer (but subject to the prior approval of the Lead Regulator, if applicable), at any time (if this Note is not a Floating Rate Note or if the Floating Rate interest provisions do not apply in respect of the Interest Period in which the date fixed for redemption falls) or on any Interest Payment Date (if this Note is a Floating Rate Note or if the Floating Rate interest provisions apply in respect of the Interest Period in which the date fixed for redemption falls), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 15 (*Notices*), to the Noteholders (which notice shall – subject to the provisions of Condition 8 (*Conditions for redemption*) and Condition 7.9 (*Authorisation*) – be irrevocable).

Regulatory Event means that:

- (i) UnipolSai is no longer subject to the consolidated regulatory supervision of the Lead Regulator;
- (ii) UnipolSai is subject to the consolidated regulatory supervision of the Lead Regulator and is not permitted under the applicable rules and regulations adopted by the Lead Regulator, or an official application or interpretation of those rules and regulations including a decision of any court or tribunal at any time whilst any of the Notes are outstanding to treat the Notes (in whole or in part) as own funds for the purposes of the determination of its Required Solvency Margin under Italian Legislation on Solvency Margin prior to implementation of Future Regulations;
- (iii) the Lead Regulator issues new or amended requirements for available own funds eligible to meet up to 25 per cent. of solvency margin, or issues new or amended Tier 2 Capital Requirements, and subsequently notifies UnipolSai that the Notes (in whole or in part) do not meet such requirements (including, for the avoidance of doubt, where the Lead Regulator has previously notified UnipolSai that the Notes do meet such requirements); or
- (iv) under Italian Legislation on Solvency Margin following implementation of the Future Regulations, the Notes (in whole or in part) do not qualify as Tier 2 basic own-funds,

except where, in each case (ii), (iii) or (iv), this is merely the result of exceeding any then applicable limits on the inclusion of the Notes as own funds to meet up to 25 per cent. of the Solvency Margin or as Tier 2 basic own-funds, as the case may be;

- (c) Notes redeemed pursuant to this Condition 7.4 will be redeemed at their Early Redemption Amount (Regulatory) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Early Redemption Amount (Regulatory) means the amount specified in the applicable Final Terms (where, if Make Whole Amount is specified, it shall have the meaning given in Condition 7.6 (*Early Redemption Amounts*) below), provided that if the Issuer Call is specified in the applicable Final Terms as being applicable and the scheduled redemption date of the Notes falls on or after the Optional Redemption Date (Call), the Early Redemption Amount (Regulatory) shall equal the Optional Redemption Amount.

- (d) Any redemption pursuant to this Condition 7.4 shall not occur during the Restricted Period if the right to such early redemption during such period would prevent the Notes from qualifying as at least Tier 2 Own Funds.

7.5 *Optional Redemption due to a Rating Event*

- (a) This Condition 7.5 applies to Notes only and if Rating Event is specified in the applicable Final Terms as being applicable.
- (b) If at any time UnipolSai determines that a Rating Event has occurred with respect to the Notes, such Notes will be redeemable in whole but not in part at the option of the Issuer (but subject to the prior approval of the Lead Regulator, if applicable), at any time (if this Note is not a Floating Rate Note or if the Floating Rate interest provisions do not apply in respect of the Interest Period in which the date fixed for redemption falls) or on any Interest Payment Date (if this Note is a Floating Rate Note or if the Floating Rate interest provisions apply in respect of the Interest Period in which the date fixed for redemption falls), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 15 (*Notices*), to the Noteholders (which notice shall – subject to the provisions of Condition 8 (*Conditions for redemption*) and Condition 7.9 (*Authorisation*) – be irrevocable).

A **Rating Event** shall be deemed to have occurred if there is a change in the rating methodology (or the interpretation thereof) by a recognised international statistical rating organisation as such methodology is in effect on the Issue Date (the **current methodology**), and, as a consequence of such change, the capital treatment of the Notes as obtained upon issuance by such organisation for the Issuer shall be amended in such a way that is, in the reasonable opinion of the Issuer, materially unfavourable.

Prior to the publication of any notice of redemption pursuant to this Condition 7.5, the Issuer shall deliver or procure that there is delivered to the Agent a written communication from the relevant international statistical rating organisation confirming the change in the current methodology and a certificate signed by a duly authorised representative of the Issuer stating that the circumstances described in the definition of Rating Event have occurred.

- (c) Notes redeemed pursuant to this Condition 7.5 will be redeemed at their Early Redemption Amount (Rating) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Early Redemption Amount (Rating) means the amount specified in the applicable Final Terms (where if Make Whole Amount is specified, it shall have the meaning given in Condition 7.6 (*Early Redemption Amounts*) below), provided that if the Issuer Call is specified in the applicable Final Terms as being applicable and the scheduled redemption date of the Notes falls on or after the Optional Redemption Date (Call), the Early Redemption Amount (Rating) shall equal the Optional Redemption Amount.

- (d) Any redemption pursuant to this Condition 7.5 shall not occur during the Restricted Period if the right to such early redemption during such period would prevent the Notes from qualifying as at least Tier 2 Own Funds.

7.6 *Early Redemption Amounts*

In relation to any early redemption of Notes pursuant to Condition 7.2 (*Redemption for tax reasons*), Condition 7.4 (*Optional Redemption due to a Regulatory Event*) or Condition 7.5 (*Optional Redemption*

due to a Rating Event), the Early Redemption Amount (Tax), the Early Redemption Amount (Regulatory) or, as the case may be, the Early Redemption Amount (Rating) – if specified in the Final Terms to be the **Make Whole Amount** – shall be an amount calculated by the Calculation Agent equal to the higher of (x) 100 per cent. of the principal amount outstanding of the Notes to be redeemed; and (y) the sum of the present values of the principal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Note (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual basis (assuming a 360-day year consisting of twelve 30-day months or, in the case of an incomplete month, the number of days elapsed) at the Reference Bond Rate, plus the Redemption Margin,

where:

FA Selected Bond means a government security or securities selected by the Calculation Agent as having an actual or interpolated maturity comparable with the remaining term to the first Optional Redemption Date of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term to the first Optional Redemption Date of the Notes.

Redemption Margin shall be as set out in the applicable Final Terms.

Redemption Date means the date fixed for redemption of the Notes in accordance with Condition 7.2 (*Redemption for tax reasons*), Condition 7.4 (*Optional Redemption due to a Regulatory Event*) or Condition 7.5 (*Optional Redemption due to a Rating Event*), as the case may be.

Reference Bond shall be as set out in the applicable Final Terms or the FA Selected Bond.

Reference Bond Price means, with respect to any date of redemption: (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such Redemption Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations; or (B) if the Calculation Agent obtains fewer than five such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations.

Reference Bond Rate means, with respect to any Redemption Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such Redemption Date.

Reference Date will be set out in the relevant notice of redemption.

Reference Government Bond Dealer means each of five banks selected by the Issuer or the Guarantor which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues.

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and any Redemption Date, the arithmetic average, as determined by the Calculation Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the Final Terms on the Reference Date quoted in writing to the Calculation Agent by such Reference Government Bond Dealer.

Remaining Term Interest means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest (assuming each such scheduled interest payment to be due in full) on such Note for the remaining term to the first Optional Redemption Date of such Note determined on the basis of the rate of interest applicable to such Note from and including the Redemption Date.

7.7 *Purchases*

The Issuer or any of its Subsidiary may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Where permitted by applicable law and regulation, all Notes purchased pursuant to this Condition 7.7 may be cancelled or held, reissued or resold at the discretion of the relevant purchaser.

7.8 *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 7.7 (*Purchases*) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

7.9 *Authorisation*

Any redemption provided for by Condition 7.2 (*Redemption for tax reasons*), Condition 7.3 (*Redemption at the option of the Issuer (Issuer Call)*), Condition 7.4 (*Optional Redemption due to a Regulatory Event*) or Condition 7.5 (*Optional Redemption due to a Rating Event*) and any purchase provided for by Condition 7.7 (*Purchases*) above shall be subject to any prior authorisation and the satisfaction of any condition and/or formalities which may be required by any applicable law then in force, including authorisation from any authority supervising the business of the Issuer.

In particular, if the Italian Legislation on Solvency Margin provides that subordinated debt securities may be taken into account for the calculation of any relevant solvency margin, solvency requirement or adjusted solvency only if the terms and conditions of the relevant subordinated debt securities include a provision to the effect that authorisation from a supervisory authority must be obtained prior to the redemption or purchase of the relevant debt securities, the granting of such authorisation (which authorisation shall remain in full force and effect and not have been subsequently revoked before the proposed redemption date or, as the case may be, proposed repurchase date) shall, together with the satisfaction and completion of any requisite conditions and/or formalities, be (a) condition(s) precedent to the redemption of the Notes on the proposed redemption date or, as the case may be, proposed repurchase of the Notes on the proposed repurchase date.

For the purpose of this Condition 7.9:

authorisation means consent, authorisation, approval, leave or permit; and

law includes any law, act of Parliament, regulation, ruling, circular, letter or any official application or interpretation of the above, including a holding of a court of competent jurisdiction.

8. **Conditions for redemption**

- (a) The redemption of the Notes on the Maturity Date pursuant to Condition 7.1 (*Redemption at Maturity*) and any redemption of the Notes pursuant to Condition 7.2 (*Redemption for tax reasons*), Condition 7.3 (*Redemption at the option of the Issuer*), Condition 7.4 (*Optional Redemption due to a Regulatory Event*) or Condition 7.5 (*Optional Redemption due to a Rating Event*) on the date fixed for redemption is subject to the following conditions (**Conditions for Redemption**):
- (i) the prior approval of the Lead Regulator has been obtained if so required under legislation applicable to the Notes at the relevant time;
 - (ii) if the redemption takes place following implementation of the Future Regulations, no Solvency Capital Event has occurred and/or is continuing, and such redemption would not itself result in a

Solvency Capital Event, unless the Conditions for Waiver of Suspension of Redemption are satisfied.

Conditions for Waiver of Suspension of Redemption mean each of the conditions which must be satisfied by a basic own-fund item classified as Tier 2 Own Funds under Italian Legislation on Solvency Margin following implementation of the Future Regulations, in order to allow for the redemption of that item notwithstanding there is non-compliance with the Solvency Capital Requirement or its redemption would lead to such non-compliance. These conditions shall include: (aa) the Lead Regulatory has exceptionally waived the suspension of redemption of the Notes; and (bb) such other conditions as will be laid down in the Future Regulations (which may include (x) the exchange of the Notes for another Tier 1 or Tier 2 basic own-fund item of at least the same quality; and (y) compliance with the Minimum Capital Requirement after the redemption).

- (b) In case the conditions (to the extent applicable) set out above are not satisfied, redemption of the Notes shall be suspended and the Notes shall be redeemed:
 - (A) as soon as practicable following the day on which the relevant conditions are satisfied; or, if earlier,
 - (B) the date on which voluntary or involuntary winding up proceedings are instituted in respect of the Issuer in accordance with, as the case may be, (aa) a resolution of the shareholders' meeting of the Issuer; (bb) any provision of the by-laws of the Issuer (the duration of UnipolSai is, subject to any extension, currently set at 31 December 2050); or (cc) any applicable legal provision, or any decision of any jurisdictional or administrative authority.
- (c) The Issuer shall forthwith give notice to the Fiscal Agent and the Noteholders in accordance with Condition 15 (*Notices*) below of: (i) any suspension of redemption pursuant to this Condition 8; and (ii) following any such suspension, the date on which the Notes shall be redeemed in accordance with subparagraph (A) or (B) above.

9. Taxation

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

- (a) presented for payment in the Republic of Italy;
- (b) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon;
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.5 (*Payment Day*));
- (d) where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;

- (e) 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 or Coupon to another Paying Agent in a Member State of the European Union;
- (f) presented for payment by or on behalf of a holder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority;
- (g) presented for payment by or on behalf of a non-Italian resident, to the extent that interest or any other amounts is paid to a non-Italian resident which is resident in a country which does not allow for a satisfactory exchange of information with the Republic of Italy;
- (h) for or on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996 (Decree No. 239) as amended and/or supplemented or any regulations implementing or complying with such Decree; or
- (i) where such withholding or deduction is required pursuant to Sections 1471 through 1471 of the Code, any laws, regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein:

- (i) **Tax Jurisdiction** means the Republic of Italy and/or such other taxing jurisdiction to which the Issuer becomes subject or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 10 (*Prescription*).

10. Prescription

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 (*Presentation of definitive Notes and Coupons*) or any Talon which would be void pursuant to Condition 6.2 (*Presentation of definitive Notes and Coupons*).

11. Enforcement Event

If an order is made by any competent court or resolution is passed for the winding-up or dissolution of the Issuer, otherwise than for the purpose of: (i) a Permitted Reorganisation; or (ii) a reorganisation on terms previously approved by an Extraordinary Resolution (as defined in the Agency Agreement) (an **Enforcement Event**), then any holder of a Note may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (Enforcement Event) indicated in the Final Terms, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

Permitted Reorganisation means any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind, restructuring or reconstruction whilst solvent or other similar arrangements (including, without limitation, leasing of the assets or going concern) of the Issuer which is part of a related sequence of events whereby, during or upon completion of the sequence, all or substantially all of the assets and liabilities of the Issuer, including the rights and obligations of the Issuer under or in respect of the Notes, the Agency Agreement and the Deed of Covenant, will be assumed in accordance with applicable law by a Person which, immediately after such assumption, is a member of the group consisting of the Issuer and its consolidated Subsidiaries, which, in any such case, does not result in a Ratings Downgrade;

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

Rating Agencies means Moody's Investors Services Inc (**Moody's**), Standard & Poor's Rating Services, a division of the McGraw Hill Companies Inc. (**S&P**) and Fitch Ratings (**Fitch**), or any of their successors;

A **Ratings Downgrade** will be deemed to have occurred if, immediately prior to a Reorganisation Period, the Notes carry:

- (a) an investment grade credit rating (BBB-/Baa3/BBB-, or equivalent, or better) from any Rating Agency and such rating is, during the Reorganisation Period, either downgraded to a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse) or withdrawn and such rating is not, within the Reorganisation Period, subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by the relevant Rating Agency or (in the case of a withdrawal) replaced by an investment grade credit rating from any other Rating Agency;
- (b) a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse) from any Rating Agency and such rating is, during the Reorganisation Period, either downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) or withdrawn and such rating is not, within the Reorganisation Period, subsequently (in the case of a downgrade) upgraded by such Rating Agency to a credit rating that is equivalent or better to the credit rating that was applicable immediately prior to the Reorganisation Period or (in the case of a withdrawal) replaced by a credit rating from any other Rating Agency that is equivalent to or better than the credit rating that was applicable immediately prior to the Reorganisation Period; or
- (c) no credit rating and no Rating Agency assigns to the Notes within 60 days of the end of the Reorganisation Period a credit rating that is equivalent to or better than the Issuer's credit rating from any one or more Rating Agencies immediately prior to the Reorganisation Period;

Reorganisation Period shall mean the period from the date of the first public announcement of an agreement, arrangement or proposal that could result in any event or transaction described in paragraphs (a) and (b) of the definition of Permitted Reorganisation until the end of a 60-day period following public notice of the completion of the relevant transaction (or such longer period as the rating of the Notes is under publicly announced consideration for rating review); and

Subsidiary means, in respect of any Person (the **first Person**) at any particular time, any other Person (the **second Person**):

- (a) if a majority of votes in ordinary shareholders' meetings of the second Person is held by the first Person;
- (b) in which the first Person holds a sufficient number of votes to give it a dominant influence in ordinary shareholders' meetings of the second Person; or

- (c) which is under the dominant influence of the first Person by virtue of certain contractual relationships between the first Person and the second Person,

pursuant to the provisions of Article 2359 of the Italian Civil Code.

12. Replacement of Notes Coupons and Talons

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

13. Paying Agents

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

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

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (d) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.4 (*General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders in accordance with Condition 15 (*Notices*).

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

14. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10 (*Prescription*).

15. Notices

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

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg. Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

16. Meetings of Noteholders

16.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution (as defined in the Agency Agreement) of the Notes, the Coupons, any of these Conditions or any of the provisions of the Agency Agreement.

In relation to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution (as defined in the Agency Agreement), the following provisions shall apply in respect of the Notes but are subject to compliance with mandatory laws, legislation, rules and regulations of Italy (including, without limitation, Legislative Decree No. 58 of 24 February 1998 as amended) and the by-laws of the Issuer in force from time to time and shall be deemed to be amended, replaced and supplemented to the extent that such laws, legislation, rules and regulations and the by-laws of the Issuer are amended at any time while the Notes remain outstanding. Italian law currently provides that any such meeting may be convened by the Issuer or the Noteholders' Representative (as defined below) at their discretion and, in any event, shall be convened by either of them upon the request of Noteholders holding not less than one-twentieth of the aggregate principal amount of the Notes of any Series for the time being outstanding. If the Issuer or the Noteholders' Representative defaults in convening such a meeting following such request or requisition by the Noteholders representing not less than one-twentieth of aggregate principal amount of the Notes of any Series for the time being outstanding, the same may be convened by decision of the competent Court upon request by such Noteholders. Every such meeting shall be held at such time and place as provided pursuant to Article 2363 of the Italian Civil Code.

Such a meeting will be validly held (subject to compliance with mandatory laws, legislation, rules and regulations of Italy in force from time to time) if (i) in the case of a sole call meeting, there are one or more

persons present being or representing Noteholders holding at least one-fifth of the principal amount of the outstanding Notes, or (ii) in the case of multiple call meetings, (a) in the case of a first meeting, there are one or more persons present being or representing Noteholders holding at least one-half of the aggregate principal amount of the outstanding Notes, (b) in the case of a second meeting, there are one or more persons present being or representing Noteholders holding more than one-third of the aggregate principal amount of the outstanding Notes and (c) in the case of a third meeting or any subsequent meeting following a further adjournment, there are one or more persons present being or representing Noteholders holding at least one-fifth of the aggregate principal amount of the outstanding Notes, provided however that the Issuer's by-laws may in each case (to the extent permitted under the applicable Italian law) provide for a higher quorum. For the avoidance of doubt, each meeting will be held as a sole call meeting or as a multiple call meeting depending on the applicable provisions of Italian law and the Issuer's by-laws as applicable from time to time. The majority required to pass a resolution at any meeting convened to vote on any resolution will be one or more persons holding or representing at least two-thirds of the aggregate principal amount of the Notes represented at the meeting; provided, however, that (A) certain proposals, as set out in Article 2415 of the Italian Civil Code (including any proposal to modify the maturity of the Notes or the dates on which interest is payable on them; to reduce or cancel the principal amount of, or interest on, the Notes; or to change the currency of payment of the Notes) may only be sanctioned by a resolution passed at a meeting of Noteholders (including any adjourned meeting) by the higher of (i) one or more persons holding or representing not less than one-half of the aggregate principal amount of the outstanding Notes, and (ii) one or more persons holding or representing not less than two-thirds of the Notes represented at the meeting, provided that a different majority (higher or lower depending on the circumstances and the amount of Notes represented at the meeting) may be required pursuant to Article 2369 paragraph 7 of the Italian Civil Code, and (B) the Issuer's by-laws may in each case (to the extent permitted under applicable Italian law) provide for higher majorities. An Extraordinary Resolution (as defined in the Agency Agreement) passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

16.2 *Noteholder's Representative*

A joint representative of the Noteholders (*rappresentante comune*) (the **Noteholders' Representative**), subject to applicable provisions of Italian law, will be appointed pursuant to Article 2417 of the Italian Civil Code in order to represent the Noteholders' interests under these Conditions and to give effect to resolutions passed at a meeting of the Noteholders. If the Noteholders' Representative is not appointed by a meeting of such Noteholders, the Noteholders' Representative shall be appointed by a decree of the competent Court where the Issuer has its registered office at the request of one or more Noteholders or at the request of the directors of the Issuer. The Noteholders' Representative shall remain appointed for a maximum period of three years but may be reappointed again thereafter.

16.3 *Modification*

The Conditions may not be amended without the prior approval of the Lead Regulator. The Notes, these Conditions and the Deed of Guarantee may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

16.4 *Modification and/or Exchange following a Regulatory Event, Tax Event or Rating Event*

- (a) This Condition 16.4 applies to Notes only and if the Modification Provisions and/or Exchange Provisions are specified in the applicable Final Terms as being applicable.
- (b) Where a Regulatory Event, a Tax Event or a Rating Event stated in the relevant Final Terms as applicable, for the purposes of this Condition 16.4, to the Notes has occurred and is continuing, then the Issuer may, without any requirement for the consent or approval of the Noteholders:

- (A) where the Final Terms state that Modification Provisions are applicable, modify the terms of the Notes to the extent that such modification is reasonably necessary to ensure that no such Regulatory Event, Tax Event or, as applicable, Rating Event would exist after such modification; and
- (B) where the Final Terms state that Exchange Provisions are applicable, exchange all (but not some only) of the Notes for Qualifying Securities so that (x) where the relevant event that has occurred is a Regulatory Event, the aggregate nominal amount of the Qualifying Securities is treated under Italian Legislation on Solvency Margin as, prior to the implementation of Future Regulations, own funds available to meet up to 25 per cent. of solvency margin and following implementation of Future Regulations, as at least Tier 2 Own Funds, or (y) where the relevant event that has occurred is a Tax Event or Rating Event, such event no longer applies in relation to the Qualifying Securities,

in each case, provided that, following such modification or, as applicable, exchange:

- (i) the terms and conditions of, in the case of subparagraph (A) above, the Notes, as so modified (the **modified Notes**) or, in the case of subparagraph (B) above, the Qualifying Securities, are – in the Issuer's reasonable determination after having consulted an independent investment bank of international standing – no more prejudicial to Noteholders than the terms and conditions applicable to the Notes prior to such modification or exchange (the **existing Notes**) *provided that* any modification may be made in accordance with subparagraphs (ii) to (iv) below and any such modification or, as applicable, any exchange of existing Notes for securities that meet the requirements set out in subparagraphs (ii) to (iv) below (**Qualifying Securities**), shall not constitute a breach of this subparagraph (i);
- (ii) either the person having the obligations of the Issuer under the modified Notes or, as applicable, Qualifying Securities (x) continues to be the Issuer, or (y) is substituted in accordance with Condition 18 (*Substitution*);
- (iii) the modified Notes or, as applicable, Qualifying Securities rank at least equal to the existing Notes prior to such modification or exchange and feature the same tenor, principal amount, at least the same interest rates (including applicable margins), the same interest payment dates and first call date (if any) (except for any early redemption rights analogous to redemption rights under the existing Notes (if any) for Regulatory Event, Tax Event or Rating Event), the same existing rights to any accrued interest, any arrears of interest and any other amounts payable under the Notes as the existing Notes prior to such modification or exchange; and
- (iv) the modified Notes or, as applicable, Qualifying Securities continue to be listed on a regulated market (for the purposes of the Markets in Financial Instruments Directive 2004/39/EC) 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, Tax Event or, as applicable, Rating Event),

and provided further that:

- (1) UnipolSai obtains approval of the proposed modification or exchange from the Lead Regulator (if such approval is required) or gives prior written notice (if such notice is required to be given) to the Lead Regulator and, following the expiry of all relevant statutory time limits, the Lead Regulator is no longer entitled to object or impose changes to the proposed modification or exchange;
- (2) the modification or exchange does not give rise to a change in any published rating of the existing Notes in effect at such time (to the extent the existing Notes were rated prior to the occurrence of such Regulatory Event, Tax Event or, as applicable, Rating Event);

- (3) the modification or exchange does not give rise to any right on the part of the Issuer to exercise any option to redeem the modified Notes or the Qualifying Securities that does not already exist prior to such modification or exchange, without prejudice to the provisions under Condition 7.3 (*Redemption at the option of the Issuer (Issuer Call)*);
- (4) the Issuer has delivered to the Agent a certificate, substantially in the form shown in the Agency Agreement, signed by a duly authorised representative of the Issuer stating that conditions (i) to (iv) and (1) to (3) above have been complied with, such certificate to be made available for inspection by Noteholders; and
- (5) in the case of any proposed modifications or an exchange owing to a Tax Event, the Issuer has delivered to the Agent an opinion of independent legal advisers of recognised standing to the effect that the Tax Event can be avoided by the proposed modifications or exchange.

In connection with any modification or exchange as indicated in this Condition 16.4, 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.

17. Further Issues

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

18. Substitution

The Issuer may, at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons, any duly incorporated Subsidiary of the Issuer (each a **Substituted Debtor**) as Issuer (the **Substitution**), subject to the following:

- (a) immediately prior to the Substitution, no payment in respect of the Notes and the Coupons being overdue and no Enforcement Event having occurred and being continuing in respect of the Notes and the Coupons;
- (b) the execution by the Substituted Debtor and, where applicable, by the other parties to the Agency Agreement and the Deed of Covenant, of a deed poll and such other documents (if any) as may be necessary to give full effect to the Substitution (together, the **Documents**) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder and Couponholder to be bound by these Conditions, the Deed of Covenant and the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes, the Deed of Covenant and the Agency Agreement as the principal debtor in respect of the Notes in place of the Issuer;
- (c) the execution by the Issuer of a deed of guarantee (the **Guarantee**), substantially in the form attached to the Agency Agreement, in favour of the Noteholders and Couponholders in respect of all the obligations of the Substituted Debtor under the Notes and the Coupons;
- (d) the agreement by the Substituted Debtor in the Documents to indemnify each Noteholder and Couponholder against:
 - (i) any tax, duty, assessment or governmental charge which is imposed on such Noteholder and Couponholder by (or by any authority in or of) in the Republic of Italy with respect to any Note or Coupon and which would not have been so imposed had the Substitution not been made; and

- (ii) any tax, duty, assessment or governmental charge, and any cost or expense payable in connection with the Substitution;
- (e) the Documents containing a representation and warranty by each of the Issuer and the Substituted Debtor that:
 - (i) it is validly incorporated and in good standing under the laws of its jurisdiction of incorporation;
 - (ii) it has obtained all necessary governmental and regulatory approvals and consents for the Substitution and for the performance of its obligations under the Documents and that all such approvals and consents are in full force and effect;
 - (iii) all other actions, conditions and things required to be taken, fulfilled and done to ensure that the Documents, the Notes and the Coupons (and, in the case of the Issuer, the Guarantee) and the obligations assumed by it thereunder represent legal, valid and binding obligations of the Substituted Debtor or the Issuer, as the case may be, enforceable by each Noteholder and Couponholder in accordance with their respective terms and subject to applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally, have been taken, fulfilled and done and are in full force and effect; and
 - (iv) the Noteholders and Couponholders will not become subject to any tax, duty, assessment, governmental charge or other adverse tax consequences as a result of the Substitution, except as may be subject to the indemnity provided for in Condition 18(d) above;
- (f) the delivery of legal opinion(s) addressed to the Agent, to be made available upon request to the Noteholders and Couponholders, from a lawyer or firm(s) of lawyers with a leading securities practice in the Republic of Italy, confirming that (i) the conditions contained in Conditions 18(b), 18(c), 18(d) and 18(e) above have been fulfilled and (ii) the Documents and the Guarantee, where applicable, constitute legal, valid, binding and enforceable obligations of each of the Issuer and the Substituted Debtor and that each of the Issuer and the Substituted Debtor has the power to enter into and perform the obligations to be assumed by it pursuant to the Documents and the Guarantee, to the extent applicable to it;
- (g) confirmation from the relevant stock exchange (if any) that, following the proposed Substitution, the Notes will continue to be listed on such stock exchange;
- (h) the giving by the Issuer of at least 14 days' prior notice of the Substitution to the Noteholders, in accordance with Condition 15 (*Notices*), stating that "copies, or, pending execution, the agreed text, of all documents in relation to the Substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents";
- (i) if the existing Notes were rated by a Rating Agency prior to the Substitution, written confirmation from such Rating Agency that, after giving effect to the Substitution, (i) the Notes shall continue to be rated the same as immediately prior to the Substitution or (ii) in the case of Notes which have not been assigned a credit rating, the relevant Substituted Debtor or the Notes will be assigned at least the same credit rating as the credit rating of the Issuer immediately prior to whichever is the earlier of (I) the Substitution, (II) the first public announcement of the Substitution or (III) the first public announcement of any proposal, agreement or arrangement that resulted, directly or indirectly, in the Substitution; and

- (j) the delivery to the Agent of a certificate of solvency of the Substituted Debtor addressed to the Noteholders and signed by two directors of the Substituted Debtor.

By subscribing to, or otherwise acquiring, the Notes, the Noteholders expressly consent to the substitution of the Issuer in accordance with the provisions of this Condition 18 and to the release of the Issuer from any and all obligations in respect of the Notes and any relevant agreements and are expressly deemed to have accepted such substitution and the consequences thereof.

19. Contracts (Rights of Third Parties) Act 1999

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

20. Governing Law and Submission to Jurisdiction

20.1 *Governing law*

The Agency Agreement, the Deed of Covenant, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, except that the provisions concerning the status of the Notes shall be governed by Italian law.

Condition 16 (*Meetings of Noteholders*) and the provisions of the Agency Agreement concerning the meetings of Noteholders and the appointment of a Noteholders' Representative in respect of any Series of Notes are subject to compliance with the laws of the Republic of Italy.

20.2 *Submission to jurisdiction*

- (a) Subject to Condition 20.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 20.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction, and (ii) concurrent proceedings in any number of jurisdictions.

20.3 *Appointment of Process Agent*

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

TERMS AND CONDITIONS OF UNDATED SUBORDINATED NOTES

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

This Note is one of a Series (as defined below) of Notes issued by UnipolSai Assicurazioni S.p.A. (**UnipolSai** or the *Issuer*) pursuant to the Agency Agreement (as defined below).

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

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

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 10 June 2014 and made between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**) for the purposes of this Note. References to the applicable Final Terms are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

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

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the **Deed of Covenant**) dated 10 June 2014 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing at the registered office of the Issuer and of the Agent and copies may be obtained from those offices save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

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

1. Form, Denomination and Title

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

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

Definitive Notes are issued with Coupons attached.

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

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions Noteholder and holder of Notes and related expressions shall be construed accordingly.

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

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

2. Status of the Notes

2.1 Subordination

The Notes and any relative Coupons are direct, unconditional, subordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and:

- (a) junior to (x) any Senior Notes and any other unsubordinated obligations of the Issuer (including policyholders of the Issuer); and (y) any subordinated obligations of the Issuer having a specified maturity date (including Dated Subordinated Notes) and any other subordinated obligations of the Issuer which – but for any applicable limitation on the amount of such capital – are eligible for a regulatory treatment (a) before implementation of the Future Regulations, of up to 25 per cent. of the Required Solvency Margin (or such other fraction of the Required Solvency Margin as will apply to dated instruments or liabilities, as opposed to perpetual instruments or liabilities) or (b) after implementation of the Future Regulations, as Tier 2 Own Funds (or whatever the terminology employed by the Future Regulations), including as a result of grandfathering;
- (b) at least equally with all other subordinated obligation of the Issuer which – but for any applicable limitation on the amount of such capital – are eligible for a regulatory treatment (a) before implementation of the Future Regulations, of up to 50 per cent. of the Required Solvency Margin (or such other fraction of the Required Solvency Margin as will apply to perpetual instruments or liabilities, as opposed to dated instruments or liabilities) or (b) after implementation of the Future Regulations, as Tier 1 Own Funds (or whatever the terminology employed by the Future Regulations), including as a result of grandfathering;
- (c) senior to the Issuer's payment obligations in respect of any Junior Securities,

in each case, save for certain obligations required to be preferred by law.

Dated Subordinated Notes means subordinated notes issued by UnipolSai that have a specified maturity date and are expressed to be Dated Subordinated Notes in the relevant Final Terms.

Future Regulations means the solvency margin, regulatory capital or capital regulations (if any) to be introduced in Italy in implementation of the Solvency II Directive and which are applicable to UnipolSai.

Italian Legislation on Solvency Margin means provisions of Italian law in force from time to time governing the instruments or liabilities taken into account in calculating the Solvency Margin.

Junior Securities means (a) all classes of share capital of UnipolSai (including all categories of savings shares and any preference shares); (b) any preferred securities or similar instruments issued by the Issuer which ranks or are expressed to rank junior to the Notes; or (c) any preferred securities or similar instruments issued by a Subsidiary of the Issuer which have the benefit of a guarantee or similar instrument from UnipolSai, which guarantee or instrument ranks or are expressed to rank junior to the Notes.

Lead Regulator means the *Istituto per la Vigilanza sulle Assicurazioni* (IVASS), or any successor entity of IVASS, or any other competent lead regulator to which UnipolSai becomes subject.

Omnibus II Directive means Directive 2014/51/EC of the European Parliament and of the Council of 16 April 2014 amending Directives 2003/71/EC and 2009/138/EC and Regulations (EC) No. 1060/2009, (EU) No. 1094/2010 and (EU) No. 1095/2010 in respect of the powers of the European Supervisory

Authority (European Insurance and Occupational Pensions Authority) and the European Supervisory Authority (European Securities and Markets Authority).

Senior Notes means unsubordinated notes issued by UnipolSai that are expressed to be Senior Notes in the relevant Final Terms.

Solvency II Directive means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking up and pursuit of the business of insurance and reinsurance (Solvency II), as amended by the Omnibus II Directive and any applicable implementing provisions.

Solvency Margin means UnipolSai's consolidated and non-consolidated solvency margins (*margine di solvibilità*), determined pursuant to the rules of the Lead Regulator.

Required Solvency Margin means the Solvency Margin(s) required from time to time by the Lead Regulator under Italian Legislation on Solvency Margin (*margine di solvibilità richiesto*), as defined in article 2(1)(i) of ISVAP Regulation no. 19 of 14 March 2008.

Tier 1 Own Funds means own funds which have the necessary features to be classified as Tier 1 (or whatever the terminology employed by the Future Regulations) under the Future Regulations.

Tier 2 Own Funds means own funds which have the necessary features to be classified as Tier 2 (or whatever the terminology employed by the Future Regulations) under the Future Regulations.

2.2 Waiver of set off

Each Noteholder and Couponholder unconditionally and irrevocably waives any right of set-off, counterclaim, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising from, the Notes or the Coupons.

3. Deferral of Interest

3.1 Optional Deferral of Interest

- (a) This Condition 3.1 shall apply if the applicable Final Terms state Optional Deferral of Interest applies.
- (b) The Issuer may elect, by giving notice to the Noteholders pursuant to Condition 3.5 (*Notice of Interest Deferral*) below, to defer payment of all (or some only) of the interest accrued to an Interest Payment Date in respect of the Notes if the Optional Deferral Conditions are met on such Interest Payment Date.

Optional Deferral Conditions shall be met on an Interest Payment Date if a Relevant Trigger Event(s) indicated in the relevant Final Terms for the purposes of optional deferral of interest under this Condition 3.1 has occurred with reference to such Interest Payment Date.

- (c) If the Issuer elects to defer an interest payment pursuant to this Condition 3.1 (*Optional Deferral of Interest*), it shall not have any obligation to make such interest payment on the relevant Interest Payment Date and the failure to pay such interest shall not constitute a default of the Issuer or any other breach of obligations under the Conditions or for any purpose.

3.2 Mandatory Deferral of Interest

- (a) This Condition 3.2 shall apply to Notes in respect of which the applicable Final Terms state Mandatory Deferral of Interest applies.
- (b) The Issuer shall, by giving notice to the Noteholders pursuant to Condition 3.5 (*Notice of Interest Deferral*) below, defer payment of all of the interest accrued to an Interest Payment Date in respect of the Notes if the Mandatory Deferral Conditions are met on such Interest Payment Date.

Mandatory Deferral Conditions shall be met on an Interest Payment Date if a Relevant Trigger Event(s) indicated in the relevant Final Terms for the purposes of mandatory deferral of interest under this Condition 3.2 has occurred with reference to such Interest Payment Date.

- (c) If the Issuer is required to defer an interest payment pursuant to this Condition 3.2 as a result of a Solvency Capital Event, it will be required to defer accrued interest (and arrears of interest, if any) that would be due on successive Interest Payment Date(s) until such time that the Solvency Capital Event has been cured and the payment of interest would not lead to a Solvency Capital Event.
- (d) Notwithstanding the provisions of paragraphs (b) and (c) above, the Issuer may pay interest accrued to an Interest Payment Date (and arrears of interest, if any) which, but for this paragraph (d), it is required to defer, provided that the following conditions are satisfied:
 - (i) the Lead Regulator has consented to the payment of such interest (or has authorised waiver of its deferral), if and to the extent that the then applicable regulations provide that the deferral of interest may be waived by the Lead Regulator; and
 - (ii) the payment does not further weaken the solvency position of the Issuer.

Such interest payment shall be made on the relevant Interest Payment Date or, if later, on the date notified by the Issuer to the Noteholders forthwith after it has obtained the Lead Regulator's consent referred to in sub-(i).

- (e) If the Issuer is required to defer an interest payment pursuant to this Condition 3.2 (*Mandatory Deferral of Interest*), it shall not have any obligation to make such interest payment on the relevant Interest Payment Date, and the failure to pay such interest shall not constitute a default of the Issuer or any other breach of obligations under the Conditions or for any purpose.

3.3 **Relevant Trigger Events**

For the purposes of Condition 3.1 (*Optional Deferral of Interest*) and Condition 3.2 (*Mandatory Deferral of Interest*):

- (a) **Relevant Trigger Events** means the Trigger Events indicated in the applicable Final Terms as being the Relevant Trigger Events for the purpose of optional deferral of interest under Condition 3.1 (*Optional Deferral of Interest*) or mandatory deferral of interest under Condition 3.2 (*Mandatory Deferral of Interest*), and **Relevant Trigger Event** means any one of such events or, if only one Trigger Event is indicated in the applicable Final Terms, such Trigger Event.
- (b) **Trigger Event** means Trigger Event A, Trigger Event B or, as the case may be, Trigger Event C.
- (c) **Trigger Event A** shall be deemed to have occurred with reference to an Interest Payment Date:
 - (i) if during the Look Back Period:
 - 1. no dividend or other distribution has been declared, made or approved or set aside for payment in respect of any Relevant Securities (other than a Permitted Distribution); **and**
 - 2. neither UnipolSai nor any of its Subsidiaries has redeemed, repurchased or acquired any Relevant Securities (other than a Permitted Repurchase); or
 - (ii) if and to the extent that during the Look Back Period a partial distribution has been declared, made, approved or set aside for payment in respect of any Relevant Securities (provided that in this case, interest on the Notes shall be deferred only partially and in the

same proportion that the distribution on such Parity Security bears to the full amount of distribution scheduled to be paid on such Parity Security),

in each case, save for any declaration, payment or distribution on, or redemption, repurchase or acquisition of, Relevant Securities which is itself mandatory in accordance with the terms and conditions of such security or any redemption, repurchase or acquisition made below par, where:

Look Back Period means, as indicted in the applicable Final Terms, either Look Back Period A or Look Back Period B;

Look Back Period A means the 6-month (or 3-month for Relevant Securities (other than shares) where remuneration is paid every 3 months) period prior to the relevant Interest Payment Date;

Look Back Period B means the 12-month (or 6-month or 3-month, respectively, for Relevant Securities (other than shares) where remuneration is paid every 6 months or 3 months, respectively) period prior to the relevant Interest Payment Date;

Relevant Securities means the Junior Securities and the Parity Securities;

Junior Securities means (a) all classes of share capital of UnipolSai (including all categories of savings shares and any preference shares); (b) any preferred securities or similar instruments issued by the Issuer which ranks or are expressed to rank junior to the Notes; or (c) any preferred securities or similar instruments issued by a Subsidiary of the Issuer which have the benefit of a guarantee or similar instrument from UnipolSai, which guarantee or instrument ranks or are expressed to rank junior to the Notes;

Parity Securities means (a) any subordinated note or bond issued by the Issuer, preferred or preference shares or other securities issued by the Issuer which rank or are expressed to rank equally with the Notes; (b) any subordinated note or bond issued by the Issuer, preferred or preference shares or other securities issued by a Subsidiary of the Issuer which have the benefit of a guarantee or similar instrument from the Issuer, which guarantee or instrument ranks or are expressed to rank equally with the Notes;

Permitted Distribution means payment of interest on any Parity Security or on any *pari passu* claim rateably and in proportion to the respective amounts as at such Interest Payment Date of (x) accrued and unpaid interest on such Parity Security or, as the case may be, such *pari passu* claim, on the one hand; and (z) accrued and unpaid interest on the Notes, on the other hand;

Permitted Repurchase means any redemption, repurchase or other acquisition relating to or as a result of (1) any redemption, repurchase or other acquisition of Relevant Securities held by any member of the UnipolSai Group; (2) a reclassification of the equity share capital of UnipolSai or any of its Subsidiaries, or the exchange or conversion of one class or series of equity share capital of UnipolSai or any of its Subsidiaries for another class or series of equity share capital; (3) the purchase of fractional interests in the share capital of UnipolSai or any of its Subsidiaries pursuant to the conversion or exchange provisions of such security being converted or exchanged; (4) any redemption or other acquisition of Junior Securities of UnipolSai in connection with a levy or execution for satisfaction of a claim by UnipolSai or any of its Subsidiaries; or (5) any redemption or other acquisition of Junior Securities of UnipolSai in connection with the satisfaction by UnipolSai or any of its Subsidiaries of obligations under any employee benefit plan or similar arrangement;

- (d) **Trigger Event B** shall be deemed to have occurred with reference to an Interest Payment Date if:

- (A) a Solvency Capital Event has occurred and such Solvency Capital Event will be continuing on such Interest Payment Date, or would be caused by the payment by the Issuer of interest and/or arrears of interest on the relevant date; or
- (B) payment of the relevant interest and/or arrears of interest would result in the Issuer becoming insolvent in accordance with provisions of the relevant insolvency laws and rules and regulations thereunder (including any applicable decision of a court) applicable to the Issuer from time to time.

A **Solvency Capital Event** is deemed to have occurred if

- (i) the Solvency Margin of UnipolSai, on a consolidated or non-consolidated basis, as calculated in accordance with applicable laws and regulations, and either (x) as reported to the Lead Regulator; or (y) as determined by the Lead Regulator and communicated to UnipolSai, falls below the Required Solvency Margin; or
 - (ii) the Lead Regulator has given (and has not withdrawn) notice to UnipolSai that it has determined that UnipolSai's financial and solvency condition is deteriorating in such a manner that its Solvency Margin is likely to fall below the Required Solvency Margin in the short term.
- (e) **Trigger Event C** shall be deemed to have occurred with reference to an Interest Payment Date if UnipolSai at any time suffers losses (also taking into account profits and losses relating to previous financial years) which would result in the Solvency Margin being reduced below the Required Solvency Margin and a deferral of the obligations of the Issuer to make payments in respect of interest on the Notes is required pursuant to article 17(2)(c) of ISVAP Regulation no. 19 of 14 March 2008 and article 45(8)(e) of Italian Legislative Decree no. 209 of 7 September 2005 to enable UnipolSai to continue to carry on its activities in accordance with applicable regulatory requirements.

3.4 *Arrears of Interest*

Any unpaid amounts of interest that have been deferred pursuant to Condition 3.1 (*Optional Deferral of Interest*) or Condition 3.2 (*Mandatory Deferral of Interest*) will constitute arrears of interest (**Deferred Interest**). Deferred Interest does not accrue interest.

3.5 *Notice of Interest Deferral*

- (a) The Issuer shall give not less than 5 days prior notice to the Paying Agents and to the Noteholders in accordance with Condition 15 (*Notices*) of any Interest Payment Date on which, pursuant to the provisions of Condition 3.1 (*Optional Deferral of Interest*), it elects to defer interest and such notice shall include a confirmation of the Issuer's entitlement to defer interest, together with details of the amount of interest to be deferred on such Interest Payment Date and the amount of interest (if any) to be paid on such Interest Payment Date.
- (b) The Issuer shall give notice to the Paying Agents and to the Noteholders in accordance with Condition 15 (*Notices*) of any Interest Payment Date on which, pursuant to the provisions of Condition 3.2 (*Mandatory Deferral of Interest*), it is required to defer interest and such notice shall include a confirmation of the Issuer's obligation to defer, together with details of the amount of interest to be deferred on such Interest Payment Date. Such notice shall be given by the Issuer as soon as reasonably practicable and, in any event, no later than 10 days following the relevant Interest Payment Date on which interest is deferred.

3.6 Settlement of Arrears of Interest

3.6.1 Optional payment of Deferred Interest

Deferred Interest may, at any time at the option of the Issuer, be paid in whole or in part, provided that the Lead Regulator has given and has not withdrawn its prior consent to payment of the relevant amounts (to the extent such prior consent is required at the time in accordance with then applicable regulations in order for the Notes to qualify as regulatory capital).

3.6.2 Mandatory payment of Deferred Interest

Deferred Interest shall become due and payable on the earliest of:

- (x) the Interest Payment Date following upon the occurrence of a Deferred Interest Mandatory Payment Event, unless the Issuer is otherwise required to defer interest in accordance with Condition 3.2 (*Mandatory Deferral of Interest*);
- (y) the date fixed for the early redemption of the Notes pursuant to Condition 8.2 (*Redemption for tax reasons*), Condition 8.3 (*Redemption at the option of the Issuer (Issuer Call)*), Condition 8.4 (*Optional Redemption due to a Regulatory Event*) or Condition 8.5 (*Optional Redemption due to a Rating Event*); or
- (z) the date on which any winding up, dissolution, liquidation or bankruptcy (including, *inter alia*, *Liquidazione Coatta Amministrativa*) of UnipolSai is commenced or on which the Issuer becomes subject to a liquidation order,

provided that the Lead Regulator has given and has not withdrawn its prior consent to payment of the relevant amounts (to the extent such prior consent is required at the time in accordance with then applicable regulations in order for the Notes to qualify as regulatory capital).

Deferred Interest Mandatory Payment Events means any of the following events:

- (i) UnipolSai makes payment in part or in respect of amounts of interest on or in relation to any other *pari passu* claims (other than Permitted Distributions);
- (ii) dividends or other distributions on any Relevant Securities of UnipolSai have been declared or paid (other than Permitted Distributions), unless such declaration, payment or distribution is itself mandatory in accordance with the terms and conditions of such security;
- (iii) any Relevant Securities of UnipolSai are redeemed, repurchased or acquired by UnipolSai or any of its Subsidiaries (other than Permitted Repurchases), unless redeemed, repurchased or acquired below par; or
- (iv) where the Relevant Trigger Event as a result of which Deferred Interest has been deferred is a Solvency Capital Event, such Solvency Capital Event has been cured and payment of Deferred Interest will not lead to a Solvency Capital Event; or
- (v) where the Relevant Trigger Event as a result of which Deferred Interest has been deferred is a Trigger Event C, such Trigger Event C has been cured and payment of Deferred Interest will not lead to Trigger Event C.

Relevant Securities means the Junior Securities and/or the Parity Securities, as stated in the applicable Final Terms.

4. Loss Absorption

- (a) This Condition 4 applies to Notes in respect of which the applicable Final Terms state Loss Absorption applies.
- (b) To the extent that UnipolSai at any time suffers losses (also taking into account profits and losses relating to previous financial years) which would result in the Solvency Margin being reduced below the Required Solvency Margin (a **Solvency Margin Event**), the principal amount of the Notes shall be available to absorb losses in accordance with article 17(2)(c) of ISVAP Regulation no. 19 of 14 March 2008 and article 45(8)(e) of Legislative Decree no. 209 of 7 September 2005, and, therefore, the payment obligations of the Issuer relating to the principal amount of the Notes will be suspended to the extent necessary to enable UnipolSai to continue to carry on its activities in accordance with applicable regulatory requirements. In any such case, interest will continue to accrue on the nominal value of the Notes.

The payment obligations of the Issuer relating to the principal amount of the Notes will be reinstated (in priority to any Junior Securities of UnipolSai and on a *pari passu* basis with any Parity Securities and *pari passu* claims of UnipolSai), as if such payment obligations had not been so suspended:

- (i) in whole, in the event of winding up, dissolution, liquidation or bankruptcy (including, inter alia, *liquidazione coatta amministrativa*) of UnipolSai and with effect immediately prior to the commencement of such winding up, dissolution, liquidation or bankruptcy (including, inter alia, *liquidazione coatta amministrativa*); and
 - (ii) in whole, in the event of early redemption of the Notes pursuant to Condition 8.2 (*Redemption for tax reasons*), Condition 8.3 (*Redemption at the option of the Issuer (Issuer Call)*), Condition 8.4 (*Optional Redemption due to a Regulatory Event*) or Condition 8.5 (*Optional Redemption due to a Rating Event*); and
 - (iii) in whole or in part, from time to time, to the extent that the Solvency Margin Event is no longer continuing and, therefore, the Solvency Margin is again at least equal to the Required Solvency Margin.
- (c) Amounts reinstated will become due and payable in accordance with these Conditions.
 - (d) The Issuer shall forthwith give notice of any suspension and/or reinstatement pursuant to this Condition 4 to the Noteholders in accordance with Condition 15 (*Notices*) below and such notice shall include a confirmation of the Issuer's entitlement to such suspension and/or reinstatement, together with details of the principal amounts to be so suspended and/or reinstated.

5. Interest

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable – subject to the provisions of Condition 3.1 (*Optional Deferral of Interest*), Condition 3.2 (*Mandatory Deferral of Interest*) and Condition 4 (*Loss Absorption*) - in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

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

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

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

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

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

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with Condition 5.1:

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

In the Conditions:

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

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

5.2 Interest on Reset Notes

(a) Initial Interest Provisions

Reset Notes bear interest from and including the Interest Commencement Date to but excluding the Reset Date (or, if there is more than one Reset Period, the first Reset Date occurring after the Issue Date), at the Initial Rate of Interest payable, – subject to the provisions of Condition 3.1 (*Optional Deferral of Interest*), Condition 3.2 (*Mandatory Deferral of Interest*) and Condition 4 (*Loss Absorption*) - in arrear on the Interest Payment Date(s) specified in the Final Terms.

(b) Interest Basis Reset Provisions

The Notes will bear interest in respect of the Reset Period (or, if there is more than one Reset Period, each successive Reset Period thereafter) at the relevant Reset Rate (as will be determined by the Calculation Agent on the relevant Reset Determination Date in accordance with this Condition 5.2) payable, subject as provided in these Conditions, in arrear on the Interest Payment Date(s) specified in the Final Terms.

Calculation Agent means the Agent or such other person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amounts as may be specified in the relevant Final Terms.

(c) Accrual of interest

Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5.2 (as well after as before judgment) until 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).

As used in these Conditions:

Mid Swap 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 Maturity has the meaning specified in the Final Terms.

Mid Swap Rate means for any Reset Period the arithmetic 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 (a) has a term equal to the relevant Reset Period commencing on the relevant Reset Date; (b) 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 (c) has a floating leg based on the Mid Swap Benchmark Rate for the Mid Swap Maturity as specified in the Final Terms (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Calculation Agent).

Reference Bond means for any Reset Period a government security or securities issued by the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) selected by the Issuer on the advice of an investment bank of international repute as having an actual or interpolated maturity comparable with the relevant Reset Period that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the relevant Reset Period.

Reference Bond Price means, with respect to any Reset Determination Date, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations; or (B) if the Calculation Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations.

Reference Government Bond Dealer means each of five banks (selected by the Issuer on the advice of an investment bank of international repute), or their affiliates, which are (A) primary government securities dealers, and their respective successors; or (B) market makers in pricing corporate bond issues.

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and the relevant Reset Determination Date, the arithmetic average, as determined by the Calculation Agent, of the bid and offered prices for the relevant Reference Bond (expressed in each case as a percentage of its nominal amount) at or around the Reset Rate Time on the relevant Reset Determination Date quoted in writing to the Calculation Agent by such Reference Government Bond Dealer.

Reset Date(s) means the date(s) specified in the Final Terms.

Reset Determination Date means, for each Reset Period, the date as specified in the Final Terms falling on or before the commencement of such Reset Period on which the rate of interest applying during such Reset Period will be determined.

Reset Margin means the margin specified as such in the Final Terms.

Reset Period means the period from (and including) the first Reset Date to (but excluding) the Maturity Date (if any) if there is only Reset Period or, if there is more than one Reset Period, each period from (and including) one Reset Date (or the first Reset Date) to (but excluding) the next Reset Date up to (but excluding) the Maturity Date (if any).

Reset Rate for any Reset Period means the sum of (i) the applicable Reset Reference Rate and (ii) the applicable Reset Margin (rounded down to four decimal places, with 0.00005 being rounded down).

Reset Rate Screen Page has the meaning specified in the Final Terms.

Reset Rate Time has the meaning specified in the Final Terms.

Reset Reference Rate means either:

- (A) if "Mid Swaps" is specified in the Final Terms, the Mid Swap Rate displayed on the Reset Rate Screen Page at or around the Reset Rate Time on the relevant Reset Determination Date for such Reset Period; or

- (B) if "Reference Bond" is specified in the Final Terms, the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the relevant Reference Bond, assuming a price for such Reference Bond (expressed as a percentage of its nominal amount) equal to the relevant Reference Bond Price.

(d) *Reset Rate Screen Page*

If the Reset Rate Screen Page is not available, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reset Reference Rate at approximately the Reset Rate Time on the Reset Determination Date in question if two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Reset Rate for the relevant Reset Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the applicable Reset Margin (if any), 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 an offered quotation as provided in the foregoing provisions of this Condition, the Reset Rate shall be determined as at the last preceding Reset Determination Date or, in the case of the first Reset Determination Date, the Reset Rate shall be the Initial Rate of Interest.

For the purpose of this Condition 5.2, **Reference Banks** means four (or, if the Principal Financial Centre is Helsinki, five) major banks selected by the Calculation Agent in the swap, money, securities or other market most closely connected with the Reset Reference Rate.

(e) *Calculation of Interest Amount*

The Calculation Agent will calculate the Interest Amount payable on the Reset Notes for each relevant period (in the case of Interest Periods falling after the Reset Date, as soon as practicable after the time at which the Reset Reference Rate is to be determined in relation to such Reset Interest Period) by applying the Initial Rate of Interest or the applicable Reset Rate (as the case may be) to the Calculation Amount and multiplying the product by the relevant Day Count Fraction (as defined in Condition 5.1) and rounding the resulting figure to the nearest sub-unit of the Specified currency (half a sub-unit being rounded upwards). For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent. Where the Specified Denomination of a Note comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

(f) *Publication*

The Calculation Agent will cause the Reset Rate and each Interest Amount for each Reset Period to be notified to the Issuer, the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders.

5.3 *Interest on Floating Rate Notes*

(a) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable – subject to the provisions of Condition 3.1 (*Optional Deferral of Interest*), Condition 3.2 (*Mandatory Deferral of Interest*) and Condition 4 (*Loss Absorption*) – in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

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

Such interest will be payable in respect of each Interest Period.

In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date);

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

- (A) in any case where Specified Periods are specified in accordance with Condition 5.3(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions,

Business Day means a day which is both:

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

(b) *Rate of Interest*

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

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), ISDA Rate for an **Interest Period** means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as calculation agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

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

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

Calculation Agent means the Agent or such other person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amounts as may be specified in the relevant Final Terms.

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

(ii) Screen Rate Determination for Floating Rate Notes

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

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

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

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of subparagraph (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

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

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

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

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

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

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

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

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

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.3:

- (i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

- (iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(e) *Notification of Rate of Interest and Interest Amounts*

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 15 (*Notices*) as soon as possible after their determination but in no event later than the fourth Luxembourg Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 15 (*Notices*). For the purposes of this paragraph, the expression **Luxembourg Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Luxembourg.

5.4 *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of Condition 5.2 (*Interest on Reset Notes*) or Condition 5.3 (*Interest on Floating Rate Notes*), by the Calculation Agent shall (in the absence of wilful default, bad faith, manifest error or proven error) be binding on the Issuer, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.5 *Accrual of interest*

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

- (a) the date on which all amounts due in respect of such Note have been paid; and

- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*).

6. Initial and Post-Call Interest Provisions

- (a) This Condition 6 applies to Notes in respect of which the applicable Final Terms state (a) Issuer Call and (b) Initial and Post-Call Interest Provisions apply.
- (b) The Notes bear interest from and including the Issue Date to but excluding the Optional Redemption Date (Call) at the Initial Rate of Interest payable, subject as provided in these Conditions, in arrear on the Initial Interest Payment Date(s), in each case as specified in the Final Terms.
- (c) If the Issuer does not redeem the Notes in accordance with Condition 8.3 (*Redemption at the option of the Issuer (Issuer Call)*) on the Optional Redemption Date (Call), the Notes will bear interest for each Interest Period falling after the Optional Redemption Date (Call) at such Rate of Interest (Post-Call) as will be indicated in the relevant Final Terms payable, subject as provided in these Conditions, in arrear on each Interest Payment Date falling after the Optional Redemption Date (Call).

7. Payments

7.1 Method of payment

Subject as provided below:

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

Payments will be subject in all cases to: (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*); and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

7.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the

amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 9 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

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

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

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

7.3 *Payments in respect of Global Notes*

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

7.4 *General provisions applicable to payments*

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

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

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

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

7.5 *Payment Day*

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 10 (*Prescription*)) is:

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

7.6 *Interpretation of principal and interest*

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

- (a) any additional amounts which may be payable with respect to principal under Condition 8 (*Redemption and Purchase*);
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount (if any) of the Notes; and
- (e) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Redemption and Purchase*).

Early Redemption Amount means, as applicable, the Early Redemption Amount (Tax), Early Redemption Amount (Regulatory), Early Redemption Amount (Rating) or Early Redemption Amount (Enforcement Event).

8. Redemption and Purchase

8.1 Redemption

- (a) The Notes are perpetual securities in respect of which there is no specified maturity date. Subject to the provisions of Condition 8.2 (*Redemption for tax reasons*), Condition 8.3 (*Redemption at the option of the Issuer (Issuer Call)*), Condition 8.4 (*Optional Redemption due to a Regulatory Event*) and Condition 8.5 (*Optional Redemption due to a Rating Event*), in each case, if stated in the applicable Final Terms to be applicable, the Notes will mature and will be redeemed at their Final Redemption Amount together with accrued interest by the Issuer in the relevant Specified Currency on the date on which voluntary or involuntary winding up proceedings are instituted in respect of the Issuer in accordance with, as the case may be, (aa) a resolution of the shareholders' meeting of the Issuer; (bb) any provision of the by-laws of the Issuer (the duration of UnipolSai is, subject to any extension, currently set at 31 December 2050); or (cc) any applicable legal provision, or any decision of any jurisdictional or administrative authority.
- (b) The Notes may not be redeemed at the option of Noteholders.

Final Redemption Amount means the amount specified in the applicable Final Terms.

8.2 Redemption for tax reasons

- (a) The Notes may, subject to the prior approval of the Lead Regulator, if applicable, be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall – subject to the provisions of Condition 8.9 (*Authorisation*) - be irrevocable), if:
 - (A) (x) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and (y) such obligation cannot be avoided by the Issuer taking reasonable measures available to it;
 - (B) (x) deductibility of interest payable by the Issuer in respect of the Notes is materially reduced for income tax purposes as a result of any change in, or amendment to, the laws or regulations or applicable accounting standards of the Tax Jurisdiction, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issuance of the Notes; and (2) such non-deductibility cannot be avoided by the Issuer taking reasonable measures available to it,

(each of (A) and (B), a **Tax Event**), provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due or, in the case of (B), the Issuer is unable to deduct such amounts for income tax purposes.

- (b) Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent to make available at its specified office to the Noteholders: (i) a certificate signed by a duly authorised representative of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts or, in the case of (B), the

Issuer is unable to deduct such amounts for income tax purposes, in each case, as a result of such change or amendment.

- (c) Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount (Tax) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Early Redemption Amount (Tax) means the amount specified in the applicable Final Terms (where if Make Whole Amount is specified, it shall have the meaning given in Condition 8.6 (*Early Redemption Amounts*) below), provided that if the Issuer Call is specified in the applicable Final Terms as being applicable and the scheduled redemption date of the Notes falls on or after the Optional Redemption Date (Call), the Early Redemption Amount (Tax) shall equal the Optional Redemption Amount.

8.3 *Redemption at the option of the Issuer (Issuer Call)*

- (a) This Condition 8.3 applies to Notes only and if Issuer Call is specified in the applicable Final Terms as being applicable.
- (b) If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, subject to the prior approval of the Lead Regulator, if applicable, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders (which notice shall – subject to the provisions of Condition 8.9 (*Authorisation*) - be irrevocable and shall specify the date fixed for redemption), redeem all but not some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

Optional Redemption Date means each date indicated as such in the applicable Final Terms, the first such date being the **Optional Redemption Date (Call)**.

Optional Redemption Amount means the amount specified in the applicable Final Terms.

8.4 *Optional Redemption due to a Regulatory Event*

- (a) This Condition 8.4 applies Notes only and if Regulatory Event is specified in the applicable Final Terms as being applicable.
- (b) If at any time UnipolSai determines that a Regulatory Event has occurred with respect to the Notes, such Notes will be redeemable in whole but not in part at the option of the Issuer (but subject to the prior approval of the Lead Regulator, if applicable), at any time (if this Note is not a Floating Rate Note or if the Floating Rate interest provisions do not apply in respect of the Interest Period in which the date fixed for redemption falls) or on any Interest Payment Date (if this Note is a Floating Rate Note or if the Floating Rate interest provisions apply in respect of the Interest Period in which the date fixed for redemption falls), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall – subject to the provisions of Condition 8.9 (*Authorisation*) - be irrevocable).

Regulatory Event means that:

- (i) UnipolSai is no longer subject to the consolidated regulatory supervision of the Lead Regulator;
or
- (ii) UnipolSai is subject to the consolidated regulatory supervision of the Lead Regulator and is not permitted under the applicable rules and regulations adopted by the Lead Regulator, or an official application or interpretation of those rules and regulations including a decision of any court or tribunal at any time whilst any of the Notes are outstanding to treat the Notes (in whole or in part)

as own funds for the purposes of the determination of its Required Solvency Margin under Italian Legislation on Solvency Margin prior to implementation of Future Regulations; or

- (iii) the Lead Regulator issues new or amended requirements for available own funds eligible to meet up to 50 per cent. of solvency margin and subsequently notifies UnipolSai that the Notes (in whole or in part) do not meet such requirements (including, for the avoidance of doubt, where the Lead Regulator has previously notified UnipolSai that the Notes do meet such requirements); or
- (iv) under Italian Legislation on Solvency Margin following implementation of the Future Regulations, the Notes (in whole or in part) fail to be grandfathered as Tier 1 basic own-funds or after having initially been grandfathered, subsequently cease to benefit from the grandfathering provisions other than as a result of the lapse of the grandfathering period,

except where, in each case (ii), (iii) or (iv) this is merely the result of exceeding any then applicable limits on the inclusion of the Notes as own funds to meet up to 50 per cent. of the Solvency Margin or as Tier 1 basic own-funds, as the case may be;

- (c) Notes redeemed pursuant to this Condition 8.4 will be redeemed at their Early Redemption Amount (Regulatory) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Early Redemption Amount (Regulatory) means the amount specified in the applicable Final Terms (where if Make Whole Amount is specified, it shall have the meaning given in Condition 8.6 (*Early Redemption Amounts*) below), provided that if the Issuer Call is specified in the applicable Final Terms as being applicable and the scheduled redemption date of the Notes falls on or after the Optional Redemption Date (Call), the Early Redemption Amount (Regulatory) shall equal the Optional Redemption Amount.

8.5 *Optional Redemption due to a Rating Event*

- (a) This Condition 8.5 applies to Notes only and if Rating Event is specified in the applicable Final Terms as being applicable.
- (b) If at any time UnipolSai determines that a Rating Event has occurred with respect to the Notes, such Notes will be redeemable in whole but not in part at the option of the Issuer (but subject to the prior approval of the Lead Regulator, if applicable), at any time (if this Note is not a Floating Rate Note or if the Floating Rate interest provisions do not apply in respect of the Interest Period in which the date fixed for redemption falls) or on any Interest Payment Date (if this Note is a Floating Rate Note or if the Floating Rate interest provisions apply in respect of the Interest Period in which the date fixed for redemption falls), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 15 (*Notices*), the Noteholders (which notice shall – subject to the provisions of Condition 8.9 (*Authorisation*) - be irrevocable).

A **Rating Event** shall be deemed to have occurred if there is a change in the rating methodology (or the interpretation thereof) by a recognized international statistical rating organisation as such methodology is in effect on the Issue Date (the **current methodology**), and as a consequence of such change, the capital treatment of the Notes as obtained upon issuance by such organisation for the Issuer shall be amended in such a way that is, in the reasonable opinion of the Issuer, materially unfavourable.

Prior to the publication of any notice of redemption pursuant to this Condition 8.5, the Issuer shall deliver or procure that there is delivered to the Agent a written communication from the relevant international statistical rating organisation confirming the change in the current methodology and a certificate signed by a duly authorised representative of the Issuer stating that the circumstances described in the definition of Rating Event have occurred.

- (c) Notes redeemed pursuant to this Condition 8.5 will be redeemed at their Early Redemption Amount (Rating) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Early Redemption Amount (Rating) means the amount specified in the applicable Final Terms (where if Make Whole Amount is specified, it shall have the meaning given in Condition 8.6 (*Early Redemption Amounts*) below), provided that if the Issuer Call is specified in the applicable Final Terms as being applicable and the scheduled redemption date of the Notes falls on or after the Optional Redemption Date (Call), the Early Redemption Amount (Rating) shall equal the Optional Redemption Amount.

8.6 Early Redemption Amounts

In relation to any early redemption of Notes pursuant to Condition 8.2 (*Redemption for tax reasons*), Condition 8.4 (*Optional Redemption due to a Regulatory Event*) or Condition 8.5 (*Optional Redemption due to a Rating Event*), the Early Redemption Amount (Tax), the Early Redemption Amount (Regulatory) or, as the case may be, the Early Redemption Amount (Rating) - if specified in the Final Terms to be the **Make Whole Amount** - shall be an amount calculated by the Calculation Agent equal to the higher of (x) 100 per cent. of the principal amount outstanding of the Notes to be redeemed; and (y) the sum of the present values of the principal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Note (exclusive of interest accrued to the date of redemption) and such present values shall be calculated by discounting such amounts to the date of redemption on an annual basis (assuming a 360-day year consisting of twelve 30-day months or, in the case of an incomplete month, the number of days elapsed) at the Reference Bond Rate, plus the Redemption Margin,

where:

FA Selected Bond means a government security or securities selected by the Calculation Agent as having an actual or interpolated maturity comparable with the remaining term to the first Optional Redemption Date of the Notes, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the remaining term to the first Optional Redemption Date of the Notes.

Redemption Margin shall be as set out in the applicable Final Terms.

Redemption Date means the date fixed for redemption of the Notes in accordance with Condition 8.2 (*Redemption for tax reasons*), Condition 8.4 (*Optional Redemption due to a Regulatory Event*) or Condition 8.5 (*Optional Redemption due to a Rating Event*), as the case may be.

Reference Bond shall be as set out in the applicable Final Terms or the FA Selected Bond.

Reference Bond Price means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such Redemption Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations; or (B) if the Calculation Agent obtains fewer than five such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations.

Reference Bond Rate means, with respect to any Redemption Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such Redemption Date.

Reference Date will be set out in the relevant notice of redemption.

Reference Government Bond Dealer means each of five banks selected by the Issuer or the Guarantor which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues.

Reference Government Bond Dealer Quotations means, with respect to each Reference Government Bond Dealer and any Redemption Date, the arithmetic average, as determined by the Calculation Agent, of

the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the Final Terms on the Reference Date quoted in writing to the Calculation Agent by such Reference Government Bond Dealer.

Remaining Term Interest means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest (assuming each such scheduled interest payment to be due in full) on such Note for the remaining term to the first Optional Redemption Date of such Note determined on the basis of the rate of interest applicable to such Note from and including the Redemption Date.

8.7 Purchases

The Issuer or any of its Subsidiary may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Where permitted by applicable law and regulation, all Notes purchased pursuant to this Condition 8.7 may be cancelled or held, reissued or resold at the discretion of the relevant purchaser.

8.8 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 8.7 (*Purchases*) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

8.9 Authorisation

Any redemption provided for by Condition 8.2 (*Redemption for tax reasons*), Condition 8.3 (*Redemption at the option of the Issuer (Issuer Call)*), Condition 8.4 (*Optional Redemption due to a Regulatory Event*) or Condition 8.5 (*Optional Redemption due to a Rating Event*) and any purchase provided for by Condition 8.7 (*Purchases*) above shall be subject to any prior authorisation and the satisfaction of any condition and/or formalities which may be required by any applicable law then in force, including authorisation from any authority supervising the business of the Issuer.

In particular, if the Italian Legislation on Solvency Margin provides that subordinated debt securities may be taken into account for the calculation of any relevant solvency margin, solvency requirement or adjusted solvency only if the terms and conditions of the relevant subordinated debt securities include a provision to the effect that authorisation from a supervisory authority must be obtained prior to the redemption or purchase of the relevant debt securities, the granting of such authorisation (which authorisation shall remain in full force and effect and not have been subsequently revoked before the proposed redemption date or, as the case may be, proposed repurchase date) shall (save for, to the extent permitted by applicable laws and regulations, any redemption in the circumstances set out in Condition 8.1(a)), together with the satisfaction and completion of any requisite conditions and/or formalities, be (a) condition(s) precedent to the redemption of the Notes on the proposed redemption date or, as the case may be, proposed repurchase of the Notes on the proposed repurchase date.

For the purpose of this Condition 8.9:

authorisation means consent, authorisation, approval, leave or permit; and

law includes any law, act of Parliament, regulation, ruling, circular, letter or any official application or interpretation of the above, including a holding of a court of competent jurisdiction.

9. Taxation

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

- (a) presented for payment in the Republic of Italy;
- (b) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon;
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.5);
- (d) where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (e) 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 or Coupon to another Paying Agent in a Member State of the European Union;
- (f) presented for payment by or on behalf of a holder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority;
- (g) presented for payment by or on behalf of a non-Italian resident, to the extent that interest or any other amounts is paid to a non-Italian resident which is resident in a country which does not allow for a satisfactory exchange of information with the Republic of Italy;
- (h) for or on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239 of 1 April 1996 (Decree No. 239) as amended and/or supplemented or any regulations implementing or complying with such Decree; or
- (i) where such withholding or deduction is required pursuant to Sections 1471 through 1474 of the Code, any laws, regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein:

- (i) **Tax Jurisdiction** means the Republic of Italy and/or such other taxing jurisdiction to which the Issuer becomes subject or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received,

notice to that effect is duly given to the Noteholders in accordance with Condition 10 (*Prescription*).

10. Prescription

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7.2 (*Presentation of definitive Notes and Coupons*) or any Talon which would be void pursuant to Condition 7.2 (*Presentation of definitive Notes and Coupons*).

11. Enforcement Event

If an order is made by any competent court or resolution is passed for the winding-up or dissolution of the Issuer, otherwise than for the purpose of (i) a Permitted Reorganisation; or (ii) a reorganisation on terms previously approved by an Extraordinary Resolution (as defined in the Agency Agreement) (an **Enforcement Event**), then any holder of a Note may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (Enforcement Event) indicated in the Final Terms, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

Permitted Reorganisation means any reorganisation, amalgamation, merger, demerger, consolidation, contribution in kind, restructuring or reconstruction whilst solvent or other similar arrangements (including, without limitation, leasing of the assets or going concern) of the Issuer which is part of a related sequence of events whereby, during or upon completion of the sequence, all or substantially all of the assets and liabilities of the Issuer, including the rights and obligations of the Issuer under or in respect of the Notes, the Agency Agreement and the Deed of Covenant, will be assumed in accordance with applicable law by a Person which, immediately after such assumption, is a member of the group consisting of the Issuer and its consolidated Subsidiaries, which, in any such case, does not result in a Ratings Downgrade;

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

Rating Agencies means Moody's Investors Services Inc (**Moody's**), Standard & Poor's Rating Services, a division of the McGraw Hill Companies Inc. (**S&P**) and Fitch Ratings (**Fitch**), or any of their successors;

A **Ratings Downgrade** will be deemed to have occurred if, immediately prior to a Reorganisation Period, the Notes carry:

- (a) an investment grade credit rating (BBB-/Baa3/BBB-, or equivalent, or better) from any Rating Agency and such rating is, during the Reorganisation Period, either downgraded to a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse) or withdrawn and such rating is not, within the Reorganisation Period, subsequently (in the case of a downgrade) upgraded to an investment grade credit rating by the relevant Rating Agency or (in the case of a withdrawal) replaced by an investment grade credit rating from any other Rating Agency; or
- (b) a non-investment grade credit rating (BB+/Ba1/BB+, or equivalent, or worse) from any Rating Agency and such rating is, during the Reorganisation Period, either downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) or withdrawn and such rating is not, within the Reorganisation Period, subsequently (in the case of a downgrade) upgraded by such Rating

Agency to a credit rating that is equivalent or better to the credit rating that was applicable immediately prior to the Reorganisation Period or (in the case of a withdrawal) replaced by a credit rating from any other Rating Agency that is equivalent to or better than the credit rating that was applicable immediately prior to the Reorganisation Period; or

- (c) no credit rating and no Rating Agency assigns to the Notes within 60 days of the end of the Reorganisation Period a credit rating that is equivalent to or better than the Issuer's credit rating from any one or more Rating Agencies immediately prior to the Reorganisation Period;

Reorganisation Period shall mean the period from the date of the first public announcement of an agreement, arrangement or proposal that could result in any event or transaction described in paragraphs (a) and (b) of the definition of Permitted Reorganisation until the end of a 60-day period following public notice of the completion of the relevant transaction (or such longer period as the rating of the Notes is under publicly announced consideration for rating review); and

Subsidiary means, in respect of any Person (the **first Person**) at any particular time, any other Person (the **second Person**):

- (a) if a majority of votes in ordinary shareholders' meetings of the second Person is held by the first Person; or
- (b) in which the first Person holds a sufficient number of votes to give it a dominant influence in ordinary shareholders' meetings of the second Person; or
- (c) which is under the dominant influence of the first Person by virtue of certain contractual relationships between the first Person and the second Person,

pursuant to the provisions of Article 2359 of the Italian Civil Code.

12. Replacement of Notes Coupons and Talons

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

13. Paying Agents

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

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

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

- (c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (d) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.4 (*General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders in accordance with Condition 15 (*Notices*).

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

14. Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10 (*Prescription*).

15. Notices

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

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg. Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

16. Meetings of Noteholders

16.1 Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution (as defined in the Agency Agreement) of the Notes, the Coupons, any of these Conditions or any of the provisions of the Agency Agreement.

In relation to the convening of meetings, quorums and the majorities required to pass an Extraordinary Resolution (as defined in the Agency Agreement), the following provisions shall apply in respect of the Notes but are subject to compliance with mandatory laws, legislation, rules and regulations of Italy (including, without limitation, Legislative Decree No. 58 of 24 February 1998 as amended) and the by-laws of the Issuer in force from time to time and shall be deemed to be amended, replaced and supplemented to the extent that such laws, legislation, rules and regulations and the by-laws of the Issuer are amended at any time while the Notes remain outstanding. Italian law currently provides that any such meeting may be convened by the Issuer or the Noteholders' Representative (as defined below) at their discretion and, in any event, shall be convened by either of them upon the request of Noteholders holding not less than one-twentieth of the aggregate principal amount of the Notes of any Series for the time being outstanding. If the Issuer or the Noteholders' Representative defaults in convening such a meeting following such request or requisition by the Noteholders representing not less than one-twentieth of aggregate principal amount of the Notes of any Series for the time being outstanding, the same may be convened by decision of the competent Court upon request by such Noteholders. Every such meeting shall be held at such time and place as provided pursuant to Article 2363 of the Italian Civil Code.

Such a meeting will be validly held (subject to compliance with mandatory laws, legislation, rules and regulations of Italy in force from time to time) if (i) in the case of a sole call meeting, there are one or more persons present being or representing Noteholders holding at least one-fifth of the principal amount of the outstanding Notes, or (ii) in the case of multiple call meetings, (a) in the case of a first meeting, there are one or more persons present being or representing Noteholders holding at least one-half of the aggregate principal amount of the outstanding Notes, (b) in the case of a second meeting, there are one or more persons present being or representing Noteholders holding more than one-third of the aggregate principal amount of the outstanding Notes and (c) in the case of a third meeting or any subsequent meeting following a further adjournment, there are one or more persons present being or representing Noteholders holding at least one-fifth of the aggregate principal amount of the outstanding Notes, provided however that the Issuer's by-laws may in each case (to the extent permitted under the applicable Italian law) provide for a higher quorum. For the avoidance of doubt, each meeting will be held as a sole call meeting or as a multiple call meeting depending on the applicable provisions of Italian law and the Issuer's by-laws as applicable from time to time. The majority required to pass a resolution at any meeting convened to vote on any resolution will be one or more persons holding or representing at least two-thirds of the aggregate principal amount of the Notes represented at the meeting; provided, however, that (A) certain proposals, as set out in Article 2415 of the Italian Civil Code (including any proposal to modify the dates on which interest is payable on them; to reduce or cancel the principal amount of, or interest on, the Notes; or to change the currency of payment of the Notes) may only be sanctioned by a resolution passed at a meeting of Noteholders (including any adjourned meeting) by the higher of (i) one or more persons holding or representing not less than one-half of the aggregate principal amount of the outstanding Notes, and (ii) one or more persons holding or representing not less than two thirds of the Notes represented at the meeting, provided that a different majority (higher or lower depending on the circumstances and the amount of Notes represented at the meeting) may be required pursuant to Article 2369 paragraph 7, of the Italian Civil Code and (B) the Issuer's by-laws may in each case (to the extent permitted under applicable Italian law) provide for higher majorities. An Extraordinary Resolution (as defined in the Agency Agreement) passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

16.2 *Noteholder's Representative*

A joint representative of the Noteholders (*rappresentante comune*) (the **Noteholders' Representative**), subject to applicable provisions of Italian law, will be appointed pursuant to Article 2417 of the Italian Civil Code in order to represent the Noteholders' interests under these Conditions and to give effect to resolutions passed at a meeting of the Noteholders. If the Noteholders' Representative is not appointed by a meeting of such Noteholders, the Noteholders' Representative shall be appointed by a decree of the competent Court where the Issuer has its registered office at the request of one or more Noteholders or at the request of the directors of the Issuer. The Noteholders' Representative shall remain appointed for a maximum period of three years but may be reappointed again thereafter.

16.3 *Modification*

The Conditions may not be amended without the prior approval of the Lead Regulator. The Notes, these Conditions and the Deed of Guarantee may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

16.4 *Modification and/or Exchange following a Regulatory Event, Tax Event or Rating Event*

- (a) This Condition 16.4 applies to Notes only and if the Modification Provisions and/or Exchange Provisions are specified in the applicable Final Terms as being applicable.
- (b) Where a Regulatory Event, a Tax Event or a Rating Event stated in the relevant Final Terms as applicable, for the purposes of this Condition 16.4, to the Notes has occurred and is continuing, then the Issuer may, without any requirement for the consent or approval of the Noteholders:
 - (A) where the Final Terms state that Modification Provisions are applicable, modify the terms of the Notes to the extent that such modification is reasonably necessary to ensure that no such Regulatory Event, Tax Event or, as applicable, Rating Event would exist after such modification,
 - (B) where the Final Terms state that Exchange Provisions are applicable, exchange all (but not some only) of the Notes for Qualifying Securities so that (x) where the relevant event that has occurred is a Regulatory Event, the aggregate nominal amount of the Qualifying Securities is treated under Italian Legislation on Solvency Margin as, prior to the implementation of Future Regulations, own funds available to meet up to 50 per cent. of solvency margin and following implementation of Future Regulations, as at least Tier 2 Own Funds; or (y) where the relevant event that has occurred is a Tax Event or Rating Event, such event no longer applies in relation to the Qualifying Securities,

in each case, provided that, following such modification or, as applicable, exchange:

- (i) the terms and conditions of, in the case of sub-(A) above, the Notes, as so modified (the **modified Notes**) or, in the case of sub-(B) above, the Qualifying Securities, are – in the Issuer's reasonable determination after having consulted an independent investment bank of international standing - no more prejudicial to Noteholders than the terms and conditions applicable to the Notes prior to such modification or exchange (the **existing Notes**) *provided that* any modification may be made in accordance with paragraphs (ii) to (iv) below and any such modification or, as applicable, any exchange of existing Notes for securities that meet the requirements set out in paragraphs (ii) to (iv) below (**Qualifying Securities**), shall not constitute a breach of this paragraph (i); and

- (ii) either the person having the obligations of the Issuer under the modified Notes or, as applicable, Qualifying Securities (x) continues to be the Issuer, or (y) is substituted in accordance with Condition 18 (*Substitution*); and
- (iii) the modified Notes or, as applicable, Qualifying Securities rank at least equal to the existing Notes prior to such modification or exchange and feature the same tenor, principal amount, at least the same interest rates (including applicable margins), the same interest payment dates and first call date (if any) (except for any early redemption rights analogous to redemption rights under the existing Notes (if any) for Regulatory Event, Tax Event or Rating Event), the same existing rights to any accrued interest, any arrears of interest and any other amounts payable under the Notes as the existing Notes prior to such modification or exchange and either do not contain any term which provides for, requires or entitles the Issuer to effect any loss absorption through a write-down of the nominal amount of the Qualifying Securities or conversion of the Qualifying Securities into ordinary shares or, to the extent the terms and conditions of the existing Notes provide for loss absorption, do not contain any terms providing for loss absorption through principal write-down or conversion into ordinary shares unless the triggers are objective and measurable; and
- (iv) the modified Notes or, as applicable, Qualifying Securities continue to be listed on a regulated market (for the purposes of the Markets in Financial Instruments Directive 2004/39/EC) 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, Tax Event or, as applicable, Rating Event),

and provided further that:

- (1) UnipolSai obtains approval of the proposed modification or exchange from the Lead Regulator (if such approval is required) or gives prior written notice (if such notice is required to be given) to the Lead Regulator and, following the expiry of all relevant statutory time limits, the Lead Regulator is no longer entitled to object or impose changes to the proposed modification or exchange;
- (2) the modification or exchange does not give rise to a change in any published rating of the existing Notes in effect at such time (to the extent the existing Notes were rated prior to the occurrence of such Regulatory Event, Tax Event or, as applicable, Rating Event);
- (3) the modification or exchange does not give rise to any right on the part of the Issuer to exercise any option to redeem the modified Notes or the Qualifying Securities that does not already exist prior to such modification or exchange, without prejudice to the provisions under Condition 8.3 (*Redemption at the option of the Issuer (Issuer Call)*);
- (4) the Issuer has delivered to the Agent a certificate, substantially in the form shown in the Agency Agreement, signed by a duly authorised representative of the Issuer stating that conditions (i) to (iv) and (1) to (3) above have been complied with, such certificate to be made available for inspection by Noteholders; and
- (5) in the case of any proposed modifications or an exchange 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 or exchange.

In connection with any modification or exchange as indicated in this Condition 16.4, 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.

17. Further Issues

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

18. Substitution

The Issuer may, at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons, any duly incorporated Subsidiary of the Issuer (each a **Substituted Debtor**) as Issuer (the **Substitution**), subject to the following:

- (a) immediately prior to the Substitution, no payment in respect of the Notes and the Coupons being overdue and no Enforcement Event having occurred and being continuing in respect of the Notes and the Coupons;
- (b) the execution by the Substituted Debtor and, where applicable, by the other parties to the Agency Agreement and the Deed of Covenant, of a deed poll and such other documents (if any) as may be necessary to give full effect to the Substitution (together, the **Documents**) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder and Couponholder to be bound by these Conditions, the Deed of Covenant and the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes, the Deed of Covenant and the Agency Agreement as the principal debtor in respect of the Notes in place of the Issuer;
- (c) the execution by the Issuer of a deed of guarantee (the **Guarantee**), substantially in the form attached to the Agency Agreement, in favour of the Noteholders and Couponholders in respect of all the obligations of the Substituted Debtor under the Notes and the Coupons;
- (d) the agreement by the Substituted Debtor in the Documents to indemnify each Noteholder and Couponholder against:
 - (i) any tax, duty, assessment or governmental charge which is imposed on such Noteholder and Couponholder by (or by any authority in or of) in the Republic of Italy with respect to any Note or Coupon and which would not have been so imposed had the Substitution not been made; and
 - (ii) any tax, duty, assessment or governmental charge, and any cost or expense payable in connection with the Substitution;
- (e) the Documents containing a representation and warranty by each of the Issuer and the Substituted Debtor that:
 - (i) it is validly incorporated and in good standing under the laws of its jurisdiction of incorporation;
 - (ii) it has obtained all necessary governmental and regulatory approvals and consents for the Substitution and for the performance of its obligations under the Documents and that all such approvals and consents are in full force and effect;
 - (iii) all other actions, conditions and things required to be taken, fulfilled and done to ensure that the Documents, the Notes and the Coupons (and, in the case of the Issuer, the Guarantee) and the obligations assumed by it thereunder represent legal, valid and binding obligations of the Substituted Debtor or the Issuer, as the case may be,

enforceable by each Noteholder and Couponholder in accordance with their respective terms and subject to applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally, have been taken, fulfilled and done and are in full force and effect; and

- (iv) the Noteholders and Couponholders will not become subject to any tax, duty, assessment, governmental charge or other adverse tax consequences as a result of the Substitution, except as may be subject to the indemnity provided for in Condition 18(d) above;
- (f) the delivery of legal opinion(s) addressed to the Agent, to be made available upon request to the Noteholders and Couponholders, from a lawyer or firm(s) of lawyers with a leading securities practice in the Republic of Italy, confirming that (i) the conditions contained in Conditions 18(b), 18(c), 18(d) and 18(e) above have been fulfilled and (ii) the Documents and the Guarantee, where applicable, constitute legal, valid, binding and enforceable obligations of each of the Issuer and the Substituted Debtor and that each of the Issuer and the Substituted Debtor has the power to enter into and perform the obligations to be assumed by it pursuant to the Documents and the Guarantee, to the extent applicable to it;
- (g) confirmation from the relevant stock exchange (if any) that, following the proposed Substitution, the Notes will continue to be listed on such stock exchange;
- (h) the giving by the Issuer of at least 14 days' prior notice of the Substitution to the Noteholders, in accordance with Condition 15 (*Notices*), stating that "copies, or, pending execution, the agreed text, of all documents in relation to the Substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents";
- (i) if the existing Notes were rated by a Rating Agency prior to the Substitution, written confirmation from such Rating Agency that, after giving effect to the Substitution, (i) the Notes shall continue to be rated the same as immediately prior to the Substitution or (ii) in the case of Notes which have not been assigned a credit rating, the relevant Substituted Debtor or the Notes will be assigned at least the same credit rating as the credit rating of the Issuer immediately prior to whichever is the earlier of (I) the Substitution, (II) the first public announcement of the Substitution or (III) the first public announcement of any proposal, agreement or arrangement that resulted, directly or indirectly, in the Substitution; and
- (j) the delivery to the Agent of a certificate of solvency of the Substituted Debtor addressed to the Noteholders and signed by two directors of the Substituted Debtor.

By subscribing to, or otherwise acquiring the Notes, the Noteholders expressly consent to the substitution of the Issuer in accordance with the provisions of this Condition 18 and to the release of the Issuer from any and all obligations in respect of the Notes and any relevant agreements and are expressly deemed to have accepted such substitution and the consequences thereof.

19. Contracts (Rights of Third Parties) Act 1999

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

20. Governing Law and Submission to Jurisdiction

20.1 *Governing law*

The Agency Agreement, the Deed of Covenant, the Notes, the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, except that the provisions concerning the status of the Notes shall be governed by Italian law.

Condition 16 (*Meetings of Noteholders*) and the provisions of the Agency Agreement concerning the meetings of Noteholders and the appointment of a Noteholders' Representative in respect of any Series of Notes are subject to compliance with the laws of the Republic of Italy.

20.2 *Submission to jurisdiction*

- (a) Subject to Condition 20.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 20.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction, and (ii) concurrent proceedings in any number of jurisdictions.

20.3 *Appointment of Process Agent*

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit and/or to refinance existing indebtedness.

DESCRIPTION OF THE ISSUER

OVERVIEW

UnipolSai Assicurazioni S.p.A. (**UnipolSai** or the **Issuer**) is a joint stock company limited by shares (*società per azioni*) incorporated under Italian law. Its registered office and principal place of business is at Via Stalingrado 45, 40128 Bologna, Italy and it is registered with the register of companies of Bologna under number 00818570012, fiscal code and VAT Number 00818570012. It is subject to the direction and coordination of Unipol Gruppo Finanziario S.p.A. (**UGF**, UnipolSai's parent company) pursuant to Article 2497 and following of the Italian Civil Code and it is part of the Unipol Insurance Group (*Gruppo Assicurativo Unipol*) registered on the Registry of Insurance Groups under number 046. UnipolSai may be contacted by telephone on +39 051 507 7111 and by fax on +39 051 375349.

UnipolSai is the parent company of the group consisting of UnipolSai and its subsidiaries (collectively the **Group** or **UnipolSai Group**). UnipolSai is the result of the merger by incorporation of Unipol Assicurazioni, Milano Assicurazioni and Premafin into Fondiaria-SAI which then changed its corporate name to UnipolSai Assicurazioni S.p.A. The Merger became effective on 6 January 2014 (with accounting and tax effects as of 1 January 2014). See "*History*" below.

UnipolSai is a leading insurance company operating in Italy. In 2013, the Group ranked first amongst operators in Italy in terms of non-life insurance premiums, fourth in terms of insurance premiums in the life sector and third in terms of total premiums for both the life and non-life sectors (source: preliminary data of Ania "*Premi del lavoro diretto italiano 2013*"). It offers a full range of traditional insurance and investment products, including pension products. For the year ended 31 December 2013, the aggregate (non-life and life) direct insurance income of the UnipolSai Group amounted to Euro 15,394 million, of which Euro 9,257 million was attributable to the non-life insurance business and Euro 6,137 million to the life insurance business.² The UnipolSai Group also operates in the real estate, healthcare and more marginally, in the hotel industry, medical and healthcare, the agricultural industry and the banking business segments. See "*Business of the UnipolSai Group*" below.

Pursuant to its by-laws, UnipolSai's term of incorporation shall last until 31 December 2050, subject to any extension. As provided by Article 3 of its by-laws, UnipolSai's corporate purpose is the performance, in Italy and abroad, of all branches of insurance, reinsurance and capitalisation permitted by the law. UnipolSai may also engage in different forms of supplemental pensions as envisaged under applicable laws as subsequently amended and supplemented, and may constitute and manage open pension funds and carry out activities functional or additional to the management of such funds. The Issuer may carry out commercial, industrial, financial, securities and property transactions, and investments and disinvestments connected to the aforementioned. It may also grant surety and guarantees of any other form, acquire interests and participations in other companies whose corporate purposes are the same or similar to its own corporate purpose, and assume the representation or management thereof. For investment purposes and within the limits permitted by the law, it may acquire interests or participations in companies with different corporate purposes.

As at the date of this Base Prospectus, UnipolSai's share capital is equal to Euro 1,996,129,451.62, divided into 2,654,102,017 shares in registered form with no express nominal value, of which 2,275,632,026 are ordinary shares (taking into account the ordinary shares issued to UGF following its conversion of the Mandatory Convertible Notes subscribed by it), 1,276,836 are category "A" savings shares and 377,193,155 are category "B" savings shares. The Issuer has approved increasing its net equity capital by up to Euro 201.8 million through the issuance of ordinary shares to service the conversion into ordinary shares of the Mandatory Convertible Notes. See further "*Material Contracts – UnipolSai Assicurazioni 2014-2015 6.971 per cent. Mandatory Convertible Notes*". UnipolSai's ordinary shares, category "A" savings shares and category "B" savings shares are listed on the *Mercato Telematico Azionario*, the screen-based market of the Italian Stock Exchange.

² On an aggregated basis of the information derived from consolidated financial statements as of and for the year ended 31 December 2013 of Unipol Assicurazioni and of Premafin, incorporated by reference in this Base Prospectus. The aggregation process did not entail any adjustments to the abovementioned information. The financial information is also included in the press release dated 20 March 2014 "*2013 UnipolSai Consolidated Operating Results post Merger Structure*".

HISTORY

UnipolSai is the parent company of the UnipolSai Group and is the company resulting from the Merger.

The Merger by incorporation of Unipol Assicurazioni, Milano Assicurazioni and Premafin into Fondiaria-SAI, which then changed its corporate name to UnipolSai Assicurazioni S.p.A., is part of the plan for the integration of Unipol Gruppo Finanziario S.p.A. (**UGF**, the parent company of UnipolSai) and its subsidiaries (the **UGF Group**) with Premafin and its subsidiaries (the **Premafin – Fondiaria-SAI Group**), in line with the strategic objective of the UGF Group to expand its non-life insurance business. Prior to the Merger, Premafin controlled Fondiaria-SAI which in turn controlled Milano Assicurazioni (the **Integration Plan**).

Companies Participating in the Merger

Unipol Assicurazioni

UGF was a major player in the Italian insurance market. The company dates back to 1963 when it began to operate in the non-life insurance sector after being acquired by certain co-operatives belonging to the *Lega delle Cooperative* based in Bologna to bring together the insurance portfolios of the co-operatives within a single company. In 1969, UGF started operations in the life insurance business. Over the years, it established a number of companies and acquired holdings in companies active in the insurance sector, including Aurora Assicurazioni S.p.A. and Navale Assicurazioni S.p.A. During the period 2000 to 2003, UGF acquired Meie Assicurazioni S.p.A. and the Winterthur Italia group, which were subsequently incorporated into Aurora Assicurazioni S.p.A. In 2004, Navale Assicurazioni S.p.A. acquired the Italian companies operating in the life and non-life insurance businesses of the French group Mutuelles du Mans Assurance S.A., resulting in the establishment of the new Navale Assicurazioni S.p.A. (a company operating in the non-life business) and Navale Vita S.p.A. (a company operating in the life insurance business which subsequently changed its name to Linear Life S.p.A. Linear Life S.p.A. is owned directly by UGF and therefore is not part of the UnipolSai Group). All these acquisitions helped to consolidate UGF's position in the Italian insurance market.

In 2007, UGF commenced a corporate reorganisation in order to separate the activities of the holding company from those of the individual operating companies, resulting in the establishment of two new insurance companies, Nuova Aurora Assicurazioni S.p.A. (subsequently renamed Aurora Assicurazioni S.p.A.) and Nuova Unipol Assicurazioni S.p.A. (subsequently renamed Unipol Assicurazioni S.p.A.).

In February 2009, Aurora Assicurazioni S.p.A. was incorporated into Unipol Assicurazioni S.p.A. which then took the name UGF Assicurazioni S.p.A. This was followed by the hive-off in favour of UGF Assicurazioni S.p.A. of, firstly, the insurance services business of UGF, and subsequently in June 2010, Navale Assicurazioni S.p.A.'s non-life insurance business.

UGF Assicurazioni S.p.A. was subsequently renamed Unipol Assicurazioni S.p.A., which merged with and was incorporated into Fondiaria-SAI in January 2014.

Fondiaria-SAI

Fondiaria-Sai was established on 31 December 2002 as a result of the merger by incorporation of La Fondiaria Assicurazioni into SAI Società Assicuratrice Industriale.

The origins of La Fondiaria Assicurazioni date back to 1879 with the establishment in Florence of the Compagnia Italiana di Assicurazioni a premio fisso contro l'incendio. In November of the same year, Fondiaria Vita was established. From that moment forth, La Fondiaria became one of the most well-known brands in the Italian insurance market, listed on the Italian Stock Exchange for the first time in 1903. The Florentine company operated in all insurance businesses, ranging from accidents to motor vehicles, from life to health and fire. In 1995, it incorporated Compagnia Latina di Assicurazione and La Fenice Ri., changing its name to Fondiaria Assicurazioni. In the nineties, the group started diversifying its activities, entering into the sectors of pension funds and asset management, including through the establishment of a dedicated network of financial planners. In 1984, Milano

Assicurazioni (founded in Milan in 1825 and among the first insurance companies to operate in Italy) became part of the Group.

SAI Società Assicuratrice Industriale was established in Turin in 1921. It was incorporated by a pool of entrepreneurs, including the founder of FIAT, Giovanni Agnelli, who decided to create a company that would insure against industrial risks. It soon gained strength and a good market position and continued to expand in the fifties and sixties to operate in the motor vehicle sector, real estate investments and acquisitions. The company was listed on the Italian Stock Exchange in 1967.

In 2012, UGF took over indirect control of the Fondiaria-Sai group through the subscription of a reserved capital increase in Premafin, in accordance with the Integration Plan. Fondiaria-SAI merged with, and incorporated, Unipol Assicurazioni, Premafin and Milano Assicurazioni in January 2014 and changed its name to UnipolSai.

Premafin

Premafin was established in 1986. In the following years – through the acquisition of various companies – it acquired a controlling stake in the insurance company SAI Società Assicuratrice Industriale and significant real estate property, which would be later spun out into the company Premaimm in 1999. Listed on the Italian Stock Exchange in 1989, Premafin was the parent company of SAI Società Assicuratrice Industriale and, as from 2001, of La Fondiaria. With the merger by incorporation of La Fondiaria into SAI Società Assicuratrice Industriale in 2002, Premafin became the controlling shareholder of Fondiaria-Sai.

In July 2012, UGF acquired a controlling stake in Premafin through the subscription of a reserved capital increase. Premafin merged with, and was incorporated into, Fondiaria-SAI in January 2014.

Milano Assicurazioni

Milano Assicurazioni was established in Milan in 1825 and was among the first insurance companies to operate in Italy. Traditionally, it was the company of Milanese enterprises with a specific vocation for underwriting industrial risks. It later extended its operations to mass risks, providing insurance and investment solutions to the many and diverse needs of individuals, families and businesses. Traded on the Italian Stock Exchange since 1961, it became part of La Fondiaria Assicurazioni group in 1984. Milano Assicurazioni incorporated La Previdente Assicurazioni in 1997, La Previdente Vita in 1999, Italia Assicurazioni in 2002, Nuova Maa Assicurazioni and Maa Vita Assicurazioni in 2003, and Sis Assicurazioni in 2004. In May 2006, it completed the acquisition of Liguria Assicurazioni S.p.A. (**Liguria Assicurazioni**).

In January 2014 Milano Assicurazioni merged with, and was incorporated into, Fondiaria-SAI.

The Integration Plan

In 2012, UGF commenced an integration process with Premafin and its subsidiaries (the **Premafin - Fondiaria-SAI Group**), one of the major Italian insurance operators.

At the beginning of 2012, UGF and Premafin entered into the Integration Plan which provided for, *inter alia*, the acquisition by UGF of a controlling stake in Premafin through the subscription by UGF of a reserved capital increase, to be followed by the Merger, with the objective of: (i) preserving the solvency of the Premafin – Fondiaria-SAI Group which, at the time of the acquisition by UGF of a controlling stake in Premafin, was experiencing a severe financial downturn aggravated by the overall situation of the Eurozone. In this connection, an agreement for restructuring the financial indebtedness of Premafin was entered into by Premafin and the relevant finance parties in June 2012 (see further "*Recent Developments – Restructuring of Premafin's outstanding debt*" and "*Material Contracts – Debt Restructuring Agreement*"); (ii) creating a primary insurance operator in the Italian market; and (iii) increasing value for its shareholders thanks to the prospects of material synergies from the Merger. On 29 January 2012 UGF and Premafin entered into an agreement, later amended and supplemented, providing for reciprocal commitments related to the implementation of the Integration Plan. The Integration Plan is an essential part of the UGF Group's strategy to develop the non-life insurance business.

UGF obtained from the competent authorities (AGCM, IVASS, CONSOB, Bank of Italy, foreign supervisory authorities) the necessary exemptions and authorisations required for: (i) its acquisition of the direct control of Premafin and therefore the indirect control over Fondiaria-Sai and Milano Assicurazioni; and (ii) the Merger.

On 19 June 2012, the Italian antitrust authority (*Autorità Garante della Concorrenza e del Mercato*, **AGCM**) issued resolution No. 23678, case C11524 (the **AGCM Decision**). Pursuant to the AGCM Decision, the acquisition by UGF of the control over the Premafin – Fondiaria-SAI Group and the subsequent Merger were authorised subject to certain conditions being met and undertakings being assumed.

In compliance with the AGCM Decision, the Companies Participating in the Merger and UGF have taken, *inter alia*, the following actions:

- UniCredit S.p.A. and Premafin terminated the investment agreement of 22 March 2011 and the shareholders' agreement of 8 July 2011 executed between them. Moreover, the members of the board of directors of Fondiaria-SAI designated by UniCredit S.p.A. by virtue of the aforementioned shareholders' agreement resigned;
- the shareholding relationships with Assicurazioni Generali S.p.A. (**Assicurazioni Generali**), the main competitor of the Group, and with Mediobanca – Banca di Credito Finanziario S.p.A.³ (**Mediobanca**) have been eliminated, as follows:
 - the entire shareholding of Fondiaria-SAI in Assicurazioni Generali (which was equal to approximately 1 per cent.) was disposed of to third parties that are not in any way controlled or affiliated to any of UGF, Premafin, Fondiaria-Sai, Milano Assicurazioni, UniCredit S.p.A. and Mediobanca, or that do not participate in shareholders' agreements concerning the governance of Mediobanca. Fondiaria-SAI sold its interest in Assicurazioni Generali through a combination of a put and call mechanism and sale on the markets;
 - UGF, Fondiaria-SAI and Milano Assicurazioni appointed Equita SIM S.p.A. to find parties interested in the acquisition of the equity interests in Mediobanca held by Fondiaria-SAI, Milano Assicurazioni and Finsai International S.p.A. (a subsidiary of Fondiaria-SAI). In October 2013, Fondiaria-SAI, Milano Assicurazioni and Finsai International S.p.A. sold 23,114,386 ordinary shares of Mediobanca (equal to approximately 2.68 per cent. of its share capital) exclusively to qualified investors in an accelerated bookbuilding process, for an aggregate consideration of Euro 135.2 million. The remaining 9,905,500 ordinary shares of Mediobanca (equal to approximately 1.15 per cent. of its share capital) were sold in November 2013 pursuant to a previously stipulated put and call mechanism for a consideration of Euro 50.5 million;
- UGF must not enter into any shareholders' agreement in relation to the shares of Fondiaria-SAI with Mediobanca and/or UniCredit S.p.A. Finsoe S.p.A. (in its capacity as controlling shareholder of UGF) must not enter into any shareholders' agreement in relation to the shares of UGF with Mediobanca and UniCredit S.p.A.;
- no person affiliated, directly or indirectly, with Mediobanca, UniCredit S.p.A. or Assicurazioni Generali by employment or any other kind of relations has been appointed in the corporate governance bodies of the UGF Group.

The AGCM Decision furthermore provided for:

- (i) the reduction and eventually the elimination of the financial exposure of the Group towards Mediobanca (for a description of such financial exposure, see "*Material Contracts*", below); and

³ Fondiaria-SAI, Milano Assicurazioni and Finsai International S.p.A. (a subsidiary of Fondiaria-SAI) held approximately 33 million of Mediobanca's ordinary shares (equal to approximately 3.83 per cent. of its share capital).

- (ii) the reduction of the market share which would have been acquired by the Group following the Merger in each of the life and non-life national and local insurance markets (in particular in the motor business sector) below the dominant position threshold (i.e. 30 per cent.), through the disposal of certain insurance assets (the **Divestiture Procedure**). In compliance with this requirement, UnipolSai entered into an agreement with Allianz S.p.A. on 15 March 2014 for the disposal of the property and casualty insurance business including the premiums portfolio of former Milano Assicurazioni. See further "*Recent Developments – The AGCM Decision*",

and has also imposed a number of conditions on Mediobanca including: (a) disposal of all participations in UGF, Fondiaria-SAI and, the UnipolSai Group and pending such disposal, not to exercise any administrative rights relating thereto; (b) to accept any proposed early repayment at par of the subordinated loan agreements entered into before the Merger with Fondiaria-SAI and Milano Assicurazioni; and (c) not to participate in the governance of the UnipolSai Group following the Merger.

After obtaining all relevant authorisations released by the competent authorities, the Merger was approved by the extraordinary shareholders' meetings of Unipol Assicurazioni, Fondiaria-SAI and Premafin on 25 October 2014, by the extraordinary shareholders' meeting of Milano Assicurazioni on 26 October 2013, and by the extraordinary meeting of the holders of savings shares of Milano Assicurazioni on 28 October 2013.

The Merger became effective on 6 January 2014 and on such date the shares of the Companies Participating in the Merger were entirely cancelled and exchanged for UnipolSai's shares, which have been traded on the Mercato Telematico Azionario since 6 January 2014.

The exchange of shares of the Companies Participating in the Merger with UnipolSai's shares (in application of the exchange ratios set out below) was made:

- (i) in part, by distributing all Fondiaria-SAI's shares which, prior to the Merger, were held by the Companies Participating in the Merger, to the shareholders of the Companies Participating in the Merger; and
- (ii) for the remainder, through the issuance of new UnipolSai shares assigned to the shareholders of the Companies Participating in the Merger.

Given the above, UnipolSai resolved upon a share capital increase of Euro 782,960,791.85 in the context of which 1,330,340,830 ordinary shares and 55,430,483 class "B" savings shares were issued and assigned to the shareholders of Unipol Assicurazioni, Premafin and Milano Assicurazioni pursuant to the following share exchange ratio:

- 0.050 ordinary shares of UnipolSai for each ordinary share of Premafin;
- 1.497 ordinary shares of UnipolSai for each ordinary share of Unipol Assicurazioni;
- 0.039 ordinary shares of UnipolSai for each ordinary share of Milano Assicurazioni;
- 0.549 class "B" savings shares of UnipolSai for each savings share of Milano Assicurazioni.

In determining the aforesaid share exchange ratio, the Companies Participating in the Merger considered that: (i) UGF granted to Fondiaria-SAI (now UnipolSai) a put option on the interest held at the time by Unipol Assicurazioni in Unipol Banca, equal to 32.26 per cent. of the relevant share capital, to be exercised at a price equal to Euro 299.4 million (which corresponds to the entry value of said interest at the time of the agreement) on the fifth anniversary following the effective date of the Merger (i.e. 6 January 2019) (the **Put Option**); and (ii) at the same time, Fondiaria-SAI (now UnipolSai) granted to UGF a call option on the same investment at the same price, that can be exercised through the period between the effective date of the Merger and the fifth anniversary thereof (the **Call Option**).

On the basis of the aforementioned exchange ratio, UGF acquired a 63 per cent. equity interest in UnipolSai, which increased to 64.31 per cent. following conversion on 15 May 2014 of the Mandatory Convertible Notes subscribed by it, which shareholding will be decreased to 62.06 per cent. on a fully diluted basis following conversion of the Mandatory Convertible Notes by all subscribers thereof (assuming a conversion ratio corresponding to the initial conversion ratio).

THE GROUP

As at the date of this Base Prospectus, the UnipolSai Group includes 81 subsidiaries.

The insurance business is the most important activity of the UnipolSai Group, which ranks among the leading insurance groups in the Italian market. The aggregate direct premium insurance income of the Group for the year ended 31 December 2013 amounted to Euro 15,394 million (of which Euro 6,137 million in the life business and Euro 9,257 million in the non-life business)⁴.

For the year ended 31 December 2013, the Group had a consolidated net profit of Euro 694 million, net of tax for Euro 476 million, of which Euro 56 million resulted from the introduction of additional IRES (corporation tax). Pre-tax profit for the period amounted to Euro 1,172 million (taking into account the incurrence of integration costs in the amount of Euro 204 million)⁵.

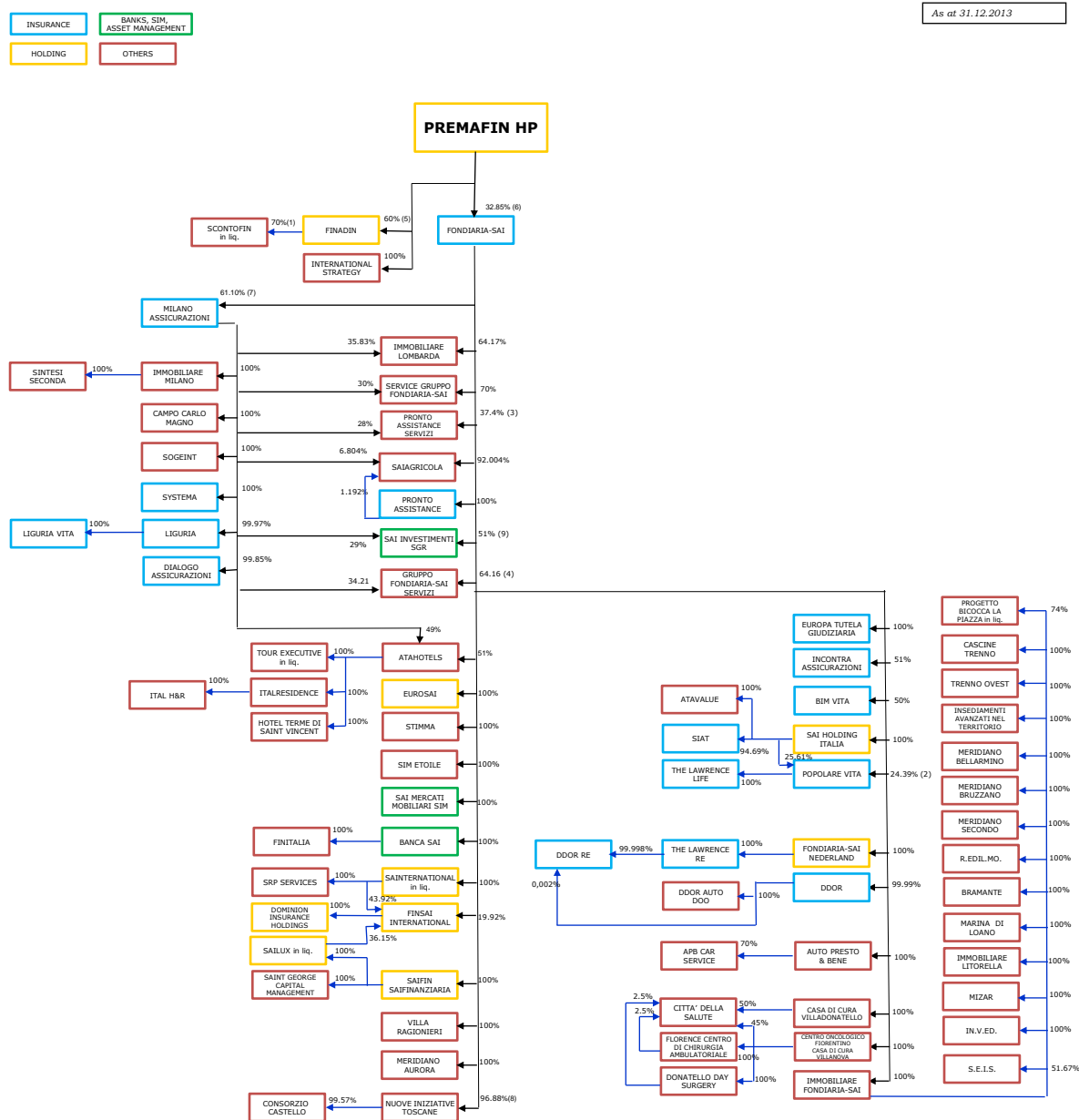
As at 31 December 2013, the Group had a network of 4,449 primary sales points (or agencies) and 4 banking branches belonging to Banca SAI. The Group's life products are also distributed through bancassurance arrangements: see below "*Life business – Distribution channel*".

⁴ On an aggregated basis of the information derived from the consolidated financial statements as of and for the year ended 31 December 2013 of Unipol Assicurazioni and of Premafin, incorporated by reference into this Base Prospectus. The aggregation process did not entail any adjustments to the abovementioned information. The financial information is also included in the press release dated 20 March 2014 "*2013 UnipolSai Consolidated Operating Results post Merger Structure*".

⁵ Consolidated data determined on the basis of the aggregated data of the Premafin group and the Unipol Assicurazioni group, taking into account alignment of the values of assets and liabilities to the corresponding book value of such items in the consolidated financial statements of UGF and taking into account the effect of the put option on the shares of Unipol Banca granted by UGF to UnipolSai in connection with the Merger. The financial information is also included in the press release "*2013 UnipolSai Consolidated Operating Results post Merger Structure*".

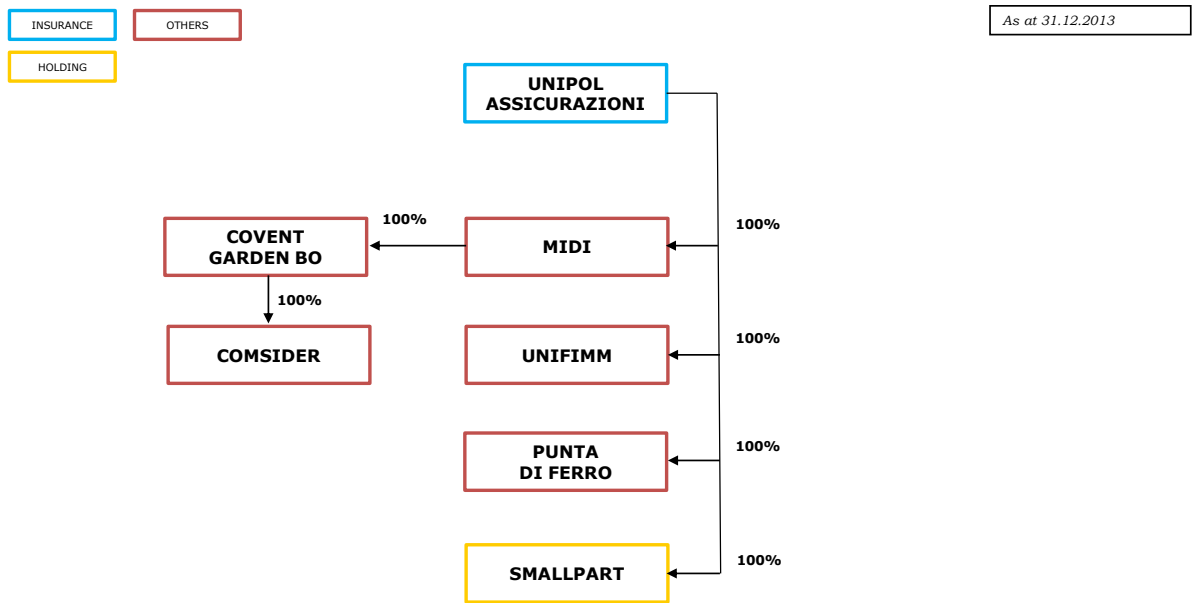
Structure diagram

The following diagram sets forth the structure of Premafin and its subsidiaries as at 31 December 2013, prior to the effectiveness of the Merger.



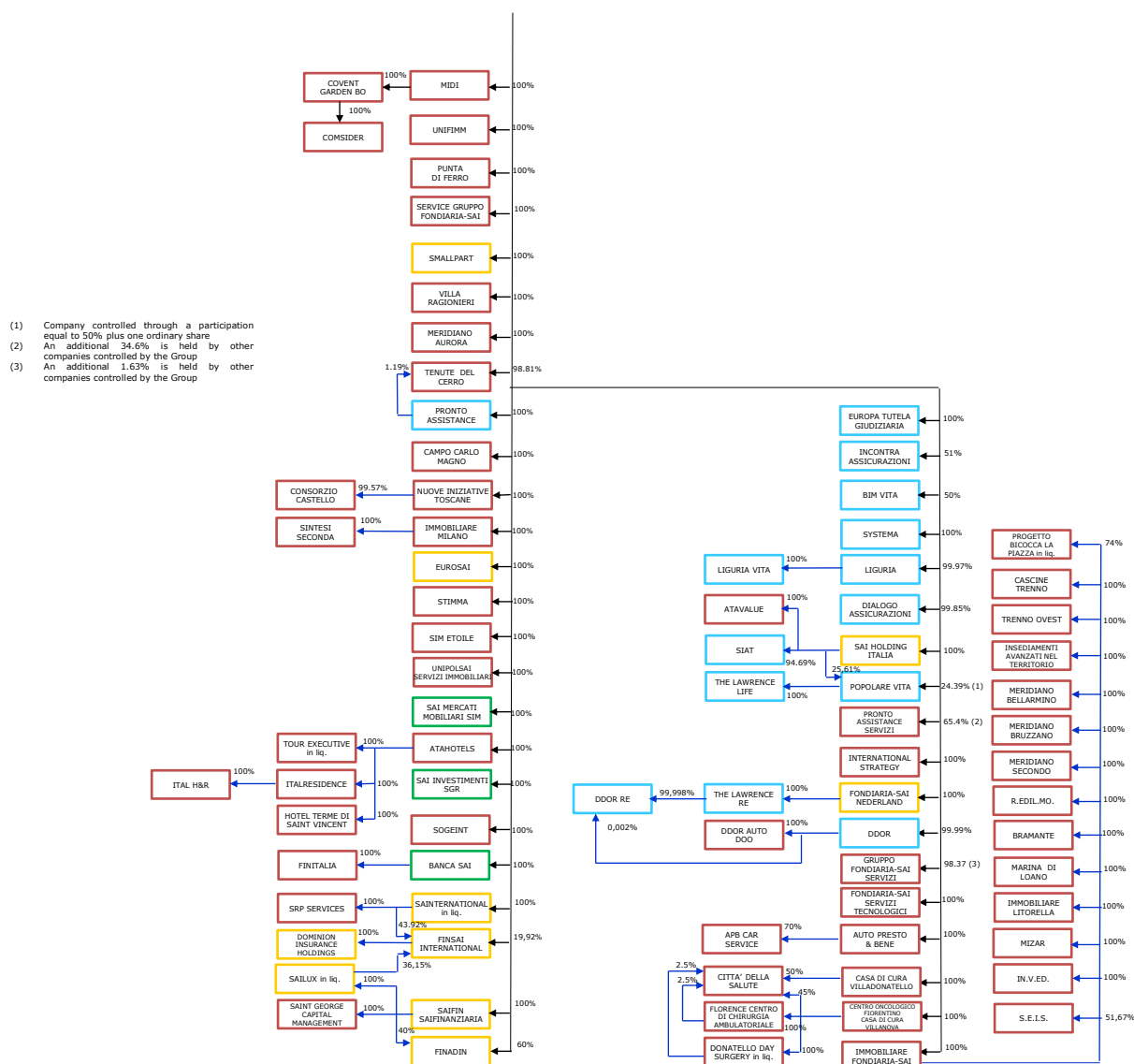
- (1) An additional 19% is held by SAILUX SA in liq.
 (2) Company controlled through a participation equal to 50% plus one ordinary share.
 (3) An additional 34.6% is held by other companies controlled by the Group
 (4) An additional 1.63% is held by other companies controlled by the Group
 (5) An additional 40% is held by SAIFIN SAIFINANZIARIA S.p.A.
 (6) An additional 9.093% is held by other Group companies
 (7) An additional 2.67% is held by other Group companies
 (8) An additional 3.12% is held by Milano Assicurazioni S.p.A.
 (9) An additional 20% is held by Premafin HP S.p.A.

The following diagram sets forth the structure of the Unipol Assicurazioni and its subsidiaries as at 31 December 2013, prior to the effectiveness of the Merger.



INSURANCE	BANKS, SIM, ASSET MANAGEMENT
HOLDING	OTHERS

UnipolSai
ASSICURAZIONI



BUSINESS STRATEGY

On 20 December 2012, the board of directors of Unipol Assicurazioni, Fondiaria-SAI, Premafin and Milano Assicurazioni approved the 2013-2015 business plan (the **Joint Business Plan**) in conjunction with UGF. Following the guidelines included in the Integration Plan, the industrial rationale for the Joint Business Plan (insofar as it concerns the UnipolSai Group) and the goals that UnipolSai aims to pursue after the Merger, as set out in the Information Document prepared for the purposes of the Merger in accordance with article 57(1)(d) of CONSOB Resolution No. 11971 of 14 May 1999, can be summarised as follows:

- to create a leading operator in the Italian non-life insurance market, with a significant European size, able to compete effectively with the main competitors, and to increase value for its shareholders also thanks to the prospects of synergies from a strategic and business point of view;
- in terms of governance, to improve and rationalise the management and coordination activities in UnipolSai; and to achieve a simpler and more transparent group organisation model to be obtained, on the one hand, by eliminating duplications in organisation structures and costs and, on the other hand, by adopting clearer and more effective governance methods;
- to strengthen UnipolSai's competitive position in the Italian insurance market, in terms of profitability, quality of customer service and innovation, to be achieved through interventions aiming to:
 - restructure the non-life insurance business of Group companies to improve profitability;
 - consolidate support operations by bringing together structures and resources, both within the territory and in management offices, to achieve economies of scale and greater effectiveness in the services supporting the commercial network;
 - create a common platform for all the insurance company brands of the Companies Participating in the Merger, to exploit the historical brand reputation and to ensure innovation in commercial processes, increase both the productivity of the company network and the level of customer service;
 - to allow better coordination in the product offer, to enhance the value of the offer of complementary services with the consequent possibility of offering the market a wider range of services and products; and
 - leverage complementary competencies and skills in the healthcare, social security and direct channel sectors;
- to reinforce the solvency and equity structure of UnipolSai to provide support for the achievement of the Joint Business Plan; and
- to leverage on the experience gained by the UGF Group in insurance turnaround operations and its proven ability of integration.

BUSINESS OF THE UNIPOLSAI GROUP

The UnipolSai Group is a network of businesses with a capillary presence throughout the Republic of Italy, supplying a complete range of insurance products and solutions.

The Group's business activities are comprised predominantly of non-life and life insurance businesses. To a lesser extent, the Group also operates in the following sectors:

- *real estate*, through, *inter alia*, Immobiliare Fondiaria-SAI S.r.l., Immobiliare Milano Assicurazioni S.r.l., Fondo Immobiliare Athens R.E. Fund and Tikal R.E. Fund; and

- *other activities*, through subsidiaries carrying out activities in the hotel business segment (for example, Atahotels S.p.A.), medical and healthcare businesses (for example, Centro Oncologico Fiorentino Casa di Cura Villanova S.r.l.), the agricultural industry (Tenute del Cerro S.p.A. – Società Agricola) and more marginally, in banking (Banca SAI S.p.A. and Finitalia S.p.A.).

The following table provides a summary of the Group's financial highlights as at and for the year ended 31 December 2013.

	Historical figures Premafin group (1)	Historical figures Unipol Assicurazioni group (2)	Consolidated UnipolSai post Merger structure (3)
	<i>Euro in millions</i>		
Non-life business direct premium income	5,789	3,468	9,257
Life business direct premium income	3,958	2,179	6,137
Direct insurance premium	9,747	5,646	15,394
Combined ratio Non-life – direct premium	96.1%	88.7%	93.3%
Consolidated profit/loss	399	227	694
Technical provisions	32,783	19,927	52,687
Net assets	2,828	2,862	5,569

- (1) Derived from the consolidated financial statements as of and for the year ended 31 December 2013 of Premafin, incorporated by reference in this Base Prospectus.
- (2) Derived from the consolidated financial statements as of and for the year ended 31 December 2013 of Unipol Assicurazioni, incorporated by reference in this Base Prospectus.
- (3) Consolidated data determined on the basis of the aggregated data of the Premafin group and the Unipol Assicurazioni group, taking into account alignment of the values of assets and liabilities to the corresponding book value of such items in the consolidated financial statements of UGF and taking into account the effect of the put option on the shares of Unipol Banca granted by UGF to UnipolSai in connection with the Merger. The financial information is also included in the press release dated 20 March 2014 "2013 UnipolSai Consolidated Operating Results post Merger Structure".

Insurance business

The UnipolSai Group provides a wide range of insurance products both in the life business (the **Life Business**) and in the non-life business (the **Non-Life Business**) through seven divisions: Unipol, La Fondiaria, Sai, Milano, Nuova MAA, SASA and La Previdente. In addition to operating in Italy, UnipolSai is also present in Serbia through its controlling participation in DDOR Novi Sad ADO, the third-largest local insurer.

The Group distributes its life and non-life policies through the agency network, also through its direct and indirect subsidiaries Liguria Assicurazioni S.p.A. and Liguria Vita S.p.A.

The Group's objective is to deliver to its customers simple products capable of providing added value to the customer, an efficient service throughout the different phases of the insurance product, post-sales assistance tailored to meet the needs of its policy subscribers together with improved and transparent customer communication.

Non-life business

The Group offers through its operating divisions a variety of non-life insurance policies. In addition to motor insurance (by far the largest category of non-life policies underwritten by the Group), the Group also offers a range of policies offering protection for marine liability, homeowners, disability, sickness and natural disasters.

In particular, the Group is active in marine insurance business through SIAT Società Italiana Assicurazioni e Riassicurazioni S.p.A., non-life bancassurance through Incontra Assicurazioni S.p.A. and Systema Compagnia di Assicurazioni S.p.A., and directly distributes motor insurance policies through Dialogo Assicurazioni S.p.A.

The following table sets out the breakdown of the Group's non-life business direct premiums for the periods indicated therein.

Direct non-life insurance premiums for the year ended 31 December 2013

	Historical figures Premafin/Fonditaria- SAI group (1)	Historical figures Unipol Assicurazioni group (2)	Consolidated UnipolSai post Merger structure (3)
	<i>Euro in millions</i>		
Motor vehicle car and maritime, lake and river vehicle (classes 10 and 12)	3,174	1,834	5,008
Other motor vehicle insurance classes (class 3)	482	256	738
Total vehicle classes	3,656	2,090	5,746
Accidents and illnesses (classes 1 and 2)	580	462	1,042
Fire and other damage to goods (classes 8 and 9)	774	414	1,189
General liability insurance (class 13)	444	331	775
Others	334	170	505
Total non-vehicle classes	2,133	1,378	3,511
Total direct non-life insurance premiums	5,789	3,468	9,257

Direct non-life insurance premiums for the year ended 31 December 2012

	Historical figures Premafin/Fonditaria- SAI group (1)	Historical figures Unipol Assicurazioni group (2)	Consolidated UnipolSai post Merger structure (3)
	<i>Euro in millions</i>		
Motor vehicle car and maritime, lake and river vehicle (classes 10 and 12)	3,640	1,977	5,616
Other motor vehicle insurance classes (class 3)	567	286	853
Total vehicle classes	4,207	2,262	6,469
Accidents and illnesses (classes 1 and 2)	587	484	1,071
Fire and other damage to goods (classes 8 and 9)	805	416	1,221
General liability insurance (class 13)	479	325	804
Others	339	166	505
Total non-vehicle classes	2,210	1,392	3,602
Total direct non-life insurance premiums	6,417	3,654	10,072

- (1) Derived from the consolidated financial statements as of and for the year ended 31 December 2013 of Premafin, incorporated by reference in this Base Prospectus.
- (2) Derived from the consolidated financial statements as of and for the year ended 31 December 2013 of Unipol Assicurazioni, incorporated by reference in this Base Prospectus.
- (3) On an aggregated basis of the information derived from the consolidated financial statements as of and for the year ended 31 December 2013 of Unipol Assicurazioni and of Premafin, incorporated by reference into this Base Prospectus. The aggregation process did not entail any adjustments to the abovementioned information. The financial information is also included in the press release dated 20 March 2014 "2013 UnipolSai Consolidated Operating Results post Merger Structure".

The Group's direct premium income from non-life business during the year ended 31 December 2013 was affected by the ongoing economic crisis, which continued to cause a decline in insured vehicle fleets and a reduction in the spending ability of firms and households. The improvement in the technical results of this market segment in recent years (attributable to a significant decline in claims under civil liability insurance policies for motor vehicles) has contributed to increased competition with reduction effects on average premiums under contracts in particular in vehicle liability insurance. The Group has continued to pursue a cautious underwriting policy and has withdrawn from several non-remunerative corporate contracts. Non-life direct premium income for the year ended 31

December 2013 totalled Euro 9,257 million, compared to Euro 10.1 billion for the year ended 31 December 2012 on a comparable basis (-8.1 per cent.), with a combined ratio (direct business) of 93.3 per cent. (taking into account the inclusion of the balance of other technical items in the loss ratio and excluding the results of reinsurance) compared to 101.9 per cent. in 2012. The loss ratio was 68.2 per cent. against 78.3 per cent. in 2012, while the expense ratio was 25.2 per cent. against 23.5 per cent. in 2012⁶.

The pre-tax result for this sector for the year ended 31 December 2013 was a profit of Euro 772 million⁶.

Life business

The Group offers through its operating divisions a variety of life insurance protection, investment policies and pension products to its customers. Alongside traditional policies, the Group also offers innovative capitalisation policies and index/unit linked policies.

The Group is also a leading player in the pension funds market, in particular in occupational pension funds and open-ended pension funds. In the occupational pension funds segment, the Group had 23 investment mandates as at 31 December 2013. The net asset value of the funds management by the Group amounted to Euro 3,681 million as at 31 December 2013. In the open-ended pension funds segment, the Group managed 8 open-ended funds with total assets amounting to Euro 723 million as at 31 December 2013⁷. The Group distributes its life products through the agency network of its subsidiary Liguria Vita S.p.A. and also through the bancassurance channel. Thanks to this channel, the Group's products are distributed through the bank branches of Unipol Banca, Banco Popolare and Banca Intermobiliare. See further "*Distribution channel*" below.

The following table sets out the breakdown of the Group's life business direct premiums for the periods indicated therein.

Direct life insurance premiums for the year ended 31 December 2013

	Historical figures Premafin/Fonditaria- SAI group (1)	Historical figures Unipol Assicurazioni group (2)	Consolidated UnipolSai post Merger structure (3)
		<i>Euro in millions</i>	
Insurance premiums			
I – Length of life insurance	2,564	1,160	3,724
II – Marriage, birth	0	0	0
III – Insurance connected with investment funds/market indices	1,062	0	1,063
IV – Illness	1	0	1
V – Capitalisation insurance	287	603	890
VI – Pension funds	0	398	398
Total life insurance premiums	3,914	2,162	6,076
Investment products			
I – Length of life insurance	0	0	0
III – Insurance connected with investment funds/market indices	10	2	12
V – Capitalisation insurance	0	1	1

⁶ Consolidated data determined on the basis of the aggregated data of the Premafin group and the Unipol Assicurazioni group, taking into account alignment of the values of assets and liabilities to the corresponding book value of such items in the consolidated financial statements of UGF and taking into account the effect of the put option on the shares of Unipol Banca granted by UGF to UnipolSai in connection with the Merger. The financial information is also included in the press release dated 20 March 2014 "*2013 UnipolSai Consolidated Operating Results post Merger Structure*".

⁷ On an aggregated basis of the information derived from the consolidated financial statements as of and for the year ended 31 December 2013 of Unipol Assicurazioni and of Premafin, incorporated by reference into this Base Prospectus. The aggregation process did not entail any adjustments to the abovementioned information.

	Historical figures Premafin/Fonditaria- SAI group (1)	Historical figures Unipol Assicurazioni group (2)	Consolidated UnipolSai post Merger structure (3)
	<i>Euro in millions</i>		
VI – Pension funds	35	13	48
Total life investment products	44	17	61
Overall premiums			
I – Length of life insurance	2,564	1,160	3,724
II – Marriage, birth	0	0	0
III – Insurance connected with investment funds/market indices	1,072	3	1,074
IV – Illness	1	0	1
V – Capitalisation insurance	287	604	891
VI – Pension funds	35	412	446
Total direct life premiums	3,958	2,179	6,137

Direct life insurance premiums for the year ended 31 December 2012

	Historical figures Premafin/Fonditaria- SAI group (1)	Historical figures Unipol Assicurazioni group (2)	Consolidated UnipolSai post Merger structure (3)
	<i>Euro in millions</i>		
Insurance premiums			
I – Length of life insurance	2,212	822	3,034
II – Marriage, birth	0	0	0
III – Insurance connected with investment funds/market indices	1,142	1	1,143
IV – Illness	0	0	1
V – Capitalisation insurance	256	272	528
VI – Pension funds	0	858	858
Total life insurance premiums	3,611	1,953	5,564
Investment products			
I – Length of life insurance	0	0	0
III – Insurance connected with investment funds/market indices	10	4	14
V – Capitalisation insurance	0	0	0
VI – Pension funds	34	12	47
Total life investment products	44	16	60
Overall premiums			
I – Length of life insurance	2,212	822	3,034
II – Marriage, birth	0	0	0
III – Insurance connected with investment funds/market indices	1,152	4	1,156
IV – Illness	0	0	1
V – Capitalisation insurance	256	272	528
VI – Pension funds	34	871	905
Total direct life premiums	3,655	1,969	5,624

(1) Derived from the consolidated financial statements as of and for the year ended 31 December 2013 of Premafin, incorporated by reference in this Base Prospectus.

- (2) Derived from the consolidated financial statements as of and for the year ended 31 December 2013 of Unipol Assicurazioni, incorporated by reference in this Base Prospectus.
- (3) On an aggregated basis of the information derived from the consolidated financial statements as of and for the year ended 31 December 2013 of Unipol Assicurazioni and of Premafin, incorporated by reference into this Base Prospectus. The aggregation process did not entail any adjustments to the abovementioned information. The financial information is also included in the press release dated 20 March 2014 "2013 UnipolSai Consolidated Operating Results post Merger Structure".

Direct income of this business segment for the year ended 31 December 2013 totalled Euro 6,137 million, compared to Euro 5.6 billion for the year ended 31 December 2012 on a comparable basis⁸. The increase was in part attributable to the fall in market interest rates, which made the offer of insurance products with guaranteed minimum return more attractive. The Group also benefited from the growth of the bancassurance channel.

The pre-tax result of the life business segment for the year ended 31 December 2013 was a profit of Euro 514 million⁸.

Distribution channel

The Group distributes its insurance products through one of the biggest agency networks in Italy. As at 31 December 2013, the Group had 4,449 primary sales points (or agencies).

In addition to the traditional agency network, the Group also relies on bancassurance arrangements, thanks to which the Group's life insurance products are also distributed through the distribution channels of Unipol Banca, the Banco Popolare Group (the distribution channel of UnipolSai's subsidiary, Popolare Vita S.p.A., is comprised of the bank branches of the Banco Popolare Group), Banca Intermobiliare S.p.A. (which distributes the products of BIM Vita S.p.A., the Group company in joint venture with Banca Intermobiliare di Investimenti e Gestioni S.p.A.) and, for the non-life products, the Italian bank branches of the UniCredit group (which distributes the products of Incontra Assicurazioni S.p.A., the Group company in joint venture with the UniCredit group).

The Group's framework agreement with agents is structured to promote a partnership spirit with the agents who share the common objectives of profitability and sustainability with the Group.

Real estate business

The Group is active in the real estate business through a number of subsidiaries and closed-end real estate funds including, *inter alia*, Immobiliare Fondiaria-SAI S.r.l., Immobiliare Milano Assicurazioni S.r.l., Fondo Immobiliare Athens R.E. Fund and Tikal R.E. Fund as well as certain smaller entities.

The book value of the investment property portfolio of the real estate business segment as at 31 December 2013 was Euro 1,404 million⁹.

The pre-tax result of the real estate business segment for the year ended 31 December 2013 was a loss of Euro 49 million, after the write-down of real estate for Euro 21 million and the depreciation of real estate investments and other tangible assets for Euro 35 million.¹⁰

⁸ Consolidated data determined on the basis of the aggregated data of the Premafin group and the Unipol Assicurazioni group, taking into account alignment of the values of assets and liabilities to the corresponding book value of such items in the consolidated financial statements of UGF and taking into account the effect of the put option on the shares of Unipol Banca granted by UGF to UnipolSai in connection with the Merger. The financial information is also included in the press release dated 20 March 2014 "2013 UnipolSai Consolidated Operating Results post Merger Structure".

⁹ Consolidated data determined on the basis of the aggregated data of the Premafin group and the Unipol Assicurazioni group, taking into account alignment of the values of assets and liabilities to the corresponding book value of such items in the consolidated financial statements of UGF and taking into account the effect of the put option on the shares of Unipol Banca granted by UGF to UnipolSai in connection with the Merger.

¹⁰ Consolidated data determined on the basis of the aggregated data of the Premafin group and the Unipol Assicurazioni group, taking into account alignment of the values of assets and liabilities to the corresponding book value of such items in the consolidated financial statements of UGF and taking into account the effect of the put option on the shares of Unipol Banca granted by UGF to UnipolSai in connection with the Merger. The financial information is also included in the press release dated 20 March 2014 "2013 UnipolSai Consolidated Operating Results post Merger Structure".

Other activities

This segment includes Group companies operating in the hotel industry (such as Ataholtels S.p.A. which manages a number of hotel complexes in some of the main cities and popular tourist destinations in Italy), medical and healthcare businesses (such as Centro Oncologico Fiorentino Casa di Cura Villanova S.r.l.), the agricultural industry (such as Tenute del Cerro S.p.A. – Società Agricola) and port activities (namely, Marina di Loano).

In the banking industry, the subsidiary Banca Sai S.p.A. (Banca SAI) offers insurance, financial and banking services through a network of financial advisers, four bank branches, internet banking and a call-centre providing customer service.

At the date of this Base Prospectus, the activities aimed at analysing the feasibility of the integration between Banca SAI and Unipol Banca have commenced. Subject to satisfaction of the conditions and in compliance with the relevant methodology to be defined, such integration may be completed before the end of 2014, subject to obtaining the necessary authorisations from the competent authorities and approval by the competent bodies of the banks.

The pre-tax result of this business segment for the year ended 31 December 2013 was a pre-tax loss of Euro 67 million.¹¹

RECENT DEVELOPMENTS

Restructuring of Premafin's outstanding debt

On 13 June 2012, an agreement for restructuring (the **Debt Restructuring Agreement**) *inter alia*: (a) the loan agreement dated 22 December 2004 between Premafin and the pool of lenders party thereto for an outstanding amount as of 31 December 2011 of Euro 322.5 million (as subsequently amended the **Original Loan Agreement**); and (b) an equity swap agreement dated 15 October 2008 between Premafin and UniCredit S.p.A. as counterparty (the **Swap Counterparty**) relating to ordinary shares of Fondiaria-SAI. (as subsequently amended, the **Equity Swap Contract**), was entered into between the lenders to the Original Loan Agreement and the Swap Counterparty (together, the **Finance Parties**) and Premafin as debtor in the context of an out-of-court debt restructuring plan (*piano di risanamento attestato*) pursuant to article 67(3)(d) of the Italian Bankruptcy Law.

Pursuant to the Debt Restructuring Agreement, the Original Loan Agreement was amended in two separate phases (before and after the Merger). As a result of the pre-Merger amendments and the amendments that have become effective following the Merger, all amounts owing to the Finance Parties under the Original Loan Agreement and the Equity Swap Contract have been restructured with the original maturity dates postponed. See further "*Material Contracts – Debt Restructuring Agreement*").

The Debt Restructuring Agreement furthermore provides for the issuance by UnipolSai, following the Merger, of the notes mandatorily convertible into ordinary shares of UnipolSai (the **Mandatory Convertible Notes**) to be subscribed by the Finance Parties other than GE Capital Interbanca S.p.A. and UGF. On 15 January 2014, the board of directors of UnipolSai approved the terms and conditions of the Mandatory Convertible Notes as well as, in order to service the conversion of the Mandatory Convertible Notes, a share capital increase with the exclusion, in accordance with Article 2441 of the Italian Civil Code, of shareholders' pre-emptive rights, of up to Euro 201.8 million to be implemented through the issuance of up to 73.919.414 UnipolSai's ordinary shares with no express nominal value, having the same characteristics as UnipolSai's shares already traded on the market. UnipolSai issued the Mandatory Convertible Notes on 24 April 2014. For further information on the Mandatory Convertible Notes, see "*Material Contracts – UnipolSai Assicurazioni 2014-2015 6.971 per cent. Mandatory Convertible Notes*" below.

¹¹ Consolidated data determined on the basis of the aggregated data of the Premafin group and the Unipol Assicurazioni group, taking into account alignment of the values of assets and liabilities to the corresponding book value of such items in the consolidated financial statements of UGF and taking into account the effect of the put option on the shares of Unipol Banca granted by UGF to UnipolSai in connection with the Merger. The financial information is also included in the press release dated 20 March 2014 "*2013 UnipolSai Consolidated Operating Results post Merger Structure*".

The AGCM Decision

With specific regard to the measures prescribed by the AGCM Decision and, in particular, the Divestiture Procedure, on 15 March 2014, UnipolSai and Allianz S.p.A. (**Allianz**) signed an agreement for the acquisition by Allianz, for a total consideration of up to Euro 440 million, of: (i) non-life insurance assets representing a premium income equal to Euro1.1 billion (for the 2013 financial year); (ii) 729 agencies; and (iii) 500 employees dedicated to managing such assets. The divestiture of these assets, which belonged to former Milano Assicurazioni prior to the Merger, will be completed following approval of the regulatory and antitrust authorities. Under the agreement entered into with Allianz, Allianz will not take over the Euro 100 million outstanding indebtedness taken out by Milano Assicurazioni before the Merger from Mediobanca. UnipolSai intends to seek alternative routes to reduce such financial exposure towards Mediobanca, including by way of partial early repayment of such loan. For further information see "*Risk Factors – Factors which are material for the purpose of assessing the risks or uncertainty deriving from the merger – Risks arising from failure to comply with the AGCM Decision*".

Public auction of certain of UnipolSai's newly issued ordinary shares (Premafin's shares subject to withdrawal)

Within the context of the approval of the Merger, certain shareholders of Premafin exercised their withdrawal rights for a total amount of 13,975,294 ordinary shares of Premafin corresponding to, on the basis of the exchange ratio applicable in the context of the Merger, 698,764 newly issued ordinary shares of UnipolSai. In such context, UnipolSai offered these un-opted ordinary shares for subscription by shareholders of Premafin who have not exercised withdrawal rights. The offer concluded on 14 January 2014 with the subscription of 5,144 of UnipolSai's newly issued ordinary shares by certain shareholders of Premafin for a total consideration of Euro 17,973.13.

Pursuant to Article 2437-*quater*, paragraph 4, of the Italian Civil Code, UnipolSai offered the 693,620 ordinary shares of UnipolSai that remained un-opted on the Mercato Telematico Azionario (the Italian automated screen-based trading system managed by Borsa Italiana S.p.A.), for five consecutive trading days ending on 31 January 2014, at a per share unit price of Euro 3.494. None of the 693,620 ordinary shares was subscribed in the tender offer. Accordingly, and as required by Article 2437-*quater*, paragraph 5 of Italian Civil Code, UnipolSai redeemed such ordinary shares on 26 February 2014 at a price of Euro 3.494 per share (or Euro 2,423,508.28 in aggregate) out of funds from its available reserves and thereafter cancelled such shares.

2014 first quarter results

On 15 May 2014, the Board of Directors of UnipolSai approved the consolidated results for the first three months of 2014. Below is an extract from the press release published by UnipolSai in relation to its consolidated first quarter interim report as at and for the three months ended 31 March 2014, which are incorporated by reference into this Base Prospectus. The consolidated first quarter interim report as at and for the three months ended 31 March 2014 has neither been audited nor reviewed by independent auditors.

* * *

CONSOLIDATED RESULTS AT 31 MARCH 2014 APPROVED

- **Consolidated net profit of €186m (+4.5% compared to the first quarter of 2013¹)**
- **Direct insurance income of €4,102m (+2.1%):**
 - **Non-Life business: income of €2,107m (-6.9%)**
 - **Life business: income of €1,995m (+13.7%)**
- **Combined ratio at 94.1% (92.7% in the first quarter of 2013)**
- **Solvency margin 1.6² times the regulatory requirements**

The Board of Directors of UnipolSai Assicurazioni S.p.A., which met today under the chairmanship of Fabio Cerchiai, approved the consolidated accounts for the first three months of 2014.

The Group's operations in the quarter were focused on business integration activities after the merger that led to the birth of UnipolSai. From an industrial standpoint, the first consolidated quarterly financial report for the year 2014 of UnipolSai is positive both in economic and financial terms, thanks to the confirmation of a still favorable trend in the Non-Life loss ratio, growth in Life income and the very positive dynamics occurring on the financial markets despite the continuation of a difficult macroeconomic environment.

Consolidated Results of UnipolSai

In the first three months of the year, UnipolSai reported a **net consolidated profit** of €186m (+4.5% compared to the first quarter of 2013), affected by charges for €21m following the increase of the substitute tax on the revaluation of Bank of Italy shareholding.

The **pre-tax profit** amounted to €323m (+3.5%), in particular as a result of a major contribution from core insurance operations of both Non-Life business (€263m) and Life business (€64m).

In the first quarter of 2014, **direct insurance income** amounted to €4,102m, an increase of 2.1% compared to the same period of 2013.

Non-Life Business

Direct premium income was affected by the ongoing economic crisis and by strong competition especially in MV business, in regard of which the Group undertook major commercial initiatives aimed at the protection of the portfolio. In this context, direct Non-Life premium income stood at €2,107m (-6.9% compared to the first quarter of 2013), of which €1,315m (-9.4%) from MV classes and €792m (-2.6%) from Non-MV classes.

With regard to the trend in claims, the first quarter of the year recorded a **combined ratio**, based on direct business, equal to 94.1% compared to 92.7% in the first quarter of 2013. Specifically, the **loss ratio** improved, reaching 67.4% compared to 68.6% in the first quarter of 2013. The **expense ratio** was equal to 26.7%, compared to 24.2% in the first quarter of 2013, and was affected by the drop in premiums recorded as well as the higher incidence of fees and commissions (changes in the production mix) and expenses related to the industrial revival of UnipolSai.

The **pre-tax result** for the business was a profit of €263m, up from €249m in the first quarter of 2013.

Life Business

The business recorded **direct income** of €1,995m, an increase of 13.7% compared to the first quarter of 2013.

This significant increase reflects the continuation of the favorable trend observed for traditional products as early as 2013, in a market environment characterized by low interest rates and a reduced risk appetite on the part of policyholders, which discouraged alternative investment products.

In particular, it should be noted the growth of the bancassurance channel represented by Popolare Vita Group companies, whose income reached €1,054m, an increase of 23.4% compared to the first quarter of 2013. The contribution of the traditional channel was also positive, represented by the parent company UnipolSai, whose divisions reported income of €900m, a growth of 4.3% despite the non-recurring contracts of a significant amount that had characterized the first part of 2013.

The **pre-tax result** for the business was a profit of €64m compared to €78m recorded in the corresponding period in 2013, due to the smaller contribution through P&L of financial items.

Real Estate Business

With regard to the real estate business, during the first quarter of 2014 work continued on the optimization of real estate assets in the company's portfolio and on the search for divestment opportunities, despite market conditions that were still affected by the economic crisis and the credit crunch.

The **pre-tax result** for the sector was a loss of €2m (-€3m in the first quarter of 2013).

Other Business

The results of the companies operating in diversified sectors, in particular the hotel industry (Atahotels) and clinics, showed a reduction of the negative results recorded in the past, as a result of the significant improvement in operations.

The **pre-tax result** for the sector was a loss of €3m (-€13m in the first quarter of 2013).

Financial Management

The Group's financial investments, despite being made with a view to preserving the profitability of the portfolio and consistency between the assets and liabilities underwritten with policyholders, achieved a significant yield in the period under consideration, representing approximately 5.6% of assets, with income of €584m³.

Balance Sheet

The **shareholders' equity** attributable to the Group amounted to €5,858m at 31 March 2014, compared to €5,210m in the consolidated opening financial statements at 1 January 2014 after the merger. The AFS reserve at 31 March 2014 was a positive €1,028m (€543m at 31 December 2013).

The consolidated **solvency margin** at 31 March 2014, net of dividends to be distributed and including the convertible loan issued in April 2014, was equal to 1.6 times the minimum required.

Business Outlook

Regarding the performance of the Non-Life insurance sector, the month of April has confirmed a slight recovery in the vehicle liability insurance class of UnipolSai as a result of the promotion of marketing initiatives. The trend in premiums collected is still down compared to the previous year, against a still favourable loss ratio.

In Life business, income has continued to confirm a high rate of growth.

The Group has continued the integration of the merged companies with determination, which is necessary in order to achieve the Business Plan objectives, as well as activities aimed at the conclusion of the divestiture of the business unit, in compliance with the measures imposed by the Italian Antitrust Authority as part of the bailout of the Fondiaria-SAI Group.

1 All comparisons with financial year 2013 refer to figures restated on a comparable basis post-merger: in fact, it should be noted that the merger by incorporation of Unipol Assicurazioni, Milano Assicurazioni and Premafin into Fondiaria-SAI became effective as of 6 January 2014, effective for accounting and tax purposes as of 1 January 2014.

2 This includes the convertible loan issued in April 2014.

3 Management figure.

* * *

Recent judicial investigations

On the 22 and 23 May 2014, the Bologna offices of the Issuer were searched and documentation was acquired on behalf of the public prosecutor in the context of ongoing investigations by the same public prosecutor regarding alleged market manipulation by certain key managers of the Issuer in relation to the Merger.

UnipolSai believes that the Merger – for which all required authorisations and consents have been duly obtained from the competent authorities following the conclusion of a lengthy application and approval process – has been properly and correctly implemented and intends to take all necessary action to defend its interests and those of its shareholders.

However, the Issuer cannot predict when the investigations will conclude and the ultimate outcome thereof.

REGULATORY FRAMEWORK

The Group's insurance and asset management activities and affiliates engaged in banking activities are subject to government regulation primarily in the Republic of Italy, where most of their business is conducted.

The Issuer is a listed company and accordingly is subject to extensive regulation and supervision by CONSOB.

Under the regulatory framework currently in force, all control and supervisory powers in respect of the insurance industry in Italy are exercised autonomously by the *Istituto per la Vigilanza sulle Assicurazioni (IVASS)*, formerly *Istituto per la Vigilanza sulle Assicurazioni Private e di Interesse Collettivo (ISVAP)*, save for certain powers specifically reserved to the Italian Ministry of Economic Development.

Asset management and banking businesses are regulated jointly by the Bank of Italy and CONSOB.

The main insurance laws are consolidated into the Italian Code of Private Insurance (*Codice delle Assicurazioni Private*, Legislative Decree No. 209/2005, as amended). The Italian Code of Private Insurance, *inter alia*: (i) regulates access to insurance activities; (ii) requires the maintenance of certain solvency margins, in part through a guarantee fund; (iii) determines the form of financial statements for insurance companies; and (iv) regulates the activities of insurance intermediaries. In addition, the Italian Civil Code contains certain provisions applicable to insurance contracts. Provisions concerning the required solvency margins are set out in the Italian Code of Private Insurance together with ISVAP Regulation No. 19 of 14 March 2008, as amended (Regulation concerning the solvency margin of insurance undertakings as referred to in Title III, Chapter IV and in article 223 of the Code of Private Insurance).

Regulatory agencies, in particular IVASS in the insurance sector and the Bank of Italy in the banking sector, have broad jurisdiction over many aspects of these businesses, such as capital adequacy, premium rates, marketing and selling practices, advertising, licensing agents, policy forms, terms of business and permitted investments.

The role of IVASS includes: (i) monitoring technical, financial, asset and liability management and solvency ratios; (ii) the review of financial statements; (iii) supervision of the activities of insurance brokers and agencies; (iv) authorisation to conduct insurance activities; (v) proposing disciplinary measures, including revocation of authorisations; (vi) approving restructuring plans; (vii) advising the Ministry of Economic Development with respect to admission to the forced liquidation procedure for financially troubled entities; and (viii) communicating and collaborating with other EU insurance regulatory bodies. IVASS has the power to request information from insurance companies, conduct audits of their activities and question their legal representatives, managing directors and statutory auditors and to convene shareholders', directors' and statutory auditors' meetings in order to propose measures necessary to conform the management of the insurance company to the requirements of the law.

The acquisition by insurance companies of controlling interests or interests which exceed certain limits in companies other than insurance companies, are subject to IVASS authorisation. IVASS has the power to order a reduction in such holdings if they do not satisfy conditions prescribed by law and IVASS also has the power to

apply sanctions. In certain cases, IVASS may also recommend that the Italian Ministry of Economic Development revoke certain authorisations to conduct insurance activities.

In the European Union, risk-based capital requirements for insurance companies are being introduced pursuant to Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), as amended by Directive 2012/23/EU adopted by the European Parliament and the Council of the European Union on 12 September 2012 (the **Solvency II Directive**), which was agreed to by the European Parliament in April 2009 and formally approved by a meeting of the European Union's Economic and Financial Affairs Council in November 2009. The Solvency II Directive was expected to be implemented by Member States prior to 30 June 2013 and to apply from 1 January 2014. According to Directive 2013/58/EU of the European Parliament and of the Council of 11 December 2013, the deadline for transposition of the Solvency Directive II by the Member States has been extended to 31 March 2015, while the deadline for the entry into force of the relevant provisions has been extended to 1 January 2016.

On 19 January 2011, the European Commission proposed the adoption of a directive (the **Omnibus II**) that introduces a number of changes to the Solvency II regime. The Omnibus II also empowers the European Commission to apply more flexible transitional provisions for insurance undertakings affected by Solvency II and grant extended powers to the new European Insurance and Occupational Pensions Authority (**EIOPA**, which replaced CEIOPS, the Committee of European Insurance and Occupational Pensions Supervisors on 1 January 2011). On 13 November 2013, the European Parliament, the Council and the European Commission unanimously agreed on the Omnibus II, containing provisions relating to long-term guarantee products, small and medium-sized insurers' reporting duties and the powers of EIOPA. Omnibus II has been adopted as Directive 2014/51/EU of the European Parliament and of the Council of 16 April 2014. Omnibus II was published in the Official Journal of the EU on 22 May 2014, and entered into force on 23 May 2014, save for article 2(25), (43) and (82) which shall apply from 31 March 2015.

No interlocking

On 20 April 2012, the Bank of Italy, CONSOB and ISVAP issued a joint document providing a number of assessment criteria relating to the provisions set out in Article 36 of Law Decree No. 201 of 6 December 2011 (converted with amendments into Law No. 214 of 22 December 2011), which prohibits the interlocking of positions held in various businesses or groups of businesses active in the credit, insurance and financial markets.

MATERIAL CONTRACTS

As at 31 December 2013, the Group's financial liabilities (being the total amount of financial debt not strictly related to core operations, excluding liabilities that are operating debt or that have a direct or indirect correlation with the assets) amounted to Euro 3,011.1 million¹². Below is a summary description of the principal financial liabilities of the Group.

Subordinated Callable Notes due 2021/2023

On 15 June 2001, Compagnia Assicuratrice UNIPOL S.p.A. issued the **Euro 300,000,000 Fixed/Floating Rate Subordinated Callable Notes due 2021**, which are currently listed on the Luxembourg Stock Exchange. Compagnia Assicuratrice UNIPOL S.p.A. (now UGF) was substituted by UGF Assicurazioni S.p.A. (which then changed its name to Unipol Assicurazioni S.p.A.) as issuer of the notes with effect from 5 August 2009. Simultaneously with such substitution, UGF executed a deed of guarantee to guarantee the issuer's payment obligations under the notes. UnipolSai succeeded Unipol Assicurazioni as issuer of the notes following the Merger. The notes mature on 15 June 2021 and may be redeemed at the option of the Issuer on each interest payment date commencing 15 June 2011 subject to prior authorisation by IVASS. Interest currently accrues on the notes at a

¹² Consolidated data determined on the basis of the aggregated data of the Premafin group and the Unipol Assicurazioni group, taking into account alignment of the values of assets and liabilities to the corresponding book value of such items in the consolidated financial statements of UGF and taking into account the effect of the put option on the shares of Unipol Banca granted by UGF to UnipolSai in connection with the Merger.

floating rate of three months' EURIBOR plus 250 basis points (following the expiry of the initial fixed rate period from the issue date through to 15 June 2011 during which interest accrued at a 7 per cent. per annum fixed rate).

On 28 July 2003, Compagnia Assicuratrice UNIPOL S.p.A. issued the **Euro 300,000,000 Fixed/Floating Rate Subordinated Callable Notes due 2023**, which are currently listed on the Luxembourg Stock Exchange. Compagnia Assicuratrice UNIPOL S.p.A. (now UGF) was substituted by UGF Assicurazioni S.p.A. (which then changed its name to Unipol Assicurazioni S.p.A.) as issuer of the notes with effect from 29 December 2009, following approval of such substitution by the noteholders by extraordinary resolution. Simultaneously with such substitution, UGF executed a deed of guarantee to guarantee the issuer's payment obligations under the notes. UnipolSai succeeded Unipol Assicurazioni as issuer of the notes following the Merger. The notes mature on 28 July 2023 and may be redeemed at the option of the Issuer on each interest payment date commencing 28 July 2013 subject to prior authorisation by IVASS. Interest currently accrues on the notes at a floating rate of three months' EURIBOR plus 250 basis points (following the expiry of the initial fixed rate period from the issue date through to 28 July 2013 during which interest accrued at a 5.66 per cent. per annum fixed rate). In June 2009 UGF launched a public tender offer to purchase the notes, upon the conclusion of which notes of an aggregate principal amount of Euro 38,311,000 were repurchased by UGF. These notes were purchased by UnipolSai from UGF in 2009 and they continue to be held by UnipolSai.

In relation to both series of subordinated notes, the Issuer does not have any obligation to pay interest on any "Optional Interest Payment Date", defined in the terms and conditions as any interest payment date in respect of which: (a) no dividend was declared in respect of any class of shares of the issuer at the immediately preceding annual general meeting of the issuer; and (b) no such dividend has been declared since that annual general meeting. Both series of subordinated notes rank junior to all unsubordinated, unsecured creditors (including policyholders) of the Issuer and may not be accelerated save in the case of the bankruptcy or liquidation of the Issuer or the Guarantor.

Both series of subordinated notes are computable among the constituent elements of the solvency margin of the Issuer within the limit of 25 per cent..

UnipolSai Assicurazioni 2014-2015 6.971 per cent. Mandatory Convertible Notes

On 24 April 2014, UnipolSai issued the "UnipolSai Assicurazioni 2014-2015 6.971 per cent. Mandatory Convertible Notes" (the **Mandatory Convertible Notes**), comprised of 2,018 notes of a nominal value of Euro 100,000 each, dematerialised with Monte Titoli S.p.A. The notes were subscribed (i) up to Euro 134.3 million by the Finance Parties other than GE Capital Interbanca S.p.A. and (ii) up to Euro 67.5 million by UGF. The Mandatory Convertible Notes are direct, unguaranteed and subordinated obligations of UnipolSai. In case of the voluntary liquidation or *liquidazione coatta amministrativa* of UnipolSai, or if it is subject to any other bankruptcy proceeding in accordance with Italian law, the Mandatory Convertible Notes shall rank *pari passu* amongst themselves and with the ordinary shares of UnipolSai, save that UnipolSai's obligation to pay accrued interests shall constitute a direct, unguaranteed and unsubordinated obligation of UnipolSai.

Interest accrues on the Mandatory Convertible Notes at a fixed rate of 6.971 per cent., to be paid in arrears semi-annually. The terms and conditions of the Mandatory Convertible Notes provide for compulsory cancellation of interest as well as mandatory and optional deferral of interests, in the circumstances set out in the terms and conditions.

The Mandatory Convertible Notes may be converted on a voluntary basis through to 22 December 2015 and shall be converted automatically on 31 December 2015 into ordinary shares of UnipolSai, at the applicable Conversion Ratio, being the ratio between the nominal value of the Mandatory Convertible Notes and the initial conversion price of Euro 2.730, as subsequently adjusted in accordance with the anti-dilution provisions contained in the terms and conditions. Holders will also receive accrued interest together with any optionally or mandatorily deferred interest. In addition to voluntary conversion at the option of the holders, the terms and conditions of the Mandatory Convertible Notes furthermore provide for automatic early conversion of the Mandatory Convertible Notes into ordinary shares of UnipolSai in specific circumstances. In the event of the winding-up, dissolution, liquidation or

bankruptcy of UnipolSai, interest on the Mandatory Convertible Notes constitutes unsubordinated obligations of UnipolSai. On 15 May 2014 UGF converted the Mandatory Convertible Notes subscribed by it.

Subordinated loan agreements

The Companies Participating in the Merger entered into a number of subordinated loan agreements with Mediobanca prior to the Merger. UnipolSai, as successor of the Companies Participating in the Merger, has succeeded as borrower under these loan agreements.

- On 23 July 2003, **Fondiaria-SAI** and Mediobanca entered into a subordinated loan agreement for a total amount of Euro 400 million. As a result of certain amendments entered into in December 2005, the loan agreement provides for an interest rate equal to the six-month EURIBOR rate plus 180 basis points. The loan is repayable in five equal annual instalments starting from the 16th anniversary of the drawdown date, and may be repaid in advance at the option of the borrower commencing from 23 July 2013 subject to approval by IVASS. The loan, despite being a dated instrument, is (as a result of its specific contractual features) computable among the constituent elements of the borrower's solvency margin within the limit of 50 per cent.
- On 20 December 2005, **Fondiaria-SAI** and Mediobanca entered into a subordinated loan agreement for a total amount of Euro 100 million. Interest accrues on the loan at a rate equal to the six-month EURIBOR rate plus 180 basis points. The loan is repayable in five equal annual instalments on each of 30 December 2021, 2022, 2023, 2024 and 2025 and may be repaid in advance at the option of the borrower commencing from 30 December 2015 subject to approval by IVASS. This loan agreement is computable among the constituent elements of the borrower's solvency margin within the limit of 25 per cent.
- On 22 June 2006, **Fondiaria-SAI** and **Milano Assicurazioni** entered into a subordinated loan agreement with Mediobanca, for a total amount of Euro 300 million (of which Euro 150 million was granted to Fondiaria-SAI and Euro 150 million to Milano Assicurazioni). The loan agreement provides for an interest rate equal to the six-month EURIBOR plus 180 basis points. The loan is repayable in five equal annual instalments starting from the 16th anniversary of the drawdown date, and may be repaid in advance at the option of the borrower commencing from the tenth anniversary of the drawdown date subject to approval by IVASS. On 14 July 2008, Milano Assicurazioni made a partial early repayment of such loan for an aggregate amount equal to Euro 100 million. This loan is computable among the constituent elements of the borrower's solvency margin within the limit of 25 per cent.

The above-mentioned loan agreements with Fondiaria-SAI and Milano Assicurazioni provide that interest due and payable may be deferred by the borrower in specific circumstances set out therein. The loan agreements furthermore provide for loss absorption provisions so that principal or interest amounts due under the loans may be reduced temporarily in order to absorb losses of the borrower. In the event that the borrower is subject to liquidation proceedings, the loan agreements will be automatically terminated and, consequently, the amounts due will become immediately repayable, subject to the subordination provisions. See further "*Risk Factors – Risks relating to regulatory compliance and regulatory changes*".

These loan agreements furthermore include certain covenants and negative pledges, including: a prohibition on reducing the share capital other than in accordance with legal obligations, on acquiring treasury shares for amounts in excess of 2 per cent. of the share capital and on distributing dividends in the event of loss absorption as provided for by the loan agreements. As at the date of this Base Prospectus, no covenants or negative pledge provisions have been breached.

- On 14 July 2008, **Fondiaria-SAI** and Mediobanca entered into a hybrid perpetual subordinated loan agreement for a total amount of Euro 250 million. The loan agreement provides for an interest rate equal to the six-month EURIBOR rate increased by 350 basis points for the first ten years and thereafter 450 basis points. This loan is computable among the constituent elements of the borrower's solvency margin within the limit of 50 per cent.

- On 14 July 2008, **Milano Assicurazioni** and Mediobanca entered into a hybrid perpetual subordinated loan agreement for a total amount of Euro 100 million. The loan agreement provides for an interest rate of six-month EURIBOR rate increased by 350 basis points for the first ten years and thereafter 450 basis points. . This loan is computable among the constituent elements of the borrower's solvency margin within the limit of 50 per cent.
- On 28 February 2008, each of **Unipol Assicurazioni** and **Aurora Assicurazioni S.p.A.** (which became Unipol Assicurazioni before the Merger) entered into a hybrid subordinated loan agreement with Mediobanca for a total amount of Euro 400 million. The loan agreements provide for an interest rate equal to the six-month EURIBOR rate plus a margin of 250 basis points for the first ten years and thereafter a margin of 350 basis points. These loans are computable among the constituent elements of the solvency margin within a 50 per cent. limit.

The above-mentioned hybrid loans are perpetual and are to be repaid only in the event of liquidation of the borrower. Under the terms of the loan agreements, the loans may be repaid at the option of the borrower after the tenth year or for regulatory reasons. Interest due and payable may be deferred by the borrower in certain circumstances set out in the loan agreement, and must be deferred if the borrower is requested by IVASS to reconstitute its required solvency margins. The loan agreements furthermore provide for loss absorption provisions so that the borrower's obligation to pay principal or interest amounts due under the loans may be suspended temporarily in order to absorb losses of the borrower.

The perpetual loan agreements furthermore provide for certain covenants and negative pledges to be complied with, following the Merger, by UnipolSai, including: a prohibition on reducing capital unless in compliance with legal obligations, on acquiring treasury shares except to the extent provided by law and on distributing dividends in the event of absorption of losses as specified in the loan agreements; compliance with statutory and legal requirements with regard to investment policies; and a prohibition on engaging in any action or transaction aimed at the creation or assumption of assets or funding for a specific business deal as governed by the Italian Civil Code. As at the date of this Base Prospectus, no financial covenants or negative pledge provisions have been breached.

Other indebtedness

Debt Restructuring Agreement

Pursuant to the Debt Restructuring Agreement entered into on 13 June 2012 between Premafin and the Finance Parties (see above "*Recent Developments – Restructuring of Premafin's outstanding debt*"), the Original Loan Agreement was amended in two separate phases (before and after the Merger). As a result of the pre-Merger amendments and the amendments that have become effective following the Merger (set out in two separate contracts annexed to the Debt Restructuring Agreement that govern, respectively, amounts owing to all Finance Parties other than GE Capital Interbanca S.p.A. and amounts owing to GE Capital Interbanca S.p.A. (the **Contracts**)), amounts due to be repaid have been rescheduled, subject to compulsory early repayment in specific circumstances. The Contracts include certain covenants and negative pledges, together with a number of events following the occurrence of any of which the Agent may (at the instruction of the majority of the Finance Parties) declare all amounts immediately due and repayable.

The Debt Restructuring Agreement furthermore provides for: (a) the issuance by UnipolSai, which took place on 24 April 2014, of subordinated notes in the principal amount of Euro 20.8 million convertible into ordinary shares of UnipolSai; (b) the subscription of the mandatory convertible notes in the amount of Euro 67.5 million by UGF and in the amount of Euro 134.3 million by the Finance Parties other than GE Capital Interbanca S.p.A.; and (c) the application of the proceeds from the issuance of the mandatory convertible notes towards repayment in part of the amounts owing to the Finance Parties other than GE Capital Interbanca S.p.A. See further "*– UnipolSai Assicurazioni 2014-2015 6.971 per cent. Mandatory Convertible Notes*".

As a result of the partial repayment following the issuance of the Mandatory Convertible Notes, the aggregate principal amount outstanding to the Finance Parties other than GE Capital Interbanca S.p.A. amounts to Euro 134.3 million as at the date of this Base Prospectus.

Other financing agreements

- Tikal R.E. Fund (**Tikal**) entered into a loan agreement with Mediobanca for an original amount of Euro 119 million to fund the purchase of certain properties. Principal outstanding as at 31 December 2013 amounted to Euro 111.5 million and is to be repaid on 31 December 2016. Interest is payable at the rate of the six-month EURIBOR rate plus a credit spread of 90 basis points. Since 2008, Tikal has entered into interest rate derivative instruments to hedge against the risk of a potential increase in interest rates on the loan. The loan becomes immediately repayable (cross default event) in the event of early repayment of Tikal's other financial indebtedness, or if other financial indebtedness of Tikal is not paid when due. Moreover, Tikal has undertaken to ensure that, as at any relevant calculation date, the loan to value does not exceed 80 per cent. and the interest-service coverage ratio is equal to or greater than 1:10. No change of control provision has been included contractually.
- Banca Sai issued floating rate and fixed rate notes in 2009 and 2010 having various maturities from 2012 to 2014 in respect of which, following redemptions in March and June 2013, the aggregate principal amount currently outstanding is Euro 20.9 million.
- The subsidiary Immobiliare Fondiaria-SAI s.r.l. incurred liabilities equal to Euro 53.6 million. These liabilities principally derive from the loan agreement entered into by Marina di Loano S.p.A. with Intesa Sanpaolo S.p.A. in its capacity as agent bank. Such loan is subject to an interest rate of the three-month EURIBOR plus 300 basis points and was originally due and payable on 17 March 2014. By mutual agreement with the lenders, the maturity date has been extended to 30 June 2014, on the same terms and conditions. Subject to approval by the relevant authorities, the loan will be replaced by an interest-bearing financing of up to Euro 47 million by Immobiliare Fondiaria-SAI S.r.l., in turn financed by UnipolSai.

EMPLOYEES

As at 31 December 2013, the Group had 11,163 employees, whereas as at 31 March 2014 the Group had 11,233 employees.

SHAREHOLDERS

At the date of this Base Prospectus, UnipolSai's issued and outstanding share capital amounts to Euro 1,996,129,451.62, which is comprised of 2,275,632,026 ordinary shares, 1,276,836 category "A" savings shares and 377,193,155 category "B" savings shares, taking into account the 24,725,274 ordinary shares issued to UGF following conversion of the Mandatory Convertible Notes subscribed by it.

The category "A" savings shares and the category "B" savings shares have preference over ordinary shares in the payment of dividends and return of capital, in each case as set out in Articles 7 and 27 of the Issuer's by-laws.

In addition, the Issuer has approved increasing its share capital by up to Euro 201.8 million through the issuance of up to 73,919,414 ordinary shares with no express nominal value to service the conversion into ordinary shares of the Mandatory Convertible Notes. See further " – *Material Contracts – UnipolSai Assicurazioni 2014-2015* 6.971 per cent. *Mandatory Convertible Notes*".

Pursuant to the declarations of shareholdings made pursuant to Article 120 of the Financial Services Act and information at the disposal of UnipolSai as at 21 May 2014, shareholders holding more than 2 per cent. of UnipolSai's ordinary share capital (including treasury shares held by UnipolSai directly and through subsidiaries) were as follows:

Declarant	Direct Shareholder	Type of possession	Percentage of voting capital	Percentage of ordinary capital	Percentage of all share capital
Finsoe S.p.A.	Unipol Gruppo Finanziario S.p.A.	Owner	64.935%	63.407%	54.365%
UnipolSai Assicurazioni S.p.A.		Owner		2.353%	2.018%

Declarant	Direct Shareholder	Type of possession	Percentage of voting capital	Percentage of ordinary capital	Percentage of all share capital
	Finadin S.p.A.		0.000%	1.690%	1.449%
	Fondiaria-Sai Nederland BV		0.000%	0.415%	0.356%
	Sai Holding Italia S.p.A.		0.000%	0.142%	0.122%
	Sainternational S.A.		0.000%	0.055%	0.047%
	UnipolSai Assicurazioni S.p.A.		0.000%	0.032%	0.027%
	Pronto Assistance S.p.A.		0.000%	0.015%	0.013%
	Popolare Vita S.p.A.		0.000%	0.004%	0.003%
	Saifin Saifinanziaria S.p.A.		0.000%	0.0001%	0.0001%

67.748 per cent. of the category "B" savings shares are indirectly held by UGF.

UnipolSai is controlled within the meaning of Article 2359(1)(1) of the Italian Civil Code by UGF, which exercises direction and coordination over UnipolSai pursuant to Article 2497 and following of the Italian Civil Code.

CORPORATE GOVERNANCE

Corporate governance rules for Italian companies whose shares are listed on the Italian Stock Exchange, such as UnipolSai, are contained in the Italian Civil Code, in the Financial Services Act, CONSOB Regulation No. 11971 of 14 May 1999, as amended (**Regulation No. 11971**) and the voluntary code of corporate governance issued by Borsa Italiana S.p.A.

UnipolSai has adopted a "traditional" system of corporate governance, based on a conventional organisational model involving shareholders' meetings, a board of directors, a board of statutory auditors and independent auditors.

Pursuant to its by-laws, the management of UnipolSai is entrusted to a collegial body made up of no fewer than nine and no more than 19 members (including the independent directors in accordance with applicable law and regulations), appointed by the shareholders' meeting (collectively the **Board of Directors** and each member so appointed a **Director**).

Directors are appointed for a term of three years, or for a shorter period determined by the shareholders' meeting when appointing them, and they may be reappointed. UnipolSai's by-laws provide for a voting list system for the appointment of all members of the Board of Directors.

The Board of Directors has the widest possible powers to perform the ordinary and extraordinary tasks involved in managing UnipolSai. It is authorised to take all the steps that it deems appropriate in order to achieve UnipolSai's aims and corporate objectives, with the sole exception of the powers expressly reserved by law and by UnipolSai's by-laws to the shareholders' meeting. In addition, UnipolSai's by-laws confer upon the Board of Directors the power to, *inter alia*, resolve upon the following matters: (a) mergers in circumstances envisaged by articles 2505 and 2505-bis of the Italian Civil Code and demergers in circumstances envisaged in article 2506 of the Italian Civil Code; (b) decrease of share capital, in case of shareholder withdrawal; (c) adjustments of the by-laws in order to comply with applicable regulations; and (d) transfer of the registered office to elsewhere in Italy.

Pursuant to UnipolSai's by-laws, the Board of Statutory Auditors (*collegio sindacale*) is composed of three auditors and three alternate auditors, each of whom shall meet the requirements provided for by applicable law and UnipolSai's by-laws (collectively, the **Board of Statutory Auditors**). All members of the Board of Statutory Auditors are appointed by the shareholders' meeting for three years and can be reappointed. UnipolSai's by-laws provide for a voting list system for the appointment of all members of the Board of Statutory Auditors. The alternate auditors will automatically replace any statutory auditor who resigns or who is otherwise unable to serve as a statutory auditor.

The Board of Statutory Auditors is the corporate body which verifies that administrative matters are in good order and, in particular, whether the organisational, administrative and accounting structure adopted by the Board of Directors is appropriate and operating as it should.

UnipolSai's by-laws contain provisions aimed at enabling compliance with applicable laws and regulations on the gender balance within the Board of Directors and the Board of Statutory Auditors.

Management

Board of Directors

UnipolSai's current Board of Directors was appointed at the shareholders' meeting of Fondiaria-SAI on 29 April 2013 and the shareholders' meeting of UnipolSai on 29 April 2014. The latter meeting approved the appointment of Paolo Cattabiani following the resignation of Marco Pedroni who was appointed in April 2013. Unless their term of office is terminated early, all members will remain in office until the shareholders' meeting called to approve UnipolSai's financial statements for the financial year ending 31 December 2015.

The following table sets out the current members of the UnipolSai's Board of Directors.

Name	Position
Fabio Cerchiai	Chairman (*)
Pierluigi Stefanini	Vice Chairman (*)
Carlo Cimbri	Chief Executive Officer (*)
Francesco Berardini	Director
Milva Carletti	Director
Paolo Cattabiani	Director
Lorenzo Cottignoli	Director
Ernesto Dalle Rive	Director
Ethel Frasinetti	Director
Vanes Galanti	Director
Giorgio Ghiglieno	Director
Massimo Masotti	Director
Maria Rosaria Maugeri	Director
Maria Lillà Montagnani	Director
Maria Antonietta Pasquariello	Director
Nicla Picchi	Director (*)
Barbara Tadolini	Director
Francesco Vella	Director (*)
Mario Zucchelli	Director

(*) members of the Executive Committee

The business address of the members of the Board of Directors is the Issuer's registered office at Via Stalingrado 45, 40128 Bologna, Italy.

Other offices held by members of the Board of Directors

The table below lists the offices held by the members of UnipolSai's Board of Directors on the board of directors, board of statutory auditors, supervisory committees or other positions other than within UnipolSai.

Name	Position	Main positions held by Directors outside UnipolSai
Fabio Cerchiai	Chairman	Member of Accademia Italiana di Economia Aziendale (Italian Academy of Business Economics); Director of Edizione S.r.l.; Vice Chairman of Diplomatia; Chairman of Fest Fenice Servizi Teatrali; Chairman of Arca Vita S.p.A.; Chairman of Arca Assicurazioni S.p.A.; Chairman of Atlantia S.p.A.; Chairman of Autostrade per l'Italia S.p.A.; Director of AISCAT Associazione Italiana Società Concessionarie Autostrade e Trafori (Italian Association of Motorway and Tunnel Operators); General Representative at the Council of the Unione degli Industriali e delle Imprese di Roma, Frosinone, Latina, Rieti, Viterbo (Business and Industrial Association of Rome, Frosinone, Latina, Rieti and Viterbo); Director of Fondazione

Name	Position	Main positions held by Directors outside UnipolSai
Pierluigi Stefanini	Vice Chairman	Studium Generale Marcianum; Chairman of Cerved S.p.A.; Chairman of Help Them Onlus; Vice Chairman of ANSPC Associazione Nazionale per lo Studio dei Problemi del Credito (National Association for the Analysis of Credit Problems); Member of the Assonime (Association of Italian Joint-Stock Companies) council; Adjunct Professor at the Università Cattolica del Sacro Cuore of Milan – Faculty of Banking, Finance and Insurance; Chairman of Federazione delle Banche, delle Assicurazioni e della Finanza (Italian Banking, Insurance and Finance Federation); Chairman of SIAT Società Italiana Assicurazioni e Riassicurazioni S.p.A.
Carlo Cimbri	Chief Executive Officer	Director of Finsoe S.p.A.; Director of Unipol Banca S.p.A.; Member of the Board of the Bologna Chamber of Commerce Industry, Crafts and Agriculture; Member of the Board of Directors of EURESA Holding S.A.; Chairman of the Unipolis Foundation; Member of the Supervisory Board of Manutencoop Facility Management S.p.A.; Deputy Chairman of EURESA GEIE S.A.; Chairman of the Fondiaria-SAI Foundation; Chairman of Unipol Gruppo Finanziario S.p.A..
Francesco Berardini	Director	Director of Unipol Banca S.p.A.; Director of Euresa GEIE S.A.; Director of Euresa Holding S.A.; Director of Nomisma S.p.A.; Member of the Executive Committee of ANIA (Associazione Nazionale fra le Imprese Assicuratrici – National Association of Insurance Companies); Director of Censis Foundation ('Fondazione Centro Studi Investimenti Sociali'); Member of the Board of Directors of FeBAF (Federazione delle Banche; delle Assicurazioni e della Finanza – Banking; Insurance and Financial Federation); Chief Executive Officer of Unipol Gruppo Finanziario S.p.A..
Milva Carletti	Director	Chairman of Coop Liguria Soc. Coop.; Member of the Supervisory Board of Coop Italia Soc. Coop.; Chairman of Talea S.p.A.; Director of Coop Consorzio Nord Ovest S.c.a.r.l.; Director of Finsoe S.p.A.; Deputy Chairman of SIAT Società Italiana Assicurazioni e Riassicurazioni S.p.A.; Director of Distribuzione Roma S.r.l.; Director of Unipol Gruppo Finanziario S.p.A.
Paolo Cattabiani	Director	Chief Financial Officer of Manutencoop Facility Management S.p.A.
Lorenzo Cottignoli	Director	Director of QUA.DIR. S.r.l.; Director of Centrale Adriatica Soc. Coop.; Chairman of Coop Consumatori Nordest Soc. Coop.; Director of REFINCOOP S.p.A.; Director of PAR.Co. S.p.A.; Director of Finsoe S.p.A.; Director of Spring 2 S.r.l.; Vice Chairman of Immobiliare Nordest S.p.A. (Director since September 2013); Director of Unipol Gruppo Finanziario S.p.A.
Ernesto Dalle Rive	Director	Chairman of Associazione delle Agenzie Societarie Unipol (Association of Unipol Corporate Agencies); Member of the Regional Directorate of Legacoop Emilia-Romagna; Director of Fondazione Museo del Risorgimento; Chairman of the Board of Directors of Federazione delle Cooperative della Provincia di Ravenna S.C.P.A.; Director-General of Federazione delle Cooperative della Provincia di Ravenna S.C.P.A.; Director of Federcoop N.B. Soc. Coop.; Chairman of Assicoop Ravenna S.p.A.; Chairman of the Board of Directors of Tecnagri Project S.r.l.; Director of Cooperativa Muratori&Cementisti di Ravenna Soc. Coop.; Chairman of the Board of Directors of Greentechology S.r.l.; Director of SCS Azioninnova S.p.A.; Director of Pegaso Finanziaria S.p.A.; Chairman of the Board of Directors of Unagro S.p.A.; Director of Assicoop Firenze S.p.A.; Director of Cooperare S.p.A.; Director of Finanza Cooperativa S.C.P.A.; Director of Assicoop Siena S.p.A.; Director of Carimonte Holding S.p.A.; Director of CMC Immobiliare S.p.A.; Director of Finsoe S.p.A.; Member of the Board of Lega Nazionale Cooperative e Mutue; Chairman of Assicoop Romagna Futura S.r.l.; Statutory Auditor of Cefla S.C. Soc. Coop.; Director of C.C.F.S. S.c. a r.l.; Director of Saiagricola S.p.A.; Chairman of the Board of Directors of Parfinco S.p.A.
Ethel Frasinetti	Director	Director of Consorzio Cooperativo Nord-Ovest S.c.a.r.l.; Chief Executive Officer and General Manager of Nova Coop Soc. Coop.; Director of Distribuzione Roma S.r.l.; Director of Finsoe S.p.A.; Director of Coop Italia Soc. Coop.; Director of UnipolSai Assicurazioni S.p.A.
		Coordination member and promoter of Legacoop Generazioni – Network of young Legacoop Emilia Romagna co-operators; General Manager of Legacoop Bologna; Director of SCS Azioninnova S.p.A.; Director of Coop Adriatica S.c. a r.l.; Director of Voli Soc. Coop.; Executive Board Member of Lega Nazionale delle Cooperative e delle Mutue; Director of Fondazione del Monte di Bologna e Ravenna responsible for the social sector; Director of Parfinco S.p.A.

Name	Position	Main positions held by Directors outside UnipolSai
Vanes Galanti	Director	Director of Unipol Gruppo Finanziario S.p.A.
Giorgio Ghiglieno	Director	Member of the Board of Statutory Auditors of Fondazione Agnelli
Massimo Masotti	Director	Chairman of the Association of Chartered Accountants of Emilia-Romagna; Statutory Auditor of Labor S.p.A.; Statutory Auditor of CIICAI Soc. Coop.; Statutory Auditor of Sviluppo S.r.l.; Chairman of the Board of Statutory Auditors of Il Raccolto – Soc. Coop. Agricola; Statutory Auditor of Enaip Lombardia Fondazione; Chairman of the Board of Statutory Auditors of Caleidoscopio Soc. Coop.; Chief Executive Officer of Finanziaria Bolognese FI.BO. S.p.A.; Statutory Auditor of Aclichef Soc. Coop.; Chairman of the Board of Statutory Auditors of Consorzio Eureka Soc. Coop.; Statutory Auditor of Nuova C.L.S. Soc. Coop.; Chairman of the Board of Statutory Auditors of De Toschi S.p.A.; Statutory Auditor of Sicuritalia Servizi Integrati – Soc. Coop.; Statutory Auditor of Cefla Capital Services S.p.A.; Director of Cooperare S.p.A.; Director of Pegaso Finanziaria S.p.A.; Statutory Auditor of Consorzio Cenasca Service Soc. Coop.; Statutory Auditor of Consorzio SOL.CO. Como Soc. Coop.; Statutory Auditor and Auditor of the accounts of Sviluppo Calderara S.r.l.; Chairman of the Board of Statutory Auditors of Consorzio Abitare S.c. a r.l.; Statutory Auditor of Sicuritalia Servizi Fiduciari – Soc. Coop.; Independent Auditor of Insieme Azienda consortile Interventi Sociali Valli del Reno, Lavino e Samoggia; Statutory Auditor of Immobiliare CIICA S.p.A.; Chairman of the Board of Statutory Auditors of Abitare Lomazzo Soc. Coop.; Statutory Auditor of Unilog Group S.p.A.; Director of Promorest S.r.l.; Independent Auditor of Consorzio Libra – Soc. Coop.; Independent Auditor of Consorzio Acli Lavoro S.c. a r.l.; Statutory Auditor of Pomodoro Viaggi S.r.l.; Statutory Auditor of Charis S.c.a. r.s.; Chairman of the Board of Statutory Auditors of CIEFFESSECI – Soc. Coop.; Director of Hope S.r.l.; Chairman of the Board of Statutory Auditors of Abitare Albate Soc. Coop.; Chairman of the Board of Statutory Auditors of C.C.F.S. Soc. Coop.; Chairman of the Board of Statutory Auditors of Dinamica S.c. a r.l.; Chairman of the Board of Statutory Auditors of Inventori di Viaggio Soc. Coop.; Statutory Auditor of Società Cooperativa Sociale Varietà
Maria Rosaria Maugeri	Director	Board Member of Associazione Civilisti Italiani (Italian Civil Law Association); Full Professor at the University of Catania; Member of the SECOLA (Society of European Contract Law) Advisory Board; Lecturer for the Masters in Environmental Law at the Sapienza University in Rome; Lecturer for the Masters in Corporate Law at the LUISS Guido Carli University in Rome; Member of the European Private Law PhD Board at SUM (Istituto Italiano di Scienze Umane, Italian Institute of Human Sciences) in Florence; Co-Director of the "Studi di Diritto Privato" (Private Law Studies) series, ESI; Co-Editor of the Journal <i>Osservatorio di Diritto Civile e Commerciale</i> , il Mulino; Member of CER Centro Europa Ricerche
Maria Lillà Montagnani	Director	Visiting Fellow of the CCLS, Queen Mary University of London; Member of ALAI, Association Littéraire et Artistique Internationale; Member of the Steering Committee of the International Society for History and Theory of Intellectual Property (ISHTIP); Member of the Industrial Law PhD Board of the University of Milan; Director of the ASK – Art, Science and Knowledge research centre at the Bocconi University in Milan
Maria Pasquariello	Antionietta Director	Director of Immagine e Relazioni Esterne Camst S.c. a r.l.; Chair of Camst S.c. a r.l.
Nicla Picchi	Director	Founding partner of Picchi & Associati; Chair of the Supervisory Board of Gefran S.p.A.; Chair of the Supervisory Board of Faringosi S.p.A.; Chair of the Supervisory Board of Alfa Accia S.p.A.; Chair of the Board of Directors of Territorio Lombardia Est (now Consiglio di Territorio della Lombardia) of UniCredit; Director and Chair of the Supervisory Board of Sabaf S.p.A.
Barbara Tadolini	Director	Trustee in bankruptcy and technical consultant for the Court of Genoa; Statutory Auditor of Burke & Novi S.r.l.; Chair of the Board of Statutory Auditors of Porto di Arenzano S.p.A.; Chair of the Board of Statutory Auditors of Eco Eridania S.p.A.; Statutory Auditor of Luxottica S.p.A.; Director of Cassa nazionale di previdenza e assistenza dei dottori commercialisti (National Social Security Fund for Chartered Accountants); Chair of the Board of Statutory Auditors of ECO TRAVEL S.r.l.; Chair of the Board of Statutory Auditors of PADERNO Energia S.r.l.; Chair of the Board of Statutory Auditors of Team Ambiente S.p.A.; Statutory Auditor of Salmoiraghi & Viganò S.p.A.; Statutory Auditor of VistaSì S.p.A.
Francesco Vella	Director	Chairman of the Board of Statutory Auditors of Luxottica Group S.p.A.; Director of Unipol Banca S.p.A.

Name	Position	Main positions held by Directors outside UnipolSai
Mario Zucchelli	Director	Director of Unipol Gruppo Finanziario S.p.A.; Chairman of the Board of Directors of Coop Estense Soc. Coop.; Deputy Chairman of Sofinco S.p.A.; Director of Centrale Adriatica Soc. Coop.; Member of the Supervisory Board of Coop Italia Soc. Coop.; Director of Spring 2 S.r.l.; Director of Finsoe S.p.A.; Director of Atrikè S.p.A.

Committees of the Board of Directors

Under the authority conferred on it by UnipolSai's by-laws, the Board of Directors has deemed it appropriate to set up specific committees consisting of some of its members in order to increase the efficiency and the effectiveness of its activities. Such committees have a consultative and advisory role.

As at the date of this Base Prospectus, the following committees have been created within the Board of Directors:

- the **Executive Committee** reports at least quarterly to the Board of Directors and the Board of Statutory Auditors, *inter alia*, on the activities performed and on transactions entered into by the Issuer or subsidiaries whose size or nature are significant in economic, financial or asset terms. The Executive Committee has been given the task of consulting and collaborating in the identification of development strategies and guidelines for the strategic and operational plans to be submitted to the Board of Directors, in particular concerning the following issues:
 - policies relating to dividends and/or capital remuneration;
 - extraordinary transactions that fall within the competence of shareholders meetings including, in particular, share capital increases, convertible bonds, mergers, demergers, distribution of reserves, purchase of own shares and changes to the by-laws;
 - extraordinary transactions of strategic importance or that could impact the value and/or composition of the equity structure of the company or the price of the shares in a significant manner, such as acquisitions or disposals of significant participations, aggregation or alliance with other groups, material change to the structure or composition of the Group; and
 - strategic plans and annual budget of UnipolSai and of the Group.
- the **Remuneration Committee** is responsible for submitting proposals to the Board of Directors regarding the general policies for the remuneration of the Issuer's directors and key management personnel (including "Risk Takers employees", as defined by IVASS Regulation no. 39/2011), proposing the remuneration of the Chief Executive Officer and of directors who hold particular offices, as well as setting performance targets relating to the variable component of such remuneration. It also has the task of monitoring the implementation of the decisions adopted by the Board of Directors, in particular by verifying the actual achievement of performance targets and periodically assessing the adequacy, overall consistency and practical application of the policies for the remuneration of directors and executives with strategic responsibilities, using the information provided in this respect by the Chief Executive Officer and submitting proposals in such regard to the Board of Directors.

The Board of Directors has appointed as members of the Remuneration Committee Mr. Francesco Vella (as Chairman), Mr. Giorgio Ghiglieno and Ms. Maria Rosaria Maugeri.

- the **Control and Risks Committee** has an advisory, consultative and investigatory role and assists the Board of Directors in its assessments and decisions relating mainly to the internal control and risk management system and the approval of regular accounting documents.

The Board of Directors has appointed as members of the Control and Risks Committee Mr. Massimo Masotti (as Chairman), Ms. Maria Lillà Montagnani and Ms. Nicla Picchi.

- the **Appointment and Corporate Governance Committee** provides recommendations and advice to the Board of Directors on the following: the appointment of members of the Board; oversees the annual board performance evaluation; provides its opinions to the Board of Directors regarding the size and composition of the Board as well as the skills and professional qualifications it feels should be represented on the same. The Committee also assists the Board on the implementation of the corporate governance system and on the development of corporate governance regulation or best practice.

The Board of Directors has appointed as members of the Appointment and Corporate Governance Committee Mr. Francesco Vella (as Chairman), Ms. Maria Lillà Montagnani and Mr. Massimo Masotti.

- the **Related Parties Committee** has the functions and the role provided for by the Regulation on transactions with related parties adopted by CONSOB by Resolution no. 17221 of 12 March 2010, as amended and supplemented.

The Board of Directors, in the meeting of 15 May 2014, appointed as members of the Related Parties Committee, Mr. Massimo Masotti (as Chairman), Mr. Giorgio Ghiglieno, Ms. Nicola Picchi and Mr. Francesco Vella.

Senior management

The following table sets forth the members of UnipolSai's senior management (the **Senior Management**), together with their current positions:

Name	Position
Maurizio Castellina	Head of Administration, Planning and Control, Operations
Franco Ellena	Head of General Insurance Department
Roberto Giay	Head of Legal, Corporate Affairs and Investments
Matteo Laterza	Head of Finance and Life
Giuseppe Santella	Head of Human Resources and Organisation
Gian Luca Santi	Head of Real Estate and Diversified Companies

Board of Statutory Auditors

The current Board of Statutory Auditors consists of three auditors and three alternate auditors and was appointed at the shareholders' meeting of Fondiaria-SAI on 24 April 2012 and the shareholders' meeting of UnipolSai on 29 April 2014. The latter meeting confirmed the appointment of Sergio Lamonica as statutory auditor and approved the appointment of Domenico Livio Trombone as alternate auditor by way of integration following the resignation of Dott. Antonio d'Ambrosio, appointed in April 2012. The term of office of the current Board of Statutory Auditors expires at the shareholders' meeting called to approve UnipolSai's financial statements for the financial year ending 31 December 2014. The following table sets out the current members of the UnipolSai's Board of Statutory Auditors:

Name	Position
Giuseppe Angiolini	Chairman
Sergio Lamonica	Member
Giorgio Loli	Member
Maria Luisa Mosconi	Alternate Auditor
Giovanni Rizzardi	Alternate Auditor
Domenico Livio Trombone	Alternate Auditor

The business address of the members of the Board of Directors is the Issuer's registered office at Via Stalingrado 45, 40128 Bologna, Italy.

Board of Statutory Auditors' other offices

The principal business activities, experience and other principal directorships, if any, of each of the members of the Board of Statutory Auditors are summarised below.

Name	Position	Main positions held by Statutory Auditors outside UnipolSai
Giuseppe Angiolini	Chairman	Chair of Statutory Auditors of Fisia Italmobiliari S.p.A.; Director of Pellegrini S.p.A.; Director of Aeroporti di Roma S.p.A.
Sergio Lamonica	Member	Statutory Auditor of Meridionale Petroli S.r.l.; Statutory Auditors of Petroli investimenti S.p.A.; Statutory Auditors of Petroliera Gioia Tauro S.r.l.; Chair of Statutory Auditors of Compagnia Italtroli S.p.A.; Internal Auditor of MECAER Aviation Group S.p.A.; Chair of the surveillance body of Compagnia Italtroli S.p.A.; Statutory Auditor of S.B.I. S.p.A.
Giorgio Loli	Member	Chair of Statutory Auditors of Polaroid S.r.l.; Chair of Statutory Auditors of coesia S.p.A.; Chair of Statutory Auditors of G.D. S.p.A.; Chair of Statutory Auditors of Isoil Impinati; Chair of Statutory Auditors of Finprema S.p.A.; Chair of Statutory Auditors of Residenziale Immobiliare 2004 S.p.A.; Chair of Statutory Auditors of A & C S.p.A.; Chair of Statutory Auditors of Sasib S.p.A.; Chair of Statutory Auditors of Decal S.p.A.; Chair of Statutory Auditors of IPI S.r.l.; Statutory Auditor of Isoil Industria S.p.A.; Statutory Auditor of Verde Moscova Soc. Coop.; Statutory Auditor of Maire Tecnimont S.p.A.; Statutory Auditor of Parmalat S.p.A.
Maria Luisa Mosconi	Alternate Auditor	Statutory Auditor of Prysmian S.p.A.; Member of the Board of Directors of Biancamano S.p.A.; Statutory Auditor of Azienda Trasporti Milanesi – ATM S.p.A.; Statutory Auditor of Movibus S.r.l.; Member of the Board of Directors of Conceria Gaiera Giovanni S.p.A.; Statutory Auditor of Finadin S.p.A.; Statutory Auditor of Immobiliare Fondiaria – Sai S.r.l.; Statutory Auditor of Immobiliare Milano Assicurazioni S.r.l.; Statutory Auditor of S.A.C.B.O. S.p.A.; Statutory Auditor of Napoli Metro Engineering S.r.l.; Statutory Auditor of The Walt Disney Company Italia S.p.A.; Statutory Auditor of Metal – Work S.p.A.; Chairman of the Board of Statutory Auditors of Green Hunter S.p.A.; Chairman of the Board of Statutory Auditors of Green Hunter Group S.p.A.
Giovanni Rizzardi	Alternate Auditor	Chairman of the Board of Statutory Auditors of Alfa Contract S.r.l.; Chairman of the Board of Statutory Auditors of Casa dei Popolari S.r.l.; Chairman of the Board of Statutory Auditors of GIRPA S.p.A. in liquidation; Chairman of the Board of Statutory Auditors of Tintoria Lombarda di Fasoli Aldo S.p.A.; Statutory Auditor of B.V.A. Leasing S.p.A.; Statutory Auditor of BAI Brescia Antincendi International S.r.l.; Statutory Auditor of Bonaldi S.p.A.; Statutory Auditor of Bonaldi Motori Tech S.p.A.; Statutory Auditor of Bonaldi Motori S.p.A.; Statutory Auditor of Fogliata S.p.A.; Statutory Auditor of Garda – Società di Gestione del Risparmio S.p.A.; Statutory Auditor of La Rova S.r.l.; Statutory Auditor of Phoenix S.r.l.; Alternate Auditor of Effebe S.p.A..
Domenico Livio Trombone	Alternate Auditor	Statutory Auditor of Arca Assicurazioni S.p.A.; Statutory Auditor of Arca Vita S.p.A.; Chief Executive Officer of Carimonte Holding S.p.A.; Sole Director of Compagnia Italiana Esercizi Commerciali C.I.E.C. S.r.l.; Statutory Auditor of Cooperare S.p.A.; Chairman of the Board of Statutory Auditors of Cooperativa immobiliare Modenese – C.I.M. Soc. Coop.; Statutory Auditor of CoopSette Soc. Coop.; Statutory Auditor of CPL Concordia Soc. Coop.; Member of the Board of Directors of Gitani S.r.l.; Deputy Chairman of Gradiente SGR S.p.A.; Chairman of the Board of Statutory Auditors of Impresa di Investimenti Innovativi – I2i S.p.A.; Statutory Auditor of Popolare Vita S.p.A.; Independent Member of the Board of Directors of Prelios Integra S.p.A.; Chairman of the Board of Directors of Società Gestioni Crediti Delta S.p.A.; Chairman of the Board of Statutory Auditors of Systema Compagnia di Assicurazioni S.p.A.; Sole Director of Torre Guiducci S.r.l.; Chairman of the Board of Statutory Auditors of Unipol Finance S.r.l.; Statutory Auditor of Unipol Gruppo Finanziario S.p.A.; Sole Director of Vignoladue S.r.l.

Surveillance Body/Model pursuant to Legislative Decree No. 231/2001

Legislative Decree No. 231 of 8 June 2001, as amended (**Legislative Decree No. 231/2001**) introduced into the Italian legal system a specific type of corporate liability for certain criminal offences committed in the interests or for the benefit of corporate and other legal entities. In accordance with the provisions of Legislative Decree No. 231/2001, UnipolSai has adopted appropriate measures aimed at preventing the commission of any offence by directors, auditors, management or employees.

On 16 February 2005, the Board of Directors of Fondiaria-SAI approved the organisational and management model as per Legislative Decree No. 231/2001 (the **Model**). The Model provides for, *inter alia*, the establishment of a surveillance body (the **Surveillance Body**).

The current Surveillance Body of UnipolSai is composed of five members, being three members from the Control and Risks Committee, the head of Compliance and the head of Audit.

Potential conflicts of interest

The Directors and the Statutory Auditors of UnipolSai may, from time, hold directorships or other significant interest with companies outside the Group, which may have business relationships with the Group. UnipolSai has in place procedures aimed at identifying and managing any conflicts or potential conflicts of interest, to ensure where possible that no actual or potential conflicts of interest will arise. In particular, UnipolSai has adopted a regulation – which incorporates the specific requirements of the Code of Conduct for listed companies – in which the Board of Directors has expressed its opinion on the maximum number of offices as director or auditor (or other positions of alternative management and control systems) that can be considered compatible with the effective performance of the office of director of UnipolSai. There are no actual or potential conflicts of interest between the duties of the members of the Board of Directors and the Board of the Statutory Auditors to UnipolSai and their private interests or other duties.

Transactions with related parties

UnipolSai has in place a procedure that regulates the approval and the execution of the transactions with related parties entered into by UnipolSai, directly or through its subsidiaries, which was adopted in accordance with Article 2391-bis of the Italian Civil Code and the implementing CONSOB Regulation No. 17221 of 12 March 2010 (as subsequently amended by CONSOB Regulation No. 17389 of 23 June 2010).

The new procedure that regulates the approval and the execution of the transactions with related parties was adopted by the Board of Directors of UnipolSai on 15 May 2014 and came into force on 1 June 2014.

For further information, see "*Procedure for related parties transactions*", available on UnipolSai's website at www.unipolsai.com/en/governance/related-party-transactions.

Internal auditing

The internal audit's structure is aimed at achieving the strategic objectives of the Issuer and the Group by, *inter alia*, (i) monitoring and evaluating the internal control system implemented within UnipolSai and its subsidiaries, (ii) taking part in the process of value creation within the Group, (iii) supporting actions taken by the Board of Directors and Senior Management in relation to corporate governance and the control and management of risk, as well as (iv) carrying out the necessary activities to monitor the proper functioning of the business activities and the status of risks, as well as the functioning of the internal control system as a whole.

The internal audit structure periodically reports the results of the assessment to the Board of Directors, the Control and Risks Committee, the Board of Statutory Auditors and the Senior Management of the Group.

Risk management

The solvency of the insurance business and its stability depend on solid corporate governance and a properly functioning internal control and risk management system.

The Board of Directors establishes the guiding principles for the risk management system, ensuring that it provides for the identification, evaluation and control of the most significant risks, meaning those risks which could undermine the solvency of the business or represent a serious barrier to achieving the business objectives.

For this purpose, the Board of Directors has taken steps to establish a risk management function, which is aimed at, *inter alia*, (i) contributing the definition of risk measurement methodologies, (ii) verifying the information flows which are necessary to ensure the timely control of exposure to risks and the immediate reporting of anomalies, (iii) establishing a mechanism for reporting to the Board of Directors, Senior Management and the managers of the operational entities concerning changes to risks and violations of established operating limits and (iv) verifying that the risk management models are consistent with UnipolSai's operations, as well as implementing certain stress tests.

The risk management system is not subordinated to other operating functions and it reports the results of its activities directly to the Board of Directors.

Independent auditors

The independent auditors ascertain whether the accounting records are properly maintained and faithfully record the results of operations. They also determine whether the statutory financial statements and consolidated financial statements are consistent with the data contained in the accounting records and the results of their audits and whether they comply with the requirements of the applicable statutes. They may also perform additional reviews required by industry regulations and provide additional services that the Board of Directors may ask them to perform, provided they are not incompatible with their audit assignment.

UnipolSai's current independent auditors are PricewaterhouseCoopers S.p.A., with registered office at Via Monte Rosa, 91, 20149 Milan (**PwC**).

PwC, with registered office in Via Monte Rosa 91, Milan, is registered under No. 119644 in the Register of Accountancy Auditors (*Registro Revisori Legali*) kept by the Italian Ministry of Economy and Finance, in compliance with the provisions of Legislative Decree no. 39 of 27 January 2010. PwC is also a member of the ASSIREVI (*Associazione Nazionale Revisori Contabili*), the Italian association of auditing firms.

PwC's current appointment has been confirmed for the period 2013 to 2021.

PwC audited, *inter alia*, the following historical financial statements of the Companies Participating in the Merger incorporated by reference in this Base Prospectus:

- consolidated annual financial statements of Fondiaria-SAI as of and for the financial year ended 31 December 2013;
- consolidated annual financial statements of Premafin for the financial year ended 31 December 2013; and
- consolidated annual financial statements of Unipol Assicurazioni for the financial years ended 31 December 2013 and 2012.

The previous auditor of Fondiaria-SAI, Premafin and Milano Assicurazioni was Reconta Ernst & Young, with registered office in Rome and registered under No. 70945 in the Register of Accountancy Auditors (*Registro Revisori Legali*) kept by the Italian Ministry of Economy and Finance, in compliance with the provisions of Legislative Decree no. 39 of 27 January 2010. Reconta Ernst & Young is also a member of the ASSIREVI (*Associazione Nazionale Revisori Contabili*), the Italian association of auditing firms. Reconta Ernst & Young

audited, during its period of engagement, *inter alia*, the following historical financial statements incorporated by reference in this Base Prospectus:

- consolidated annual financial statements of Fondiaria-SAI as of and for the financial year ended 31 December 2012; and
- consolidated annual financial statements of Premafin as of and for the financial year ended 31 December 2012.

LITIGATION

As part of the ordinary course of business, companies within the UnipolSai Group are subject to a number of administrative, civil and tax proceedings relating to their activities. UnipolSai reviews these proceedings on an ongoing basis and makes what it considers to be appropriate provisions in its consolidated financial statements when a loss is certain or probable and reasonably estimable, in accordance with applicable accounting principles. Notwithstanding the foregoing, it cannot be excluded that the occurrence of new developments that, as at the date of this Base Prospectus, are not predictable may result in such provisions being inadequate.

The following is a brief description of the most significant proceedings to which UnipolSai or other members of the Group are currently subject. These proceedings include those concerning the Companies Participating in the Merger and consequently, UnipolSai is party thereto as successor-in-title of the Companies Participating in the Merger.

Checks and/or inspections by the supervisory authorities

IVASS inspections

- Upon conclusion of an inspection of Fondiaria-SAI carried out by IVASS in 2010 relating to the company's ownership structure, corporate governance system, organisation of the real estate sector, internal control system, organisation and activities of its corporate bodies, related party transactions and motor insurance business, IVASS requested certain clarification as well as an intervention plan.

On 19 April 2012, upon conclusion of an inspection of Fondiaria-SAI relating to the company's shareholding chain, corporate governance system, organisation of the real estate sector, internal control system, organisation and activities of the company's corporate bodies and related party transactions, IVASS notified Fondiaria-SAI of several alleged violations and initiated administrative proceedings. On 28 May 2013, IVASS served the company with order no. 1050/2013 pursuant to which IVASS charged Fondiaria-SAI with an administrative fine equal to Euro 1,203,364.12. Fondiaria-SAI, in compliance with the timeframe set forth by Italian law, filed an appeal with the Lazio Regional Administrative Court. On 4 October 2013, Fondiaria-SAI paid the administrative fine in an aggregate amount of Euro 1,211,523.710. The payment of the administrative fine does not imply any acquiescence and/or waiver of any objection to the alleged claims, and UnipolSai reserves the right to reclaim any amount unduly paid. On 5 February 2014 the Lazio regional administrative court rejected the arguments submitted by UnipolSai and confirmed the sanctions charged by IVASS. UnipolSai has already instructed its counsel to challenge the decision before the deadline (being 5 June 2014).

- Upon conclusion of an inspection in 2012 relating to the calculation of technical reserves for motor and ship insurance products, IVASS notified Unipol Assicurazioni of several alleged violations of the rules set forth by article 37 of the Italian Code of Private Insurance and article 4, paragraph 3, article 27, paragraph 2 and article 31, paragraph 2, of IVASS Regulation no. 16 of 4 March 2008, in relation to the ultimate cost valuation of reserves for motor and ship insurance products as accounted for in the financial statements for the year ended 31 December 2011.

In the context of the above investigation, IVASS:

- (i) on 3 July 2012, notified Unipol Assicurazioni of an alleged shortfall in the technical reserves of Unipol Assicurazioni for motor and ship claims amounting to approximately Euro 210 million for claims with an expected cost of less than Euro 100,000, as well as an unquantifiable shortfall for claims with an expected cost of more than Euro 100,000;
- (ii) on 26 October 2012, responded to the objections and explanations provided by Unipol Assicurazioni indicating that the proposed measures were not adequate to deal with the alleged violations and requested that Unipol Assicurazioni address the issues raised in its communication of 3 July 2012 in the preparation of its financial statements for the year ended 31 December 2012;
- (iii) on 1 February 2013, issued document no. 0243/13/VIG2/4.

Unipol Assicurazioni, supported by an evaluation by the third party actuary and the auditing firm PricewaterhouseCoopers, contested the procedures used by IVASS and its results. In particular, Unipol Assicurazioni argued that: (i) the claims made by IVASS were based on procedures and/or models that were not used by the company as well as the use of partial data; and (ii) the calculation of technical reserves by Unipol Assicurazioni was the result of the application of correct evaluation procedures.

On 24 March 2014, IVASS – having rejected the arguments and explanations submitted by UnipolSai – notified UnipolSai of an overall sanction of Euro 700,000. With assistance of its counsel, UnipolSai is preparing to appeal to the regional administrative court against this decision.

- At the end of 2012, IVASS initiated an inspection of Unipol Assicurazioni in relation to the management process of third party motor liability insurance claims for the years 2011 and 2012. Inspection activities carried out at Unipol Assicurazioni's offices were completed in May 2013. On 18 September 2013, IVASS provided the company's board of directors with a report which set out the results of its assessments. Such report identified a number of problems in the management process of third party motor liability insurance claims which may require the implementation of corrective actions. Unipol Assicurazioni, within the terms prescribed in the report, is required to provide IVASS with clarifications and explanations. At the date of this Base Prospectus, the possibility that IVASS might impose sanctions upon conclusion of the inspection process cannot be excluded. Any such sanctions, if imposed, could affect the economic and/or financial conditions and assets of UnipolSai.
- On 21 February 2013, in connection with the inspections initiated following the Merger's authorisation notice, IVASS commenced a further inspection of Unipol Assicurazioni, as well as of Fondiaria-SAI and Milano Assicurazioni. Such inspections were aimed at monitoring: (i) the compliance by Unipol Assicurazioni with technical reserve asset coverage requirements (IVASS Regulation no. 36 of 31 January 2011) in terms of procedures and control systems used to assess the suitability of investments covering technical reserves; and (ii) the measures adopted by Fondiaria-SAI and Milano Assicurazioni, following the previous inspections completed at the end of the 2011, in relation to technical reserves for motor and general insurance, and compliance with laws in relation to technical reserve asset coverage technical requirements with particular reference to real estate investments.

Inspection activities were completed in June 2013 and, on 18 September 2013, IVASS presented the results thereof and its related observations to the board of directors of the companies involved. These findings – which reflected the corrective measures prescribed by IVASS upon the issuance of the Merger authorisation order of 25 July 2013 – do not indicate any critical issues of such a nature as to require the imposition of pecuniary fines against the relevant companies.

- On 13 March 2013, IVASS conducted an inspection of SIAT – Società Italiana Assicurazioni e Riassicurazioni per Azioni (a subsidiary of UnipolSai, **SIAT**), aimed at assessing: (i) the activities of SIAT's corporate bodies and internal control function; (ii) the compliance of SIAT's accounting entries relating to debt reinsurance products in its financial statements; and (iii) the measures adopted following a prior inspection which was completed in 2010. The inspection activities at SIAT's offices were completed in July 2013.

On 3 July 2013, IVASS initiated an inspection at Liguria Assicurazioni aimed at assessing: (i) the calculation of technical reserves for third party motor liability insurance; (ii) related party transactions; and (iii) debt reinsurance activities. The inspection activities at the company's offices were concluded in September 2013.

On 28 November 2013, IVASS presented the results of its investigations and subsequent findings to the administrative bodies of SIAT and Liguria Assicurazioni. As at the date of this Base Prospectus, these findings have not revealed any critical issues which could result in the commencement of sanction proceedings.

AGCM Proceeding

On 14 November 2012, the AGCM notified, *inter alios*, Unipol Assicurazioni and Fondiaria-SAI of the commencement of proceedings for the alleged breach of article 2 of law 287/1990 (the **Italian Antitrust Law**) and/or of article 101 (i.e. the prohibition of undertakings restricting or distorting competition) of the Treaty on the Functioning of the European Union (the **TFEU**). The AGCM proceedings are based on alleged collusion between the notified insurance companies aimed at reducing competition in public tenders organised by local companies for the provision of motor insurance for public transport vehicles. Pursuant to the Italian Antitrust Law, if the alleged violation is ascertained at the end of the proceedings (which have been postponed to 30 November 2014), the AGCM will stipulate the deadline by which the violation needs to be remedied and, taking into account the gravity and duration of the breach, may impose administrative fines of up to 10 per cent. of the turnover of the last financial year.

On 5 June 2013, the AGCM notified Fondiaria-SAI and UGF of the commencement of proceedings aimed at ascertaining the existence of alleged breaches of Article 101 of the TFEU with particular reference to the prohibition on exclusivity provisions in agency agreements for the distribution of insurance services in all non-life sectors. This investigation is focussed on specific clauses contained in agreements which allegedly discourage agents from taking up more than one insurance distribution mandate. Pursuant to the Italian Antitrust Law, if the alleged violation is ascertained at the end of the proceedings (which is expected to occur by 30 June 2014) the AGCM will stipulate the deadline by which the violation needs to be remedied and, taking into account the gravity and duration of the breach, may impose administrative fines of up to 10 per cent. of the turnover of the last financial year.

UnipolSai and UGF deny both of the aforementioned allegations and have jointly instructed their legal counsel to defend their position in both proceedings.

In addition, with reference to the second proceeding, pursuant to article 14-*ter* of the Italian Antitrust Law, UnipolSai and UGF have filed a proposal containing certain undertakings which the AGCM decided to publish on 24 January 2014, so that interested third parties may file observations. After having examined the observations submitted, on 25 March 2014 UnipolSai and UGF deposited with AGCM the final version of their undertakings. The process of evaluation of the said undertakings originally scheduled to terminate on 24 April 2014, is still ongoing in order to enable AGCM to obtain third party opinions (in particular that of IVASS). Should these undertakings be considered appropriate, AGCM may render the undertakings obligatory and terminate the proceeding without ascertaining any violation.

On 19 February 2014, the AGCM issued a ruling in which it resolved to contest UnipolSai and UGF on the breach of article 19(1) of the Italian Antitrust Law for failure to comply with the obligation, prescribed in the AGCM Decision, to divest certain insurance assets and part of the financial exposure towards Mediobanca by 19 December 2013, being the deadline stipulated by AGCM for the divestiture. If the alleged violation is ascertained at the end of the proceedings (which is expected to occur by 30 June 2014), the AGCM could impose administrative fines in an amount ranging from 1 per cent. to 10 per cent. of the aggregate turnover relating to the insurance business of the UGF Group in 2013. UnipolSai and UGF have filed their defence with AGCM asking for a revision of AGCM's position.

Complaints or actions by shareholders or former shareholders of Fondiaria-SAI, Milano Assicurazioni and Premafin

A number of legal proceedings have been initiated and/or announced by certain shareholders and former shareholders of Fondiaria-SAI, Milano Assicurazioni and Premafin. As at the date of this Base Prospectus, based on a preliminary analysis, UnipolSai considers such initiatives meritless. However, it cannot be excluded that a negative outcome of such proceedings may have a negative impact on the economic and financial conditions of UnipolSai.

On 22 May 2012, Finleonardo S.p.A. (**Finleonardo**), in its capacity as Fondiaria-SAI's shareholder, filed a complaint with the company's board of statutory auditors pursuant to Article 2408 of the Italian Civil Code, in connection with, *inter alia*, the financial statements of Fondiaria-SAI as at and for the period ended 31 December 2010 and with the adjustments to the reserves for motor vehicle insurance made by the board of directors of Fondiaria-SAI then in office.

Following various exchanges of correspondence, on 2 October 2013 Finleonardo requested that the board of statutory auditors provide several further clarifications. As of the date of this Base Prospectus, the board of statutory auditors of Fondiaria-SAI (now UnipolSai) has not yet responded, reserving the right to consider the complaint in relation to the report to the shareholders. On 4 December 2013, Finleonardo joined the criminal proceedings before the Court of Turin as a civil party against certain previous senior executives and previous reference shareholders. For further information on such criminal proceedings see also "*Proceedings relating to previous financial statements of certain Premafin – Fondiaria-SAI Group companies*" below.

Transactions with related parties

The activities of the Premafin – Fondiaria-SAI group before the Merger were characterised by a significant number of transactions with parties related to the previous reference shareholders, mostly involving the real estate sector.

During the financial years ended 31 December 2013, 2012, 2011 and 2010, transactions with parties related to the Premafin – Fondiaria-SAI group (excluding inter-company transactions with fully consolidated companies) gave rise to proceeds of, respectively, Euro 78.3 million, Euro 37.6 million, Euro 71.4 million and Euro 116.5 million and costs of, respectively, Euro 184 million, Euro 160.3 million, Euro 137.2 million and Euro 152.2 million. Fondiaria-SAI's board of statutory auditors received complaints relating to some of these transactions pursuant to Article 2408 of the Italian Civil Code.

In particular, receivables due from companies belonging to the group of companies held directly or indirectly by Sinergia Holding di Partecipazioni S.p.A. (in liquidation) (**Sinergia**), including the subsidiary Immobiliare Costruzioni IM.CO. S.p.A. (in liquidation) (**Im.Co.**) (both shareholders of Premafin before the Merger with a total shareholding of about 3.86 per cent.) or from parties traceable to the same, were as follows:

- (i) advances paid by Immobiliare Fondiaria-Sai S.r.l. (a subsidiary of Fondiaria-SAI) and Milano Assicurazioni to Im.Co. or Sinergia, or to companies controlled by either company, under contracts for the purchase of future real estate assets (*acquisto di cosa futura*), amounting to: (a) Euro 101.7 million claimed by Milano Assicurazioni against Avvenimenti e Sviluppo Alberghiero S.r.l. (in liquidation) (**ASA**), a company entirely controlled by Im.Co., relating to the purchase of a real estate complex in Rome at Via Fiorentini. The balance sheet value of the above receivable as at 31 December 2013 was Euro 52.9 million, by virtue of the write downs effected thereon; (b) Euro 77.4 million claimed by Milano Assicurazioni against Im.Co. relating to the purchase of a real estate complex in Milan at Via De Castillia. The balance sheet value of this receivable as at 31 December 2013 was Euro 25.5 million, by virtue of the write downs effected; (c) Euro 23.3 million claimed by Immobiliare Fondiaria-Sai S.r.l. against Im.Co., relating to the purchase of a real estate complex in Parma in the district of San Pancrazio Parmense. As a result of write downs, the book value of such receivables as at 31 December 2013 was Euro 7.8 million;

- (ii) advance payments on design works in the amount of Euro 7.2 million, claimed by Nuove Iniziative Toscane S.r.l. (a subsidiary of Fondiaria-SAI) from Europrogetti S.r.l. (a company of the Im-Co. – Sinergia group). Such receivables have been written off in their entirety;
- (iii) receivables claimed by BancaSai S.p.A. (a subsidiary of Fondiaria-SAI) against the Im.Co. – Sinergia group in the amount of Euro 21.4 million, of which Euro 10.7 million are unsecured receivables. Such receivables have been written off in their entirety.

There is additional exposure amounting to Euro 5.3 million, net of the re-insurance effect, deriving from sureties to guarantee commitments made by companies forming part of the Im.Co. – Sinergia group.

Im.Co. and Sinergia were declared bankrupt by the decision of 14 June 2012 of the Court of Milan. Europrogetti S.r.l. was also declared bankrupt on 14 December 2012.

On 14 June 2012, in their communication to the market of their exposure to Sinergia and Im.Co. as creditors, Fondiaria-SAI and Milano Assicurazioni (i) acknowledged the bankruptcy decision in relation to Im.Co. and Sinergia and expressed their intention to prove their debts as part of the liabilities of the bankruptcy proceeding and (ii) reserved the right to take such further actions, including officer liability action, as may be necessary or appropriate, including with reference to the investigation requested by the board of statutory auditors of Fondiaria-SAI following a complaint pursuant to Article 2408 of the Italian Civil Code filed by the shareholder Amber Capital Investment Management.

Applications have been made in connection with the receivables described above (except for the receivable of Euro 101.7 million due from ASA) to have them proved as liabilities in the bankruptcy proceedings of Im.Co. and Sinergia for a total amount of Euro 151 million, and, as at the date of this Base Prospectus, liabilities totalling Euro 134.5 million have been admitted by the court as unsecured debt. With reference to the liability actions subsequently proposed by Fondiaria-SAI's special commissioner appointed by IVASS on 12 September 2012 (see "*Liability claims resolved upon by the ordinary general meetings of Fondiaria-SAI and Milano Assicurazioni*" below), late applications were made by Fondiaria-SAI (which incorporated Meridiana Risparmio S.r.l.), Milano Assicurazioni S.p.A., Immobiliare Fondiaria-SAI for itself and as successor of Immobiliare Lombarda S.p.A. (now UnipolSai Servizi Immobiliari S.p.A.), Atahotels S.p.A. and SAI Investimenti SGR to claim receivables amounting to a total of Euro 392.7 million as part of the liabilities of the Im.Co. and Sinergia bankruptcy estates. These requests have been rejected by the bankruptcy court and, as at the date of this Base Prospectus, appeals have been submitted by the aforementioned parties.

In the context of the bankruptcy of Im.Co. and Sinergia, as at the date of this Base Prospectus, the likelihood of recovering any receivables owed to companies belonging to the Premafin – Fondiaria-Sai Group is limited given the claims are unsecured and have no preferential rights, if proved, as a liability in the bankruptcy. The failure to recover these receivables, in full or in part, is likely to have a negative impact on the economic and financial conditions of UnipolSai, subject to any mitigation as a result of the measures envisaged in the proposed arrangement with creditors described further below.

Im.Co. and its subsidiaries have also granted certain indemnities in favour of Premafin to indemnify Premafin against costs and loss relating to its undertaking to transfer to the municipality of Milan certain areas of land situated in the Municipality that are to be acquired by Premafin. In connection with such undertaking, the municipality of Milan has brought proceedings against Premafin for breach following failure by Premafin to acquire the relevant areas. See further " – *Litigation with the municipality of Milan*". In view of damages that Premafin is likely to be found liable towards the municipality, Premafin has applied to be admitted as creditor in the bankruptcy proceedings of Im.Co. in relation to the aforementioned indemnities granted by Im.Co. and its subsidiaries. Following rejection of its proof of claim, on 23 January 2013, Premafin submitted an opposition to the statement of liabilities of Im.Co. Following a first hearing on 9 June 2013 and a second hearing on 6 May 2014, the court has been adjourned to 20 May 2014.

According to the information made available to the market, a company named Visconti S.r.l. has been set up by UniCredit S.p.A. and Banca Popolare di Milano (which are the main bank creditors of Im.Co. and Sinergia) for the purpose of presenting a draft arrangement with creditors for examination and approval by the bankruptcy court.

On 3 October 2013, the UGF Group entered into an agreement with Visconti S.r.l. for the purpose of settling the credit positions of the companies that are part of the UGF Group (including therefore UnipolSai and the UnipolSai Group) against Im.Co. and Sinergia and the subsidiary ASA. The effectiveness of this agreement is subject to certain conditions precedent, among which is the final approval of the arrangement with the creditors of Im.Co.. Visconti S.r.l. filed the applications for admission to an arrangement with the creditors of Im.Co. and Sinergia, respectively, on 7 and 31 October 2013.

On 5 February 2014 the municipality of Milan sent a letter to Visconti S.r.l. in which it informed Visconti S.r.l. of a change in the administrative situation related to the C.E.R.B.A. project (*Centro Europeo di Ricerca Biomedica Avanzata*). Having acknowledged the significant change in the assumptions and the guidelines underlying the arrangement with creditors as originally proposed, Visconti S.r.l. entered into a new agreement with the creditors of Im.Co. and Sinergia (including companies of the UGF group).

On 19 May 2014, Visconti S.r.l. subsequently filed with the bankruptcy court of Milan a deed of amendment to the arrangement with creditors of Im.Co. that had previously been submitted, while the deed of amendment to Sinergia's previously submitted arrangement with creditors is expected to be filed before the end of June.

The approval by a final court decision of the new arrangements with creditors of Im.Co. and Sinergia could have the following impact on UnipolSai:

- with regard to receivables of the Premafin – Fondiaria-SAI Group from Im.Co. and Sinergia arising from advance payments under contracts for the purchase of future real estate assets (*acquisto di cosa futura*) (receivables which, net of write downs, amount to a total of Euro 86.2 million and represent the main part of the receivables recorded in Premafin's consolidated financial statements), the value as at 31 December 2013 of such receivables was calculated on the basis of an assessment of their recoverability, as carried out in 2012 by an independent expert, and such value reflects the current value of the underlying real estate assets. It is therefore reasonable to assume that the transfer of ownership of the real estate complexes to Milano Assicurazioni (now UnipolSai) and Immobiliare Fondiaria-SAI S.r.l., as envisaged in the new arrangement with creditors, will not result in a significant impact on UnipolSai;
- with regard to the receivables of BancaSai S.p.A. from the Im.Co. – Sinergia group, amounting to approximately Euro 21.4 million and fully written off as a result of the possible approval of the new arrangements with creditors and against the new finance disbursement of Euro 7.1 million the arrangement with creditors envisages, among other things, that BancaSai S.p.A. would receive units of real estate fund, the economic impact of which will depend on the market value of such units at the time of their assignment to BancaSai S.p.A.;
- in relation to guarantee policies issued mainly by Fondiaria-SAI, and to a lesser extent by Milano Assicurazioni (now both UnipolSai), to secure commitments made by companies belonging to the Im.Co. – Sinergia group for a total exposure, net of reinsurance, amounting to Euro 5.3 million, no significant impact is expected as a consequence of the approval of the arrangements with creditors as the risk associated with these policies are considered, as at the date of this Base Prospectus, not to be material;
- with regard to the dispute between Premafin and Im.Co., the arrangement with creditors envisages that, against a payment of Euro 1.7 million to be made by UnipolSai to Visconti S.r.l., plus V.A.T. and expenses, for the acquisition of the relevant areas of land located in the municipality of Milan that are subject to an undertaking of transfer in favour of the municipality itself, in relation to which the municipality has brought an action against Premafin for damages for breach of its undertaking to transfer (see further "*– Litigation with the municipality of Milan*"). This acquisition is strictly conditional on the subsequent transfer of such areas to the municipality of Milan within the period of judicial conclusion or out-of-court settlement of the litigation. Should this transfer take place and allow the conclusion of the

dispute with the municipality of Milan, UnipolSai may release the relevant provisions made (as at the date of this Base Prospectus amounting to approximately Euro 13 million), with a consequent positive economic impact of the same amount, net of any expenses incurred for the acquisition and the subsequent transfer of the areas in question.

As at the date of this Base Prospectus, no further information is available to UnipolSai relating to the possible outcome of such proposed arrangements with creditors.

Liability claims resolved upon by the ordinary general meetings of Fondiaria-SAI and Milano Assicurazioni

On 17 October 2011, the board of statutory auditors of Fondiaria-SAI received a complaint pursuant to Article 2408 of the Italian Civil Code from Amber Capital Investment Management (**Amber Capital**), the manager of Amber Global Opportunities Master Fund Ltd, in relation to numerous transactions entered into by Fondiaria-SAI and by subsidiary companies with related parties traceable to the previous reference shareholders' family. The board of statutory auditors of Fondiaria-SAI replied to Amber Capital's complaint in its reports of 16 March, 18 April and 25 June 2012, inviting the board of directors to carry out further enquiries in relation to the transactions forming the subject matter of the complaint and by also sending its own reports to IVASS.

On 15 June 2012, following certain inspection activities initiated in 2010 by IVASS, IVASS identified – in relation to the transactions of greatest financial significance examined by the board of statutory auditors (the **Transactions**) – a number of breaches of directors' duties as defined in Article 238 of the Italian Code of Private Insurance and of the duties defined in Articles 2391, 2391-*bis* and 2392 of the Italian Civil Code, with prejudicial effects on the correct and prudential management of Fondiaria-SAI and its subsidiaries. On 12 September 2012, IVASS appointed Prof. Matteo Caratozzolo as special commissioner (the **Commissioner**).

In particular, IVASS required the Commissioner to: (i) identify those persons responsible for the actions causing damage to Fondiaria-SAI and to the companies belonging to the related group; (ii) calculate the damage suffered by such parties; (iii) take, and ensure the taking of, all judicial initiatives necessary to safeguard and restore the assets of the said companies; and (iv) exercise powers attributable to Fondiaria-SAI as group holding company and shareholder in the general meetings of the subsidiary companies.

The Commissioner carried out investigations in relation to the transactions made by companies of the Fondiaria-SAI Group, mostly involving real estate transactions, over the period from 2003 to 2011. Upon completion of his investigations, the Commissioner concluded that all the transactions had been carried out directly with members of the previous reference shareholders' family, or with companies in the form of special purpose vehicles traceable to that same family and that the activities of the Fondiaria-SAI Group pertaining to such transactions had been under the control of said family which had benefited from them at the expense of the Fondiaria-SAI Group. The Commissioner observed that such related party transactions had never been disclosed.

Furthermore, the Commissioner noted that the transactions concerned entailed substantive breaches of the duties set forth pursuant to Articles 2391 and 2391-*bis* of the Italian Civil Code and secondary legislation and, in any case, the breach of the duties contained in Articles 2392 and 2407 of the Italian Civil Code.

As a consequence, the Commissioner requested that the boards of directors of Fondiaria-SAI and Milano Assicurazioni, together with those of other Fondiaria-SAI Group companies affected by the transactions, convene ordinary general meetings of the shareholders to resolve upon the initiation of liability claims against a number of parties, including a number of directors and statutory auditors holding office at Fondiaria-SAI and Milano Assicurazioni during the 2003 to 2011 period, acting together with other parties.

On 14 March 2013, the ordinary general meetings of Fondiaria-SAI and Milano Assicurazioni, at the adjourned meetings thereof, resolved to initiate a liability claim pursuant to Articles 2392, 2393 and 2407 of the Italian Civil Code, and, so far as necessary and possible, pursuant to Articles 2043 and 2497 of the Italian Civil Code, against the parties identified in the Commissioner's report prepared for the general meetings and published in accordance with the applicable laws. On 7 March 2013, the general meetings of the other Fondiaria-SAI Group companies affected by the above transactions passed similar resolutions.

The related deed of summons (*atto di citazione*) was subsequently served on the defendants and an application for seizure was made against the property of certain members of the previous reference shareholders' family.

Reserving the right to prove the actual loss and damage suffered as a consequence of the conduct described above, the Commissioner stated that the overall amount of the damages incurred was in the hundreds of millions of Euro. As at the date of this Base Prospectus, interim damages have been claimed in the total amount of about Euro 220 million.

Following a specific request brought by the Fondiaria-SAI group of companies, on 20 December 2013 the Court of Milan authorised the same plaintiffs to seize the assets of certain members of the previous reference shareholders' family of a total amount of approximately Euro 120 million. The defendants objected to the seizure, which was confirmed by the court of Milan on 20 March 2014 and has been executed by the seizure of assets of those defendants against whom the seizure was ordered.

Although UnipolSai considers that the legal actions brought by the Commissioner have merit, it is not possible as at the date of this Base Prospectus to foresee either the time required or the likelihood of the success or outcome of such claims and, as a consequence, their possible impact on the economic and/or financial conditions of UnipolSai.

With reference to the transactions other than the Transactions identified by Amber Capital which are not covered by the Commissioner's mandate (the **Smaller Transactions**), in its concluding report of 26 October 2012, Fondiaria-SAI's board of statutory auditors invited the board of directors to conduct in-depth investigations in relation to some of these Smaller Transactions and, for others, to initiate liability claims against previous directors of Fondiaria-SAI.

Fondiaria-SAI's board of directors, with the support of technical and legal advisors, analysed and assessed all such Smaller Transactions. Upon conclusion of such investigations, the board of directors of Fondiaria-SAI and Milano Assicurazioni together with the subsidiary companies directly affected by the Smaller Transactions concluded that the previous directors, including *de facto* directors and the statutory auditors, were liable, assessing the total loss and damage suffered by the Fondiaria-SAI group of companies in the amount of approximately Euro 32 million. The boards of directors resolved to convene their respective ordinary general meetings to resolve upon the initiation of liability claims against the parties concerned for a variety of breaches committed in the context of some of the Smaller Transactions, which had also been concluded, similarly to those examined by the Commissioner, with parties traceable to certain members of the previous reference shareholders' family.

The individuals with potential liability include members of the previous reference shareholders' family as well as previous executive directors and members of the control bodies and statutory auditors of Fondiaria-SAI and Milano Assicurazioni, on the basis of the breach of their duties of supervision and control. So far as the members of the previous reference shareholders' family are concerned, it is alleged that they exercised control over companies in the Fondiaria-SAI group to pursue their personal interests at the expense of the companies concerned.

On 30 July 2013, the ordinary general meetings of the shareholders of Fondiaria-SAI and Milano Assicurazioni together with those of the other Fondiaria-SAI group companies affected by such Smaller Transactions, resolved to bring liability claims pursuant to Articles 2392 and 2393 of the Italian Civil Code and, so far as necessary and possible, pursuant to Articles 2043 and 2497 of the Italian Civil Code against a number of former directors of Fondiaria-SAI and Milano Assicurazioni and, pursuant to Article 2407 of the Italian Civil Code, against certain members of the board of statutory auditors of Fondiaria-SAI and Milano Assicurazioni.

The liability claims relating to the Smaller Transactions forming the subject matter of the shareholders' meeting resolutions of 30 July 2013 have still not been initiated. It is not possible to estimate either the impact, time required or outcome of such disputes, or the possible impact on the economic and/or financial conditions of UnipolSai.

The liability claims relating to the Transactions and to the Smaller Transactions described above relate to conduct attributable to previous directors and statutory auditors of Fondiaria-SAI and of subsidiary companies, as ascertained as at the date of this Base Prospectus. It cannot be excluded that further circumstances relevant for the bringing of further liability claims will emerge after the date of publication of this Base Prospectus.

On 11 December 2012 and 18 December 2012, CONSOB initiated two separate sets of administrative proceedings against members of the boards of statutory auditors of Fondiaria-SAI and Milano Assicurazioni then in office, charging each of them with several breaches of the provisions regarding statutory auditors' duties. The charges refer, for the most part, to the above-described Transactions and Smaller Transactions.

CONSOB also charged Fondiaria-SAI and Milano Assicurazioni with the same alleged breaches on the grounds that they are jointly and severally liable with the sanctioned parties for the payment of any pecuniary fine that the latter may be required to pay. Pursuant to the Financial Services Act, Fondiaria-SAI and Milano Assicurazioni are obliged to exercise their right of recovery against the sanctioned parties.

CONSOB gave notice to Fondiaria-SAI on 30 July 2013 and to Milano Assicurazioni on 5 September 2013 that it had begun the decision phase for both such proceedings.

With respect to the administrative proceedings initiated against the members of the board of statutory auditors of Fondiaria-SAI, in December 2013 CONSOB imposed pecuniary fines of Euro 2,445,000 in aggregate. Fondiaria-SAI paid the total amount of such fines, as a jointly and severally liable party, with the obligation to recover payment from the persons held responsible.

With respect to the administrative proceedings initiated against the members of the board of statutory auditors of Milano Assicurazioni, in December 2013 CONSOB imposed pecuniary fines of Euro 1,257,000 in aggregate. Milano Assicurazioni paid the total amount of such fines, as a jointly and severally liable party, with the obligation to recover payment from the persons held responsible.

Complaints by Fondiaria-SAI's category "A" savings shareholders

The Fondiaria-SAI extraordinary shareholders' meeting of 19 March 2012 – the decisions of which were confirmed at its extraordinary shareholders' meeting of 27 June 2012 – resolved to:

1. remove the indication of the nominal value of the Fondiaria-SAI ordinary and savings shares;
2. group together the ordinary and savings shares in circulation on the basis of one new ordinary share for every 100 ordinary shares held and one new savings share for every 100 savings shares; and
3. increase the share capital to an amount, including any share premium, of a maximum of Euro 1.1 million through the issuance of ordinary shares and category "B" savings shares granting pre-emption rights, respectively, to holders of ordinary shares and holders of category "A" savings shares (the **Fondiaria-SAI Share Capital Increase**).

The Fondiaria-SAI Share Capital Increase was completed and registered with the relevant companies' register on 17 September 2012.

On 26 March 2013, the extraordinary meeting of the shareholders holding category "A" savings shares decided, *inter alia*, to grant their common representative the power to challenge the Fondiaria-SAI Share Capital Increase.

On 18 June 2013, the common representative formally challenged the resolution concerning the Fondiaria-SAI Share Capital Increase. The examining judge (*giudice istruttore*) scheduled the first hearing on 11 December 2013. After such hearing, the case was held for the decision on preliminary motions filed by the parties in the proceedings. At the hearing two additional shareholders (holding a non-material number of shares) joined the proceeding *ad adiuvandum*. The next hearing is scheduled for 5 November 2014.

Fondiaria-SAI, in its defence against the shareholders' common representative, argued that the complaints concerning the alleged damage that the decisions taken on 27 June 2012 had caused the shareholders of category "A" savings shares were unfounded and groundless from a legal standpoint, making it clear that the circumstances underlying the complaints of the common representative were legitimate consequences of the dilutive effect of any capital increase for shareholders who decide not to exercise their pre-emptive rights. As a result, and in the opinion

of the board of directors of Fondiaria-SAI, in the context of the Fondiaria-SAI Share Capital Increase, the shareholders of category "A" savings shares have not suffered any prejudice.

In addition, a meeting of the category "A" savings shareholders of Fondiaria-SAI held on 12 December 2013 resolved to authorise the common representative to conduct further enquiries on the possibility to challenge the October 2013 decision of the shareholders of Fondiaria-SAI to delegate authority to the board of directors to resolve on the issuance of the Mandatory Convertible Notes and to increase share capital to service the conversion of the notes. UnipolSai considers that the prejudice allegedly caused to the category "A" savings shareholders by the issuance of the Mandatory Convertible Notes and accompanying the share capital increase with the exclusion of pre-emptive rights to service the conversion of such notes to be entirely unfounded. At the date of this Base Prospectus, no formal action has been taken by the common representative in this connection.

Notwithstanding the above, although UnipolSai considers that the claims brought by the common representative are unfounded and without legal justification, as at the date of this Base Prospectus the outcome of such proceedings or of possible future proceedings (if any) that may be commenced by the common representative is uncertain.

Legal actions by shareholders of La Fondiaria Assicurazioni S.p.A. further to SAI Società Assicuratrice Industriale S.p.A.'s failure to launch a tender offer on the shares of La Fondiaria

From 2003, certain shareholders of La Fondiaria Assicurazioni S.p.A. (**La Fondiaria**) initiated legal action aimed at seeking compensation for alleged losses and damages suffered as a consequence of the failure of SAI Società Assicuratrice Industriale S.p.A. (which, after having merged with and incorporated La Fondiaria in January 2003, changed its name to Fondiaria-SAI) to launch a mandatory tender offer on the shares of La Fondiaria in 2002.

As at the date of this Base Prospectus, twelve proceedings involving UnipolSai (as successor in these proceedings initiated against Fondiaria-SAI, nine of which were also brought against Premafin) and Mediobanca are currently pending.

As at the date of this Base Prospectus, the status of the legal proceedings is as follows:

- one judgment is pending before the court of Milan;
- five judgments are pending before the Milan Court of Appeal, three of which have been deferred;
- five cases are pending before the Italian Supreme Court; and
- for one case, the time limit for appeal to the Milan Court of Appeal is pending.

All decisions issued at first instance (with the exception of the decisions of (i) the Court of Florence, which found for the defendants; and (ii) the Court of Milan' in August 2013, which found that the relevant rights had become time-barred) have, on different grounds, accepted the claimants' demands, ordering the defendants to make payment of substantial amounts by way of compensation for loss and damage. In all cases where damages were awarded (except for two), it has been possible to obtain the suspension of enforcement on appeal. All the decisions issued by the Milan Court of Appeal have ruled in favour of the appeals by Fondiaria-SAI, Mediobanca and Premafin.

In three judgments issued in August 2012, as well as in a judgement issued in September 2013, the Italian Supreme Court ruled in favour of the defendants' appeals, quashing the second instance decisions and remitting the cases before the Milan Court of Appeal for the latter to reconsider the merits and decide on the award of costs incurred in the appeal to the Italian Supreme Court.

The most recent developments affecting these legal proceedings are as follows:

- on 18 March 2013, the Florence Court of Appeal confirmed the decision of the Court of Florence rejecting all claims for compensation made by the claimants;

- on 12 April 2013, the Milan Court of Appeal decided in favour of Premafin in relation to Premafin's appeal against the legal action brought by a number of former shareholders of Fondiaria-SAI, rejecting their claims;
- on 18 July 2013, in a judgment issued on 26 September 2013, the Italian Supreme Court accepted, in part, the claims made by a number of shareholders, and remitted the case before the Milan Court of Appeal; and
- on 17 August 2013, the Court of Milan rejected the claims made by a number of former shareholders of Fondiaria-SAI deciding that the related rights were time-barred.

The four decisions of the Italian Supreme Court in 2012 and 2013 confirmed that, in case of a failure to comply with mandatory tender offer rules by a party holding an interest exceeding 30 per cent. of the share capital as a result of its own purchases, the shareholders to whom the offer should have been made are entitled to obtain compensation for loss and damage only where they are able to show that they lost the possibility of making a profit. This represents an interpretation of law that differs from that submitted by the plaintiffs. In the wake of the Supreme Court's 2012 rulings, the Florence Court of Appeal and the Milan Court of Appeal both ruled in favour of the defendants in March and April 2013, respectively. Notwithstanding the foregoing, as at the date of this Base Prospectus, the final outcome of the proceedings that are still pending is uncertain.

Tirrena Assicurazioni S.p.A. in compulsory administrative liquidation against directors appointed by Fondiaria-SAI and Milano Assicurazioni

In May 1997, Tirrena Assicurazioni S.p.A. (**Tirrena**), currently in compulsory administrative liquidation, initiated proceedings against those of its directors and statutory auditors who held office in the periods from 1987 through 1989 and from 1990 through 1992 before the Court of Rome, claiming that such persons were personally liable for losses suffered by Tirrena for more than Euro 372 million plus interest and monetary revaluation. Three of the defendants are former members of Tirrena's board of directors and board of statutory auditors, appointed by Fondiaria-SAI and Milano Assicurazioni.

Fondiaria-SAI and Milano Assicurazioni are not formally defendants in these proceedings, but are involved because the defendants claimed to be contractually entitled to be indemnified by Fondiaria-SAI and Milano Assicurazioni.

The Court of Rome in its initial judgment, *inter alia*, confirmed the liability of two of the directors appointed by Fondiaria-SAI, finding them jointly and severally liable with 12 other defendants for payment of Euro 19 million, Euro 15.2 million and Euro 887,000, with accrued interest and costs. The third director was found not liable.

The defendants have appealed against the judgment, seeking the dismissal of all claims against them. Tirrena for its part counter-appealed, requesting that the defendants be found liable for the payment of the full amount claimed at first instance of Euro 372,281,214.

An application was made to suspend the enforceability of the court's decision. The court granted the suspension upon the condition that the defendants paid a cautionary deposit of Euro 23 million by 30 September 2010. A number of directors who had been found liable submitted an application for the review of the suspension decision in connection with the amount of the cautionary deposit. Neither Fondiaria-SAI, on behalf of the two directors appointed by it, nor any of the directors paid the cautionary deposit. As a result, the judgment became enforceable. Following the service of injunctive orders upon the directors, the two directors appointed by Fondiaria-SAI requested Fondiaria-SAI to intervene pursuant to the national managers' collective agreement which provides for an indemnity for directors. Fondiaria-SAI responded by indicating that it intends to wait for the final court decision to establish whether, on the basis of the judicial findings, the contractual indemnity applies given that it is excluded where the directors acted fraudulently or with gross negligence.

Proceedings relating to previous financial statements of certain Premafin – Fondiaria-SAI Group companies

As at the date of this Base Prospectus, certain administrative and criminal proceedings are pending in relation to acts attributable to previous senior executives and reference shareholders of the Premafin – Fondiaria-SAI Group in

connection with the previous financial statements of some of the Premafin – Fondiaria-SAI Group companies. Below is a summary of these proceedings, divided into (i) administrative and (ii) criminal proceedings.

Administrative proceedings in relation to the financial statements of Fondiaria-SAI, Premafin and Milano Assicurazioni

An administrative proceeding is pending before CONSOB in relation to acts allegedly committed by the previous management. More specifically, on the basis of the following events:

- (i) IVASS notice of 29 September 2011 by which, after carrying out inspection activities at the offices of Fondiaria-SAI, the authority pointed out the deficiencies of the management and reserving procedures in the motor vehicle insurance division, together with irregularities in the calculation of the claims provisions in the same division for the 2010 accounting period (deemed insufficient by an amount of not less than Euro 314 million); and
- (ii) IVASS notice of 17 November 2011 in which the authority identified irregularities in the calculation of the accident provisions for the motor vehicle insurance division for the 2010 accounting period by Milano Assicurazioni (deemed insufficient by an amount of not less than Euro 203 million, which, added to the previous Euro 314 million under previous item (i), amount to a total of Euro 517 million),

CONSOB, in its communication dated 19 April 2013, informed Fondiaria-SAI that the representation of said provisions within the 2010 consolidated financial statements was untrue and capable of giving investors misleading information in relation to the company's shares, amounting to the criminal offence of market manipulation.

In the above-mentioned communication, CONSOB also made reference to its previous resolution no. 18430 of 21 December 2012, by which the authority, while declaring that Fondiaria-SAI's 2011 consolidated financial statements did not comply with the applicable laws, ruled that the findings of IVASS could not be considered, as maintained by the company, as representing "new information" pursuant to which Fondiaria-SAI had revised the valuation process for the claims provisions of the motor vehicle insurance division and, as a consequence, had set out a substantial restatement of the same in the 2011 financial statements.

According to CONSOB, Fondiaria-SAI should have adopted all relevant procedures and organisational and control safeguards in order to ensure the reliability of the accounting information since the 2010 accounting period.

As highlighted by CONSOB, in the information published by it on 27 December 2012 (as requested by the authority with its above mentioned resolution no. 18430), Fondiaria-SAI had, *inter alia*, rectified its 2010 consolidated financial statements for comparison purposes only, in connection with the net worth, without any effect on the income statement, as would otherwise be required by the International Accounting Standards.

CONSOB noted that if Fondiaria-SAI had re-valued the claims provisions for the motor vehicle division by Euro 517 million (i.e. as pointed out by IVASS) when approving the 2010 consolidated financial statements, this would have resulted in a net negative income amounting to Euro 339 million. Consequently, the 2010 consolidated results would have reported a loss of Euro 928.861 million instead of a loss of Euro 1,267.861 million, representing a decrease of 36.50 per cent. and thus causing significant variations in the company's 2010 consolidated financial statements in relation to net worth and net losses.

CONSOB concluded that the misrepresentation of the information contained in the financial statements had been capable of influencing investment decisions regarding the company's shares, in particular, decisions as to whether or not to participate in the share capital increase resolved by the company in 2011.

As a result of these allegations, CONSOB charged two persons responsible for the financial accountancy within Fondiaria-SAI with infringement of the rules on market manipulation (Article 187-ter of the Financial Services Act). Fondiaria-SAI was also charged as a party with joint and several liability. Fondiaria-SAI was also individually charged with unlawful conduct as defined by Article 187-quinquies, paragraph 1(a) of the Financial Services Act. Similar allegations were also made by CONSOB against Milano Assicurazioni.

Fonditaria-SAI and Milano Assicurazioni, assisted by their lawyers, filed their defence with CONSOB claiming that the administrative sanctions pursuant to Articles 187-ter and 187-quinquies of the Financial Services Act should not be applied against the two companies. In particular, in addition to supporting the correctness of the procedure for the preparation of financial statements, it was emphasised, with the aim of excluding the charges under Article 187-quinquies of the Financial Services Act, that the companies did not benefit from the infringement of Article 187-ter.

On 27 March 2014, CONSOB notified UnipolSai (as party severally liable) of two sanctions for breach of Article 187-ter of the Financial Services Act (market manipulation). The authority imposed sanctions of Euro 650,000 against two former directors of Fonditaria-SAI and Milano Assicurazioni, as well as their temporary non-satisfaction of the honorability requirements. UnipolSai is severally liable for these sanctions in case of non-payment by the former directors. CONSOB imposed a further sanction on UnipolSai in the overall amount of Euro 650,000 (being Euro 450,000 on Fonditaria-SAI and Euro 200,000 on Milano Assicurazioni) in accordance with Article 187-quinquies of the Financial Services Act. UnipolSai has instructed its counsel to appeal against these measures before the Court of Appeal of Bologna.

Criminal proceedings for alleged criminal conduct attributable to certain previous shareholders and senior executives of the Premafin – Fonditaria-SAI Group in relation to, inter alia, the 2010 consolidated financial statements

As at the date of this Base Prospectus, criminal proceedings are pending before the public prosecutor of Turin in relation to actions allegedly carried out by certain previous senior executives and reference shareholders of the Premafin – Fonditaria-SAI Group.

The above-mentioned persons were put under investigation for the alleged commission of the criminal offences of, *inter alia*, false company communications and market manipulation. According to the preliminary investigating magistrate's order of 12 July 2013, the persons under investigation conspired with each other in their respective roles, with the intention of deceiving shareholders or the market and for the purposes of unjust enrichment for themselves or others, in connection with certain information and omissions relating to Fonditaria-SAI's financial statements for the 2010 accounting period. In particular, the persons under investigation were alleged to have disclosed information required by law, relating to Fonditaria-SAI's economic or financial situation, in a manner capable of misleading the recipients of such communications.

According to the preliminary investigating magistrate's order, the above persons are alleged to have caused economic losses and damages to, *inter alios*, the then shareholders of Fonditaria-SAI, in the amount of approximately Euro 300 million.

In 2012 and 2013, Fonditaria-SAI was also served with a formal notice of investigation pursuant to article 57 of Legislative Decree 231/2001, regulating the administrative liability of legal entities, through which the public prosecutor of Turin informed the company that proceedings would be taken against it for unlawful administrative conduct, pursuant to article 25-ter of Legislative Decree No. 231/2001, in connection with the criminal offences of producing false financial statements committed within Fonditaria-SAI in relation to the 2008-2011 accounting periods and the impeding of supervisory activities. Milano Assicurazioni received similar communications from the public prosecutor of Turin.

In August 2013, the preliminary investigating magistrate issued a decree ordering the seizure of property worth Euro 251.6 million. Such order was executed in part against real estate assets belonging to Fonditaria-SAI and a company indirectly controlled by the latter, the aggregate value of such assets being Euro 215 million. A similar seizure order was issued directly against the persons under criminal investigation. Following the challenge of the seizure by Fonditaria-SAI, the reviewing magistrate at the Court of Turin revoked the preventive seizure decree. The public prosecutor of Turin lodged an appeal with the Supreme Court against the decision of the reviewing magistrate. On 4 April 2014 the Supreme Court rejected the appeal of the public prosecutor of Turin.

On 4 December 2013, the first hearing of the criminal proceeding against the aforementioned previous shareholders and senior executive of the Premafin – Fonditaria-SAI Group, charged with the crimes of false corporate statements and market manipulation, was held at the Court of Turin. In this context, Fonditaria-SAI filed a petition to bring a

civil action against the aforementioned defendants in order to obtain compensation for any damage suffered as a result of the falsification of financial statements and/or market manipulation, in case of conviction at the outcome of the trial. In the same hearing, other stakeholders of the company, including a great number of small shareholders and CONSOB, formalised their civil action.

At the subsequent hearing held on 13 December 2013, the Court of Turin addressed the question of actions brought by civil parties and territorial jurisdiction. At this hearing, the civil parties requested to summon Fondiaria-SAI and Milano Assicurazioni as civilly liable. The Court reserved the right to decide regarding: (i) the admission of civil parties; (ii) the request for summoning civilly liable defendants; and (iii) the plea of lack of territorial jurisdiction raised by the defence of the accused persons.

At the subsequent hearing held on 30 January 2014, the Court resolved upon the admission of civil parties, confirming that Fondiaria-SAI may be included among the parties affected by the crimes in question. The Court also confirmed its territorial jurisdiction. At the hearing held on 8 May 2014 before the Court of Turin, amongst other things, the judges invited the civil parties admitted to formally submit their civil claims and adjourned the next hearing to 14 May 2014.

With reference to the crimes of false statements and market manipulation, as well as the administrative offences pursuant to article 25-*sexies* of Legislative Decree No. 231/2001 (which Fondiaria-SAI was charged with only in relation to the offence of market manipulation), the preliminary judge declared CONSOB, the Fondiaria-SAI shareholders (other than the persons under investigation) and Fondiaria-SAI as the parties offended by the said crimes. A number of hearings were held in January and February 2014 in the context of which several third parties (including UnipolSai), allegedly damaged by the crimes in question, filed petitions to bring civil actions. On 18 March 2014, the judge declared that the Court of Turin lacks territorial competence given that the more serious crime of market manipulation was consumed in Lombardy. The proceeding in Turin has therefore been removed and the matter is now in its investigation phase with the competent bodies in Milan.

In addition, certain shareholders have addressed their compensation requests not only against the defendants, but also against UnipolSai, pursuant to the provisions of Legislative Decree No. 231/2001. UnipolSai intends to resist such requests.

In the context of the criminal proceedings mentioned above, UnipolSai has been summoned as the civil party responsible for the damages deriving from the criminal actions allegedly committed by the defendants.

UnipolSai is closely monitoring the developments of the above-mentioned proceedings, particularly with a view to taking all initiatives most appropriate for the defence of its own and its shareholders' interests, including action seeking compensation against liable parties.

Castello area

In a criminal proceeding initiated in 2008 by the public prosecutor of Florence, Fondiaria-SAI was charged with the bribery of two public officers in connection with the urban development of the Castello area (Florence). Fondiaria-SAI was charged pursuant to Italian Legislative Decree 231/2001, which provides for criminal liability of legal entities for crimes committed by their managers and employees. Pursuant to the allegations of the public prosecutor Fondiaria-SAI allegedly bribed, through its representatives, public officers in order to obtain building permits in breach of official duties.

A number of Fondiaria-SAI's representatives, professional and public administrators were also charged with criminal offences.

The public prosecutor asked that Fondiaria-SAI be made to pay a fine of 400 units each having a value ranging from Euro 250 to Euro 1,549. The prosecutor also sought to ban Fondiaria-SAI from contracting with the public administration for two years and to confiscate the sites in the Castello area for which the building permits had been granted.

On 6 March 2013, the Court of Florence found Fondiaria-SAI not guilty and acquitted it from all charges against it in the criminal proceedings relating to the urban development of the Castello area.

The court also lifted the seizure order and authorised the return of the Castello area, which had been subject to injunctive measures since November 2008.

The public prosecutor appealed against the decision of the court of first instance and the appeal is pending.

Unipol Assicurazioni against La Mutuelle du Mans Assurance IARD – Arbitration

On 11 November 2004, Navale Assicurazioni S.p.A. purchased the entire share capital of MMI Assicurazioni S.p.A. and MMI Danni S.p.A. (subsequently merged by way of incorporation in Navale Assicurazioni S.p.A.) from Mutuelle du Mans Assurances IARD (MMA).

In such context, Navale Assicurazioni S.p.A. and MMA entered into several agreements pursuant to which MMA undertook, *inter alia*, to pay Navale Assicurazioni S.p.A. the full amount of any gap or shortfall in the net accident provisions as indicated in the final balance sheet of MMI Assicurazioni S.p.A. and MMI Danni S.p.A. in relation to the period from 2004 to 2007. MMA set up an escrow account with Credit Agricole S.A. for a total value of Euro 10 million as guarantee for the above payment.

A report by an independent actuary, issued on 16 September 2011, calculated the amount of the net accident provisions of both MMI Assicurazioni S.p.A. and MMI Danni S.p.A. on 31 December 2007. It concluded that there was a total shortfall in such provisions of Euro 48.8 million, of which Euro 43.4 million related to differential accident provisions and Euro 5.4 million to the costs of the management of accidents outsourced to third parties on request by MMA.

The insurance business of Navale Assicurazioni S.p.A. was hived off to Unipol Assicurazioni in June 2010. Unipol Assicurazioni took over Navale Assicurazioni S.p.A.'s right of action against MMA in January 2011. Pursuant to the terms of the escrow account, Unipol Assicurazioni obtained an amount of Euro 11.3 million from Credit Agricole S.A. and requested the payment of the residual amount of Euro 37.5 million from MMA.

Since MMA refused to comply with its obligations, on 28 October 2011 Unipol Assicurazioni commenced arbitration proceedings. The arbitration procedure is currently suspended as the parties are negotiating to settle the dispute.

Litigation with the municipality of Milan

Premafin is involved in a claim by the municipality of Milan in relation to Premafin's undertaking to transfer to the municipality certain areas of land situated in the municipality at prices fixed in advance which are to be purchased by Premafin. In May 2008, the Court of Appeal partially modified the decision of the court of first instance which had ordered Premafin to pay damages caused by its failure to purchase the areas and confirmed the criteria for the quantification of the loss and damage, to be calculated in separate proceedings. Premafin filed an appeal with the Italian Supreme Court against the Court of Appeal's decision. Discussions were held on 28 April 2014 before the Supreme Court and decision is pending.

Given the above, and in consideration of the fact that the Court of Appeal's judgment is provisionally enforceable, in October 2012, the municipality of Milan commenced proceedings before the Court of Milan for the quantification and definition of the loss and damage suffered. A hearing has been scheduled for 12 February 2015. The municipality of Milan is claiming alleged damages in the region of Euro 37 million, while an independent expert, appointed by Premafin in 2012, estimated the potential damages in the amount of Euro 13.2 million.

Tax litigation

SIAT

In January 2009, an order imposing a fine was served on SIAT, for omissions in the tax on insurance (*imposta sulle assicurazioni*) in respect of the 2007 financial year. The fine was applied with reference to the entire amount of tax on insurance identified in the relevant tax return amounting to Euro 5.2 million. The order was challenged before the Genoa provincial tax commission which reached its decision in September 2010, quashing the order. The first instance decision was confirmed by the Genoa regional tax commission. As at the date of this Base Prospectus, proceedings are pending before the Italian Supreme Court following the appeal against the decision by the Italian tax authority (*Agenzia delle Entrate*).

Saiagricola S.p.A. (now, Tenute del Cerro S.p.A. – Società Agricola)

In October 2010, Saiagricola S.p.A. (a subsidiary of UnipolSai engaged in agricultural activities, **Saiagricola**) transferred the agricultural business called Cascina Veneria to AgriSai. The transfer, from a tax point of view, was effected on the basis of continuing tax value. Subsequently, Saiagricola assigned its entire shareholding in AgriSai to third parties by virtue of a transfer agreement subject to fixed rate registry tax.

On 19 December 2012, Saiagricola was served with a notice of rectification and liquidation by which the tax authority of the province of Novara (*Direzione Provinciale di Novara*) decided to treat all the transactions effected as if they were a single transfer of a business as a going concern (*cessione di ramo d'azienda*). It thus demanded the payment of registry, mortgage and cadastral tax applicable on the different components of the business in application of article 20 of Presidential Decree 131/1986. The overall tax due amounts to Euro 5.3 million, of which Euro 2.3 million is for the additional taxes and the residual amount is imposed as a fine.

Saiagricola appealed against the assessment of the tax authority before the Novara tax commission which, however, in consideration of a recent interpretation of a decision of the Italian Supreme Court, rejected the appeal in its decision no. 92/03/13. Saiagricola appealed against the decision of the Novara tax commission to the regional tax commission, requesting the suspension of the judgment.

Direct Taxes

La Fondiaria was subjected to a tax inspection in 1996 which led to the issue of assessment notices referring to the financial years from 1990 to 1992. The challenges of the tax administration were decided by courts or settled, with the exception of a finding relating to fictitious interposition (*interposizione fittizia*) in the 1991 financial year. With respect to such matter, the Italian Supreme Court remitted the dispute to a different section of the regional tax commission of Tuscany to assess whether an abuse of law had occurred. A decision has not yet been issued. The value of the claim is equal to Euro 7.6 million in additional tax, sanctions and interest. Euro 1.1 million has already been paid by way of provisional enforcement.

VAT on co-insurance

The tax authorities objected to the practice of insurance companies operating in the Italian market of not applying value added tax to management expense charges of co-insurance contracts in the context of relations between delegated and delegating companies in accordance with a practice complying with the Associazione Nazionale fra le Imprese Assicuratrici (ANIA) convention on co-insurance.

As at the date of this Base Prospectus, a number of assessment notices have been served on Fondiaria-SAI, Milano Assicurazioni, SIAT and Liguria Assicurazioni S.p.A.. The total amount of the figures set forth in the assessment notices for the years 2003 to 2008 currently stands at about Euro 10.1 million. The same practice, which is being challenged for the 2003-2008 period, has been adopted in subsequent financial years. It is estimated that further challenges could add up to an additional Euro 14.5 million.

TAXATION

The following is a general description of certain Italian, EU and United States tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the laws and/or practice as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date, which could be made on a retroactive basis.

Taxation in the Republic of Italy

*Law Decree No. 66 of 24 April 2014, published in the Official Gazette No. 95 of 24 April 2014 (**Decree 66**), introduced tax provisions amending certain aspects of the current tax treatment of the Notes, as summarised below. The new rules, if timely converted into law by the Parliament, should be effective as of 1 July 2014, on the basis of future law provisions and clarifications. With reference to the imposta sostitutiva set out by Decree 239 (as defined below) the increased rate should apply on interest accrued as of 1 July 2014.*

For a comprehensive description and analysis of the Law Decree No. 66/2014 rules (including the special rules concerning the transitional period and the determination of taxable income), Noteholders should make reference to all the relevant provisions, requirements and procedures set forth in the aforesaid Law Decree.

Tax treatment of the Notes

Legislative Decree No. 239 of 1 April 1996, as subsequently amended (**Decree 239**) provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the repayment amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), issued by Italian companies with shares traded on a EU or EEA regulated market or multilateral trading facility. For this purpose, bonds and debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value and which do not grant the holder any direct or indirect right of participation in (or control of) the management of the Issuer.

The tax regime set forth by Decree 239 also applies to interest, premium and other income from regulatory capital financial instruments complying with EU and Italian regulatory principles, issued by, *inter alia*, Italian insurance companies (other than shares and assimilated instruments), as set out by Article 2(22)(22-bis) of Law Decree No. 138 of 13 August 2011, as converted with amendments by Law No. 148 of 14 September 2011 and as further amended and clarified by Law No. 147 of 27 December 2013.

Italian resident Noteholders

Where the Italian resident Noteholder is: (a) an individual not engaged in an entrepreneurial activity to which the relevant Notes are connected (unless he has opted for the application of the *risparmio gestito* regime - see under "*Capital gains tax*", below); (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as *imposta sostitutiva*, levied at the rate of 20 per cent. and, as of 1 July 2014, pursuant to Decree 66, at a rate of 26 per cent. In the event that Noteholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Noteholder is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta*

sostitutiva, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate income taxation (and, in certain circumstances, depending on the status of the Noteholder, also to the regional tax on productive activities - *imposta regionale sulle attività produttive* - regulated on the basis of the Legislative Decree No. 446 of 15 December 1997 (**IRAP**)).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 (Decree 351), as clarified by the Italian Revenue Agency (Agenzia delle Entrate) through Circular No. 47/E of 8 August 2003 and Circular No. 11/E of 28 March 2012, payments of interest, premium or other proceeds in respect of the Notes made to 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 are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a real estate investment fund.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund or a SICAV (an investment company with variable capital) established in Italy and either (i) the fund or SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the **Fund**), and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results but a substitute tax of 20 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the **Collective Investment Fund Substitute Tax**). As of 1 July 2014, pursuant to Decree 66, the rate of the Collective Investment Fund Substitute Tax should be increased to 26 per cent.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 11 per cent. substitute tax.

Pursuant to Decree 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Economy and Finance (each an **Intermediary**).

An Intermediary must: (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary; and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

Non-Italian resident Noteholders

Where the Noteholder is a non-Italian resident, without a permanent establishment in Italy to which the Notes are connected, an exemption from the *imposta sostitutiva* applies provided that the non-Italian resident beneficial owner is either: (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy; or (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (c) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of a taxpayer in its own country of residence.

The *imposta sostitutiva* will be applicable at the rate of 20 per cent. and, as of 1 July 2014, pursuant to Decree 66, at a rate of 26 per cent. (or, in any case, at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Noteholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy.

Please note that, according to the Law No. 244 of 24 December 2007 (**Budget Law 2008**), a Decree still to be issued will introduce a new white list system, so as to identify those countries which allow for a satisfactory exchange of information.

In order to ensure gross payment, non-resident investors must be the beneficial owners of payments of interest, premium or other income and (a) deposit, directly or indirectly, the Notes, or the coupons with a bank or a SIM or a permanent establishment in Italy of a non-resident bank or SIM or with a non-resident operator of a clearing system having appointed as its agent in Italy for the purposes of Decree 239 a resident bank or SIM or a permanent establishment in Italy or a non-resident bank or SIM which are in contact via computer with the Ministry of Economy and Finance and (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Noteholder, to be provided only once, until revoked or withdrawn, in which the Noteholder declares eligibility to benefit from the applicable exemption from *imposta sostitutiva*. Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy or in the case of foreign Central Banks or entities which manage the official reserves of a foreign State, must comply with the requirements set forth by the Ministerial Decree of 12 December 2001.

Atypical Securities

Interest payments relating to Notes that are not deemed to be bonds (*obbligazioni*), debentures similar to bonds (*titoli similari alle obbligazioni*), shares or securities similar to shares pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986 may be subject to a withholding tax, levied (where applicable) at the rate of 20 per cent., which should be increased to 26 per cent. as of 1 July 2014, pursuant to Decree 66. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value and which do not grant the holder any direct or indirect right of participation in (or control of) the management of the Issuer.

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

Capital gains tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the status of the Noteholder, also as part of the net value of production for IRAP purposes) if realised by an Italian 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: (i) an individual not holding the Notes in connection with an entrepreneurial activity; (ii) a non-commercial partnership; or (iii) a non-commercial private or public institution, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 20 per cent. and, as of 1 July 2014, pursuant to Decree 66, at a rate of 26 per cent. Noteholders may set off losses with gains.

In respect of the application of the *imposta sostitutiva*, 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 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, realised by the Italian resident individual Noteholder holding 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 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, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Pursuant to Decree 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding 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 relevant Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to: (i) Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *risparmio amministrato* regime being punctually made in writing by the relevant Noteholder. Please note that for a non-Italian resident, the *risparmio amministrato* regime 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. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from 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 Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, 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 its annual tax return. Pursuant to Decree 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

Any capital gains realised by Italian resident individuals holding Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime 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 20 per cent. substitute tax (and, as of 1 July 2014, pursuant to Decree 66, to a 26 per cent. substitutive tax), to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, 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 *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in its annual tax return. Pursuant to Decree 66, decreases in value of the management assets may be carried forward to be offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of: (i) 48.08 per cent. of the relevant decreases in value registered before 1 January 2012; (ii) 76.92 per cent. of the decreases in value registered from 1 January 2012 to 30 June 2014.

Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Substitute Tax.

Any capital gains realised by a Noteholder which is an Italian pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax.

Any capital gains realised by an Italian resident real estate fund to which the provisions of Decree 351, as subsequently amended, apply will be subject to neither *imposta sostitutiva* nor to any other income tax at the level of the real estate fund.

Capital gains realised by non-Italian resident Noteholders without a permanent establishment in the Republic of Italy to which the Notes are effectively connected from the sale, early redemption or redemption of Notes issued by an Italian resident Issuer are not subject to Italian taxation, provided that the Notes are traded on regulated markets.

Capital gains realised by non-Italian resident Noteholders from the sale, early redemption or redemption of Notes not traded on regulated markets are not subject to the *imposta sostitutiva*, provided that the effective beneficiary: (a) is resident in a country which allows for a satisfactory exchange of information with Italy; (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; (c) is a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State; or (d) is an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of a taxpayer in its own country of residence.

Please note that, according to the Budget Law 2008, a Decree still to be issued will introduce a new white list replacing the current system, so as to identify those countries which (a) allow for a satisfactory exchange of information; and (b) do not have a more favourable tax regime.

If none of the conditions above are met, capital gains realised by non-Italian resident Noteholders from the sale or redemption of Notes issued by an Italian resident Issuer are subject to the *imposta sostitutiva* at the current rate of 20 per cent. (and, as of 1 July 2014, pursuant to Decree 66, at a rate of 26 per cent.). 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, early redemption 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, early redemption 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, may be required to produce in due time to the Italian authorised financial intermediary appropriate documents which include, *inter alia*, a statement from the competent tax authorities of the country of residence.

Inheritance and gift taxes

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

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

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in (a), (b) and (c) on the value exceeding, for each beneficiary, €1,500,000.

Transfer tax

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to fixed registration tax at a rate of €200; and (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (**Decree 201**), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries to their clients for the Notes deposited therewith. The stamp duty applies at a rate of 0.2 per cent. and cannot exceed €14,000 for taxpayers other than individuals; 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.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 9 February 2011) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Notes outside the Italian territory are required to pay an additional tax at a 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).

Tax monitoring

According to the Legislative Decree No. 167 of 28 June 1990, converted with amendments into Law No. 227 of 4 August 1990, as amended by Law No. 97 of 6 August 2013, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of the Italian income tax code) resident in Italy for tax purposes, who at the end of the year hold investments abroad or have financial foreign activities by means of which income of foreign source can be accrued must, in some circumstances, disclose the aforesaid and related transactions to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return). The disclosure requirements are not due if the foreign financial investments (including the Notes) are held through an Italian resident intermediary and are only composed by deposits and/or bank accounts having an aggregate value not exceeding a €10,000 threshold throughout the year.

Implementation in Italy of the EU Savings Directive

Italy has implemented the Directive through Legislative Decree No. 84 of 18 April 2005. Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals who qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian tax authorities details of the relevant payments and personal information of the individual beneficial owner and shall not apply the withholding tax. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

Luxembourg Taxation

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

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

Withholding Tax

(i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 as amended (the **Savings Laws**), there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Savings Laws implementing Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income (the **Savings Directive**) and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity (within the meaning of the Savings Laws) resident in, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the competent Luxembourg fiscal authority in order for such information to be communicated to the competent tax authorities of the beneficiary's country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Savings Laws will be subject to a withholding tax at a rate of 35 per cent.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive.

(ii) Resident holders of Notes

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

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the Savings Law) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 10 per cent.

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (**FATCA**) impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or **FFI** (as defined by FATCA)) that does not become a **Participating**

FFI by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA; and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States account" of the Issuer (a **Recalcitrant Holder**). The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to **foreign passthru payments** (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any 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 after the **grandfathering date**, which will be the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date; and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued on or before the grandfathering date, and additional Notes of the same series are issued after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Italy have entered into an agreement (the **U.S.-Italy IGA**) based largely on the Model 1 IGA.

The Issuer expects to be treated as a Reporting FI pursuant to the U.S.-Italy IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA; or (ii) an investor is a Recalcitrant Holder.

Whilst the Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent, the common depository or the common safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and the U.S.-Italy IGA, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL

INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

EU Savings tax Directive

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

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

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Notes.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement dated 10 June 2014, as modified, and/or supplemented and/or restated from time to time (the **Programme Agreement**), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not 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 are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable and will confirm whether the Issuer is Category 1 or Category 2 for the purposes of Regulation S under the Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes: (a) as part of their distribution at any time; or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) 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 Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) 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 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in paragraphs (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any **Relevant 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 the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

United Kingdom

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

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

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

Republic of Italy

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

- (a) to qualified investors (*investitori qualificati*), as defined in Article 26, first paragraph, letter (d) of CONSOB Regulation No. 16190 of 29 October 2007, as amended (**Regulation No. 16190**) pursuant to Article 34-ter, first

paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (**Regulation No. 11971**), implementing Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**); or

- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Regulation No. 11971.

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

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Regulation No. 16190 and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy or other Italian authority.

The Grand Duchy of Luxembourg

In addition to the cases described in the Public Offer Selling Restriction under the Prospectus Directive in which the Dealers can make an offer of Notes to the public in an EEA Member State (including the Grand Duchy of Luxembourg), the Dealers can also make an offer of Notes to the public in the Grand Duchy of Luxembourg:

- (a) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organisations;
- (b) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including, credit institutions, investment firms, other authorised or regulated financial institutions, undertakings for collective investment and their management companies, pension and investment funds and their management companies, insurance undertakings and commodity dealers) as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities; and
- (c) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg act dated 10 July 2005 on prospectuses for securities implementing the Prospectus Directive into Luxembourg law) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the Commission de Surveillance du Secteur Financier as competent authority in Luxembourg in accordance with the Prospectus Directive.

General

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

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

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisation

The establishment of the Programme has been duly authorised by a resolution of the Board of Directors of the Issuer dated 27 March 2014. The issue of Notes under the Programme will be authorised prior to each relevant issue of Notes by the competent bodies of the Issuer in accordance with applicable laws and the relevant provisions of the Issuer's by-laws. Each issuance resolution (*delibera di emissione*) shall be passed in notarial form and registered in the competent Companies' Register (*Registro delle Imprese*).

Listing of Notes, admission to trading and approval

An application has been made to the CSSF to approve this document as a base prospectus. An application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg:

- (a) the by-laws (*statuto*) (with an English translation thereof) of the Issuer;
- (b) a copy of each document incorporated by reference in this Base Prospectus;
- (c) the most recently published consolidated audited annual financial statements of the Issuer and the most recently published consolidated unaudited interim financial statements of the Issuer (with an English translation thereof), together with any audit or review reports prepared in connection therewith;
- (d) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (e) a copy of this Base Prospectus; and
- (f) any future prospectuses, information memoranda, supplements and Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated by reference herein or therein by reference.

In addition, copies of this Base Prospectus, each Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website at www.bourse.lu.

Clearing Systems

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

through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

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

Conditions for Determining Price

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

Significant or Material Change

Save as disclosed in the section headed "*Description of the Issuer – Recent Developments*", there has been no significant change in the financial or trading position of the Group since 31 March 2014 and no material adverse change in the financial position or prospects of the Group since 31 December 2013.

Litigation

Save as disclosed in the section headed "*Description of the Issuer – Litigation*", neither the Issuer nor any of its consolidated subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or any of its consolidated subsidiaries.

Auditors

The current auditors of the Issuer are PricewaterhouseCoopers S.p.A., who have audited the financial statements as at and for the financial year ended 31 December 2013 of Fondiaria-SAI, without qualification, in accordance with International Financial Reporting Standards (**IFRS**) as adopted by the European Union. The auditors of the Issuer have no material interest in the Issuer.

PricewaterhouseCoopers S.p.A., with registered office in Via Monte Rosa 91, Milan, is registered under No. 119644 in the Register of Accountancy Auditors (*Registro Revisori Legali*) kept by the Italian Ministry of Economy and Finance, in compliance with the provisions of the Legislative Decree of 27 January 2010, No. 39. PricewaterhouseCoopers S.p.A. is also a member of ASSIREVI, the Italian association of auditing firms.

Dealers transacting with the Issuer

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 to the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates 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 avoidance of doubt, the term 'affiliates' also includes parent companies.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

**2013 PRO FORMA CONSOLIDATED FINANCIAL
INFORMATION OF UNIPOLSAI ASSICURAZIONI**

Disclosure for inclusion in the base prospectus prepared pursuant to Commission Regulation EC 809/2004, as amended, in connection with the Euro Medium-term Note Programme of UnipolSai Assicurazioni S.p.A.

2013 Pro Forma Consolidated Financial Information of UnipolSai Assicurazioni S.p.A.

This document presents the pro forma consolidated statement of financial position, income statement and statement of cash flows of UnipolSai Assicurazioni S.p.A. ("**UnipolSai**" or the "**Incorporating Company**") as at and for the year ended December 31, 2013 (the "**2013 Pro Forma Consolidated Financial Information**"), which show retroactively the effects of transactions executed in connection with the integration through merger by incorporation of Unipol Assicurazioni S.p.A. ("**Unipol Assicurazioni**"), Premafin Finanziaria S.p.A. – Holding di Partecipazioni ("**Premafin**") and Milano Assicurazioni S.p.A. ("**Milano Assicurazioni**" and collectively with Unipol Assicurazioni and Premafin the "**Companies Being Incorporated**") into Fondiaria-SAI S.p.A. (the "**Merger**"). Concurrently with the Merger becoming effective for statutory purposes on January 6, 2014, the company resulting from the Merger took the name of UnipolSai Assicurazioni S.p.A. The information set forth in the 2013 Pro Forma Consolidated Financial Information represents a simulation of the effects of the Merger, as if the Merger had occurred during the period covered by the 2013 Pro Forma Consolidated Financial Information, and is being provided exclusively for illustration purposes.

On October 25 and 26, 2013, the Extraordinary Shareholders' Meetings of the Incorporating Company and the Companies Being Incorporated and, on October 28, 2013, the Special Meeting of the holders of savings shares of Milano Assicurazioni, acting pursuant to Article 2502 of the Italian Civil Code, approved the merger proposal, prepared and approved by the respective Boards of Directors on December 20, 2012 (the "**Merger Proposal**"). The approved ratios to exchange the shares of the Incorporating Company for the shares of the Companies Being Incorporated were as follows: (i) 0.050 ordinary shares of the Incorporating Company for each Premafin ordinary share; (ii) 1.497 ordinary shares of the Incorporating Company for each Unipol Assicurazioni ordinary share; and (iii) insofar as Milano Assicurazioni is concerned: (a) 0.339 ordinary shares of the Incorporating Company, with regular ranking for dividends, for each Milano Assicurazioni ordinary share and (b) 0.549 Class "B" savings shares of the Incorporating Company for each Milano Assicurazioni savings share.

Consistently with the provisions of the Merger Proposal, upon the Merger becoming effective for statutory purposes, the shares of the Incorporating Company held by the Companies Being Incorporated were reallocated in exchange to the shareholders of the Companies Being Incorporated by virtue of the Merger; consequently, the capital increase carried out by Fondiaria-SAI for share exchange purposes was implemented net of the abovementioned allocations. More specifically, Fondiaria-SAI issued for Merger implementation purposes a total of 1,330,430,830 new ordinary shares, without nominal value, and 55,430,483 new Class "B" savings shares, without nominal value, all with regular ranking for dividends.

The issuance of the new ordinary and Class "B" savings shares was performed through a capital increase of Euro 0.565 for each newly issued share and, consequently, through a total capital increase of Euro 782,960,791.85.

Foreword

The 2013 Pro Forma Consolidated Financial Information was prepared based on the consolidated financial statements of Premafin at December 31, 2013, which include in their scope of consolidation Fondiaria-SAI (now UnipolSai) and Milano Assicurazioni (the "**Premafin Group**"), and the consolidated financial statements of Unipol Assicurazioni and its subsidiaries (the "**Unipol Assicurazioni Group**") at December 31, 2013.

The consolidated financial statements of Premafin at December 31, 2013, as well as the underlying consolidated financial statements of Fondiaria-SAI (now UnipolSai) and Milano Assicurazioni as of the same date and the consolidated financial statements of the Unipol Assicurazioni Group were prepared in accordance with the International Accounting Principles (IFRSs) adopted by the European Union.

The consolidated financial statements of the Premafin Group and the consolidated financial statements of the Unipol Assicurazioni Group at December 31, 2013 were audited by PricewaterhouseCoopers S.p.A..

The pro forma consolidated information was obtained by making appropriate pro forma adjustments to the abovementioned historical data, explained in detail later in this document, for the purpose of reflecting retrospectively the main effects of the Merger and related financial transactions.

The 2013 Pro Forma Consolidated Financial Information are presented in millions of euros.

For information about the accounting principles adopted by the Premafin Group to prepare the historical consolidated data, reference should be made to the notes accompanying the corresponding consolidated financial statements at December 31, 2013, prepared in accordance with the IFRSs adopted by the European Union, which are available on the website www.unipolsai.it, and for information about the accounting principles adopted by the Unipol Assicurazioni Group to prepare the historical consolidated data, please consult the notes to the corresponding consolidated financial statements, prepared in accordance with the IFRSs adopted by the European Union.

Purpose of Presenting Pro Forma Consolidated Data

The pro forma consolidated financial information were prepared exclusively for illustration purposes and obtained by making appropriate pro forma adjustments to the consolidated data at December 31, 2013 of the Premafin Group and the Unipol Assicurazioni Group, for the purpose of reflecting retrospectively the main effects of the Merger.

These effects were reflected retrospectively as if the Merger and the transactions executed in preparation for or in connection with or as a result of the Merger had taken place on December 31, 2013 for the purposes of the pro forma consolidated statement of financial position and at January 1, 2013 for the purposes of the pro forma consolidated income statement and cash flow statement.

It should be noted that:

- because the assumptions used in the preparation of the pro forma information are based on hypotheses, had the Merger actually taken place on the date indicated above, instead of the effective date, the historical data would not have necessarily been the same as the pro forma data;
- the pro forma data do not reflect future results because they were prepared for the sole purpose of representing the identifiable and objectively measurable effects of the Merger, without taking into account the potential effects of any management decisions made as a result of the Merger.

In addition, in consideration of the different purposes of the pro forma information compared with the historical financial statements and the different methods used to compute the effects on the statement of financial position and the income statement, the pro forma statement of financial position, pro forma income statement and pro forma statement of cash flows should be read and interpreted without comparisons between them.

Assumptions Made in the Preparation of the 2013 Pro Forma Consolidated Financial Information

UGF, having underwritten the capital increase carried out by Premafin with suspension of the preemptive right of shareholders, acquired control of Premafin and, through Premafin, also of Fondiaria-SAI (now UnipolSai). In accordance with the IAS/IFRS accounting principles applied by UGF to prepare its consolidated financial statements, the Merger qualified as a business combination of entities under common control. As such, it is excluded from the scope of IFRS 3 and, currently, it is not specifically governed by any other international accounting principles or interpretations. In the absence of specific IFRSs applicable to the Merger, in accordance with IAS 8, Paragraph 10, management must use its judgment in developing and applying an accounting treatment that results in information that is both relevant and reliable. In making its judgment, the company's management must take into account (i) the provisions and implementation guides set forth in the IFRSs that deal with similar or related issues; and (ii) the definitions, criteria and concepts provided in the Framework.

The Unipol Group, taking into account the considerations provided above, concluded that the accounting treatment that should be applied to adequately present the purpose of the business combination should be based on the following main assumptions:

- the Unipol Group, viewed as a single economic entity, changed due to the acquisition of the Premafin Group, completed in July 2012;
- within the framework of the programs implemented by the Unipol Group, the sole purpose of the subsequent reorganization was to streamline its structure, replicating as much as possible at the corporate level the image conveyed to the market.

The Unipol Group thus concluded that it should confirm, also with respect to the Premafin Group, the choice of a unified and comprehensive management of the Group, which, incidentally, is adequately reflected in the accounting assumptions and policies adopted for financial reporting purposes.

The Unipol Group believes that the abovementioned unified and comprehensive management approach can be adequately reflected in the consolidated financial statements of the Company Resulting from the Merger only by recognizing the values of the acquired assets and liabilities based on the amounts shown in the consolidated financial statements of the common Group to which it belongs.

Consequently, the 2013 Pro Forma Consolidated Financial Information was prepared on a continuity of values basis, confirming the effects of the Purchase Price Allocation carried out by UGF in its consolidated financial statements following the acquisition of control of the Premafin Group by UGF.

As allowed by IFRS 3, these effects were measured at the end of the measurement period, i.e., one year after the date of acquisition, and recognized in UGF's condensed consolidated semiannual financial statements at June 30, 2013.

2013 Pro Forma Consolidated Financial Information

The 2013 Pro Forma Consolidated Financial Information are presented below. For information about the preparation criteria of the pro forma data and the notes mentioned in the financial statements, see "Description of the Pro Forma Adjustments to the Consolidated Historical Data at December 31, 2013.

Pro Forma Consolidated Statement of Financial Position at December 31, 2013

(in millions of Euro)	Unipol Assicurazioni Group Note 1.	Premafin Group Note 2.	PPA and consistency of accounting principles. Note 3.	Premafin Group post PPA	Eliminations Note 4.	Capital increase and right of withdrawal Note 5.	Merger costs Note 6.	Mandatorily Convertible Facility Note 7.	Unipol Banca put option Note 8.	Recomputation of non-controlling interests Note 9.	Pro forma consolidated
INTANGIBLE ASSETS	371.6	1,064.1	(540.2)	523.9	-	-	-	-	-	-	895.5
Goodwill	306.7	1,024.4	(1,024.4)	0.0	-	-	-	-	-	-	306.7
Other intangible assets	64.9	39.7	484.2	523.9	-	-	-	-	-	-	588.8
PROPERTY, PLANT AND EQUIPMENT	354.1	387.2	137.8	525.0	-	-	-	-	-	-	879.1
Property	321.9	321.4	137.9	459.3	-	-	-	-	-	-	781.2
Other tangible assets	32.2	65.8	(0.1)	65.7	-	-	-	-	-	-	97.9
REINSURERS' SHARE OF TECHNICAL PROVISIONS	305.8	741.7	(0.0)	741.7	(32.8)	-	-	-	-	-	1,014.7
INVESTMENTS	21,874.6	33,814.6	473.6	34,288.2	(4.4)	-	-	-	95.3	-	56,253.7
Investment property	664.9	2,078.4	506.1	2,584.5	-	-	-	-	-	-	3,249.4
Investments in subsidiaries, associates and joint ventures	245.7	139.1	0.0	139.1	-	-	-	-	95.3	-	480.2
Investments held to maturity	1,488.1	627.3	(0.8)	626.5	-	-	-	-	-	-	2,114.6
Loans and receivables	3,979.7	2,855.0	(108.4)	2,746.5	-	-	-	-	-	-	6,726.2
Available-for-sale financial assets	12,247.8	22,574.3	86.7	22,661.0	(4.4)	-	-	-	-	-	34,904.5
Financial assets at fair value through profit or loss	3,248.5	5,540.5	(9.9)	5,530.5	-	-	-	-	-	-	8,779.0
OTHER RECEIVABLES	1,214.5	1,901.9	0.0	1,901.9	(20.1)	-	-	-	-	-	3,096.4
Receivables arising out of direct insurance operations	719.2	1,081.7	0.0	1,081.7	(5.5)	-	-	-	-	-	1,795.5
Receivables arising out of reinsurance operations	40.6	98.4	(0.0)	98.4	(9.6)	-	-	-	-	-	129.4
Other receivables	454.6	721.8	0.0	721.8	(5.0)	-	-	-	-	-	1,171.4
OTHER ASSETS	406.6	1,424.1	431.8	1,855.9	-	-	-	-	-	-	2,262.5
Non-current assets or disposal groups classified as held-for-sale	-	203.8	(64.8)	138.9	-	-	-	-	-	-	138.9
Deferred acquisition costs	14.0	63.3	(0.0)	63.3	-	-	-	-	-	-	77.3
Deferred tax assets	277.3	695.8	501.1	1,196.9	-	-	-	-	-	-	1,474.2
Current tax assets	(0.0)	217.1	4.7	221.8	-	-	-	-	-	-	221.8
Other assets	115.3	244.2	(9.3)	235.0	-	-	-	-	-	-	350.3
CASH AND CASH EQUIVALENTS	1,022.3	606.1	(0.1)	606.0	-	(2.4)	-	-	-	-	1,625.9
TOTAL ASSETS	25,549.5	39,939.8	502.8	40,442.6	(57.2)	(2.4)	-	-	95.3	-	66,027.8

(in millions of Euro)	Unipol Assicurazioni Group Note 1.	Premafin Group Note 2.	PPA and consistency of accounting principles. Note 3.	Premafin Group post PPA	Eliminations Note 4.	Capital increase and right of withdrawal Note 5.	Merger costs Note 6.	Mandatorily Convertible Facility Note 7.	Unipol Banca put option Note 8.	Recompu- tation of non- controlling interests Note 9.	Pro forma consolidated
EQUITY	2,861.8	2,827.9	(216.5)	2,611.4	-	(2.4)	-	180.2	95.3	-	5,746.3
<i>attributable to the owners of the parent</i>	<i>2,861.8</i>	<i>270.3</i>	<i>(103.5)</i>	<i>166.8</i>	-	<i>(2.4)</i>	-	<i>180.2</i>	<i>95.3</i>	<i>2,085.8</i>	<i>5,387.5</i>
<i>attributable to non-controlling interests</i>	-	<i>2,557.6</i>	<i>(113.0)</i>	<i>2,444.6</i>	-	-	-	-	-	<i>(2,085.8)</i>	<i>358.9</i>
PROVISIONS	143.9	368.8	3.0	371.8	-	-	-	-	-	-	515.7
TECHNICAL PROVISIONS	19,926.8	32,782.5	17.5	32,800.0	(32.8)	-	-	-	-	-	52,694.1
FINANCIAL LIABILITIES	1,813.8	2,652.2	(22.1)	2,630.2	(4.4)	-	-	(180.2)	-	-	4,259.4
Financial liabilities at fair value through profit or loss	608.4	554.4	(0.1)	554.2	-	-	-	-	-	-	1,162.6
Other financial liabilities	1,205.4	2,097.8	(21.9)	2,075.9	(4.4)	-	-	(180.2)	-	-	3,096.7
PAYABLES	389.5	662.1	0.5	662.6	(20.1)	-	-	-	-	-	1,032.1
Payables arising out of direct insurance operations	58.5	94.8	(0.0)	94.8	(1.9)	-	-	-	-	-	151.4
Payables arising out of reinsurance operations	23.2	73.4	(0.0)	73.4	(13.2)	-	-	-	-	-	83.4
Other payables	307.9	493.9	0.5	494.3	(5.0)	-	-	-	-	-	797.2
OTHER LIABILITIES	413.7	646.2	720.4	1,366.6	-	-	-	-	-	-	1,780.3
Liabilities of a disposal group classified as held-for-sale	-	52.6	21.6	74.2	-	-	-	-	-	-	74.2
Deferred tax liabilities	85.8	132.9	694.5	827.4	-	-	-	-	-	-	913.2
Current tax liabilities	45.8	67.7	(0.6)	67.1	-	-	-	-	-	-	112.9
Other liabilities	282.1	393.1	4.9	398.0	-	-	-	-	-	-	680.0
TOTAL EQUITY AND LIABILITIES	25,549.5	39,939.8	502.8	40,442.6	(57.2)	(2.4)	-	-	95.3	-	66,027.8

Pro Forma Consolidated Income Statement for the Year Ended December 31, 2013

(in millions of Euro)	Unipol Assicurazioni Group Note 1.	Premafin Group Note 2.	PPA and consistency of accounting principles Note 3.	Premafin Group post PPA	Eliminations Note 4.	Capital increase and right of withdrawal Note 5.	Merger costs Note 6.	Mandatorily Convertible Facility Note 7.	Unipol Banca put option Note 8.	Recompu-tation of non- controlling interests Note 9.	Pro forma consoli-dated
Net premiums	5,637.4	9,650.1	(0.0)	9,650.1	-	-	-	-	-	-	15,287.5
<i>Gross premiums</i>	5,803.3	9,978.5	0.0	9,978.5	(68.8)	-	-	-	-	-	15,713.1
<i>Reinsurance premiums</i>	(165.9)	(328.4)	(0.0)	(328.4)	68.8	-	-	-	-	-	(425.5)
Fee and commission income	10.8	8.0	(0.0)	8.0	-	-	-	-	-	-	18.8
Gains and losses on financial instruments at fair value through profit or loss	175.6	143.5	17.2	160.6	-	-	-	-	-	-	336.2
Income from investments in subsidiaries, associates and joint ventures	3.5	7.8	0.0	7.8	-	-	-	-	-	-	11.3
Income from other financial instruments and investment property	896.7	1,450.9	38.3	1,489.1	(3.2)	-	-	-	-	-	2,382.6
<i>Interest income</i>	594.2	898.0	74.9	972.9	(3.2)	-	-	-	-	-	1,563.8
<i>Other income</i>	58.1	109.1	0.2	109.3	-	-	-	-	-	-	167.4
<i>Realized gains</i>	244.5	431.6	(25.2)	406.4	-	-	-	-	-	-	650.9
<i>Unrealized gains</i>	-	12.2	(11.7)	0.5	-	-	-	-	-	-	0.5
Other income	64.4	464.6	2.3	466.9	(2.8)	-	-	-	-	-	528.6
TOTAL REVENUES	6,788.4	11,724.9	57.7	11,782.6	(6.0)	-	-	-	-	-	18,565.0
Net insurance claims	(4,759.1)	(8,379.2)	47.0	(8,332.2)	-	-	-	-	-	-	(13,091.3)
<i>Amounts paid and changes in technical provisions</i>	(4,802.5)	(8,555.9)	47.0	(8,508.9)	44.6	-	-	-	-	-	(13,266.8)
<i>Reinsurers' share</i>	43.4	176.7	(0.0)	176.7	(44.6)	-	-	-	-	-	175.4
Fee and commission expense	(9.8)	(6.3)	(0.0)	(6.3)	-	-	-	-	-	-	(16.1)
Losses on investments in subsidiaries, associates and joint ventures	(99.2)	(2.0)	(0.0)	(2.0)	-	-	-	-	-	-	(101.2)
Charges from other financial instruments and investment property	(235.5)	(358.4)	51.1	(307.3)	0.4	-	-	(1.6)	96.6	-	(447.4)
<i>Interest expense</i>	(35.3)	(56.7)	(15.5)	(72.2)	0.4	-	-	(1.6)	-	-	(108.7)
<i>Other expenses</i>	(8.5)	(67.3)	(0.9)	(68.1)	-	-	-	-	-	-	(76.6)
<i>Realized losses</i>	(71.8)	(62.3)	22.7	(39.6)	-	-	-	-	-	-	(111.4)
<i>Changes in fair value</i>	(119.9)	(172.2)	44.8	(127.4)	-	-	-	-	96.6	-	(150.7)
Management expenses	(1,039.0)	(1,616.0)	0.0	(1,616.0)	2.9	-	16.6	-	-	-	(2,635.5)
<i>Commissions and other acquisition costs</i>	(843.4)	(1,173.5)	0.0	(1,173.5)	2.9	-	-	-	-	-	(2,014.0)
<i>Investment management expenses</i>	(34.6)	(24.1)	0.0	(24.0)	-	-	-	-	-	-	(58.6)
<i>Other administration expenses</i>	(161.0)	(418.4)	0.0	(418.4)	-	-	16.6	-	-	-	(562.9)
Other costs	(220.5)	(728.8)	(140.4)	(869.2)	2.8	-	-	-	-	-	(1,086.9)
TOTAL COSTS AND EXPENSES	(6,363.1)	(11,090.7)	(42.3)	(11,133.0)	6.0	-	16.6	(1.6)	96.6	-	(17,378.5)
NET PROFIT (LOSS) BEFORE TAX	425.4	634.2	15.4	649.6	-	-	16.6	(1.6)	96.6	-	1,186.6
Tax	(197.9)	(234.4)	(43.9)	(278.3)	-	-	(5.7)	0.4	-	-	(481.5)
NET PROFIT (LOSS)	227.4	399.8	(28.5)	371.3	-	-	10.9	(1.1)	96.6	-	705.1
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	-	(1.2)	(0.2)	(1.4)	-	-	-	-	-	-	(1.4)

(in millions of Euro)	Unipol Assicurazioni Group Note 1.	Premafin Group Note 2.	PPA and consistency of accounting principles Note 3.	Premafin Group post PPA	Eliminations Note 4.	Capital increase and right of withdrawal Note 5.	Merger costs Note 6.	Mandatorily Convertible Facility Note 7.	Unipol Banca put option Note 8.	Recompu-tation of non- controlling interests Note 9.	Pro forma consoli-dated
CONSOLIDATED PROFIT (LOSS)	227.4	398.6	(28.7)	369.9	-	-	10.9	(1.1)	96.6	-	703.7
<i>attributable to the owners of the parent</i>	227.4	69.7	(8.7)	61.0	-	-	8.2	(1.1)	96.6	253.7	645.9
<i>attributable to non-controlling interests</i>	-	328.9	(20.0)	308.8	-	-	2.7	-	-	(253.7)	57.8

Pro Forma Consolidated Statement of Cash Flows for the Year Ended December 31, 2013

(in millions of Euro)	Unipol Assicurazioni Group Note 1.	Premafin Group Note 2.	PPA and consistency of accounting principles Note 3.	Premafin Group post PPA	Eliminations Note 4.	Capital increase and right of withdrawal Note 5.	Merger costs Note 6.	Mandatorily Convertible Facility Note 7.	Unipol Banca put option Note 8.	Recompu-tation of non-controlling interests Note 9.	Pro forma consoli-dated
Profit (loss) before tax for the year	425.4	634.2	15.4	649.6		-	16.6	(1.6)	96.6		1,186.6
Change in non-monetary items	717.9	(1,226.2)	(15.4)	(1,241.6)	-	-	(16.6)	-	(96.6)	-	(637.0)
Change in Non-Life premiums provision	(62.0)	(276.8)		(276.8)	-	-	-	-	-	-	(338.8)
Change in claims provision and other Non-Life technical provisions	(163.6)	(569.8)		(569.8)	-	-	-	-	-	-	(733.4)
Change in mathematical provisions and other Life technical provisions	1,005.4	(202.4)	(47.0)	(249.4)	-	-	-	-	-	-	756.0
Change in deferred acquisition costs	0.7	(11.5)		(11.5)	-	-	-	-	-	-	(10.9)
Change in provisions	76.8	61.0	(9.7)	51.3	-	-	-	-	-	-	128.1
Non-monetary gains and losses on financial instruments, investment property and investments	(136.2)	(237.4)	(106.5)	(343.9)	-	-	-	-	(96.6)	-	(576.7)
Other changes	(3.4)	10.8	147.8	158.6	-	-	(16.6)	-	-	-	138.7
Change in receivables and payables generated by operating activities	22.8	185.9	-	185.9	-	-	-	-	-	-	208.7
Change in receivables and payables arising out of direct insurance and reinsurance operations	8.1	52.8	-	52.8	-	-	-	-	-	-	60.9
Change in other receivables and payables	14.7	133.0	-	133.0	-	-	-	-	-	-	147.8
Paid taxes	(241.2)	(77.3)		(77.3)							(318.5)
Net cash flows generated by/used for monetary items from investing and financial activities	27.2	949.1	-	949.1	-	-	-	-	-	-	976.2
Liabilities from financial contracts issued by insurance companies	(11.6)	22.6	-	22.6	-	-	-	-	-	-	11.1
Payables to bank and interbank customers	0.0	(1.8)	-	(1.8)	-	-	-	-	-	-	(1.8)
Loans and receivables from bank and interbank customers	0.0	60.8	-	60.8	-	-	-	-	-	-	60.8
Other financial instruments at fair value through profit or loss	38.7	867.4	-	867.4	-	-	-	-	-	-	906.1
TOTAL NET CASH FLOW GENERATED BY/USED FOR OPERATING ACTIVITIES	952.1	465.6	-	465.6	-	-	-	(1.6)	-	-	1,416.0

(in millions of Euro)	Unipol Assicurazioni Group Note 1.	Premafin Group Note 2.	PPA and consistency of accounting principles Note 3.	Premafin Group post PPA	Eliminations Note 4.	Capital increase and right of withdrawal Note 5.	Merger costs Note 6.	Mandatorily Convertible Facility Note 7.	Unipol Banca put option Note 8.	Recompu-tation of non-controlling interests Note 9.	Pro forma consolidated
Net cash flow generated by/used for investment property	(30.7)	25.6	-	25.6	-	-	-	-	-	-	(5.1)
Net cash flow generated by/used for investments in subsidiaries, associates and joint ventures	0.0	(3.6)	-	(3.6)	-	-	-	-	-	-	(3.6)
Net cash flow generated by/used for loans and receivables	510.3	(82.2)	-	(82.2)	-	-	-	-	-	-	428.2
Net cash flow generated by/used for held-to-maturity investments	277.1	128.4	-	128.4	-	-	-	-	-	-	405.5
Net cash flow generated by/used for available-for-sale financial assets	(1,755.4)	(332.8)	-	(332.8)	-	-	-	-	-	-	(2,088.2)
Net cash flow generated by/used for property, other tangible assets and intangible assets	(55.7)	(40.8)	-	(40.8)	-	-	-	-	-	-	(96.4)
Other net cash flows generated by/used for investing activities		(0.0)	-	(0.0)	-	-	-	-	-	-	(0.0)
TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES	(1,054.3)	(305.3)		(305.3)							(1,359.6)
Net cash flow generated by/used for equity instruments attributable to the owners of the parent	600.0		-	-	-	(600.0)	-	-	-	-	
Net cash flow generated by/used for treasury shares			-	-	-	-	-	-	-	-	
Dividends distributed to the owners of the parent	(150.0)		-	-	-	-	-	-	-	-	(150.0)
Net cash flow generated by/used for share capital and reserves attributable to non-controlling interests		(49.8)	-	(49.8)	-	-	-	-	-	-	(49.8)
Net cash flow generated by/used for subordinated liabilities and equity instruments			-	-	-	-	-	-	-	-	
Net cash flow generated by/used for other financial liabilities	98.3	(50.1)	-	(50.1)	-	-	-	-	-	-	48.2
TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES	548.2	(100.0)	-	(100.0)	-	(600.0)	-	-	-	-	(151.7)
Effect of exchange rate gains/losses on cash and cash equivalents		(0.6)	-	(0.6)	-		-	-	-	-	(0.6)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	576.3	569.8	-	569.8	-	597.6	-	-	-	-	1,743.7
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	446.0	59.7	-	59.7	-	(600.0)	-	(1.6)	-	-	(95.9)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,022.3	629.5	-	629.5	-	(2.4)	-	(1.6)	-	-	1,647.8
Pro forma adjustments that generate cash flows not reflected in the pro forma statement of financial position	-	-	-	-	-	-	-	1.6	-	-	1.6
CASH AND CASH EQUIVALENTS AS SHOWN IN THE STATEMENT OF FINANCIAL POSITION (*)	1,022.3	629.5		629.5	-	(2.4)	-		-	-	1,649.4

(*) Includes the cash and cash equivalents of non-current assets or a disposal group classified as held-for-sale (Euro 23.4 million)

Description of the Pro Forma Adjustments to the Consolidated Historical Data at December 31, 2013

With regard to the 2013 Pro Forma Consolidated Financial Information, please note the following:

- (i) the first column, entitled "Unipol Assicurazioni Group" shows the consolidated financial statements of the Unipol Assicurazioni Group at December 31, 2013;
- (ii) the second column, entitled "Premafin Group" shows the consolidated financial statements of the Premafin Group at December 31, 2013, which, with Premafin being the parent company, include the data both of Fondiaria-SAI (now UnipolSai) and Milano Assicurazioni;
- (iii) the third column, entitled "PPA and consistency of accounting principles" shows the data for the adjustments made to the consolidated financial statements of the Premafin Group at December 31, 2013 in order to record the assets and liabilities of the Premafin Group based on the amounts recognized in the consolidated financial statements of the parent company UGF, in accordance with the accounting principle applied to represent the Merger and explained earlier in this document, in the section entitled "Assumptions Made in the Preparation of the 2013 Pro Forma Consolidated Financial Information".

Consequently, this column shows the adjustments, explained more in detail in Note 3 below, deriving from:

- the PPA, i.e., the remeasurement of the initial values of the assets and liabilities recognized of the Premafin Group performed by the Unipol Group in accordance with IFRS 3, based on their fair value on the date of acquisition. The main effects of the remeasurement process affected intangible assets, property, financial assets (and, consequently the shadow accounting effects), financial liabilities and contingent liabilities;
 - the process of making the accounting policies of the Premafin Group consistent with the accounting policies of the Unipol Group, mainly with regard to the impairment of financial instruments classified as "Available-for-sale financial assets" (materiality and relevance thresholds applied to the remeasured recognition amounts) and the depreciation of property classified as "Property, plant and equipment" and "Investments" (redefinition of the cost components and the respective useful lives);
- (iv) the fourth column, entitled "Premafin Group post PPA" shows the sum of the data in the second and third columns;
 - (v) the fifth column, entitled "Eliminations" show the adjustments to eliminate the effects of reinsurance and coinsurance transactions between the Premafin Group and the Unipol Assicurazioni Group;
 - (vi) the sixth column, entitled "Capital increase and right of withdrawal" show the accounting effects of:
 - the capital increase of Unipol Assicurazioni (Euro 600 million) included in the Proposal of Integration through Merger, which took place on December 31, 2013;
 - the exercise of the right of withdrawal provided pursuant to Article 2437 of the Italian Civil Code to the Premafin shareholders upon the Merger becoming effective for statutory purposes. UnipolSai, after offering first to the UnipolSai shareholders the option of purchasing the securities for which this right was exercised, as required under current laws, and later offering such securities on the stock exchange, purchased, on February 26, 2014, a total of 693,620 unsold UnipolSai ordinary shares for a total consideration of Euro 2.4 million;

- (vii) the seventh column, entitled "Merger costs" represents the transaction costs related to the Merger, net of tax effect, and the fees paid to the consultants who supported the Companies Being Incorporated and the Incorporating Company in implementing the transaction;
- (viii) the eighth column, entitled "Mandatorily Convertible Facility" shows the accounting effects of the issuance of the Mandatorily Convertible Facility;
- (ix) the ninth column, entitled "Unipol Banca put option" shows the accounting effects of the put-call option for the equity interest in Unipol Banca, which was formally executed on December 31, 2013 and became effective on January 6, 2014;
- (x) the tenth column, entitled "Recomputation of non-controlling interests" shows the data related to the recomputation of the non-controlling interests after the Merger;
- (xi) the eleventh column, entitled "Pro forma consolidated" shows the pro forma consolidated statement of financial position at December 31, 2013 and the pro forma consolidated income statement and pro forma consolidated statement of cash flows for the year ended December 31, 2013, as they result from the preceding columns.

Note 1. Unipol Assicurazioni Group

The column entitled "Unipol Assicurazioni Group" shows the data derived from the statement of financial position at December 31, 2013 and the income statement and statement of cash flows for the year ended December 31, 2013 of the Unipol Assicurazioni Group, which were audited by PricewaterhouseCoopers S.p.A..

Note 2. Premafin Group

The column entitled "Premafin Group" shows the data derived from the statement of financial position at December 31, 2013 and the income statement and statement of cash flows for the year ended December 31, 2013 of the Premafin Group, which were audited by PricewaterhouseCoopers S.p.A.. These data are shown in millions of euros to provide a presentation consistent with the consolidated financial statements of the Unipol Assicurazioni Group.

Note 3. PPA and consistency of accounting principles

The column entitled "PPA and consistency of accounting principles" includes the effects of the PPA on the Premafin Group following the acquisition of control by UGF on the acquisition date.

The main effects on the statement of financial position are summarized below:

- elimination of the goodwill related to the Premafin Group (amounting to Euro 1,024.4 million) due to the fact that, following the acquisition by UGF, goodwill was remeasured by UGF based on the PPA;
- measurement and recognition of the fair value of other intangible assets related to the Life Insurance and Casualty Operations ("VIF" and "VOBA"), net of the intangible assets already included in the consolidated financial statements of the Premafin Group before the acquisition and net of amortization for the period (totaling Euro 484.2 million);
- adjustment to fair value on the acquisition date of the components of property, plant and equipment consisting of property used for operating purposes and investment property, determined based on appraisals by independent experts, net of changes (including depreciation) recognized up to December 31, 2013 (totaling Euro 644 million);
- adjustment to fair value on the acquisition date of securities classified as investments held to maturity (amounting to Euro -0.8 million), net of changes recognized up to December 31, 2013;

- adjustment to fair value and reclassification of a portion of the financial assets, resulting in a reduction of loans and receivables (for Euro 108.4 million), an increase in available-for-sale financial assets (for Euro 86.7 million) and a reduction in financial assets at fair value through profit or loss (for Euro 9.9 million). This reclassification was performed to make the classification criteria consistent with those adopted by the Unipol Group;
- adjustment (amounting to Euro -64.8 million) to Non-current assets or disposal group classified as held-for-sale regarding the business operations subject of the planned sale to Allianz S.p.A., which is commented later in this document. This adjustment is due to the different composition and different carrying amount of the intangible assets included in the business operations that are being divested, as recognized in the consolidated financial statements of Premafin and UGF at December 31, 2013;
- increase in the provisions for contingent liabilities arising from events that took place before the acquisition date, amounting to Euro 3.0 million;
- increase (amounting to Euro 17.5 million) of the technical provisions to adjust for the effects of shadow accounting related to the different values attributed to financial assets;
- adjustment to fair value of subordinated loans (amounting to Euro -21.9 million) included in other financial liabilities recognized at amortized cost;
- increase (amounting to Euro 21.6 million) of the liabilities of a disposal group classified as held-for-sale. This adjustment is due to the different value of deferred tax items related to the intangible assets attributable to the business operations subject of the planned sale to Allianz S.p.A. (commented later in this document) as recognized in the consolidated financial statements of Premafin and UGF at December 31, 2013;
- recognition of the tax effects resulting from the adjustments described above.

The main effects on the income statement are summarized below:

- the increase in gains and losses on financial instruments at fair value through profit or loss (Euro 17.2 million e) is due to adoption of consistent derivative valuation and accounting presentation methods for the Unipol Group and the Premafin Group in the PPA phase (mainly concerning the measurement and recognition of call and put options separately for each transaction instead of by homogeneous categories of hedged instruments);
- the increase in interest income (amounting to Euro 74.9 million) is due to the recomputation of the amortized cost of available-for-sale financial assets, loans and receivables and investments held to maturity based on their fair value determined in the PPA phase;
- the reduction of realized gains (amounting to Euro -25.2 million) is due to the recomputation of the gain realized during the period based on the fair value of the investments held to maturity and available-for-sale financial assets computed in the PPA phase;
- the reduction of unrealized gains (amounting to Euro -11.7 million) is due to the recomputation of the gain realized during the period based on the fair value of financial assets and liabilities at fair value through profit or loss reclassified into this category in the PPA phase;
- the net reduction of the amounts paid and changes in technical provisions (amounting to Euro 47.0 million) is due to the shadow accounting adjustment related to the recomputation of the effects on the fair value determined in the PPA phase;

- the increase in interest expense (amounting to Euro -15.5 million) is due to the recomputation of the amortized cost of the subordinated liabilities of Fondiaria-SAI and Milano Assicurazioni based on the fair value determined in the PPA phase;
- the reduction in realized losses (amounting to Euro 22.7 million) refers to the recomputation of the losses realized during the period based on the fair value of available-for-sale financial assets and loans and receivables computed in the PPA phase;
- the reduction in negative changes in fair value (amounting to Euro 44.8 million) reflects (i) lower depreciation of investment property due to the recomputation of fair value in the PPA phase and the adoption of consistent principles, and (ii) the elimination of impairment losses on available-for-sale financial assets;
- the net increase in other costs (amounting to Euro -140.4 million) is due mainly to: (i) the recognition of the amortization expense for intangible assets, i.e., the VIF and the VOBA, measured in the PPA phase, and (ii) the elimination of accruals to provisions already included in the PPA phase;
- recognition of the tax effects resulting from the adjustments described above.

With regard to the statement of cash flows, the effects shown in this column reflect the changes made to the statement of financial position line items in the PPA phase and the resulting pro forma adjustments to the income statement that determine a different allocation of cash flows, without any effect on cash and cash equivalents at the end of the period.

Note 4. Eliminations

The column entitled "Eliminations" includes the adjustments made to eliminate statement of financial position and income statement transactions between the Premafin Group and the Unipol Assicurazioni Group, consisting mainly of coinsurance and reinsurance transactions.

Note 5. Capital increase and right of withdrawal

The column entitled "Capital increase and right of withdrawal" shows the effect of the following adjustments:

- impact on cash flows from Unipol Assicurazioni's capital increase of Euro 600 million carried out on December 31, 2013
- reduction of Euro 2.4 million in the equity attributable to the owners of the parent due to the purchase by UnipolSai of 693,620 UnipolSai ordinary shares resulting from the exercise of the statutory right of withdrawal by the former Premafin shareholders.

These pro forma adjustments affect only the statement of financial position and the statement of cash flows.

Because the pro forma consolidated income statement shows the effects of investment and liquid assets large enough to generate net financial income, consistent with generally accepted practices for the preparation of pro forma data, the simulation of the capital increase and of the effects of the right of withdrawal did not take into account the financial income that would have been generated had the proceeds from the abovementioned capital increase, net of the effect of the right of withdrawal, been invested effective as of January 1, 2013.

The statement of cash flows reflects the effects of the capital increase and of the exercise of right of withdrawal as if these transactions had occurred at the beginning of the reporting period.

Note 6. Merger costs

The costs related to the Merger attributable to the Companies Parties to the Merger were quantified at Euro 41.1 million, including Euro 24.5 million already incurred as of December 31, 2012. The effects on the income statement

and cash flows of the costs incurred during the period ended December 31, 2013 (Euro 16.6 million) did not represent a material amount relative to the consolidated profit before taxes of the Incorporating Company and the Company Resulting from the Merger based on the 2013 Pro Forma Consolidated Financial Information.

Note 7. Mandatorily Convertible Facility

The column entitled "Mandatorily Convertible Facility" shows the effects of the issuance of the Mandatorily Convertible Facility by UnipolSai.

Please note that the issuance of the Mandatorily Convertible Facility, as is the case for the change to the Loan Agreement Amended Before Incorporation, does not generate financial resources, as it constitutes a restructuring of the existing indebtedness owed by Premafin to the Lender Banks. The Mandatorily Convertible Facility will be repaid through the issuance of 73,919,409 UnipolSai ordinary shares. The number of shares that must be issued was computed by dividing the principal value of the issued loan (amounting to Euro 201.8 million) by the issue price of the shares earmarked for exchange with the Mandatorily Convertible Facility, determined by the simple average of the official prices at which the UnipolSai ordinary shares traded on the Online Stock Exchange for a period of three calendar months, counting from the eleventh trading day after the Merger became effective for statutory purposes, increased by a fixed bonus of 10%.

Taking into account the comments provided above, the effects of the pro forma adjustments related to the issuance of the Mandatorily Convertible Facility are summarized below:

- *statement of financial position:* reclassification of financial liabilities to equity (i.e., capital reserves) for a total amount of Euro 180.2 million, corresponding to the principal value of the issued loan (amounting to Euro 201.8 million) net of the financial liability component corresponding to the present value of the projected cash flows for interest expense (amounting to Euro 21.6 million). These cash flows were determined based on the loan's coupon rate (6.971%) and a discount rate of 9.01%, corresponding to the average discount rate used by Fondiaria-SAI (now UnipolSai) and in line with the rate used by UGF for goodwill impairment testing purposes, as mentioned in the consolidated financial statements of the Premafin Group at December 31, 2013;
- *income statement:* recognition of interest expense, before tax effect, in the amount of Euro 1.6 million (equal to Euro 1.1 million net of tax effect), computed on the financial liability (at a rate of 9.01%, as stated above) assuming issuance of the liability as of January 1, 2013;
- *statement of cash flows:* recognition of interest expense, amounting to Euro 1.6 million, as described above.

The full amount of the cash flows from the issuance of the Mandatorily Convertible Facility attributable to the share of the Mandatorily Convertible Facility underwritten by UGF will be used to repay in part the indebtedness owed to the Lender Banks, with no impact on cash and cash equivalents.

It should be noted that the pro forma adjustments do not reflect the economic and financial effects of the change to the Loan Agreement Amended Before Incorporation, which would have required, on the one hand, the elimination of the interest expense on the portion of the indebtedness replaced with the Mandatorily Convertible Facility and, on the other hand, an increase of the interest expense owed to the Lender Banks on the remaining facility. The cumulative net effect would have been a reduction in interest expense and related cash outflow of an immaterial amount, relative both to the consolidated income before taxes of the Incorporating Company and that of the Company Resulting from the Merger based on the 2013 Pro Forma Consolidated Financial Information.

Note 8. Unipol Banca put option

The column entitled "Unipol Banca put option" shows the accounting effects deriving from:

1. the granting by UGF to Fondiaria-SAI (now UnipolSai) of a put option for the equity interest held in Unipol Banca by the incorporated company Unipol Assicurazioni, equal to 32.26% of the corresponding share capital, exercisable at the price of Euro 299.4 million at the end of the fifth year after the effective date of the Merger;
2. the granting by Fondiaria-SAI (now UnipolSai) to UGF of a call option for the same equity interest and at the same price, which UGF can exercise over the entire time period between the effective date of the Merger and the end of the fifth year after the abovementioned date.

Basically, the purpose of these options is to neutralize the effects on the Incorporating Company of the gains and losses reported by Unipol Banca during the period in question. Therefore, for the purpose of preparing the 2013 Pro Forma Consolidated Financial Information:

- in the income statement, the loss deriving from Unipol Banca (amounting to Euro -96.6 million), recognized due to the accounting of the abovementioned equity interest by the equity method in the consolidated financial statements of Unipol Assicurazioni was eliminated;
- in the statement of financial position, the carrying amount of the equity interest was adjusted to match the exercise price of the options stipulated by the parties, amounting to Euro 299.4 million;
- the changes in income statement items mentioned above were reflected in the statement of cash flows but, because they were not of a monetary nature, had no impact on the net cash from operating activities.

Note 9. Recomputation of non-controlling interests

The column entitled "Recomputation of non-controlling interests" shows a remeasurement of the equity attributable to non-controlling interests following the Merger of Premafin and Milano Assicurazioni to Fondiaria-SAI (now UnipolSai). The incorporation of Unipol Assicurazioni into Fondiaria-SAI (now UnipolSai) had no impact on the non-controlling interests. As a result of this adjustment, the equity of UnipolSai attributable to non-controlling interests results from the pro rata shares of the equity of subsidiaries that are not wholly owned, consisting mainly of:

- 50% of the equity of the Popolare Vita S.p.A. subsidiary;
- 50% of the equity of the The Lawrence Life Assurance Co. Ltd subsidiary;
- 50% of the equity of the BIM Vita S.p.A. subsidiary;
- 49% of the equity of the Incontra Assicurazioni S.p.A. subsidiary;
- 5.31% of the equity of the SIAT – Società Italiana Assicurazioni e Riassicurazioni S.p.A. subsidiary;
- 4.99% of the shares of the Tikal R.E. Fund.

Other Information

Decision by the Italian Antitrust Authority

On June 19, 2012 the Italian Antitrust Authority authorized the acquisition of control by UGF of the Premafin Group and, consequently, of the companies that are part of the group, including Fondiaria-SAI and Milano Assicurazioni, conditional on the execution of certain transactions detailed below. The nonrecurring effects of these transactions were not taken into account when preparing the 2013 Pro Forma Consolidated Financial Information for the reasons explained below.

Divestments

The Antitrust Authority requested that the Unipol Group, with the support of an independent advisor, with top international standing, acceptable to the Antitrust Authority, sell certain insurance business operations of the old Milano Assicurazioni engaged in the production and distribution of insurance products. The purpose of these transactions is to ensure that, after the divestments, the market share of the Unipol Group is lower than 30% at the national and provincial level in the Casualty and Life businesses, based on "IVASS source" data (or, if it was greater than 30% before the merger, that it be brought back to the market share previously held).

On January 14, 2014, Unipol received an offer from Allianz S.p.A. On January 21, 2014, the Boards of Directors of Unipol and UnipolSai reviewed this offer and resolved to proceed on exclusive basis with the definition of contractual stipulations with Allianz.

On March 15, 2014, UnipolSai and Allianz S.p.A. executed an agreement the subject of which was the sale of business operations consisting of a casualty insurance portfolio valued at Euro 1.1 billion (2013 data), 729 agencies and 500 employees engaged in operating these activities. The sale of the assets belonging to the old Milano Assicurazioni (now UnipolSai) calls for a maximum consideration of Euro 440 million. The transaction will close after it is approved by the relevant regulatory and antitrust authorities.

At December 31, 2013, as required by IFRS 5, the assets and liabilities earmarked for divestment were classified into assets and liabilities held for sale, but the resulting economic effects, which will include the resulting premium reduction, were not determined.

As of the preparation date of the 2013 Pro Forma Consolidated Financial Information, it was not possible to project the effect of the abovementioned divestment because the total consideration that could be derived from this divestment could not be accurately estimated.

Divestment of equity interests

The Antitrust Authority also requested a reduction of the equity interest relationships with Mediobanca – Banca di Credito Finanziario S.p.A. ("**Mediobanca**") and Assicurazioni Generali S.p.A. through the divestment of the equity interests held in these companies.

On October 9, 2013, through an accelerated book building procedure, the Premafin Group sold 23,114,386 Mediobanca ordinary shares, equal to about 2.7% of the share capital, for a total consideration of Euro 135.2 million, collected in full. The remaining 9,905,500 Mediobanca ordinary shares held by Fondiaria-SAI (now UnipolSai), equal to about 1.1% of the share capital were the subject of forward sales contract executed at an earlier date, which were settled in November 2013, for a total amount of about Euro 50.5 million.

The entire equity interest held in Assicurazioni Generali S.p.A. was sold in 2012, generating a gain of Euro 11.0 million.

Reduction of the subordinated financing facilities

The Antitrust Authority also requested a reduction of the subordinated financing facilities owed to Mediobanca for a total amount of Euro 350 million, including Euro 100 million as part of the abovementioned divestment of business operations and Euro 250 million over the 2013-2015 time period.

With regard to the divestment of the insurance assets, it should be noted that within the context of the agreement executed by UnipolSai and Allianz on March 15, 2014, the latter excluded the possibility that it may want to acquire the indebtedness owed to Mediobanca in the amount of Euro 100 million. In order to comply with the reduction of the amount of the indebtedness owed to Mediobanca required by the Antitrust Authority, after appropriate evaluation, several technical possibilities were taken into consideration to meet the abovementioned requirement. As a result, an agreement was reached with Mediobanca regarding the technical and operational modalities for the

mutually agreeable cancellation of some loan agreements originally stipulated by the companies parties to the merger.

Non recurring effects related to such consensual resolution have not been reflected in the pro forma consolidated financial statements since they were considered insignificant. Finally, it should be noted that the recurring effects of this reduction would consist exclusively of a potential difference in borrowing costs, which, reasonably, is not deemed to be material.

Pro forma per share indicators

In accordance with the provisions of Article 27 of the Bylaws of UnipolSai (the "**Bylaws**"):

"The profits resulting from the financial statements approved by the Shareholders' Meeting, deducted the quotas to be allocated to ordinary reserves in the amounts set forth by law, shall be allocated following the order below:

- to the Class A Saving Shares, a preferred dividend up to Euro 6.5 per share;

- to the Class B Saving Shares, a preferred dividend per share up to 6.5% of the Class B Saving Shares Accounting Par Value;

- the outstanding amount, to the common shares and to the Saving Shares in a measure that ensures to the Class A Saving Shares an aggregate higher dividend (dividendo complessivo maggiorato), compared to the common shares, of Euro 5.2 per share, and to the Class B Saving Shares an aggregate higher dividend (dividendo complessivo maggiorato) compared to the common shares in a measure equal to 5.2% of the Class B Saving Shares Accounting Par Value; without prejudice in any event to the right of the Shareholders' Meeting to resolve, in whole or in part, their allocation to reserves or special provisions (accantonamenti) or their carry forward or extraordinary partial attribution to the employees of the Company fixing the relevant measure, the conditions and the criteria for their distribution or for the other purposes it deems consistent with the corporate interests.

If in a fiscal year it is allocated to the Class A Saving Shares a dividend lower than Euro 6.5 per share and/or to the Class B Saving Shares a dividend per share lower than 6.5% of the Class B Saving Shares Accounting Par Value, the difference is allocated and increases the preferred dividend of the two following fiscal years."

In addition, Article 7 of the Bylaws of UnipolSai states, inter alia, that the expression Accounting Parity of the Class B Shares shall be understood to mean: "(...) the ratio from time to time existing between the aggregate amount of the capital contributions made over the time upon subscription of the Class B Saving Shares and the total number of existing Class B Saving Shares."

As of the preparation date of the 2013 Pro Forma Consolidated Financial Information, the Accounting Parity of the Class B Shares amounted to Euro 0.565 and, consequently, 6.5% of the Accounting Parity of the Class B Shares was equal to Euro 0.036 for each Class B savings share.

As of the reference date of the 2013 Pro Forma Consolidated Financial Information, the accumulated dividend referred to in Article 6 of the Bylaws had accrued on the Class A savings shares for the two years ended December 31, 2011 and 2012, during which the Incorporating company did not earn a profit; the accumulated dividend accrued on the class B savings shares, issued in 2012 in connection with the Fonsai capital increase, with regular ranking for dividends, only for the year ended December 31, 2012.

Please note that the Accounting Parity of the Class B shares did not change due to the issuance by the Incorporating Company of new Class B shares earmarked for the purposes of the merger.

The foregoing considerations notwithstanding, the table below show the main pro forma indicators per share of UnipolSai for the year ended December 31, 2013 and the number of shares used to compute per share pro forma indicators. Please note that these indicators were computed: (i) taking into account the buyback by UnipolSai of the shares for which shareholders exercised the right of withdrawal and were the subject of the pro forma adjustment

commented in Note 5; and (ii) taking into account the effect of the issuance the Mandatorily Convertible Facility commented in Note 7.

There were no differences in the amounts of the basic and diluted indicators per share.

	2013	
Total number of shares	2,649,746,466	
Ordinary Shares	2,271,276,475	
Class A Savings Shares	1,276,836	
Class B Savings Shares	377,193,155	
Net profit attributable to owners of the parent in millions of Euro	645.9	
Net profit attributable to owners of the parent per share	Pro forma indicator per share	amount accrued in previous years
Ordinary shares	0.23	-
Class A Savings shares	19.50	13.00
Class B Savings Shares	0.26	0.04
Shareholders' equity attributable to owners of the parent in millions of Euro	5,387.5	
Shareholders' equity attributable to owners of the parent per share	Pro forma indicator per share	
Ordinary Shares	1.99	
Class A Savings shares	100.00	
Class B Savings Shares	1.99	
Total operating cash flow generated in millions of Euro	1,493.3	
Cash flow generated per share	Pro forma indicator per share	amount accrued in previous years
Ordinary Shares	0.55	-
Class A Savings shares	19.50	13.00
Class B Savings Shares	0.58	0.04

Number of shares outstanding

The number of shares, net of treasury shares, was computed considering all of the shares issued by UnipolSai in connection with the Merger (totaling 2,629,376,743), less the UnipolSai shares held by UnipolSai and its subsidiaries and taking into account the exercise of the abovementioned right of withdrawal by the Premafin shareholders (totaling 53,549,686 ordinary shares), increased by the number of shares that will be mandatorily issued upon the repayment of the Mandatorily Convertible Facility (73,919,409 ordinary shares). The ordinary shares earmarked for use in connection with the Mandatorily Convertible Facility were included in the computation of the number of shares outstanding because, pursuant to IAS 33: "Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into."

Net profit attributable to owners of the parent per share

This indicator was computed based on the pro forma consolidated profit of the UnipolSai Group attributable to the owners of the parent, in accordance with the criteria set forth in Article 27 of the UnipolSai Bylaws and the assumptions summarized above.

Shareholders' equity per ordinary share

This indicators was computed by allocating the shareholders' equity in accordance with the provisions of Article 31 of the UnipolSai Bylaws.

Cash flow per share

This indicator was computed based on the cash flow from operations of the UnipolSai Group attributable to the owners of the parent in accordance with the provisions of Article 27 of the Bylaws of the Company Resulting from the Merger and the assumptions summarized above.

**AUDITORS' REPORT ON THE EXAMINATION OF PRO FORMA CONSOLIDATED FINANCIAL
INFORMATION AS AT 31 DECEMBER 2013**

UNIPOLSAI ASSICURAZIONI SPA (FORMERLY FONDIARIA-SAI SPA)

**PRO FORMA CONSOLIDATED FINANCIAL INFORMATION PREPARED FOR THE DISCLOSURE
TO BE INCLUDED IN THE "BASE PROSPECTUS" PREPARED PURSUANT TO EC REGULATION
809 OF 2004 OF THE COMMISSION AND SUBSEQUENT CHANGES AND ADDITIONS**

AUDITORS' REPORT ON THE EXAMINATION OF PRO FORMA CONSOLIDATED FINANCIAL INFORMATION AS AT 31 DECEMBER 2013

To the Board of Directors of
UnipolSai Assicurazioni SpA

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION PREPARED FOR THE DISCLOSURE TO BE INCLUDED IN THE "BASE PROSPECTUS" PREPARED PURSUANT TO EC REGULATION 809 OF 2004 OF THE COMMISSION AND SUBSEQUENT CHANGES AND ADDITIONS

1. We have examined the Pro Forma Consolidated Statement of Financial Position, the Pro Forma Consolidated Income Statement and the Pro Forma Consolidated Statement of Cash Flows and the related notes of UnipolSai Assicurazioni SpA (formerly "Fondiaria-SAI SpA") and its subsidiaries ("UnipolSai Group") for the year ended 31 December 2013 (hereinafter the "Pro Forma Consolidated Financial Information").

The Pro Forma Consolidated Financial Information have been derived from historical data related to:

- (i) the consolidated financial statements of Premafin Finanziaria SpA - Holding di Partecipazioni and its subsidiaries (hereinafter "Premafin Group") as at 31 December 2013, which include in its consolidation scope UnipolSai Assicurazioni SpA and Milano Assicurazioni SpA, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the Regulation issued to implement Article 9 of Legislative Decree 38 of 2005;
- (ii) the consolidated financial statements of Unipol Assicurazioni SpA and its subsidiaries (hereinafter "Unipol Assicurazioni Group") as at 31 December 2013, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the Regulation issued to implement Article 90 of Legislative Decree 209 of 2005;

and the pro forma adjustments applied, which we have examined.

We have performed an audit of the consolidated financial statements of Premafin Group as at 31 December 2013, for which our audit report was issued on 7 April 2014.

We have performed an audit of the consolidated financial statements of Unipol Assicurazioni Group as at 31 December 2013, prepared only to be included in the document in accordance with EC Regulation 809 of 2004 of the Commission and subsequent changes and additions, for which our audit report was issued on 23 May 2014.

The Pro Forma Consolidated Financial Information have been prepared on the basis of the assumptions illustrated in the notes, in order to retrospectively reflect the effects of the Merger of Premafin Finanziaria SpA - Holding di Partecipazioni, Unipol Assicurazioni SpA and Milano Assicurazioni SpA in UnipolSai Assicurazioni SpA and the related and consequent operations (the "Merger").

2. The Pro Forma Consolidated Financial Information related to the year ended 31 December 2013 have been prepared for the inclusion in the "Base Prospectus" prepared in accordance with the EC Regulation 809 of 2004 of the Commission and subsequent changes and additions, referred to the program to issue listed bonds on the Luxembourg Stock Exchange (*Euro Medium-Term Note*).

The purpose of the preparation of the Pro Forma Consolidated Financial Information is to simulate, using accounting policies that are consistent with the historical data and compliant with applicable legislation, the effects of the Merger on the consolidated financial performance, on the consolidated financial position

and on the consolidated cash flows of the UnipolSai Group, as if it had taken place on 31 December 2013 and, for the information referred only to the economic effects and to the financial flows, on the beginning of 2013. However, it should be noted that if the Merger had taken place on the date assumed above, the effects would not necessarily have been the same as those presented.

The Directors of UnipolSai Assicurazioni SpA are responsible for the preparation of the Pro Forma Consolidated Financial Information. Our responsibility is to express an opinion on the reasonableness of the assumptions used by the Directors in the preparation of the Pro Forma Consolidated Financial Information and on the correctness of the methodology applied for the preparation of the same information. It is also our responsibility to express a professional opinion on the correctness of the measurement criteria and accounting principles applied.

3. We conducted our examination in accordance with the auditing standards and criteria recommended by CONSOB in its communication DEM/1061609 of 9 August 2001 for examination of pro forma data, and carried out such tests as we considered necessary for the purposes of our engagement.
4. In our opinion, the assumptions applied by UnipolSai Assicurazioni SpA in the preparation of the Pro Forma Consolidated Financial Information for the year ended 31 December 2013, together with the related notes to retrospectively reflect the effects of the Merger, are reasonable and the methodology used in the preparation of the above mentioned pro forma information has been applied correctly for the purposes illustrated above. Furthermore, the measurement criteria and accounting policies used for the preparation of the same information are correct.

Milan, 23 May 2014

PricewaterhouseCoopers SpA

Signed by

Angelo Giudici
(Partner)

This report is only a translation of the original report in Italian, issued in accordance with Italian standards on auditing.

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