



INTESA SANPAOLO FUNDING LLC

Unconditionally Guaranteed by

INTESA SANPAOLO S.p.A.

\$40,000,000,000

3(a)(3) COMMERCIAL PAPER NOTE PROGRAM

RATINGS

The notes offered hereby (the “**Notes**”) have been rated by S&P Global Ratings, Moody’s Investors Service, Inc., and Fitch Ratings Ltd. Ratings and such ratings are not a recommendation to purchase, hold or sell Notes. The ratings of the Notes are based upon information furnished to the rating agencies by the Issuer and the Guarantor, as well as information obtained by the rating agencies from other sources. The ratings are accurate only as of the date they are issued, and may be changed, superseded or withdrawn at any time. **Prospective purchasers should check the current ratings before purchasing any Notes.**

June 8, 2022

SUMMARY OF TERMS OF THE PROGRAM

Issuer:	Intesa Sanpaolo Funding LLC (formerly Intesa Funding LLC), a limited liability company formed in Delaware and a wholly-owned subsidiary of the Guarantor.
Guarantor:	Intesa Sanpaolo S.p.A., a <i>società per azioni</i> organized under the laws of Italy.
Program Size:	Authorized to a maximum outstanding at any time of \$40,000,000,000.
Exemption:	The Notes are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(3) thereof.
Offering Price:	Par less a discount representing an interest factor or, if interest bearing, at par.
Currencies:	The Notes will be issued in U.S. Dollars only.
Denominations:	The Notes will be issued in minimum denominations of \$100,000 and multiples of \$1,000 in excess thereof.
Maturity:	Up to 270 days from the date of issue.
Redemption:	The Notes will not contain any provision for extension, renewal or automatic rollover, either at the option of the holders of the Notes or the Issuer. The Notes will not be redeemable prior to maturity or be subject to voluntary prepayment.
Status of the Notes:	The Notes will rank <i>pari passu</i> with all other unsecured and unsubordinated indebtedness of the Issuer.
Status of the Guarantee:	The guarantee provided by the Guarantor (the “ Guarantee ”) will rank <i>pari passu</i> with all other unsecured and unsubordinated indebtedness of the Guarantor.
Selling Restrictions:	The Notes will be offered and sold exclusively to institutional investors and other entities that normally purchase short-term commercial paper in the U.S. commercial paper market.
Form:	Each Note will be evidenced by a master note registered in the name of The Depository Trust Company (“ DTC ”) or its nominee. Each master note representing Notes issued in book-entry form (the “ Book-Entry Notes ”) will be deposited with the Issuing and Paying Agent as sub-custodian for DTC or its successor. DTC will record, by appropriate entries on its book-entry registration and transfer system, the respective amounts payable in respect of Book-Entry Notes. Payments by DTC participants to purchasers for whom a DTC participant is acting as agent in respect of Book-Entry Notes will be governed by the standing instructions and customary practices under which securities are held at DTC through DTC participants.
Settlement:	Unless otherwise agreed to, same day basis, in immediately available funds.

- Listing:** The Notes will not be listed on any stock exchange.
- Governing Law:** Each Note and the Guarantee will be governed by and interpreted in accordance with the laws of the State of New York. The Guarantee will be subject to the Bail-in Power and certain other resolution actions of the relevant resolution authority, each as discussed in more detail under the section entitled “Recognition of Bail-in and Other Resolution Actions” of this Information Memorandum.
- Issuing and Paying Agent:** Deutsche Bank Trust Company Americas.

BY ITS ACQUISITION OF A NOTE (WHETHER ON ISSUANCE OR IN THE SECONDARY MARKET), EACH HOLDER OF THE NOTES (INCLUDING EACH HOLDER OF A BENEFICIAL INTEREST IN THE NOTES) ACKNOWLEDGES, ACCEPTS AND AGREES TO BE BOUND BY AND CONSENTS TO THE EXERCISE OF ANY BAIL-IN POWER (AS DEFINED HEREIN) OR THE VARIATION OF THE TERMS OF THE NOTES OR THE GUARANTEE BY THE RELEVANT AUTHORITY (AS DEFINED HEREIN) DISCUSSED BELOW UNDER “RECOGNITION OF BAIL-IN AND OTHER RESOLUTION ACTIONS” THAT MAY, INTER ALIA, RESULT IN THE REDUCTION OR CANCELLATION OF ALL, OR A PORTION, OF THE PRINCIPAL AMOUNT OF, OR OUTSTANDING AMOUNT PAYABLE IN RESPECT OF, AND/OR INTEREST ON, THE NOTES AND THE GUARANTEE, AND/OR THE CONVERSION OF ALL, OR A PORTION, OF ANY AMOUNT PAYABLE UNDER THE NOTES INTO EQUITY OR OTHER SECURITIES OR OTHER OBLIGATIONS OF THE GUARANTOR, THE ISSUER OR ANOTHER PERSON, INCLUDING BY MEANS OF A VARIATION TO THE TERMS OF THE NOTES OR THE GUARANTEE. SEE ALSO “RECOGNITION OF BAIL-IN AND OTHER RESOLUTION ACTIONS” BELOW. EACH HOLDER OF THE NOTES ACKNOWLEDGES, ACCEPTS AND AGREES THAT ITS RIGHTS AS A HOLDER OF THE NOTES (INCLUDING WITH RESPECT TO THE GUARANTEE) ARE SUBJECT TO, AND WILL BE VARIED, IF NECESSARY, SO AS TO GIVE EFFECT TO, THE EXERCISE OF ANY BAIL-IN POWER BY ANY RELEVANT AUTHORITY. NO PAYMENT OF THE PRINCIPAL AMOUNT OF THE NOTES OR THE GUARANTEE OR OF ANY OTHER OUTSTANDING AMOUNTS DUE UNDER OR IN RESPECT OF THE NOTES OR THE GUARANTEE WILL BE MADE AFTER THE EXERCISE OF ANY BAIL-IN POWER BY ANY RELEVANT AUTHORITY UNLESS, AT THE TIME THAT SUCH PAYMENT IS SCHEDULED TO BECOME DUE, SUCH PAYMENT WOULD BE PERMITTED TO BE MADE BY THE ISSUER OR THE GUARANTOR AFTER THE EXERCISE OF SUCH BAIL-IN POWER.

DESCRIPTION OF GUARANTEE

The Notes are unconditionally guaranteed by Intesa Sanpaolo S.p.A. pursuant to the Guarantee issued by Intesa Sanpaolo S.p.A. for the benefit of the holders of the Notes.

BUSINESS DESCRIPTION

Intesa Sanpaolo Funding LLC

Intesa Sanpaolo Funding LLC is a wholly-owned finance subsidiary of Intesa Sanpaolo S.p.A. The Issuer is formed in the State of Delaware.

Intesa Sanpaolo S.p.A.

The Intesa Sanpaolo Group (the “**Group**”) is the result of the merger by incorporation of Sanpaolo IMI S.p.A. with and into Banca Intesa S.p.A. (effective January 1, 2007). The surviving entity changed its name to Intesa Sanpaolo S.p.A., the parent company of the Group.

Banca Intesa S.p.A.

Banca Intesa S.p.A. was originally established in 1925 under the name of La Centrale and invested in the business of the production and distribution of electricity. After the nationalization of companies in this sector in the early 1960s, the company changed its name to La Centrale Finanziaria Generale, acquiring equity investments in various companies in the banking, insurance and publishing sector. The company merged with Nuovo Banco Ambrosiano in 1985 and assumed its name and constitutional objects. Following the acquisition of Cassa di Risparmio delle Province Lombarde S.p.A. (“**Cariplo**”) in January 1998, the Group’s name was changed to Gruppo Banca Intesa. Then, in 2001, Banca Commerciale Italiana S.p.A. was merged into the Gruppo Banca Intesa and the Group’s name was changed to “Banca Intesa Banca Commerciale Italiana S.p.A.” On January 1, 2003, the corporate name was changed to “Banca Intesa S.p.A.”.

Sanpaolo IMI S.p.A.

Sanpaolo IMI S.p.A. (“**Sanpaolo IMI**”) was formed in 1998 through the merger of Istituto Mobiliare Italiano S.p.A. (“**IMI**”) with and into Istituto Bancario San Paolo di Torino S.p.A. (“**Sanpaolo**”).

IMI was established as a public law entity in 1931 and during the 1980s it developed its specialist credit and investment banking services and, with Banca Fideuram, its professional asset management and financial consultancy services. IMI became a joint stock company (*società per azioni*) in 1991.

Sanpaolo originated from the “Compagnia di San Paolo” brotherhood, which was founded in 1563 to help the needy. The “Compagnia di San Paolo” began undertaking credit activities and progressively developed into a banking institution during the nineteenth century, becoming a public law credit institution (*Istituto di Credito di Diritto Pubblico*) in 1932. Between 1960 and 1990, Sanpaolo expanded its network throughout Italy through a number of acquisitions of local banks and medium sized regional banks, ultimately reaching the level of a multifunctional group of national importance in 1991 after its acquisition of Crediop. On December 31, 1991, Sanpaolo became a joint stock company (*società per azioni*) with the name Istituto Bancario San Paolo di Torino Società per Azioni.

The Merger between Banca Intesa and Sanpaolo IMI and the Creation of Intesa Sanpaolo S.p.A.

The boards of directors of Banca Intesa and Sanpaolo IMI unanimously approved the merger of Sanpaolo IMI with Banca Intesa on October 12, 2006 and the merger became effective on January 1, 2007. The surviving entity changed its name to Intesa Sanpaolo S.p.A., the parent company of the Intesa Sanpaolo Group.

UBI Banca S.p.A.

Unione di Banche Italiane S.p.A. (“**UBI Banca**”) is the entity resulting from the merger by incorporation of Banca Lombarda e Piemontese S.p.A. into Banche Popolari Unite S.c.p.a. (the “**Merger**”). The Merger became legally effective on April 1, 2007, with the surviving entity, BPU, changing its name to UBI Banca. On October 12, 2015, UBI Banca was the first Italian *banca popolare* to become a joint stock company (*società per azioni*). On April 12, 2019, the ordinary shareholders’ meeting of UBI Banca appointed a board of directors and a management control committee for the three-year period from 2019 to 2021, implementing the one-tier governance model adopted on October 19, 2018 through the resolution of a shareholders’ meeting in extraordinary session.

The Merger between Intesa Sanpaolo and UBI Banca

Intesa Sanpaolo acquired the control of UBI Banca on August 5, 2020 and merged it by incorporation on April 12, 2021.

Structure of the Group's Business

The Group is an Italian and European banking and financial services leader, offering a wide range of banking, financial and related services throughout Italy and internationally. Its international focus is primarily on Central Eastern Europe, the Middle East and North Africa. Its activities include deposit taking, lending, asset management, securities trading, investment banking, trade finance, corporate finance, leasing, factoring and the distribution of life insurance and other insurance products.

The Group's business is operated through the following six business segments: *Banca dei Territori* (Italian commercial banking), IMI Corporate & Investment Banking, International Subsidiary Banks, Private Banking, Asset Management, and the Insurance. In addition, there is the Corporate Center, which provides guidance, coordination and control for the entire Group.

Banca dei Territori

The *Banca dei Territori* business segment operates in Italy and is the Group's primary banking business. This business segment engages in traditional lending, deposit taking and associated financial services (including mortgages) through a distribution network of retail and business branches throughout Italy. It includes the activities in industrial credit, leasing and factoring previously carried out through Mediocredito Italiano.

The operations of the *Banca dei Territori* business segment are divided into: Individuals and Retail Companies Sales & Marketing and SME Sales & Marketing; Banca 5; and Impact Department.

Individuals and Retail Companies Sales & Marketing and SME Sales & Marketing: product offerings cover a broad range of financial services, including the following:

- *Retail Banking*: these services include current accounts, prepaid cards, credit and debit cards, and brokerage services.
- *Mortgage Lending*: the Group offers standard fixed and floating rate mortgages, as well as specialized products, including flexible and personalized mortgages, which includes products aimed at younger clients purchasing their first home.
- *Consumer Lending*: in addition to credit cards, the Group also provides other special purpose loans and personal loans.
- *Small Business Services*: the Group offers small businesses loans without collateral to support their business plans.
- *Savings and brokerage services*: the Group provides customers with savings, trading and security account solutions that can be tailored to an individual client's available funds, investment objectives and risk profile.
- *Insurance Protection*: the Group provides XME Protezione, the insurance solution which, in a single policy, protects the most important areas of life – health, home and household.
- *Multichannel Project*: the Group offers digital service, including “OkeySmart”, the new one-time-password software for the payment services in the internet market.

- *Agreements:* through specific agreements with the European Investment Bank and European Investment Fund, the Group developed multiple lines of action which will allow it to provide end beneficiaries with new loans with the goal of financing Italian SMEs and mid-caps, particularly investments in innovative research and investment projects and permanent working capital and liquidity needs to overcome the COVID-19 Pandemic.
- *Banking services for young people:* the Group offers a wide range of products dedicated to those under the age of 18, including loans targeted to students resident in Italy who intend to continue their education beyond high school.

Banca 5: Banca 5 is the first online bank in Italy to operate in the payments system sector and is exclusively dedicated to a non-captive network of sales points. It is authorized for deposit-taking activity and to exercise various lending activities, for all the financial and banking operations and services permitted.

Impact Department: the Impact Department, a new unit of *Banca dei Territori*, operates in the non-profit sector, managing non-profit customers and coordinating the activation and management of social impact funds.

IMI Corporate & Investment Banking

The IMI Corporate & Investment Banking business segment seeks to act as a global partner supporting the development of Italian and international corporate and financial institutions, public administrations, public utilities and infrastructure. It engages in both investment banking activities (including the creation of structured finance products and M&A consultancy services) and capital markets activities for the Group's clients and market participants.

The operations of the IMI Corporate & Investment Banking business segment are divided into five departments: Global Corporate Department, International Department, Financial Institutions Department, Global Transaction Banking Department and Global Markets and Investment Banking.

International Subsidiary Banks

The International Subsidiary Banks business segment supports the Group's activities in non-Italian markets through its (mostly retail) commercial subsidiary banks and affiliates. The entities comprising the Group's International Subsidiary Banks engage predominantly in retail banking, including traditional lending, deposit taking and associated financial services (including mortgages, insurance and pension products).

Private Banking

The Private Banking Division provides services to the top customers segment (Private and High Net Worth Individuals), aiming at increasing the profitability of assets managed through the development of the Group's range of products and the provision of high service content products.

Asset Management

The Asset Management Division is tasked with developing the best asset management solutions for both retail customers and institutional customers by offering a wide range of tailored investment products and services (mutual funds and portfolio management schemes) through the Group's subsidiary Eurizon Capital.

Insurance

The Insurance business segment oversees management of the subsidiaries Sanpaolo Vita, Intesa Sanpaolo Life, Fideuram Vita, Intesa Sanpaolo Assicura and Intesa Sanpaolo RBM Salute with the mission of further developing the insurance product mix targeting Group customers.

Corporate Center

The Corporate Center's mission is to provide guidance, coordination and control of the whole Group as well as for treasury operations, asset and liability management for the Group (*i.e.*, management of the Group's interest rate risks), cash pooling for members of the Group and IT services (including IT emergency and disaster recovery planning). The Corporate Center includes the central structures that perform holding company activities and support operating units through centralized services.

Please refer to the Group's website at <http://group.intesasanpaolo.com> for any developments with respect to the business areas of the Group.

FINANCIAL INFORMATION

The most recently published audited consolidated and non-consolidated annual financial statements of the Guarantor and, if published subsequently, the most recently published unaudited interim financial statements of the Guarantor (together the "**Financial Statements**") and annual reports of the Guarantor are available at: <http://group.intesasanpaolo.com>. This website URL is an inactive textual reference only and none of the information set forth on such website is incorporated herein by reference.

The Issuer and the Guarantor will provide, without charge, to each prospective purchaser prior to purchasing any Notes, upon the request for such prospective purchaser, a copy of any or all the Financial Statements.

ADDITIONAL INFORMATION

Each prospective purchaser is hereby offered the opportunity, prior to purchasing any Notes, to ask questions of and receive answers from the Issuer or the Guarantor, concerning the terms and conditions of the offering and to obtain additional relevant information, to the extent the Issuer or the Guarantor possesses the same or can acquire or provide it without unreasonable effort or expense.

To ask any questions or request additional information regarding the offering, please contact:

Intesa Sanpaolo S.p.A.
1, William Street
New York, NY 10004
Attn; Treasury Department / Short Term Debt Origination Department
Telephone: +1 (212) 607-3500

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Documents referred to in this Information Memorandum may include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are current estimates or expectations of future events or future results. Although such plans, intentions and expectations, as reflected in these forward-looking statements, are expected to be reasonable, there can be no assurance that these plans, intentions or expectations will be achieved or realized. Predicting results or the actual effects of plans and strategies is inherently uncertain. The words "estimate," "forecast," "project," "anticipate," "expect," "intend," "believe," "plan," "goal," "should," "may," "strategy," and words of like import are intended to identify forward-looking statements in addition to statements specifically identified as forward-looking statements. Actual results, performance or achievements could differ materially from

those contemplated, expressed or implied by the forward-looking statements contained in the documents or in the other information referred to herein. Forward-looking statements, projections or future plans could be affected by a number of factors that may not be predicted with accuracy, including disruptions in general economic activity, future changes in interest rates, general credit quality, the levels of economic, capital market, cross-border investing and merger and acquisition activity, government monetary policy, domestic and foreign legislation, regulation and investigation, competition, credit, market and operating risk, loan demand and political and military conditions including any war or other international armed conflict. This is not an exhaustive list and as a result of variations in any of these factors actual results may differ materially from any forward-looking statements. Forward-looking statements speak only as of the date they are made. You should not place undue reliance on any forward-looking statements. Forward-looking statements will not be updated to reflect facts, assumptions, circumstances or events which have changed after a forward-looking statement was made except as may be required by applicable securities laws, rules and regulations.

RECOGNITION OF BAIL-IN AND OTHER RESOLUTION ACTIONS

Each holder of Notes, by virtue of its acquisition of any interest in a Note (whether on issuance or in the secondary market), acknowledges and accepts the existence of, agrees to be bound by and consents to the exercise of any Bail-in Power or the variation of any contractual terms by any Relevant Authority in relation to BRRD liabilities in the Notes and the Guarantee in accordance with applicable laws and regulations, including in particular the BRRD, the BRRD Implementing Decrees and the SRM Regulation, and any other relevant provisions under the Applicable Banking Regulations.

In particular, and without prejudice to the generality of the foregoing, notwithstanding any provision of the Notes or any other agreements, arrangements, or understandings between the Issuer and the Guarantor and any holder of the Notes, and without prejudice to Article 55(1) of the BRRD, by its acquisition of the Notes each holder (which, for the purposes of this section, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effects of the exercise of the Bail-in Power by the Relevant Authority, which exercise may include and result in any of the following, or some combination thereof: (i) the reduction of all, or a portion, of the principal amount in respect of the Notes or the Guarantee together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; (ii) the conversion of all, or a portion, of the principal amount in respect of the Notes or the Guarantee together with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto, into ordinary shares, other securities or other obligations of the Issuer, the Guarantor or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes or the Guarantee; (iii) the cancellation of the Notes or the Guarantee or the principal amount in respect of the Notes or the Guarantee together, in each case, with any accrued but unpaid interest due thereon and any additional amounts (if any) due in relation thereto; and (iv) the amendment or alteration of the maturity of the Notes or the Guarantee or amendment of the amount of interest payable on the Notes or the Guarantee, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and
- (b) the variation of the terms of the Notes or the Guarantee, as deemed necessary by the Relevant Authority, to give effect to the exercise of the Bail-in Power by the Relevant Authority

As used in this section “Recognition of Bail-in and Other Resolution Actions,” the following defined terms shall have the meanings set forth below:

- (a) **“Applicable Banking Regulations”** means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in the Republic of Italy and applicable to the Guarantor or the Group (as the case may be) including, without limitation, the CRD IV Package, the Capital Instruments Regulations, the Consolidated Banking Act, the Circular No. 285, the BRRD, the BRRD II, the BRRD Implementing Decrees, the SRM Regulation, and any other laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect of the Relevant Authority or of the institutions of the European Union (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Guarantor or the Group) as well as standards and guidelines issued by the European Banking Authority.
- (b) **“Bail-in Power”** means any write-down, conversion, transfer, modification, or suspension power whether relating to the resolution or independent of any resolution action, of credit institutions, investment firms and/or Group entities, existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of Italy, including those relating to (i) the transposition of the BRRD (including, but not limited to, Legislative Decrees No. 180/2015 and 181/2015) as amended from time to time; and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period);
- (c) **“BRRD”** means Directive 2014/59/EU of the European Parliament and of the Council of May 15, 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time (including by BRRD II).
- (d) **“BRRD II”** means Directive 2019/879/EU of the European Parliament and of the Council of May 20, 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalization capacity of credit institutions and investment firms and Directive 98/26/EC, as the same may be amended or replaced from time to time.
- (e) **“BRRD Implementing Decrees”** means the Legislative Decrees implementing the BRRD and the BRRD II in the Republic of Italy, as amended or replaced from time to time.
- (f) **“Relevant Authority”** means (i) the European Central Bank, the Bank of Italy, or any successor authority having responsibility for the prudential supervision of the Guarantor or the Group within the framework of the Single Supervisory Mechanism set out under Council Regulation (EU) No. 1024/2013 and in accordance with the Applicable Banking Regulations and/or, as the context may require, (ii) the resolution authority as defined under the BRRD, the BRRD II, the BRRD Implementing Decrees and/or the SRM Regulation; and/or (iii) any other authority in Italy or in the European Union entitled to exercise or participate in the exercise of the Italian Bail-in Power or having primary responsibility for the prudential oversight and supervision of Intesa Sanpaolo.
- (g) **“SRM Regulation”** means Regulation (EU) No. 806/2014 of the European Parliament and Council of July 15, 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No. 1093/2010, as amended or replaced from time to time, including by Regulation (EU) 2019/877 of the European Parliament and Council of May 20, 2019.

Upon the Guarantor becoming aware of the exercise of the Bail-in Power by the Relevant Authority with respect to the BRRD liabilities in the Notes and the Guarantee, the Guarantor shall provide a notice to the holders of the Notes as soon as reasonably practicable regarding such exercise of the Bail-in Power for purposes of notifying holders of such occurrence. The Guarantor shall also deliver a copy of such notice to DTC for information purposes. Any delay or failure by the Guarantor, as applicable, to give notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the BRRD liabilities in the Notes and the Guarantee.

The exercise of the Bail-in Power by the Relevant Authority with respect to the BRRD liabilities in the Notes and the Guarantee shall not constitute an event of default and the other terms of the BRRD liabilities in the Notes and the Guarantee shall continue to apply in relation to the BRRD liabilities in the Notes and the Guarantee, and any further modification of the terms that the Relevant Authority may decide in accordance with applicable laws and regulations, including in particular the BRRD, BRRD II, the BRRD Implementing Decrees and the SRM Regulation, and any other relevant provisions under the Applicable Banking Regulations.

CERTAIN TAX MATTERS

United States

Withholding Tax

All payments in respect of the Notes by or on behalf of the Issuer shall be in United States dollars and shall be made without withholding for or deduction of any taxes or duties imposed or levied by or on behalf of the United States or any political subdivision or any authority thereof or therein having the power to tax, unless such withholding shall be required by the law of such jurisdiction. If the laws of the United States or any political subdivision or any authority thereof should require that payments of interest in respect of the Notes be subject to deduction or withholding for any taxes or duties whatsoever, the Issuer will, to the fullest extent permitted by law, pay such additional amounts to each holder of a Note as shall result in a receipt by such holder of such amounts as would have been received by such holder had no such withholding or deduction been required, provided that the Issuer shall not be required to pay any such additional amount (i) on account of any tax that would not have been so imposed but for the existence of any present or former connection between the holder (or between a fiduciary, settlor, beneficiary, member or shareholder of or possessor of a power over the relevant holder, if the relevant holder is an estate, nominee, trust, partnership, limited liability company or corporation) or the beneficial owner of the Notes and the relevant jurisdiction (including, without limitation, being or having been a citizen, resident or national thereof or being or having been present or engaged in a trade or business therein or having or having had a permanent establishment therein) other than the mere receipt of such payment or the ownership or holding of Notes; (ii) where the applicable taxes are levied other than by way of a withholding or deduction; (iii) where such withholding or deduction is imposed on any payment by reason of FATCA (as defined below); (iv) where such withholding or deduction would not have been imposed but for a failure by a holder of Notes or beneficial owner (or any financial institution through which a holder of Notes or beneficial owner holds the Notes or through which payment on the Notes is made) to enter into or to comply with any applicable certification, documentation, information or other reporting requirement or agreement concerning accounts maintained by a holder of Notes, beneficial owner (or any such financial institution) or concerning ownership of a holder of Notes or beneficial owner (or any such financial institution) or any substantially similar requirement or agreement; (v) on account of any estate, inheritance, gift, sales, transfer, personal property or similar taxes imposed on transfers; (vi) on account of any taxes to the extent such taxes were imposed as a result of the presentation of a Note for payment (where Notes are in the form of certificated Notes and presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to additional amounts had the Note been presented on the last day of such 30 day period); or (vii) any combination of clauses (i) through

(vi) above. For the avoidance of doubt, no additional amounts shall be payable by the Issuer in respect of payments of principal under the Notes.

FATCA

As a result of the United States Foreign Account Tax Compliance Act (“**FATCA**”) and related intergovernmental agreements, holders of Notes may be required to provide information and tax documentation regarding their identities as well as that of their direct and indirect owners. It is also possible in the future that payments on the Notes may be subject to a withholding tax of 30% to the extent such payments are considered to be “foreign pass-through payments.” Under current guidance, the term “foreign pass-through payment” is not defined. Any such withholding tax will only apply to payments that are made two years or more after the date on which final United States Treasury Regulations defining the term “foreign past thru payment” are filed with the United States Federal Register. It is unclear to what extent (if any) payments on securities such as the Notes would be considered “foreign pass-through payments” or to what extent (if any) pass-through payment withholding may be required under intergovernmental agreements. The Issuer will not pay additional amounts on account of any withholding tax imposed by FATCA.

FATCA is particularly complex and its application to the Issuer, the Notes, and the holders of the Notes is uncertain at this time. Investors are encouraged to consult with their own tax advisors regarding the possible implications of FATCA for this investment.

Italy

According to an interpretation of relevant Italian tax law and regulations, any payments in respect of the Notes made by the Guarantor, equal to interest and other proceeds, may be subject to a substitute tax at a rate of 26% pursuant to Article 2 of Italian Legislative Decree No. 239/1996, as subsequently amended and supplemented, applicable to certain Italian resident noteholders. Non-Italian resident noteholders should not be subject to any substitute tax. This interpretation is based on the view that any payment of the Guarantor should be treated, for tax purposes, as a payment made by the Issuer. However, neither Italian tax authorities nor Italian tax courts have issued any opinions on the tax regime applicable to payments on securities made by an Italian-resident entity (such as the Guarantor) that has guaranteed payments under the securities. According to a different interpretation, payments made by a guarantor entity resident in Italy (such as the Guarantor) may be treated as an Italian source payment subject to a withholding tax at a rate of 26% both in relation to non-Italian resident noteholders and certain Italian resident noteholders pursuant to Article 26 of Italian Presidential Decree No. 600/1973. Non-Italian resident noteholders may ask for the application of double taxation treaties entered into by Republic of Italy in order to obtain a lower rate of withholding tax, subject to the relevant procedural requirements.

In its discretion, the Guarantor may appoint a tax compliance agent that will facilitate the collection and processing of information regarding the identity and residence of the beneficial owners of the Notes, if necessary.

Notwithstanding the foregoing, any payments made by the Guarantor under the guarantee shall be in United States dollars and shall be free of all withholding, stamp and other similar taxes and of all other governmental charges of any nature whatsoever imposed by any jurisdiction in which the Guarantor is located or from which any such payment is made, unless such withholding shall be required by the law of such jurisdiction. In the event any withholding is required by law, the Guarantor will (i) pay the same and (ii) pay such additional amounts which, after deduction of any such withholding, stamp or other similar taxes or governmental charges of any nature, whatsoever imposed with respect to the payment of such additional amount, shall equal the amount withheld pursuant to clause (i).